



Know Your Budget 2018

June 2018

A Citizen's Guide to the Budget of FY 2018/19

Ministry of Finance, Planning and Economic Development

Foreword

The Budget for FY 2018/19 marks the fourth year of implementation of the Second National Development Plan (NDPII). The NDPII provides the strategic framework for attainment of middle income status by 2020, with an aim of strengthening Uganda's competitiveness for sustainable wealth creation, employment and inclusive growth.

The theme for the Financial Year (FY) 2018/19 budget is '*Industrialisation for Job Creation and Shared Prosperity*'. This theme is anchored on the priorities of the Budget Strategy FY 2018/19 which emphasize commercialization of agriculture, industrialization and productivity enhancement. The Government adopted this theme this financial year in consultation with the East African Community partners and will guide the budget in both preparation and execution for the next three financial years.

The Citizen's Guide to the Budget for FY 2018/19 aims to enable the general public, especially those who are not familiar with public finance to understand Government plans by highlighting the strategic objectives of the Financial Year 2018/19 Budget and provide an understanding of the new tax measures and reasons behind resource allocations to key sectors. This publication will further provide a summary of the financial year 2018/19 Government revenue, funding sources, expenditure plans and measures for enhancing domestic revenue mobilization.

The Budget for Financial Year 2018/19 was read on Thursday, 14th June 2018 and amounts to **UShs. 32,702 billion**.

As part of the Budget Transparency Initiatives and to ease access to all relevant information in this country, I encourage all of you to take keen interest in this budget and understand the allocations to areas of your interest by visiting our dedicated budget website www.budget.go.ug or by calling the toll free hotline **0800 229229**.

For God and My Country



Matia Kasaija

Minister of Finance, Planning and Economic Development

Table of Contents

Foreword.....	i
Acronyms	1
Glossary	2
Introduction	4
Uganda’s Economic Performance and Outlook	5
FY 2018/19 Revenue Mobilization	6
FY 2018/19 Tax Measures	7
Sector Allocations of FY 2018/19 Budget	9
Key Sector Interventions	10
Agriculture.....	10
Tourism.....	13
Energy and Mineral Development	15
Works and Transport	18
Information, Communication and Technology	21
Education.....	23
Health	26
Water and Environment.....	29
Accountability	31
Employment and Socio—Economic Empowerment.....	32
Justice, Law and Order	33
Security.....	34
Policy Initiatives	35

Acronyms

AIA	Appropriation in Aid
CHEWs	Community Health Extension Workers
GDP	Gross Domestic Product
ICT	Information Communications Technology
IDB	Islamic Development Bank
IFMS	Integrated Financial Management System
IPPS	IntegrPersonnel Payroll Systemated
LLINs	Long Lasting Insecticide Treated Nets
MDAs	Ministries, Departments and Agencies
MTEF	Medium Term Expenditure Framework
NDP II	Second National Development Plan
OBT	Output Budgeting Tool
OTIMS	Inter-Governmental Fiscal Transfers and Online Transfer Management System
OTT	Over The Top
OWC	Operation Wealth Creation
PBS	Programme Budgeting System
PFMA	Public Finance Management Act
PPDA	Public Procurement and Disposal of Public Assets Authority
SAGE	Social Assistance Grant for Empowerment
SDGs	Sustainable Development Goals
SGR	Standard Gauge Railway
SME	Small and Medium Enterprises
UDBL	Uganda Development Bank Limited
URC	Uganda Railways Corporation
USMID	Uganda Support to Municipal Infrastructure Development
UWEP	Uganda Women Entrepreneurship Programme
VAT	Value Added Tax

Glossary of Selected Terms

Appropriation Act: authorizes Government Ministries and Agencies to allocate and spend funds on selected programmes and projects.

Appropriations in Aid: This refers to the category of expenditure that is Non-Tax and collected by institutions that spend it at source.

Approved Budget: This is the appropriated Budget and statutory expenditure by the Parliament of the Republic of Uganda, for a Financial Year from 1st July to 30th June.

Budget: is an estimation of revenue and expenses over a specified future period of time usually a year.

Budget Deficit: is defined as the difference between what the Government spends and what the government collects.

Chart of Accounts: this is the complete list of items against which Budget allocations are made and appropriated through the Integrated Financial Management System. This forms basis of the detailed Budget Estimates.

Concessional Loans: are loans that are extended on terms substantially more generous than market loans. The concessionality is achieved either through interest rates below those available on the market or by grace periods, or a combination of these. Concessional loans typically have long grace periods. These are usually provided by multilateral agencies e.g. World Bank

Contingencies Fund: is a fund created to meet some urgent or unforeseen expenditure of Government.

Development Partner: is a Country that offers assistance in form of Funds, machinery, experts

and several others to another country.

Domestic Financing: is the amount of money raised by the Government, in local currency and from its own residents mostly through the commercial banks and issuing government securities.

Economic growth: refers to the increase in the amount of goods and services produced in a country over a period of time, usually one year.

External Financing (External Fin.): This refers to the category of expenditure that was previously referred to as donor in the Budget documents. The change in name is to ensure conformity with international nomenclature.

GoU: This refers to the category of expenditure on domestic development funded by the Government of Uganda.

Grants: are non-repayable funds or products disbursed by one party, often a Government Department, Corporation, Foundation or Trust. These are provided for mostly by bilateral development partners.

Grants and Subsidies (Outputs Funded): These are services funded by the Vote but delivered by another institution. They relate to expenditures on grants and transfers in the chart of accounts.

Gross Domestic Product: (GDP) is the monetary value of all the finished goods and services produced within a country's borders in a specific time period, though GDP is usually calculated on an annual basis.

IFMS: is an IT-based budgeting and accounting system that manages spending, payment processing, budgeting and reporting for governments and other entities.

Glossary of Selected Terms

Inflation: is a sustained increase in the general price level of goods and services in an economy over a period of time.

Investment (Capital Purchases): These relate to purchases of capital assets in the chart of accounts.

Item: These are the lowest operational level of the Budget, and represent the resources necessary to carry out activities, e.g. staff salaries, travel inland, printing and stationery etc.

MTEF: is an annual plan that shows the money Government intends to spend in the next five years.

Non Tax revenue: is revenue from other sources apart from tax that is collected and sent to the Consolidated Fund. These include fees and licenses.

OTT Tax: This tax is an excise duty on over the top ("OTT") services and it is charged at rate of UGX 200 per user per day of access.

OTT Services: the transmission or receipt of voice or messages over the internet protocol network and includes access to virtual private networks (VPNs)

PBB: is the practice of developing Budgets based on the relationship between program funding levels and expected results from that program.

PBS: is an online budgeting system that describes and gives the detailed costs of every activity that is to be carried out with a given budget.

Project: These represent the results or set of activities implemented by the Vote which contribute to the achievement of the Vote objectives.

They primarily involve capital purchases and may be financed by the Government of Uganda and/or Development partners, e.g. Emergency construction of primary school classrooms.

Programme: These represent the results or sets of activities implemented by the Vote which contribute to the achievement of the Vote objectives. These are recurrent in nature.

Public Debt: is the debt owed by a central government.

Release: Central Government transfer of funds to MDAs (including supplementary schedule) from the consolidated fund.

Sector: These are groups of institutions (Votes) or parts of institutions which contribute towards a common function, e.g. Education, Health, Agriculture etc.

Trade deficit: is an economic measure of a negative balance of trade in which a country's imports exceeds its exports. A trade deficit represents an outflow of domestic currency to foreign markets.

Taxes: are financial charges or other levies imposed upon a taxpayer (an individual or legal entity) by a state or the functional equivalent of a state to fund various public expenditures. In Uganda, Tax revenues are collected by URA. These include income tax, VAT, excise duty, custom duties among others.

Vote: These are institutions (Ministries, Departments, Agencies and Local Governments which are the basis of the annual budget and appropriations made by Parliament, and the basis for accountability, e.g. Ministry of Public Service, Ministry of Health etc.

Introduction

What is the Citizen's Guide to the Budget?

The Citizen's Guide to the Budget is a simplified document to enable the general public understand the Government's Budget.

This is a summary of the National Budget clearly illustrating how Government plans to raise revenue and how it plans to allocate and spend these resources in different areas of the economy to achieve the National Development Goals.

The role of the citizen is to:-

1. Know how Government intends to raise resources for financing the Budget;
2. Know how Government will make use of the available public resources that have been raised highlighting the priorities; and
3. To participate actively at all levels and hold Government responsible and accountable for service delivery.

What is the National Budget?

The National Budget is a country's official statement which shows how Government plans to raise revenue and how these revenues will be allocated to different programmes and projects over a given period of time, usually a Financial Year (FY).

APPROVAL OF THE BUDGET

The Ministry of Finance, Planning and Economic Development after consultations with stakeholders is supposed to submit the National Budget Estimates to Parliament by 31st April for discussion and approval of the Budget by 31st May prior to the beginning of the Financial Year.

The Budget for FY 2018/19 was approved on 1st June, 2018 and became operational effective 1st July, 2018.

Focus of the Budget for FY 2018/19

The budget priorities for this FY are anchored on the National Development Plan II, sustainable Development Goals (SGDs) and the NRM Manifesto.

The three key strategies in the National Budget Strategy are:

1. Commercialization of agriculture;
2. Industrialization and Productivity Enhancement; and
3. Financing Private Sector Investment.

The budget for the FY 2018/19 is emphasizing *“Industrialisation for Job Creation and Shared Prosperity”*.

Uganda's Economic Performance and Outlook

Economic Growth

Economic growth refers to the increase in the capacity of an economy to produce goods and services, compared from one period of time to another.

The rate at which the economy is growing is measured using the Gross Domestic Product (GDP). Currently Uganda's GDP is Ushs. 101.8 Trillion equivalent to USD 27.9 Billion.

The economy's growth has steadily improved from 3.9% in the FY 2016/17 to 5.8 in FY

2017/18 owing to improvement in the financial, Information, communications and trade subsectors.

Furthermore, the growth of the economy is attributed to good performance in construction and agro-processing, recovery in the mining and quarrying sub-sectors, better weather conditions, control of pests and diseases, seed distribution and provision of better extension services.

Inflation

Inflation refers to changes in the prices of goods and services over time.

Inflation in Uganda has remained relatively stable below 10% despite the increase in the global oil prices. The stable state provides a good environment for investment in Uganda

that facilitates economic growth and development.

The inflation rate is projected to average 3.6%, mainly due to the increased supply of agricultural output, coupled with sound economic policy management.

Exchange Rates

Exchange rate refers to the value of the Uganda Shilling against other currencies.

The Ugandan Shilling has been relatively sta-

ble against other currencies over a period of time. This is on account of increased export receipts especially from coffee and tea.

Interest Rates and Private Sector Credit

Interest rates refers to the proportion of money that the borrower is required to pay back on top of the amount they acquired as a loan, it is normally expressed in percentage terms.

Private Sector Credit refers to money that is available to the Private sector from financial institutions for example banks and is accessed through borrowing, buying good on credit, among others.

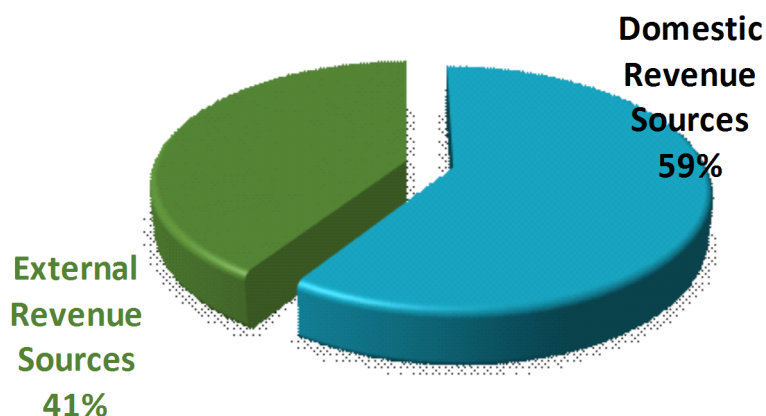
Government through the Bank of Uganda has lowered the Central Bank Rate to 9% in a bid to increase access to funds. Furthermore through the Capitalization of Uganda Development Bank, financing the Microfinance Credit Support Centre and the Agricultural Credit Facility, pressure has been put on Banks and other Financial Institutions to reduce their interest rates.

Revenue Mobilization in FY 2018/19

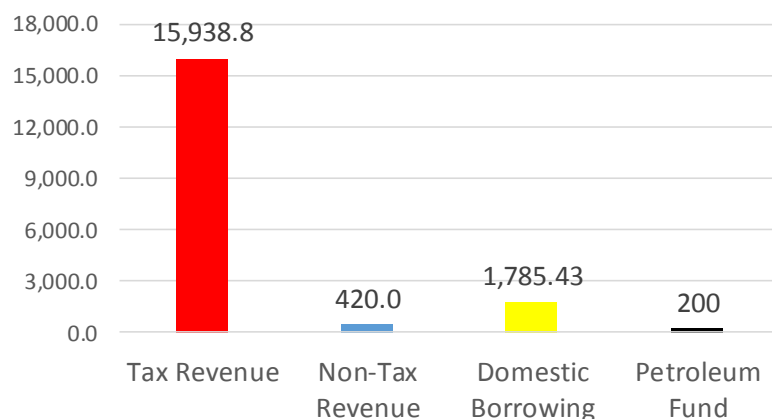
The Budget for FY 2018/19 amounts to **UShs. 32,702 billion** comprised of Domestic revenue amounting to **UShs. 19,407.7 Billion** and External Revenue amounting to **UShs. 13,295.0 billion**.

Revenue Sources

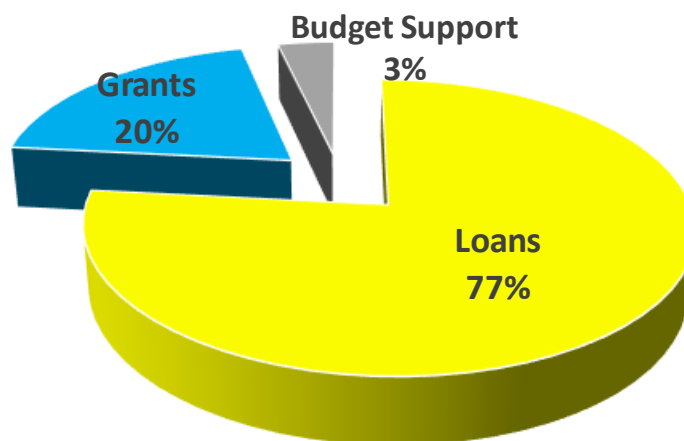
Revenue refers to a state's annual income from which public expenses are met.



DOMESTIC REVENUE SOURCES



EXTERNAL FUNDING SOURCES



Objectives of the Taxation System in Uganda

REASONS FOR THE FY 2018/19 TAX MEASURES

Taxation is essential in raising Government revenue, redistributing wealth and income and allocation of resources among the population.

The objectives of the taxation system are as follows:

1. Widen the tax base;
2. Enhance tax compliance in the agricultural sector where most income earners are not paying any tax compared to other persons paying tax on relatively lower incomes;
3. Enhance tax compliance among commission agents who have not been paying tax;
4. Rationalise excise related telecommunication services and enhance compliance;
5. Reduce pollution, save foreign exchange and provide a conducive environment for motor vehicle assembly;
6. Encourage importation of newer motor vehicles;
7. Improve on the return to investment in the soft drinks industry;
8. Enhance compliance where suppliers have not been consistent in filing and paying VAT; and
9. Minimise tax avoidance arising from indirect sale assets connected to Uganda.



Tax Measures for FY 2018/19

Government in FY 2018/19 aims to enhance revenue mobilisation and the efforts to achieve this objective to fund Government development programmes and projects in FY 2018/19 will constitute the following:



Daily levy of UShs. 200 on OTT is projected to generate **Ug Shs. 284.0 Bn** in Revenue in the FY 2018/19.

Increase excise duty on Diesel and Petrol by UShs. 100 per litre. This will attract revenue worth **UShs. 196.4 Bn.**



Excise duty of Shs. 200 per litre of cooking oil to widen the tax base. This will attract revenue worth **Ug Shs. 3.0 Bn**



Introduce 10% final withholding tax on commissions by telecommunication companies to mobile money and air-time agents as a final tax



Increase motor vehicle first registration fees from Shs. 1,200,000 to Shs. 1,300,000

Ban of imports of motor vehicles of 15 years and over from the year of manufacture

0.5% levy on Mobile Money is projected to raise revenue amounting to **Ug Shs. 115 Bn**



Increase excise duty on mobile money and bank charges from 10% to 15% will generate **Ushs. 45.0 Bn**

Excise duty of **Ug Shs. 200,000** on motorcycles at first registration is projected to generate revenue worth **UShs. 8.0 Bn**

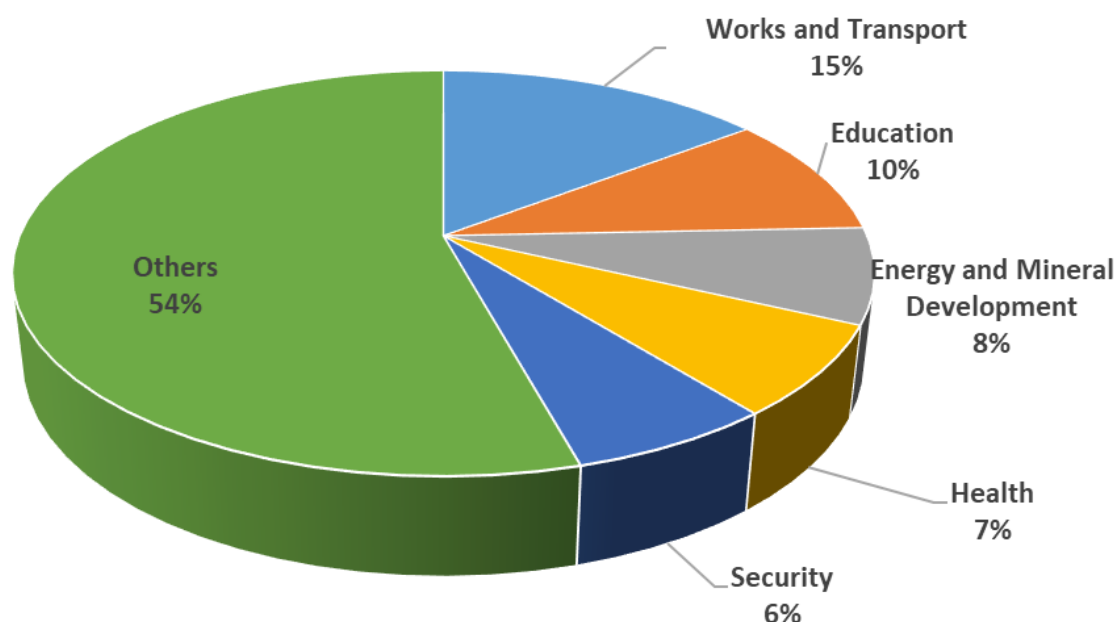


Excise duty of 12% on all telecommunication services (phone talk time on mobile phones, land lines, value added services). This will generate **Ushs. 30.0 Bn**

Introduce excise duty on opaque beer (kibuku) -Ug. Shs. 650 per litre

Reduce excise duty on soft drinks from 13% to 12%

SECTOR ALLOCATIONS OF FY 2018/19 BUDGET



Sector Name	FY 2017/18	FY 2017/18	FY 2018/19	FY 2018/19
	Amount (Bn)	% Share	Amount (Bn)	% Share
Interest Payments	8,583.68	29.59	8,679.65	26.54
Works and Transport	4,621.29	15.93	4,793.89	14.66
Education	2,828.98	9.75	3,167.32	9.69
Energy and Mineral Development	2,370.72	8.17	2,485.07	7.60
Health	1,878.96	6.48	2,367.76	7.24
Security	1,498.96	5.17	2,136.16	6.53
Public Sector Management	1,649.61	5.69	1,862.85	5.70
Justice, Law and Order	1,237.48	4.27	1,442.12	4.41
Water and Environment	686.76	2.37	1,318.68	4.03
Accountability	983.29	3.39	1,266.55	3.87
Agriculture	866.76	2.99	944.71	2.89
Public Administration	573.05	1.98	642.30	1.96
Legislature	483.75	1.67	497.80	1.52
Lands, Housing and Urban Development	151.94	0.52	232.76	0.71
Social Development	177.81	0.61	218.22	0.67
Science, Technology and Innovation	72.10	0.25	184.31	0.56
ICT and National Guidance	136.26	0.47	181.07	0.55
Trade and Industry	107.85	0.37	163.29	0.50
Tourism	99.28	0.34	118.31	0.36
Grand Total	29,008.54	100.00	32,702.82	100.00

Key Sector Interventions

The focus on industrialisation to create jobs and growth of all individual/citizens in the Country guides the Budget Strategy for the FY 2018/19 that seeks to address the development challenges through the following three key areas:

1. Commercialization of Agriculture;
2. Industrialisation and Productivity Enhancement; and
3. Financing Private Sector Investment..

The above key areas require different interventions in the different sectors as shown in the preceding sections.

Agriculture

ACHIEVEMENTS IN FY 2017/18

NAADS/ Operation Wealth Creation programme continued the distribution of tea, fruit and cocoa seedlings; beans, grain seed including maize, rice and sim-sim to over 3.7 million households. Furthermore 15,500 households received improved breeding stock for poultry, goat, dairy and beef cattle; and

The National Agricultural Research Organisation (NARO) developed and released three coffee wilt disease resistant varieties, three banana hybrids, and three fortified bean varieties.

In order to enhance water for production, the following interventions were implemented during the year:

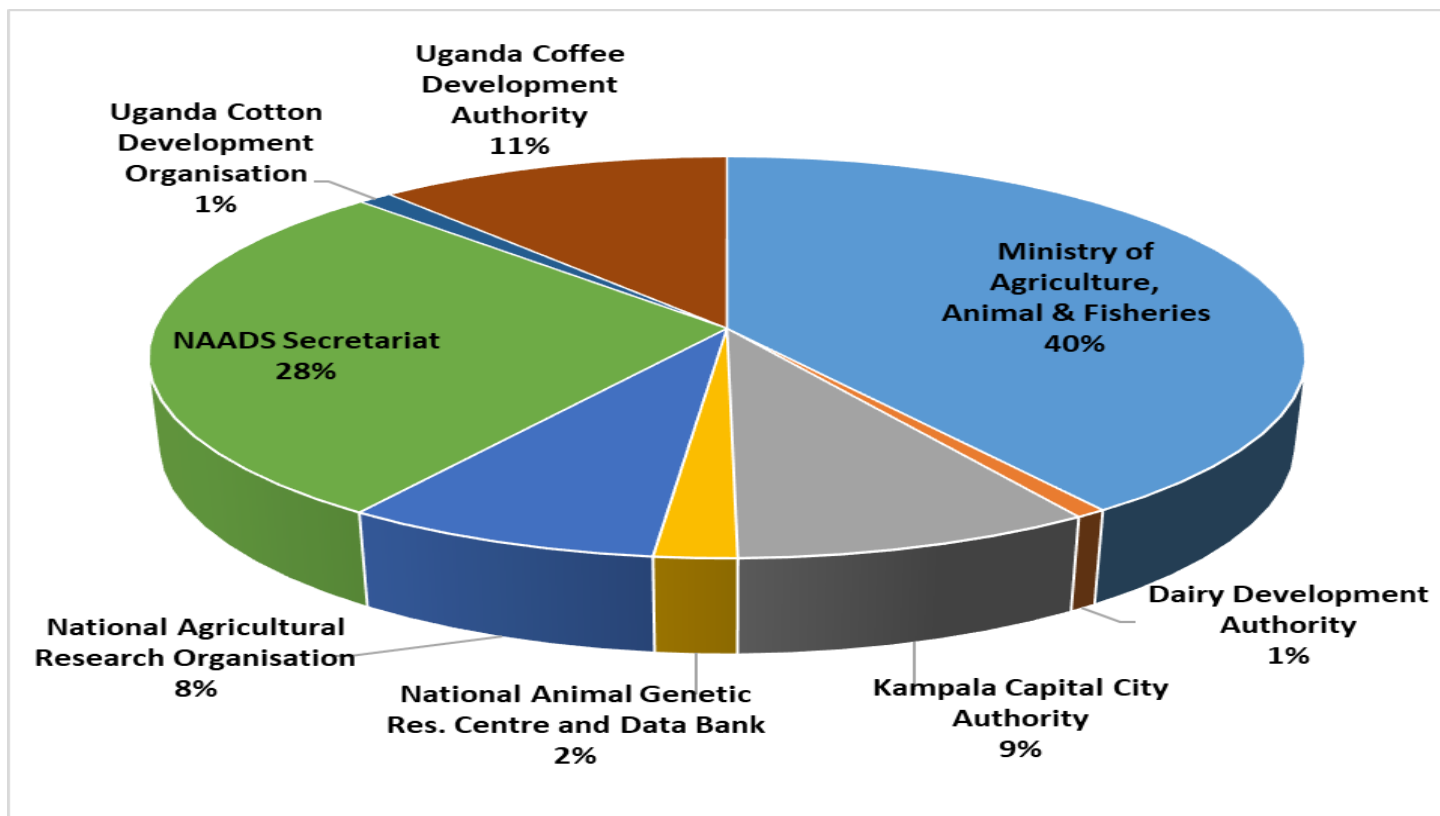
- 1) Commissioning of newly constructed irrigation schemes i.e. 1,178 hectares at Doho II in Butaleja District, 480 hectares at Mubuku II in Kasese District, 1,000 hectares at Wadelai in Nebbi District, 500 hectares at Torchi in Oyam District, and 880 hectares

at Ngenge in Kween District;

- 2) Completed construction of 50 small scale irrigation demonstrations and water harvesting sites in selected districts under 9 Zonal Agriculture Research and Development Institutes;
- 3) Constructed 155 valley tanks with a total capacity of 8 million cubic meters in drought prone or cattle corridor districts of Nebbi and Gulu in Northern Uganda;
- 4) Completed the construction of 7 small scale solar powered Irrigation Schemes in the districts of Bugiri, Amuria, Soroti, Isingiro, Mbarara, Lwengo, Oyam and Alebtong; and
- 5) Finalised contracts for design of 5 Multi-purpose storage dams at Kyenshama in Mbarara District, Ojama in Serere District, Makokwa and Kyahi in Gomba District, Geregere in Agago District and Nakaale in Nakapiripirit District.

Agriculture

FY 2018/19 BUDGET VOTE ALLOCATIONS



PRIORITIES IN FY 2018/19

In the FY 2018/19, actions to increase productivity include the following:

- I. Enhancing extension services by recruiting an additional 1,968 extension workers that are needed to achieve the recommended extension worker/ household ratio of 1:500;
- II. Establishment of regional mechanization centers in a phased manner of 3 years commencing with Northern Uganda. These centers will build infrastructure for water for agricultural production, and

provide maintenance for agricultural machinery on a cost recovery basis;

- III. Rehabilitating the National Semi-Arid Agricultural Research Institute at Serere and the Zonal Agricultural Research and Development Institute at Rwebitaba.



Agriculture

Programmes with the Highest Expenditures under Agriculture in FY 2018/19

Key Programmes in the Sector	Amount (Bn Ushs.)
Agriculture Advisory Services (Planting Materials and Value Addition)	249.99
Crop Resources	214.75
District Production Services	122.97
Coffee Development	101.27
Agricultural Research	69.61
Directorate of Animal Resources	63.73
Others	122.39
Grand Total	944.71

FLAGSHIP PROJECTS UNDER THE SECTOR FOR FY 2018/19

AGRICULTURE CLUSTER DEVELOPMENT PROJECT

The project started in FY 2013/14 and aims at raising productivity, production and commercialisation of selected agricultural commodities for export to the regional markets. In FY 2018/19, the project has been allocated US\$ 117.6 billion and is expected to end in FY 2019/20.

Tourism

ACHIVEMENTS IN FY 2017/18

Viability of the Tourism sector can only be ensured through sustained conservation of our tourism resource as well as ensuring heritage conservation. The sector earns USD 1.3 billion this financial year compared to USD 498 billion in 2008 and is projected to earn USD 2.7 billion annually.

PRIORITIES IN FY 2018/19

To enable the tourism industry reach its potential, Government will undertake the following interventions in FY 2018/19:

- ◆ Consolidate the gains realised by Market Destination Representation firms showcasing Uganda as a tourist destination in six international fairs;
- ◆ Redevelop tourist infrastructure including the renovation of the Uganda National Museum, building walkways at several sites on Mt



Rwenzori and constructing 40-bed accommodation each at Murchison Falls, Lake Mburo and Kidepo Valley;

In the FY 2017/18, promoting domestic tourism was also Government's priority and through Domestic tourism promotional campaigns (Tulambule) and education outreaches on culture, tourism and wildlife conservation the Government has improved the experience at the different tourist sites.

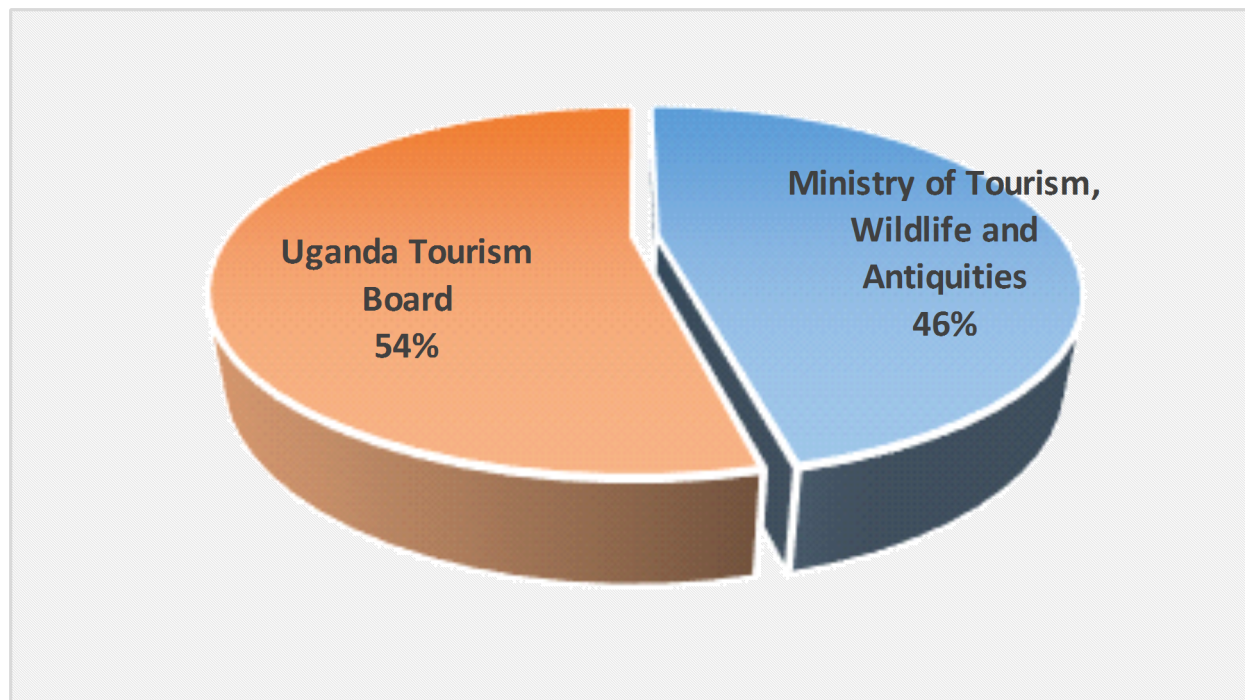
- ◆ Using Public-Private Partnerships arrangements, develop Kalagala and Itanda tourism sites, as well as the Dolwe Islands cultural Site;
- ◆ Develop and expand Namugongo Martyrs shrine;



- ◆ Reduce conflicts between humans and wildlife by maintaining existing 210 kms and excavation of an additional 100km elephant trenches National Parks
- ◆ Developing Uganda as a regional hub for biodiversity and cultural tourism as well as providing incentives for Conferences, Meetings and Exhibitions; and
- ◆ Improving standards and quality in Uganda's Tourism Sector through registering, inspecting and classifying tourism facilities to enhance service delivery.

Tourism

FY 2018/19 BUDGET VOTE ALLOCATIONS



Programmes with the Highest Expenditures under Tourism in FY 2018/19

Key Programmes in the Sector	Amount (Bn Ushs.)
Tourism, Wildlife Conservation and Museums	95.02
Tourism Development	17.51
General Administration, Policy and Planning	5.78
Grand Total	118.31

Energy and Mineral Development

ACHIEVEMENTS IN FY 2017/18

- USD 620 Million investment in the Guangzhou Dong Song phosphate plant at Sukulu in Tororo planned for commissioning by end 2018 and for steel by 2019;
- African Panther commenced mining and processing of tin in Isingiro;
- USD 500 Million investment in the limestone and cement production by Tororo Cement, Hima Cement, National Cement and Kampala Cement;
- USD 5 Million by Consolidated African Mineral Resources to foster processing of 60 metric tonnes of high grade graphite.

PRIORITIES IN FY 2018/19

The sector is set to undertake the following interventions to boost the energy resource in the country:

- ◇ Enact a new legal, fiscal and regulatory framework to govern the mining industry;
 - ◇ Establish and operate a mineral certification system in Entebbe to increase mineral products trade in the great lakes region and to gain global competitiveness;
 - ◇ Extend National Seismological Network by at least 2 stations per year and strengthen earthquake research facility and monitoring network station in Entebbe
- ◇ Fully operationalize the Mineral Protection Police Unit to curb illegal mining and undertake the biometric registration of all artisanal and small scale miners (ASMs)
- A number of important steps have been taken over the years towards facilitating oil production and these include the following:
- ⇒ Oil Companies that were granted licenses to start production have completed Field Development Plans and are now in advanced stages of completing engineering designs for the oil fields;
 - ⇒ Government completed acquisition of the Refinery Project Land and to-date, 98.3% of the Project Affected Persons (PAPs) have been fully compensated, and those opting for relocation received their new houses;
 - ⇒ The Lead Investor, the Albertine Graben Refinery Consortium (AGRC) in partnership with Government will carry out the engineering designs for the Oil Refinery over the next 15 months;
 - ⇒ Governments of Uganda and Tanzania reached policy agreements on the development of the crude oil export pipeline and its construction will commence in the FY 2018/19; and
 - ⇒ Construction of the Hoima Airport commenced in January 2018, while contracting for 600 km of Oil Roads infrastructure criti-

Energy and Mineral Development

cal for the production of oil has been completed.

Furthermore, Government has provided the necessary procurement rules and regulations to ensure the promotion of local content in the Oil and Gas Sector and therefore the private sector encouraged take full advantage of this initiative.

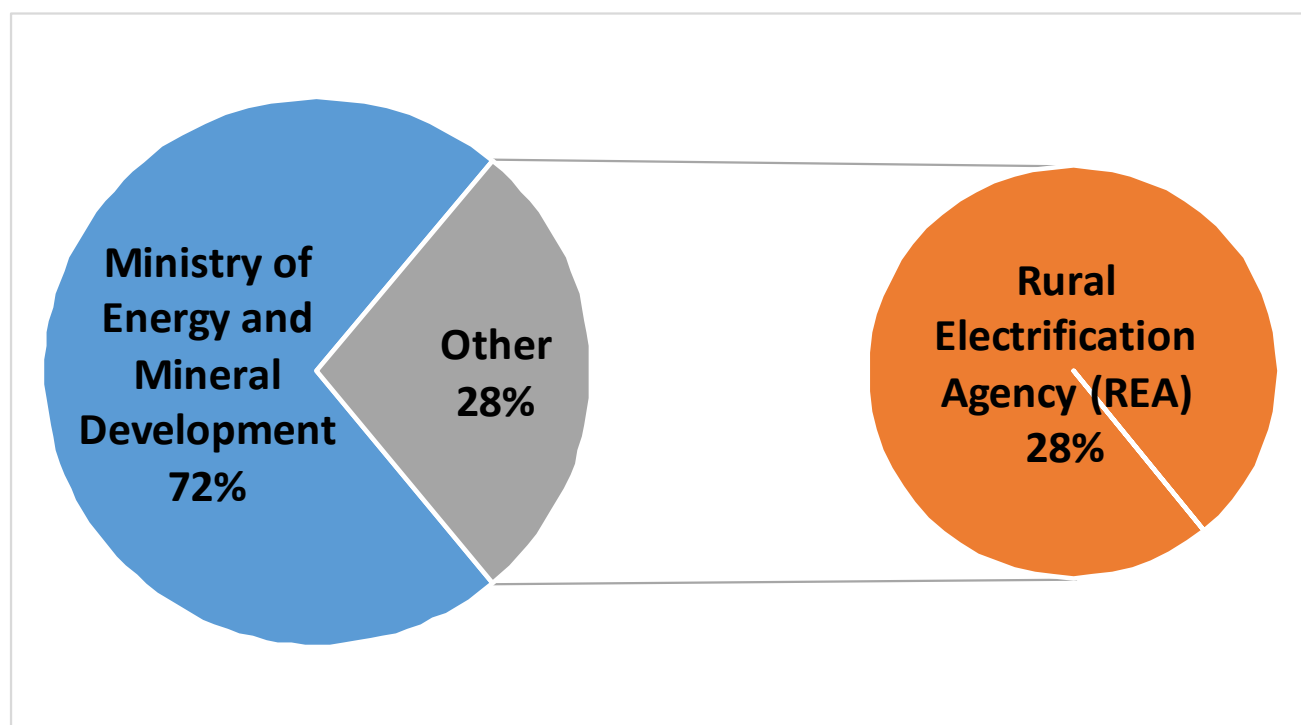
Over the years, electricity generation has grown by 8% on account of and energy mix of generation capacity including large hydro plants and Thermal power generators. In addition, on completion of Karuma and Isimba

power projects, 783MW will be added to the national grid in the next two years.

Therefore in the FY 2018/19, priority is to be given to expansion of the transmission and distribution networks to industrial zones and rural growth centers to support our industrialization programme as well as rehabilitate dilapidated network that accounts for about 30% of power losses.

Other interventions in the Electricity subsector include promotion of efficient utilization of energy, and enforcing actions against vandalism and illegal connections.

FY 2018/19 BUDGET VOTE ALLOCATIONS



Energy and Mineral Development

Programmes with the Highest Expenditures under Energy and Mineral Development in FY 2018/19

Key Programmes in the Sector	Amount (Bn Ushs.)
Energy Planning, Management & Infrastructure Development	890.50
Large Hydro power infrastructure	751.03
Rural Electrification	683.16
Policy, Planning and Support Services	69.10
Petroleum Exploration, Development, Production, Value Addition and Distribution and Petroleum Products	57.93
Others	33.34
Grand Total	2485.07

FLAGSHIP PROJECTS UNDER THE SECTOR FOR FY 2018/19

KARUMA HYDROELECTRICITY POWER PROJECT

The project started in FY 2011/12 and aims at increasing the power supply in the country and possibly in the East African region. In FY 2018/19, the project has been allocated US\$ 603.9 billion and is due for completion at the end of the FY.

ACCELERATED RURAL ELECTRIFICATION PROGRAMME (TBEA)



The project aims at contributing to 100% sub-county headquarter electrification specifically by connecting 287 sub-county headquarters and their environs to the national grid. The project is envisaged to cost USD 214,796,700 over a period of 4 years. The project will not require the acquisition of land and it will be financed through the Exim Bank of China.

UGANDA RURAL ELECTRIFICATION ACCESS PROJECT (UREAP)

The project aims at contributing to the targeted 26% rural electrification rate by 2022 specifically by connecting 164,077 households, businesses, institutions and Bugala islands to the national grid. The project duration is 4 years at a cost of USD 121.405 million. The project will not require acquisition of land and it is funded by African Development Bank.

Works and Transport

ACHIVEMENTS IN FY 2017/18

COMPLETED ROADS

1. Fort Portal-Kamwenge;
2. Mbarara Bypass;
3. Gulu - Acholibur;
4. Olwiyo - Gulu Road;
5. Acholibur-Kitgum-Musingo Border;
6. Mbale-Bubulo-Lwakhakha Road;
7. Kabwoya – Bulima;
8. Kyenjojo - Kagadi – Kabwoya;
9. Mubende-Kakumiro-Kagadi Road;
10. Mpigi - Kabulasoke- Maddu Road;
11. Kanoni - Sembabule;
12. Mukono - Katosi - Nyenga Road;
13. Musita-Lumino-Busia-Majanji Road;
14. Akisim -Soroti – Katakwi –Irir;
15. Kampala-Entebbe Express Highway;
16. Kampala Northern Bypass Phase two;
17. Nakapiripirit - Moroto;
18. Ntungamo-Kagitumba/Mirama Hill;
19. Nshwerenkye – Rushere; and
20. Kashenyi-Mitooma HQs & Kitabi Seminary.

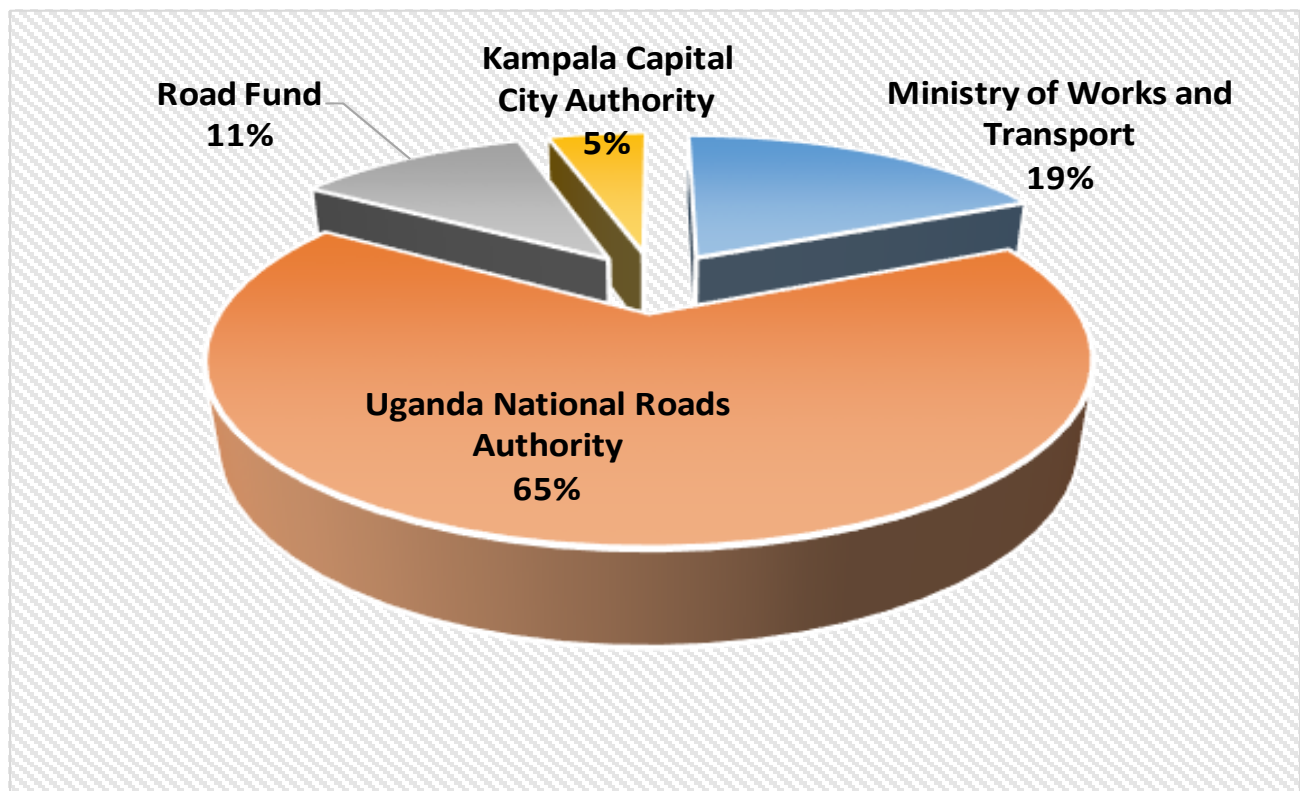
REHABILITATED ROADS

1. Namunsi-Sironko-Muyembe (32.0 Kms)
2. Muyembe-Kaserem in Kapchorwa (31.0 Kms)
3. Kampala [Nansana]-Busunju (48.1 Kms)
4. Kamuli Town Roads (22.0 Kms)
5. Iganga – Kaliro (32.0 Kms)
6. Mukono-Kalagi-Kayunga & Bukoloto-Njeru (95.0 Kms)
7. Sungira Hills Access [Nakasongola] (1.6 Kms)

COMPLETED BRIDGES

- | | |
|------------|----------------|
| 1. Achwa | 6. Leresi |
| 2. Apak | 7. Manafwa; |
| 3. Cido | 8. Ndaiga; and |
| 4. Goli | 9. Nyamugasani |
| 5. Kabaale | |

FY 2018/19 BUDGET VOTE ALLOCATIONS



Works and Transport

PRIORITIES IN FY 2018/19

Critical to the goal of industrialization of the economy, interventions to improve the transport network in the country include the following:

- Using the recently acquired road equipment for regions and districts for the maintenance of district and community murram roads;
- Rehabilitation of tourism roads and the development of road network in industrial parks, including Mbale and Kapeeka industrial parks.
- Construction of 600km of Oil roads, and up-grading to tarmac of another 400 km of roads, and rehabilitation of 200km of existing roads and construction of 15 Bridges;
- Start construction of the Sigulu Island ferry on Lake Victoria and the Bukungu-Kagwara-Kaberaido ferries and rehabilitate the former Bukakata – Luuku ferry;
- Commence feasibility studies and designs for roads and bridges for which construction will begin in 2019/20;
- Additional land on the Eastern route will be procured to facilitate the Standard Gauge Railway right of way as well as rehabilitation of 42 Railway wagons and bad spots along Port Bell – Kampala and Kampala-Malaba line. Furthermore, marking of the railway reserve boundaries will also be undertaken;
- After completion of the technical studies, an aircraft will be acquired in a bid to revive the National Airline and enhance Uganda's competitiveness by reducing the cost of air transport and ease connectivity to and from Uganda.

Programmes with the Highest Expenditures under Works and Transport in FY 2018/19

Key Programmes in the Sector	Amount (Bn Ushs)
National Roads Maintenance & Construction	3130.41
Transport Services and Infrastructure	624.76
National and District Road Maintenance	542.52
Urban Road Network Development	216.56
District, Urban and Community Access Roads	148.45
Others	131.18
Grand Total	4793.89

Works and Transport

FLAGSHIP PROJECTS UNDER THE SECTOR FOR FY 2018/19

UGANDA NATIONAL AIRLINE PROJECT

The project aims at enhancing the country's competitiveness by reducing the cost of air transport and easing connectivity to and from Uganda and also laying a strategy to support fast-



er harnessing of opportunities in the economy (tourism, agriculture and minerals, oil and gas).

Information, Communications and Technology

ACHIEVEMENTS IN FY 2017/18

In FY 2017/18, the cost of internet Bandwidth for Government, private sector and citizens has reduced as shown below:

Cost Centre	Cost in USD per Mbps (\$)	
	FY 2016/17	FY 2017/18
Government	300	70
Private Sector	375	237

To date 297 Government services have been automated and are online, which has improved efficiency in public service delivery, reduced human interaction and subsequently saved Government 4 Million working hours during the last year.

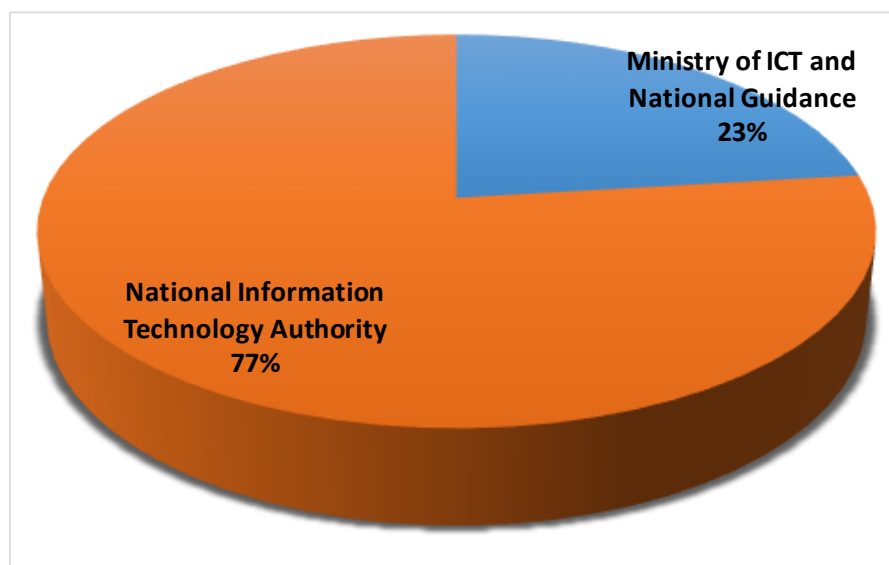
Furthermore, the number of Internet users increased by 45% from 13 million in 2015 to 18.8 million in 2017. Active telephone subscribers are now 22.4 million and the number of Mobile money subscribers increased from 2.8 million in 2011 to 23 million in 2017.

Phone penetration (or tele density) has grown by 53% in 2015 to 66.9 million 2017. Internet penetration per 100 population stood at 49% in 2017.

The ICT sector outcomes in greater part are due to the following interventions:

1. Extension of the National Backbone Infrastructure (NBI) to Fifty Three (53) more Government Ministries and Agencies bringing the total number connected to Three hundred forty two (342) sites;
2. Laying of almost 2,350 kms of Fiber Optic cable, and the construction of 18 Transmission Sites, in addition to a National Data Centre (NDC) and a state-of-of the-art Network Operations Centre (NOC) for services monitoring;
3. Construction of a 500 seater state-of-art Innovation Hub due for completion by Au-

FY 2018/19 BUDGET VOTE ALLOCATIONS



Information, Communications and Technology

gust 2018; and

4. Establishment of a One Area Network for telephone services under the Northern Corridor Infrastructure Project (NCIP), where all calls to and from Uganda, Kenya, Rwanda and South Sudan are charged up to US \$10 Cents per minute;

PRIORITIES IN FY 2018/19

In Financial Year 2018/19, Government in a bid to increase access to information and improve communication will undertake the following actions:

- Reserve a percentage of procurement of ICT Services for competent local innovators;
- Enforce the use by all Government Ministries and Agencies of e-Procurement Platform developed under PPDA and NITA-U guidance;
- Enforce the use of common ICT Services, including data sharing, e-Payments, Unified messaging, the Programme Based Budgeting System across the whole of Government in order to eradicate duplication of ICT Systems;
- Extend the National Backbone Infrastructure to hard-to reach areas and unserved sub-counties in order to increase broadband penetration;
- Develop regional ICT innovation hubs to stimulate incubation of ICT innovations and transform them into usable products – especially those required by industries, and also use ICT innovation hubs as business process outsourcing (BPO) centres;
- Extend ICT infrastructure to the four industrial parks of Namanve, Luzira, Mukono and Iganga; and
- Complete restructuring of the Uganda Telecom company.

Programmes with the Highest Expenditures under Information, Communication and Technology Sector in FY 2018/19

Key Programmes in the Sector	Amount (Bn Ushs.)
Electronic Public Services Delivery (e-transformation)	99.28
General Administration, Policy and Planning	35.60
Shared IT infrastructure	23.82
Streamlined IT Governance and capacity development	16.17
Effective Communication and National Guidance	3.83
Enabling environment for ICT Development and Regulation	2.37
Grand Total	181.07

Education

The current primary school enrolment stands at 10.2 million pupils owing to improvement in access to education as 95.9% of primary going children can now access schools within a 5 kilometers reach.

During the year 14,620 youths without formal training have undertaken non-formal training programmes to enable acquisition of practical skills of whom 8,580 are female and have been trained in Agriculture, Construction, Manufacturing, Tourism and Hospitality skills.

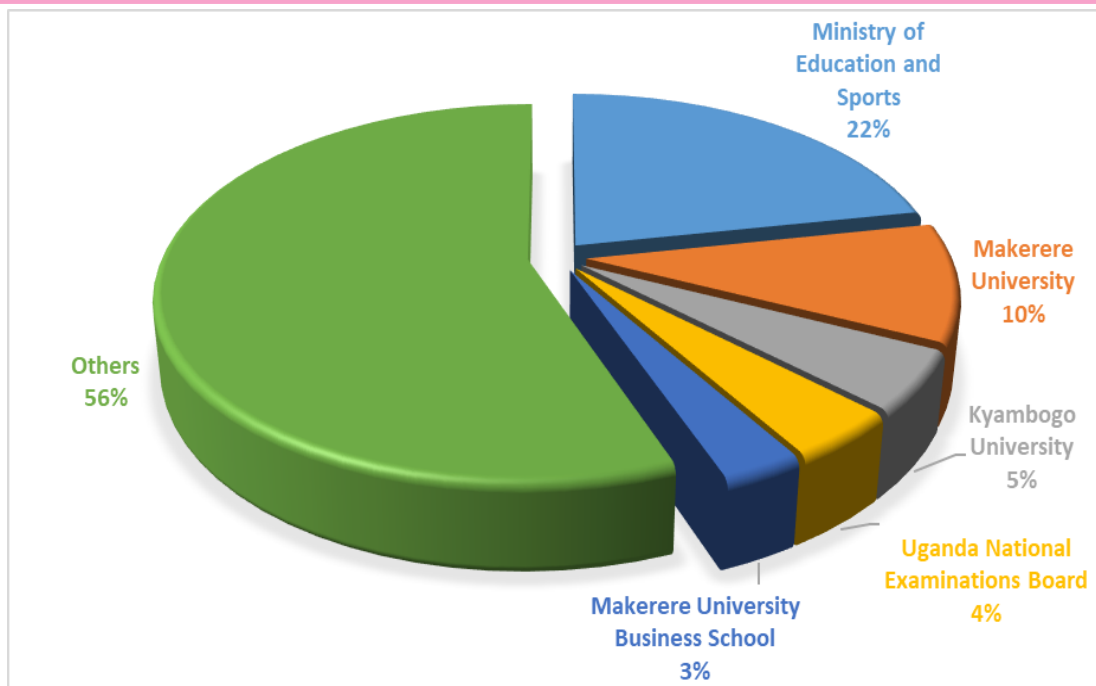
In the FY 2017/18, dilapidated primary schools have been rehabilitated and lightening arrestors were installed in 140 schools in the most prone districts that is Mubende, Ssembabule, Bushenyi, Lwengo, Bukomansimbi and Lyantonde.

Furthermore, several infrastructure projects have been completed including but not limited to the following:

- Faculty of Business Computing at Makerere University Business School;
- Laboratory and Lecture Block, Library and Computer Block at Busitema University Main Campus;
- New Laboratory Block at the Busitema University Nagongera Campus;
- 3 storied Library at Mbarara University of Science and Technology.

In addition, construction of the High Altitude Center in Kapchorwa progressed well and with continued support, Uganda successfully competed at the Common Wealth Games in the Gold Coast, Australia winning 3 Gold, 1 Silver and 2 bronze medals.

FY 2018/19 BUDGET VOTE ALLOCATIONS



Education

PRIORITIES IN FY 2018/19

An educated citizenry enhances decision making and is an indicator of growth. To increase the literacy levels in the country, Government will undertake the following actions:

1. Commence, with support of the World Bank, civil works in selected primary schools, provide instructional materials and construct secondary schools in sub-counties where they do not exist;
2. Procure instructional materials including bilingual dictionaries, for use in teaching in local languages in Primary schools;
3. Complete construction works at Uganda Petroleum Institute Kigumba and Uganda Technical College Kichwamba as well as procure an oil rig in order to enhance practical skills acquisition in the oil and gas sub-sector;
4. Finalize civil works for workshops, incubation centers, teaching facilities and laborato-

ries in 8 beneficiary universities at Kyambogo, Gulu, Busitema, Makerere, Muni, Mbarara, Makerere University Business School and Uganda Management Institute; and

5. Advance loans to 1,000 undergraduates and 200 diploma students admitted in academic year 2018; and 2,950 undergraduate and 200 diploma continuing students under the students' loan scheme.

The Busoga and Mountains of the Moon universities will also be taken on as public universities next financial year, together with the establishment of the Gulu University Agriculture Constituent College in Karamoja in addition to the fully operationalized Kabale University. Furthermore, the first phase of the establishment of Soroti University has been completed and the University will be open to students, next academic year with the August/September 2018 intake.

Programmes with the Highest Expenditures under Education in FY 2018/19

Key Programmes in the Sector	Amount (Bn Ushs.)
Pre-Primary and Primary Education	1206.61
Delivery of Tertiary Education	646.30
Secondary Education	419.65
Skills Development	360.76
Higher Education	138.65
National Examinations Assessment and Certification	115.48
Delivery of Tertiary Education and Research	98.32
Others	181.56
Grand Total	3167.32

Education

FLAGSHIP PROJECTS UNDER THE SECTOR FOR FY 2018/19

ALBERTINE REGION SUSTAINABLE DEVELOPMENT PROJECT

The project was conceived in FY 2014/15 as part of the infrastructure to support oil production and aims at improving regional and local access to infrastructure, markets, services and skills development in the Albertine region. The project is expected to end in FY 2018/19 and has been allocated US\$ 52.5 billion this FY to facilitate its completion.

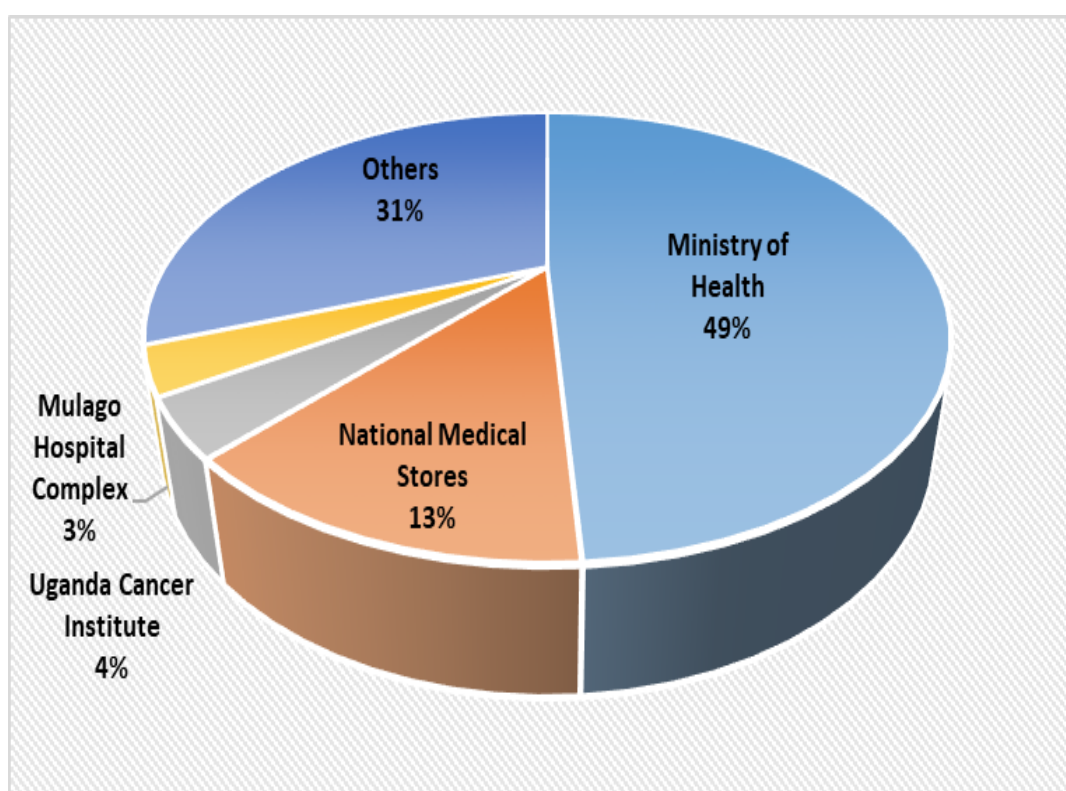


Health

ACHIEVEMENTS IN FY 2017/18

1. Twenty six million Long Lasting Insecticide treated mosquito nets were distributed nationwide achieving 94% coverage. Indoor Residue Spraying was also undertaken in eleven districts of the Acholi and Lango sub-regions in Northern Uganda;
2. Child survival has improved with the Infant Mortality Rate declining to 43 per 1,000 in 2016 from 54 per 1,000 live births in 2011. The Under Five Mortality Rate also reduced significantly declining from 90 per 1,000 live births to 64 per 1,000 live births over the same period;
3. The construction, expansion, rehabilitation and equipping of Mulago National Referral Hospital is in final stages and will be completed during next financial year;
4. The Cancer Institute has been expanded into a centre of excellence with the acquisition of advanced cancer treatment equipment including a linear accelerator. The Uganda Heart Institute (UHI) now has advanced cardiac management facilities to handle at least 1,000 operations per year;

FY 2018/19 BUDGET VOTE ALLOCATIONS



Health

PRIORITIES IN FY 2018/19

Government will undertake the following interventions in FY 2018/19 in a bid to improve the health of its citizens that significantly affects labour productivity in the country:

Strengthening human resource in healthcare provision through salary enhancement



Improving maternal and new born child health and equipping the health facilities to diagnose and treat diseases

The Community Health Extension Workers (CHEWs) program will be established to take services closer to the community, deliver household-centered health care services through health promotions, sensitization and prioritization of disease prevention;

Scale up preventive care by undertaking im-

munization initiatives including Hepatitis B, Malaria control, and HIV/AIDS prevention and treatment;

Upgrade 124 Health Centre IIs to Health Centre IIIs in 99 Local Governments, with support from the World Bank.

Continue the construction of the specialized Regional Centre for Pediatric Surgery in Entebbe

Commence the construction of the International Specialized Hospital of Uganda at Lubowa



29 staff houses will be constructed at Health Centre Threes (HC IIIs) in Karamoja region

Health

Programmes with the Highest Expenditures under Health in FY 2018/19

Key Programmes in the Sector	Amount (Bn Ushs.)
Pharmaceutical and other Supplies	843.49
Primary Healthcare	538.64
Pharmaceutical and Medical Supplies	300.09
Health infrastructure and equipment	179.16
Regional Referral Hospital Services	131.13
Cancer Services	93.07
National Referral Hospital Services	78.55
Others	203.62
Grand Total	2367.76

FLAGSHIP PROJECTS UNDER THE SECTOR FOR FY 2018/19

GLOBAL FUND FOR AIDS, TB AND MALARIA

The project started in FY 2010/11 with a goal to strengthen the health and community systems for quality, equitable and timely service delivery through scaling up Prevention, Care, Treatment and Health systems for HIV/AIDS, TB and Malaria. The project is due for completion in FY 2019/20 and subsequently has been allocated US\$ 753.7 billion in FY 2018/19 adding to the US\$ 2,275 billion counter funding.

UGANDA REPRODUCTIVE HEALTH AND CHILD HEALTH SERVICES IMPROVEMENT PROJECT

The project started in FY 2017/18 and is expected to end in FY 2021/22. It aims at improving the quality of care at PHC health facilities through putting up infrastructure and medical equipment in PHC facilities. The project has been allocated US\$ 83.4 billion in FY 2018/19.

Water and Environment

The Government of Uganda's critical objective under this sector remains increasing access to clean and safe water with water access in rural areas has improved with rural water coverage now estimated at 71% compared to 68% recorded in 2016. The sanitation coverage in both rural and urban areas has improved from 79% last year to 80% this financial year. The above improvement is on account of the following:

120 water wells were drilled



480 hand pumps were distributed in water stressed areas

17 Water Supply and Sanitation systems were commissioned



Constructed water works at Kapeeka, and the expansion of Soroti, Bushenyi and Masindi water systems.

PRIORITIES FOR FY 2018/19 UNDER THE SECTOR

Continued construction of 9 Gravity Flow Schemes as well as commencement of construction works for the Katosi Water Treatment Plant and Katosi-Kampala Transmission Mains

Completion of construction of 27 piped water systems and 26 town water supply schemes in various centers

Continue the upgrade of Ggaba Water Treatment Complex to increase capacity from 180,000 cubic meters to 230,000 cubic meters per day

Construction of 24 sewerage and sanitation facilities. Furthermore constructing Kinawataka Sewer network, Nakivubo Waste Water Treatment Plant, Kinawataka Pretreatment and Pumping Station

In addition, the water and environment sector will focus on protection of the environment and ecological systems across the country through protection of water catchment areas, forestry restoration, demarcation and protec-

tion of wetlands, lake shores and river banks, strengthening weather and climate information systems and integration of climate change mitigation measures all Government programmes and projects.

Water and Environment

Programmes with the Highest Expenditures under Water and Environment Sector in FY 2018/19

Key Programmes in the Sector	Amount (Bn)
Urban Water Supply and Sanitation	750.93
Rural Water Supply and Sanitation	146.56
Natural Resources Management	141.17
Water for Production	95.59
Water Resources Management	44.67
Forestry Management	40.96
Others	98.80
Grand Total	1318.68

Accountability

PRIORITIES IN FY 2018/19

Enhancing of resource mobilisation, allocation and accountability is still a priority for the Government and will pursue this objective by undertaking the following actions in FY 2018/19:

1. Continue to capitalize the Uganda Development Bank, and support its borrowing from International Development Financial institutions to enable the private sector to borrow at low interest rates;
2. Further provide affordable credit through the Microfinance Support Centre to Small and Medium Enterprises (SMEs);
3. Implementing the Capital Markets Master Plan to guide mobilization of long term financing for business and Government infrastructure, including the listing of Public and Private companies on the Uganda Stock Exchange to raise equity financing;
4. Strengthening the Uganda Microfinance Regulatory Authority (UMRA) to eliminate fraud in SACCOs and deal with unethical practices by some money lenders;
5. Remove deficiencies in Uganda's Anti-Money Laundering and Combating of Financing of Terrorism (AML/CFT) Regime in order to ease correspondent banking; foreign direct investment; and other investments and financial flows between Uganda and the rest of the world.



Programmes with the Highest Expenditures under Accountability Sector in FY 2018/19

Key Programmes in the Sector	Amount (Bn Ushs.)
Treasury Operations	182.07
Revenue Collection & Administration	168.61
Administration and Support Services	163.32
Financial Sector Development	162.56
Development Policy and Investment Promotion	132.89
Public Financial Management	110.97
Others	346.14
Grand Total	1266.55

Employment and Socio - Economic Empowerment

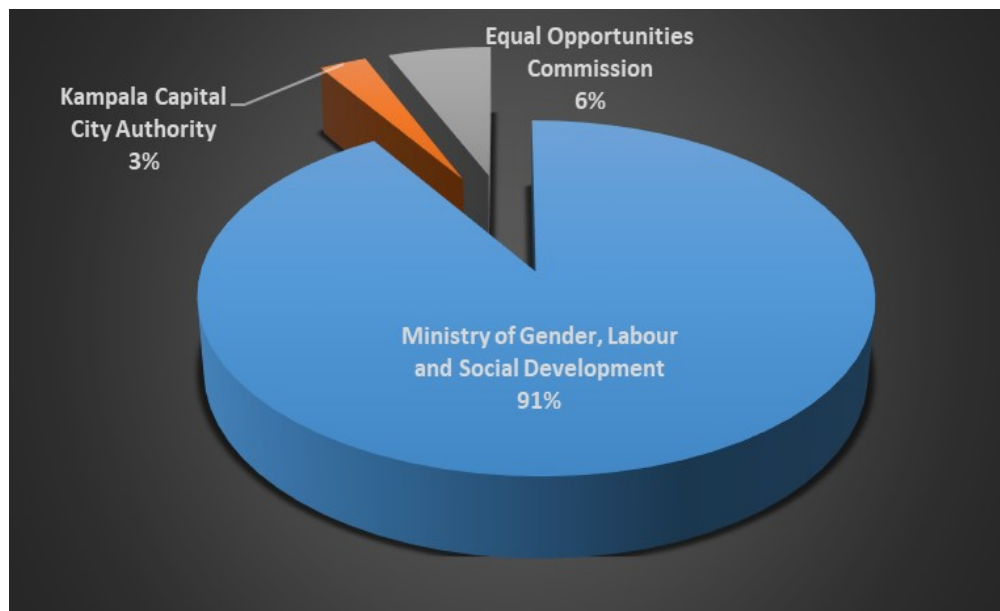
In FY 2017/18, in a bid to empower key social groups, Government has implemented affirmative programmes (i.e. Youth Livelihood Programme and Uganda Women Entrepreneurship Fund) that have benefited 165,500 youth of which 45% are females and 76,000 Women.

In order to improve the livelihoods of the senior citizens, the Social Assistance Grant for Empowerment (SAGE) has been implemented

in 47 districts with over 157,000 citizens benefiting senior citizens.

In the FY 2018/19, Government has provided US\$ 66 billion for the Youth Livelihood Programme to fund over 5,000 youth enterprises and benefitting 61,000 youth. Furthermore, US\$ 39 billion has been provided to support about 2,700 women enterprises targeting 35,000 women.

FY 2018/19 BUDGET VOTE ALLOCATIONS



FLAGSHIP PROJECTS UNDER THE SECTOR FOR FY 2018/19

Strengthening Social Risk Management and Gender-Based Violence Prevention and Response Project

We Can - We Shall - We Will
STOP
The Violence



Justice, Law and Order

The Justice System is central in the promotion of human rights, the fight against corruption and improving the business environment.

ACHIEVEMENTS IN FY 2017/18

During the year, case backlog was reduced from 24% to 19% equivalent to 29,207 cases. Furthermore, the construction of justice centres, which provide a one stop centre for

operations of the Uganda Police, Directorate for Public Prosecutions and the Judiciary, was completed in Mitooma, Kyenjojo and Lamwo. In addition, the Kitalya Medium Security Prison is 62% complete.

With respect to citizenship and immigration, in FY 2017/18, over 23 million Ugandans were registered, with 17 million receiving their National Identity Cards.

PRIORITIES IN FY 2018/19

In the FY 2018/19, priorities to increase access to justice and include the following:

Construction of the regional Justice Law and Order Sector House in Fort Portal

Construction of the Justice, Law and Order House at Naguru



Automation of Court Administration System

Construction of 4 new justice centers:

1. Amudat:
2. Kyegegwa:
3. Butambala: and
4. Namayingo Districts

Programmes with the Highest Expenditures under Justice, Law and Order Sector in FY 2018/19

Key Programmes in the Sector	Amount (Bn Ushs.)
General administration, planning, policy and support services	286.59
Territorial and Specialised Policing	148.30
Crime Prevention and Investigation Management	140.80
Judicial services	128.10
Welfare and Infrastructure	101.04
Human Rights and Welfare	97.88
Others	539.41
Grand Total	1442.12

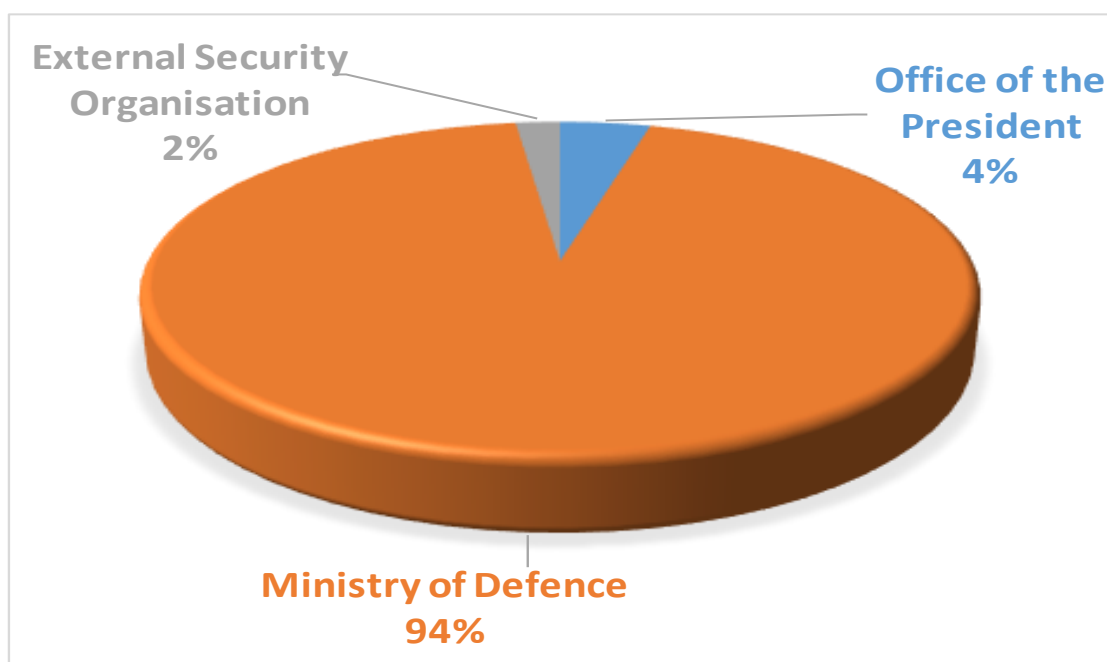
Security

PRIORITIES IN FY 2018/19

In FY 2018/19, Government is set to undertake the following actions in a bid to better the security in the country:

1. Implementation of the Safe City project involving installation of Close Circuit Television (CCTVs);
2. Construction of Regional Forensic Referral Centres (RFRCs);
3. Setting up of the Crime Record Management System (CRMS);
4. Enhance training of investigators to improve the capacity of the Uganda Police to deal with crime; and
5. Implementation of e-Passports and the automation of Work Permits, Visas and Passes to improve the quality of our immigration services.

FY 2018/19 BUDGET VOTE ALLOCATIONS



Key Programmes in the Sector	Amount (Bn Ushs.)
National Defence (UPDF)	1835.30
Policy, Planning and Support Services	169.86
Strengthening Internal security	87.94
Strengthening External Security	43.07
Grand Total	2136.16

Policy Initiatives

PERFORMANCE BASED BUDGETING (PBB)

In the FY 2018/19, Government will further train Local Governments on the PBS, a tool used to implement the Performance Based Budgeting (PBB) reform.

PBB puts emphasis on the measurement of performance based on outcomes/impact rather than the outputs. Therefore the local Governments are to be engaged in the FY 2018/19 in trainings on how they can align their budgets to achieve the different outputs, which outputs contribute to the programmes that have carefully been selected. The programmes are

mapped to different sector outcomes which are aligned to the NDPII objectives or the National Development Goals of Uganda.

Therefore by achieving the different outputs with the allocated resources at the Local governments, the overall impact on the particular sector and country at large will be assessed. The PBS offers a means of planning, budgeting and reporting for different activities to be carried out during the FY and in so doing facilitates the measurement of the impact of different interventions on the economy.

PUBLIC INVESTMENT MANAGEMENT SYSTEM (PIMS)

Government is strengthening the Public Investment Management System (PIMS) given the significant amount of resources earmarked towards public investment such as roads, energy, water and sanitation, health and education services among others. These reforms include the following;

Developed a PIMS framework for approval of new projects. All new projects regardless of the source of funding (GoU or Donor), shall be subjected to four approval stages of the Development Committee at Concept, Profile, Prefeasibility and Feasibility. This is to ensure that funds are only allocated to ready projects so as to stem on the challenge of delayed implementation of projects and low absorption. New projects shall only be included in the budget when all funding obligations of ongoing pro-

jects have been met.

Developed and Published PIMS documents. The Ministry has developed revised Development Committee Guidelines to aid review and approval of projects. In addition, a manual for project preparation and appraisal has been developed and published to guide MDAs of Government on the step by step processes for preparing projects at the respective stages of approval (accessed on the Ministry website).

Developed a database for National Parameters and Commodity Conversion Factors. This database assist you in economic appraisal of projects. The Database further reduces the time taken to complete prefeasibility and feasibility studies. It can be accessed on <http://national-parameters.ug/>.

Policy Initiatives

BUDGET TRANSPERENCY INITIATIVE (BTI)

In a bid to improve transparency and accountability for public expenditure and ultimately enhance public service delivery in Uganda, Government through the Ministry of Finance, Planning and Economic Development launched the Budget Transparency Initiative (BTI).

The major objective of the Initiative is to develop innovative platforms to facilitate access to budget information, secure citizen's feedback on budget implementation and performance and improve government accountability for service delivery.

The BTI is being implemented through the **Budget website (www.budget.go.ug)** and

the **Budget Call Centre 0800 229229**.

In the FY 2018/19, the Ministry of Finance, Planning and Economic Development will continue to engage the public through sensitization and create awareness on Budget processes and allocations with the help of Civil Society Organizations like Civil Society Budget Advocacy Group (CSBAG), Advocates Coalition for Development and Environment (ACODE) and Budget Strengthening Initiative (BSI).

You are therefore encouraged to embrace this Initiative as well as take up your responsibility and demand for accountability for the funds that have been provided.

Know Your Budget

Free Call 0800 229 229



Give Your Feedback



www.budget.go.ug

Together we can improve how public resources are spent



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