# A citizen's Guide to the BUDGET

## FY 2019/20

Produced by Ministry of Finance Planning and Economic Develpment in partnership with

URA
Uganda Revenue Authority
DEVELOPING UGANDA TOGETHER

CSBAG
Budgeting for equity

psfu
PRIVATE SECTOR FOUNDATION UGANDA
Business growth is our business

# Table of Contents

# Foreword

The Financial Year 2019/20 marks the final year of implementation of the Second National Devel opment Plan (NDPII) whose major objective is to transform our economy to a middle income sta tus and strengthen Uganda's competitiveness for sustainable wealth creation, employment and in clusive growth.

The theme for the Financial Year (FY) 2019/20 budget is 'Industrialisation/or Job Creation and Shared Prosperity. ' The theme is anchored on the priorities articulated in the Budget Strategy for FY 2019/20 which emphasizes commercialization of agriculture, industrialization and productivi ty enhancement. The FY 2019/20 marks the third year of implementation of the theme that was developed through consultation with the East African Community Partners.

In a bid to promote transparency, accountability and ease of access to all relevant information on the Budget, The Ministry of Finance, Planning and Economic Development in partnership with Uganda Revenue Authority (URA), the Civil Society Budget Advocacy Group (CSBAG), the Pri vate Sector Foundation Uganda (PSFU) and other Civil Society Organizations (CSOs) engages in a number of activities during the Budget Month including a march, a service exhibition, radio and television talk shows to raise awareness on the Budget. Furthermore, the Citizen's Guide to the Budget for FY 2019/20 is prepared to enable the general public, especially those who are not famil iar with public finance to understand Government plans by highlighting the strategic objectives of the Financial Year 2019/20 Budget and to provide an understanding of the new tax measures and reasons behind resource allocations to various sectors. This publication will provide a summary of Government revenue and Expenditure projections for FY 2019/20 and measures for enhancing do mestic revenue mobilization.

The total approved budget for Financial Year 2019/20 is **Ushs. 40,487 billion.** Of this **Ushs. 27,957 billion** was appropriated by Parliament and **Ushs. 12,530 billion** is Statutory Expenditure

I encourage all stakeholders to take keen interest in the budget and further enhance your knowledge of the Budget by visiting our dedicated budget website www.budget.eo.ug or by call ing the free hotline 0800 229229.

For God and my country

**Matia Kasaija**
Minister of Finance, Planning and Economic Development

# Acronyms

| | |
|---|---|
| **CSBAG** | Civil Society Budget Advocacy Group |
| **CSOs** | Civil Society Organizations |
| **EPCs** | Engineering Procurement Contracts |
| **GDP** | Gross Domestic Product |
| **FDI** | Foreign Direct Investment |
| **FMD** | Foot and Mouth Disease |
| **FY** | Financial Year |
| **GDP** | Gross Domestic Product |
| **ICT** | Information Communications Technology |
| **MTEF** | Medium Term Expenditure Framework |
| **NBI** | National Backborne Infrastructure |
| **NDP II** | Second National Development Plan |
| **OSBP** | One Stop Border Post |
| **PAYE** | Pay As You Earn |
| **PBB** | Programme Based Budgeting |
| **PBS** | Programme Budgeting System |
| **PSFU** | Private Sector Foundation Uganda |
| **URA** | Uganda Revenue Authority |
| **UNRA** | Uganda National Roads Authority |
| **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.

**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 be- tween 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 ap- propriated through the Integrated Financial Man- agement 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 Govern- ment.

**Development Partner**: is a Country that offers as- sistance 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 re- ferred 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 dis- bursed by one party, often a Government Depart- ment, Corporation, Foundation or Trust. These are provided for mostly by bilateral development part- ners.

**Grants and Subsidies (Outputs Funded):** These are services funded by the Vote but delivered by anoth- er 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 an- nual basis.

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

**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.

**Non-performing loans:** is a sum of borrowed mon- ey upon which the debtor has not made the scheduled payments for a specified period.

**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).

**Programme Based Budgeting (PBB):** is the practice of developing Budgets based on the relationship between program funding levels and expected re- sults from that program.

**Programme Budgeting System (PBS):** is an online budgeting system that describes and gives the de- tailed costs of every activity that is to be carried out with a given budget.

**Project:** These represent the results or set of activi- ties implemented by the Vote which contribute to the achievement of the Vote objectives. They pri- marily involve capital purchases and may be fi- nanced by the Government of Uganda and/ or De- velopment partners, e.g. Emergency construction of primary school classrooms.

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

**Public Debt:** is the debt owed by a central govern- ment.

**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, Agricul- ture etc.

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

**Taxes:** are financial charges or other levies im- posed 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 in- come tax, VAT, excise duty, custom duties among others.

**Vote:** These are institutions (Ministries, Depart- ments, Agencies and Local Governments which are the basis of the annual budget and appropriations made by Parliament, and the basis for accountabil- ity, e.g. Ministry of Public Service, Ministry of Health etc.

# Introduction

## What's the Citizens Guide to the Budget

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

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

## Role of a citizen

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

## The National Budget

Refers to 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

## Approval of the Budget

The Ministry of Finance, Planning and Economic Development after consultation with stakeholders is supposed to submit the National Budget Estimated to Parliament by 1st April for discussion and approval by 31st May prior to the beginning of the financial year

# Uganda's Economic Performance and Outlook

## Economic Growth

*Refers to an increase in what a country produces over time. It's measured by Gross Domestic Product (GDP).*

In the FY 2018/19, the rate of economic growth (GDP) was revised to 6.7% higher than the 6.1% rec- orded in 2017/18.

The main drivers of faster growth in FY2018/19 include accelerated growth in: manufacturing, private construction, public sector investments in infrastructure, agriculture and services, regional trade, tourism, ICT and financial services.

## Inflation

*Refers to the increase in the general price of goods and services.*

Inflationary pressures were generally low in the first half of FY2018/19 with inflation recorded at 3.1%.

The above was on account of increased food supplies in the markets due to favourable weather conditions, relative stability in the exchange rate and effective co-ordination of monetary and fiscal policies

## Exchange Rates

*Refers to the value of Ugandan shilling against other currencies.*

The US Dollar traded at an av- erage midrate of Ushs. 3,753.8 during the first half of the FY2018/19, but by 20th Febru- ary 2019, the shilling had re- gained its strength against the US dollar at Ushs 3,670.

This was mainly because of im- proved exports, improved dis- bursement of external support for government programmes, continued Foreign Direct In- vestment (FDI) inflows and re- mittances from abroad.

# Financial Sector and Private Sector Credit

## Private Sector Credit

- Private Sector Credit refers to money that is available to the Private sector from finan- cial institutions for example banks and is accessed through borrowing, buying good on credit, among others.
- Private Sector Credit amounted to **Ushs. 14.22 Trillion** which indicates growth of 6.1 percent over the first half of FY 2018/19 compared to **5.8 percent** recorded for the first half of FY2017/18.
- Trade and Building, mortgage, construction and real estate sectors received the largest share of credit, each taking up **20.2 percent** and **19.8 percent** respectively.
- Lending to agriculture remains low, at **12.9 percent** of total credit extended as at December 2018.
- Therefore, Government interventions such as rolling out agricultural insurance, improv- ing access to the Agricultural Credit Facili- ty, and other initiatives will be prioritized in FY 2019/20.

## Financial Sector

- The banking sector is healthy and sound.
- Non-performing loans when measured against gross loans declined to **3.4%** as at end December 2018 compared to **5.63%** in December 2017.

# FY 2019/20 Budget Overview

The Budget for **FY 2019/20** amounts to

**shs. 40,487.90 billion**

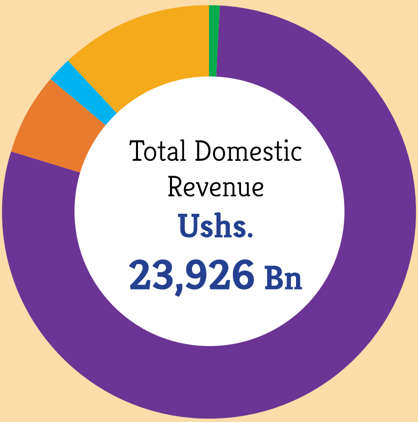
comprised of Domestic revenue amounting to

**Ushs. 30,379.14 billion**

and External Revenue amountingto

**Ushs. 10,108.76 billion.**

## Domestic Revenue Funding Sources for the FY 2019/20 Budget (Ushs. Bn)




URA Tax Revenue
**18,877**

Non Tax Revenue
**1,571**

Petroleum Fund
**446**

Domestic Financing
**2,831**

Appropriation in Aid/ Local Revenue
**201**

## External Financing Sources for the FY 2019/20 Budget (Ushs. Bn)

Project Support
**9,434**
o/w Grants: **Ushs 1,799Bn**
o/w Grants: **Ushs 7,634Bn**

Budget Support
**675**
o/w Grants: **Ushs 100.58Bn**
o/w Grants: **Ushs 574.59Bn**

# FY 2019/20 Tax Measures

Government will implement the following administrative measures in order to boost revenue collection in the FY 2019/20:

1. Electronic Fiscal Devices;
2. Digital Tax Stamps;
3. Implement the rental income tax collection solution by RippleNami;
4. Purchase and deployment of Scanners
4. Electronic Cargo Tracking system;
5. Tackling tax fraud
6. Implementing exchange of information (EOI) regionally and internationally
7. Enhance URA Human capacity; Improve technical and specialised skills in key are- as; e.g IT, Oil & Gas, International Tax, Legal;
9. Conduct 4 complex Audits of internation- al tax unit. Planned 2 examinations abroad in South Africa and U.K
10. Acquisition of a real time risk engine/ solution

|  | TAX MEASURE | Expected revenue gain (UGX. Bns) |
|---|---|---|
| **A** | **INCOME TAX** | |
| 1 | Widening the scope of the withholding agents across the sectors | 15bn |
| 2 | Provide administrative penalties for employers who fail to comply with their obligations to file PAYE and other withholding tax returns | 22bn |
| 3 | Provide for ring fenced taxation of rental income of non-individual taxpay- ers by property. | 7bn |
| 4 | Review the specific rates applicable on income of small businesses in the range of Ushs 10 million to Ushs 150 million to reduce the rates | 3bn |
| 5 | To oblige owners of goods vehcles to obtain a Tax Clearance Certificate as a condition for obtaining a license to operate | 2bn |
| 6 | Provide for withholding of 6% tax on sale of a business or business assets by all resident persons other than exempt persons | 13bn |
| **B** | **EXCISE DUTY** | |
| 1 | Review the Excise Duty Act to provide for regulation /licensing of premises,production and packaging of excisable firms | 16.94bn |
| 2 | Provide for regulations to guide the Excise Tax treatment of islamic financial services in line the substance of the transaction rather than its form | 15.00bn |
| **C** | **VAT** | |
| 1 | Re introduce withholding VAT at a rate of 6%, Provide penalties for failure to withhold, Provide for exemption of taxpayers based on a clear criteria | 49.46bn |
| 2 | Exempt drugs and medicines from VAT, and zero rate the supply of medi- cines manufactured in Uganda by a Uganda-cbased manufacturer | 7bn |
| **D** | **CUSTOMS** | |
| 1 | Increase the Common External Tariff on products that are produced in Uganda to protect the domestic industry e.g. i7mported tiles, steel | 30bn |

| SECTOR ALLOCATIONS | FY 2018/19 Amount (Bn) | FY 2018/19 % Share | FY 2019/20 Amount (Bn) | FY 2019/20 % Share |
|---|---|---|---|---|
| Works and Transport | 4,786.6 | 19.1% | 6,435.1 | 19.7% |
| Security | 2,068.0 | 8.2% | 3,620.8 | 11.1% |
| Education | 2,781.1 | 11.1% | 3,395.1 | 10.4% |
| Interest Payments | 2,514.1 | 10.0% | 3,145.2 | 9.6% |
| Energy and Mineral Development | 2,438.2 | 9.7% | 3,007.2 | 9.2% |
| Health | 2,310.1 | 9.2% | 2,589.9 | 7.9% |
| Justice/Law and Order | 1,296.1 | 5.2% | 1,732.6 | 5.3% |
| Accountability | 1,123.7 | 4.5% | 1,627.8 | 5.0% |
| Local Government Sector | 964.9 | 3.8% | 1,261.3 | 3.9% |
| Water and Environment | 1,265.8 | 5.0% | 1,092.8 | 3.3% |
| Agriculture | 892.9 | 3.6% | 1,054.6 | 3.2% |
| Public Administration | 624.1 | 2.5% | 979.1 | 3.0% |
| Public Sector Management | 612.8 | 2.4% | 857.2 | 2.6% |
| Legislature | 497.8 | 2.0% | 687.8 | 2.1% |
| Lands, Housing and Urban Dev't | 202.4 | 0.8% | 227.0 | 0.7% |
| Social Development | 214.7 | 0.9% | 219.2 | 0.7% |
| Trade and Industry | 134.1 | 0.5% | 202.8 | 0.6% |
| Tourism | 32.6 | 0.1% | 193.7 | 0.6% |
| Science, Technology and Innovation | 184.0 | 0.7% | 186.0 | 0.6% |
| ICT & National Guidance | 149.1 | 0.6% | 146.2 | 0.4% |
| **SUB TOTAL** | **25,093.23** | **100.0%** | **32,661.34** | **100.0%** |

## Sectoral Allocations of the FY 2019/20 Budget (Percentages)

| Works and Transport | Security | Health | Education | Energy & & Mineral Devn't | Others |
|---|---|---|---|---|---|
| 20% | 11% | 8% | 10% | 9% | 42% |


## Key Sector Interventions

1 Commercialisation of subsistence agriculture, while ensuring sustained growth of the already commercialised section of the economy through in- creased Agricultural Production, Productivity and support to Agro- Processing;

2 Growing Exports, including Tourism and improving avenues for Import Substitution;

3 Lowering the Cost of Doing Business, by among others integrating ICT sys- tems across Government;

4 Lowering the Cost of Credit

5 Creation of Jobs to address the high Youth Unemployment.

## Key Interventions for FY 2019/20

In a bid to address low productivity, Government in FY 2019/20 will:

1 Improve coordination and implementation of provision of Water for Production (WfP), between the Ministry of Agriculture, Animal Industry and Fisheries and Ministry of Water and Environment .

2 Update the National Soil Suitability Maps to promote uptaking the right fertilizers. The construction of the Tororo Sukulu fertiliz- er factory will improve accessibility and affordability of fertilizers.

3 Update the National Zoning Strategy to identify the enterprises of high export potential in addition to mapping the Agricultural production zones for food security.

4 Improve the quality of seed accessed by farmers

5 Enhance the capacity to fight animal diseases by commencing on the manufacture of the Foot and Mouth Disease (FMD) vac- cine in partnership with potential investors to commercially man- ufacture the vaccine in line with International protocols. Addition- ally, Agriculture research has been geared towards anti-tick vaccines.

## To enhance agro-Industrialization, emphasis will be on the following:

**1.**

Rolling out Regional Mechanization Centres which among other things will support the construction of bulk water harvesting and irrigation infrastructure.

**2.**

Improving access to extension services through recruiting and equipping extension workers and improving the mechanism of tracking and appraising the activities of the Government exten- sion workers in the districts and sub counties to ensure their ef- fectiveness of their services to farmers.

**3.**

Reduce post-harvest loss, through Government support to the private sector to establish tea factories, vegetable oil mills, cot- ton processing and spinning factories, dairy milk cooling, provide post-harvest equipment to sub county nucleus farmers and re- gional bulking centers for cereals.

## Achievements in FY 2018/19

**Coffee export** volumes increased by **6%** to **4.45 million** bags valued at **US$ 492 million** in 2018 compared to 4.187 million valued at **US$ 490 million** exported in 2017

**Oil palm** production in Kalangala increased by **55%** in 2018 to **37,802MT** valued at **Ushs 21.4 billion.**

**Milk production** increased by **19%** from **2.1 billion** litres in 2015 to **2.5 billion litres** in 2018.

**The volume of fish exports** has also in- creased by **27%.** The support to fisheries enforcement interventions has led to the opening of four (4) fish factories – Gom- ba in Jinja, Iftra in Kampala, Marine and Agro in Jinja and Ngenge in Kampala. The established capacity of all factories is 330 metric tonnes per day.

# Water and Environment

## Major Capital Investments in the FY 2019/20

1 CConstruction of large, mini and small scale Irrigation Schemes, earth dams and multipurpose storage facilities to provide wa- ter for various uses

2 Procurement of water for pro- duction equipment

3 Coordination of water and envi- ronment and agriculture sectors in line with the national irriga- tion policy.

## Key Interventions for FY 2019/20

The budget for the FY2019/20 will focus on the following:

**Increase Access to Adequate Sanitation:** The Government objective is to increase access to safely managed sanitation services from 86 in FY 2018/19 to 90% in FY 2019/20 through exten- sion of piped water systems and envi- ronmentally friendly waterborne toilet facilities, construction of sewerage fa- cilities such as sewerage treatment plants, faucal sludges and ecofriendly toilet facilities in rural growth centers.

**Improving Functionality of Water Points:** To improve the functionality of the various Water Sources to at least 95 percent, the Water and Environment sector will undertake countrywide rehabilitation of water facilities including wells, valley tanks/dams, hand pumps as well as strengthening operation and maintenance of water facilities through the umbrella organisations and water user committees.

**Increasing Access to Water for Production:** For sustainable provision of water for pro- duction, the Water and Environment and Agriculture sectors will put in place the nec- essary mechanisms for proper coordination in the development of irrigation and water for production infrastructure. Government will continue to support the use of solar powered irrigation pumps to improve the last mile use of these bulky water sources, among others.

**Environmental Protection, Climate Change Mitigation and Adaptation:** In a bid to reverse the trend in environmental degradation and increase the percentage of land covered by vital ecosystems, Government will undertake the following:

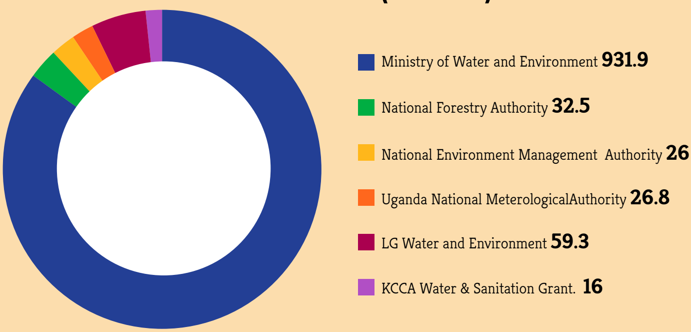
a. Demarcation and protection of wet- lands, river bank, lakeshores and Central Forest Reserves;

b. Promotion of tree growing, eviction of encroachers, strengthening climate and weather information systems and mainstreaming of environment and cli- mate change issues in all Government programmes and projects.

## Achievements in FY 2018/19

- Rural water coverage is now **71%,** while the urban water coverage stands at **80%**;
- Clean water has been provided to **38,200** villages representing **66%** of all villages in the country;
- Rural Sanitation coverage stands at **79%**, while urban sanitation coverage stands at **87.4%.**

### FY 2019/20 Water & Environment Sector Vote Budget Allocations (Bn. Ushs)




## Major Capital Investments in the FY 2019/20

1 Improvement in the literacy rate of persons aged 10 years and above to 74% resulting from the provision of Universal primary and post pri- mary education to 92% of all parishes and 71% of all sub-counties;

2 Improvement of the pupil to book ratio from 14:1 to 2:1 as Govern- ment distributed scholastic materials to all public primary schools

3 Reduction in teacher absentism at UPE schools in 20 pilot districts from 15% in 2015 to 4% in 2019 with the installation of biometric fin- ger print readers;

4 Critical infrastructure for technical and vocational trainings has been built and consequently, enrollment into Business, Technical and Voca- tional Training (BTVET) Institutions now stands at 129,000.and 71% of all sub-counties;

## Key Interventions for FY 2019/20

In a bid to address low productivity, Government in FY 2019/20 will:

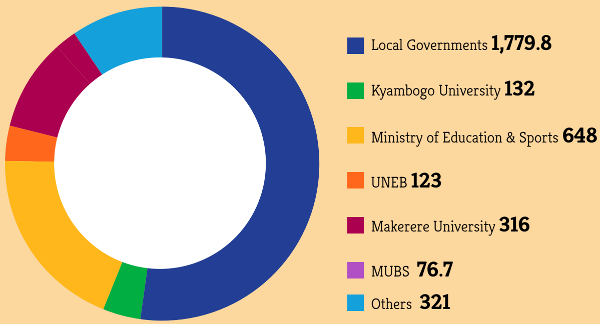
1 Prioritize Vocational training by enforcing standards in the institutions to make them at- tractive, providing vocational and technical institutions with adequate instructors and in- structional materials, guided by skills demand in the market, to enable them attract potential students.

2 Improving teacher quality and performance with specific reference to instructional practices for early grade reading use of instructional materials in teaching and teacher presence in School. This will enhance the teaching of early grade numeracy and literacy through im- proving teachers' content knowledge, skills and pedagogy.

3 Improving the School environment in form of enhanced school management, accountability and learning conditions including school facilities (classrooms, offices, water and sanitation facilities, teacher housing among others) with a view of improving teacher performance. In addition Government will review and estab- lish standards to ensure minimum conditions for learning across schools and implement these standards. This would include setting standards on; minimum number of teachers, instructional materials, classrooms, sanitary facilities across schools etc;

4 Operationalisation of SEED secondary schools currently being constructed in sub- counties without Government secondary schools, with adequate staffing and operation- al costs.

**FY 2019/20 Vote Budget allocations under the Education Sector**




## FY 2019/20 Programme allocations under the Education Sector

| Programme Name | Amount (Ushs.) |
|---|---|
| Pre-Primary and Primary Education | 1,185,076,265,052 |
| Support Services Programme | 596,474,513,476 |
| Secondary Education | 582,867,192,786 |
| Skills Development | 430,324,865,384 |
| Delivery of Tertiary Education Programme | 180,944,287,859 |
| National Examinations Assessment and Certification | 123,279,401,464 |
| Higher Education | 81,405,194,870 |
| Policy, Planning and Support Services | 63,475,232,704 |
| Education and Social Services | 44,973,560,633 |
| Quality and Standards | 41,340,051,255 |
| Physical Education and Sports | 33,200,638,219 |
| Curriculum and Instructional Materials Development, Orientation and Re- search | 14,267,190,861 |
| Education Personnel Policy and Management | 9,419,233,661 |
| Education Inspection and Monitoring | 7,762,848,000 |
| Special Needs Education | 2,632,308,615 |
| Guidance and Counselling | 1,075,211,039 |

# Health

## Achievements in FY 2018/19

Construction of Mulago National Referal Hospital and its transition into a super-specialized facility is at **97%** completion and will be commissioned in December 2019.

Progress has been registered in the disease prevention and treatment, provision of medical supplies and the development of critical health infrastructure eg. Malaria prevalence among children under five has reduced significantly from **30%** in 2015 to **17%** in 2018 majorly as a result of the distribution of **26.5 million** long lasting insecticide Nets and indoor residual spraying undertaken in **26 districts;**

Reduction in martenal deaths recorded at health facilities by **30%** from **148 per 100,000** in FY 2016/17 to 104 per 100,000 this year on account of equipping and improving staffing at health facilities. Furthermore, health worker attendance has improved from **51%** in June 2016 to **93%** in February 2019 in 20 pilot districts where biometric finger print readers were used to monitor staff attendance.

## In FY 2019/20, Government will:

1 Finalize the renovation of Mulago National Referral Hospital.

2 Functionalize lower level health facilities and provide additional resources for opera- tions. In addition, the sector will focus on streamlining the referral system to reduce pressure on Mulago National Referral Hos- pital which is planned to offer the super-specialized services.

3 Improve the reproductive, maternal, neona- tal, child and adolescent health services to reduce on mortality and morbidity by func- tionalizing and upgrading lower level health facilities as well as construction of staff houses, maternity wards in 81 health centers using the World Bank support for Reproductive Maternal Child Health Ser- vices Improvement programme.

4 Government will address the supply chain system to strengthen and ensure adequate controls to order, receive, transport, store, distribute and account for medicines. An assessment on the public sector supply chain was conducted with support from USAID to identify strength and weaknesses of the existing supply chain systems and recommendations for improvement will be implemented.

5 Ministry of Health is updating the National Health Insurance Scheme to include the infor- mal sector for consideration by Cabinet. There is a budget provision under Ministry of Health for preparatory activities for implementation of the scheme.


**Two domestic tourism promotion drives** (Tulambule) were conducted in Western and Eastern Uganda with en- hanced focus on popularizing tourism sites and encouraging Ugandans to visit and experience the beauty of their own Country and resources.

**Museums** of Kabale, Wedelai, Soroti, Fort Lugard, Bweyorere, Nyero, Kapir, Mukongoro and Moroto have been maintained.

Uganda Tourism Board participated in **8 expos and 14 events** in the interna- tional, regional and domestic markets.

**Breeding programme** for various species fo birds such as the shoebill and peafowl were conducted.

## In FY 2019/20, Government will:

Government will continue to invest in the sector to in- crease tourists' numbers and related employment as well as forex earning by prioritizing the following in FY 2019/20:

1. Aggressive marketing of Uganda's tourism in key markets, e.g. South Asia and Europe.

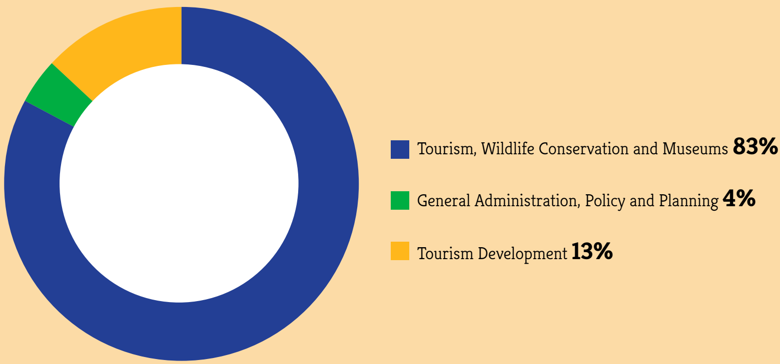
2. Tourist product development, e.g. religious, histori- cal, cultural, natural heritage and agro-tourism, e.g. farm visit etc.

3. Destination marketing. Identifying and marketing key tourist circuits and products.

4. Extending investment incentives to encourage more investment in the sector. To this end, the minimum investment threshold for development of hotels and tourist facilities has also been reduced from US$ 15 Million to US$ 10 Million.

5. Upgrade and renovation of key tourism infrastruc- ture to improve access and reliability – Airfields and priority roads, electricity and internet infra- structure, stopovers, water and sanitation facilities along the tourism routes and sites.

### FY 2019/20 Programme allocations under the Tourism Sector



# Energy and Mineral Development

## Achievements in FY 2018/19

Increased the generation capacity to over **1,200MW** with the coming on board of Isimba (183MW), and three mini hydro power plants that were commissioned this year under the GETFiT – Nyamwamba **(9.2MW), Nkusi (9.6MW)** and Waki **(4.8MW).**

Threegoldrefineries(African,Simba and Bullion) have been set up to refine gold to **99.9%.**

The Sukulu Phosphate and Steel Project was commissioned in October 2018.

Governmentstartedimplementingthe Electricity Connection Policy 2018 under which government will fully meet the cost of electricity connection materials to enable citizens that are ready for electricity consumption to access free connection materials.

Government continued to monitor and supervise the mining licenses and activities in in the areas of Namayingo, Mubende, Busia, Bugiri, Kasese, Kabarole, Buhweju, Rubanda, Ntungamo, Kabale, Kisoro and the Karamoja region. In addition, Mineral Protection Police was put in place to curb illegal mining.

Government commenced **biometric registration of Artisanal** and **Small-Scale Mining** as well as updated the Mining Cadastre and Registry System software to a e-government portal that now facilitates online mineral licensing.

## Key Interventions in FY 2019/20

A cost-effective energy sector that facilitates ser- vice delivery and industrialization will be achieved through:

| | | |
|---|---|---|
| 1 Completion Karuma hydropower project in or- der to concretize the electricity generation ca- pacity. In addition, other small hydros will be completed by the year 2020 in order to have 2000 MW of installed capacity. | 2 Effective FY2019/20, resources shall be fo- cused on refurbishing and expansion of the di- lapidated transmission lines and expediting the new transmission lines to evacuate power from the different generation plants. This will be coupled with substations and laying foundation for the main industrial parks that are envisaged to facilitate industrialization. | 3 In regard to distribution networks, Government will continue negotiation of the UMEME Concession that will expire in 2025. It is expected that early negotiations and extension of UMEME Concession will guarantee growth in demand for power and subsequent cheaper electricity tariffs. |

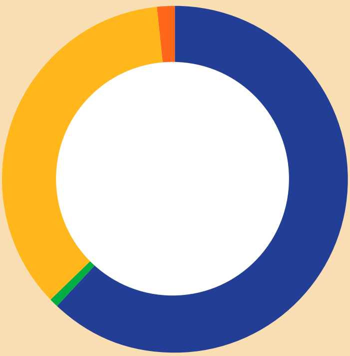
Furthermore, to fast-track the development and commercialization of minerals, oil and gas. Government will prioritize the following in FY 2019/20:

1 Speeding up regulatory reforms, including join- ing the extractive industry transparency initia- tives (EITI).

2 Establishment of beneficiation centres, con- struction of minerals laboratories and the com- pletion of the Phosphate and Steel Project at Sukulu.

3 Speed up preparation for the development of oil and gas production and support infrastructure – The refinery, east African crude oil pipeline and the oil and gas industrial park.

**FY 2019/20 Energy & Mineral Development Sector Vote Budget Allocations (Bn. Ushs)**



Energy and Minerals **1,864.7**

Uganda National Oil Company (UNOC) **31.47**

Rural Electrification Agency (REA) **1,060.84**

Petroleum Authority of Uganda **50.2**


# Works and Transport

## Achievements in FY 2018/19

The Paved road net- work is now **5,111 kilometers** equivalent to 25%of the National Road Network, ex- ceeding the NDP II target of 5,000km;

Finalized the Traffic and Road Safety (Amendment) Bill 2018;

**1,022** reinforced con- crete railway reserve boundary markers erected along **64Km** of the railway reserve from Lubanyi to Igan- ga ;

Completed **74%** works for the new cargo cen- ter complex for Entebbe airport;

Completed **80%** rehabilitation works for run- way 12/30 and its associated taxiways;

## Key Interventions in FY 2019/20

1 Sequencing road development projects to minimise over-commitment of the budget as interest charged on unpaid certificates erodes the funds available to these projects. In this regard considera- tion of new road projects should be on replacement basis upon exit of completed road projects, with exception of tourism and oil roads for which special funds have been provided.

2 Under oil roads, Packages 1, 2 & 3 which are very critical for deliv- ery of the first oil are ongoing and MoFPED in consultation with UNRA will complete the process of loan financing for the Engineer-ing Procurement Contracts (EPCs) amounting to USD USD 68.5 million.

3 To enhance access to tourism sites, an additional Ushs 57.8 billion will be provided to UNRA to embark on the South-West tourism circuit. The other tourism roads will be sequenced over the medium and long term. In addition, support will be provided for rehabilita- tion of aerodromes to facilitate domestic flights.

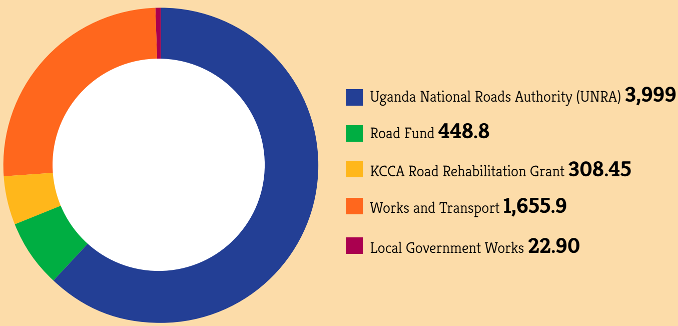
4 In FY 2019/20, Government will continue to support the improvement of rural roads con-nectivity, low-cost sealing of district roads and improving material testing and research services under Ministry of Works & Transport (MoWT).

5 Enhancing efficient and effective use of the road equipment procured from Japan, by en- suring that this equipment is properly main- tained and strictly used for road maintenance and rehabilitation of District, Urban and Com- munity Access Roads (DUCAR) and National roads and using the Force Account approach as opposed to contracting which is usually more expensive.

6 Land acquisition and counterpart funding will be prioritised in the budget, especially for De- velopment of the new port at Bukasa (Ushs 29 billion), completion of the One Stop Border Post (OSBP) at Katuna (Ushs 9 billion). In this regard some of the funds will be reallocat- ed from the Road Fund and SGR project for this purpose.

7 The construction works for development of Kabaale International Airport in Hoima District will continue in FY 2019/20.

**FY 2019/20 Works and Transport Sector Vote Budget Allocations (Bn. Ushs)**






29

# Information, Communication and Technology

1 NITA-U will deliver last mile connectivity to enhance provision and access to e-Government Services through NBI/EGI by making an ad- ditional 800 MALGs connections to the National Backbone Infra- structure.

2 Secondly, NITA-U will also implement the Missing Links compo- nent of the RCIP Project connecting nine (9) additional districts to the NBI including; Nebbi, Pakwach, Arua, Koboko, Yumbe, Moyo, Ad- jumani, Katakwi, Moroto.

3 The Ministry of ICT will continue the implementation of the ICT Ini- tiatives Support Program utilizing the ICT Innovation Fund to set up a regional innovation hub in the northern region as well as provide grants and technical support to innovators.

4 Government through Ministry of ICT will implement the centralised Media Buying Strategy that aims at establishing a centralized commu- nication and media buying framework for GoU that guarantees return of investment, professionalizes GoU's communication by introducing governing measures that will ensure brand quality and consistency.


## Key Interventions in FY 2019/20

Government will priori ze the following measures to enhance the effectiveness of the public sector:-

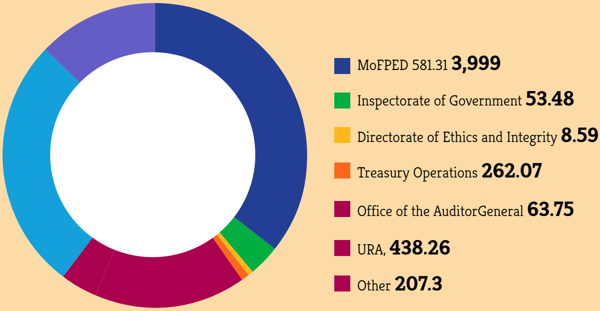
1 Implementa on of the Electronic Gov- ernment Procurement (e-GP) System. The introduc on of e-GP is expected to generate signi cant e ciency gains and improve transparency and accountability in the public procurement sector.

2 Implementa on of the Resource Enhancement and Accountability Programme (REAP) which requires strengthening of transparency and accountability in Public Finance.

3 Comple ng the rollout of the Integrated Financial Management System (IFMS), Treasury Single Account Framework and the e-cash solu on to all the remaining en es especially, at Local Government levels, to enhance e ciency, transparency and accountability.

4 Implement the asset management policy, currently being nalized to improve asset management and e cient use in delivery of services.

### FY 2019/20 Accountability Sector Vote Budget Allocations (Bn. Ushs)




## Key Interventions In Fy 2019/20

1 Government will con nue to strengthen an -corrup on ins tu ons and sys- tems in order to crackdown on corrup on in public service.

2 Addressing case backlog and enhancing e ciency in case management by strengthening case management systems and automa on of business pro- cesses, construc on of one stop JLOS service points at district level, rolling out pre-bargaining, holding special sessions for a rma ve ac on e.g. SGBV cases, strengthening the land and commercial courts to reduce lead  mes, strengthening legal aid by extending the State Brief Scheme to enhance ac- cess jus ce for indigent persons.

3 Addressing Conges on in Prisons through Opera onalising Kitalya mini-max prison and 5 other recep on centres and the Na onal community service programme.

### FY 2019/20 Programme allocations under the Justice, Law and Order Sector

- General administration, planning, policy and support services **25%**
- Judicial services **10%**
- Territorial and SpecialisedPolicing **9%**
- Crime Prevention and Investigation Management **8%**
- Human Rights and Welfare **6%**
- Policy, Planning and Support Services **6%**
- Welfare and Infrastructure **6%**
- Citizenship and Immigration Services **5%**
- Others **25%**


32

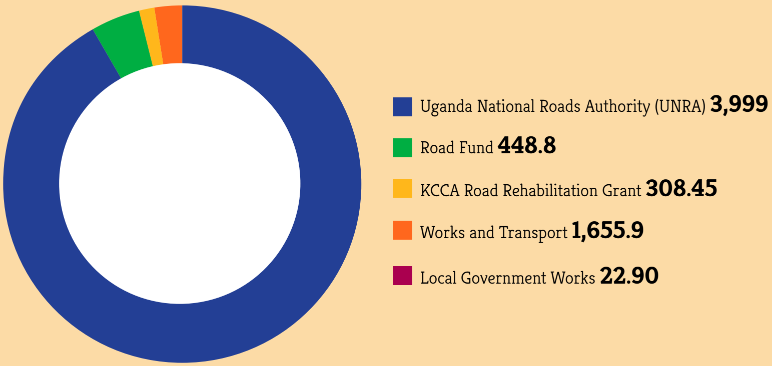

1 Security enhancement in order to ad- dress external and internal threats, in- cluding ensuring security of tourists. Government will continue to profes- sionalize the UPDF through equipment and training.

2 Funding 2021 General Elections in line with promotion of democracy and governance. This will not only deepen gov- ernance, but also cement transparency and maturity of our democracy, peace and security.

3 Crime management by fast tracking crime information system and roll out the installation of CCTV to municipali- ties and urban centers, and promoting community policing.

4 Implementation of e-gates, e-kiosks for major borders and full implementation of e-passports to reduce the lead time in clearing immigrants and improve ser- vice delivery.

## FY 2019/20 Programme allocations under the Security Sector



## Public Investment Management Reform

In order to strengthen the Public Investment Management System (PIMS) in the country, Government will ensure all projects under preparation and appraisal adhere to the Public Investment Manage- ment System (PIMS) framework, which emphasizes review and ap- proval at four stages of Concept, Profile, Prefeasibility and Feasibility.

Furthermore, Government developed an Integrated Bank of projects (IBP). The IBP is an online system database for information and data relating to all projects at the various stages of the project cycle. The first phase spanning project preparation and appraisal was completed and launched in April, 2019. Development of the second phase for execution, monitoring and evaluation shall commence in July, 2019. Therefore, with effect from 01st July 2019, all processes underlying project preparation and appraisal shall be undertaken on the IBP.

## Budget Transparency Initiatives (BTI)

In order to improve awareness and transparency, in FY 2017/18, the Min- istry of Finance, Planning and Economic Development undertook vari- ous activities during the Budget Week aimed at engaging all the different stakeholders and improving the relationship between itself and the Citizens' of the Country.

In FY 2018/19, the MoFPED engaged other stakeholders including URA, CSBAG, PSFU, CSOs and organized a Budget month with various activities scheduled including Regional Budget Breakfast meetings and this was all in a bid to increase awareness and understanding of the Budget for FY 2019/20. In addition an exhibition was conducted where several Government Ministries, Departments and Agencies showcased their work to the hundreds of people in attendance and with this, the work done by institutions of Government was appreciated as well as feedback provided to different Government institutions on how to improve their work of of- fering services to the people across the Country.

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