

# Vote: 123 Rural Electrification Agency (REA)

## Vote Summary

### VI: Vote Overview

This section sets out the Vote Mission, Strategic Objectives, and provides a description of the vote's services

#### (i) Snapshot of Medium Term Budget Allocations

Table V1 below summarises the Medium Term Budget allocations for the Vote:

**Table V1.1: Overview of Vote Expenditures (US\$ Billion)**

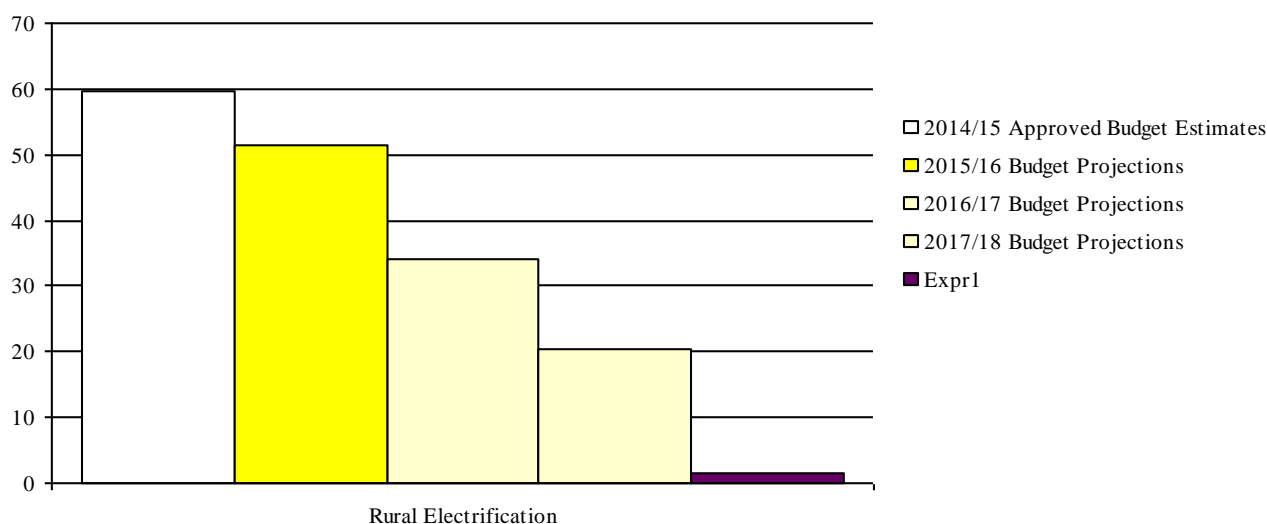
	2013/14 Outturn	2014/15		MTEF Budget Projections		
		Approved Budget	Spent by End Sept	2015/16	2016/17	2017/18
<i>(i) Excluding Arrears, Taxes</i>						
Recurrent						
Wage	0.000	0.000	0.000	0.000	0.000	0.000
Non Wage	0.000	0.000	0.000	0.000	0.000	0.000
Development						
GoU	14.693	16.976	3.769	16.976	20.371	20.373
Ext.Fin	8.833	44.404	7.678	34.561	13.656	0.000
<b>GoU Total</b>	<b>14.693</b>	<b>16.976</b>	<b>3.769</b>	<b>16.976</b>	<b>20.371</b>	<b>20.373</b>
<b>Total GoU+Donor (MTEF)</b>	<b>23.527</b>	<b>61.380</b>	<b>11.447</b>	<b>51.537</b>	<b>34.027</b>	<b>20.373</b>
<i>(ii) Arrears and Taxes</i>						
Arrears	0.000	0.000	0.000	0.000	N/A	N/A
Taxes**	0.000	1.663	0.000	0.000	N/A	N/A
<b>Total Budget</b>	<b>23.527</b>	<b>63.044</b>	<b>11.447</b>	<b>51.537</b>	<b>N/A</b>	<b>N/A</b>
<i>(iii) Non Tax Revenue</i>						
<b>Grand Total</b>	<b>23.527</b>	<b>99.044</b>	<b>18.576</b>	<b>87.537</b>	<b>N/A</b>	<b>N/A</b>
Excluding Taxes, Arrears	23.527	97.380	18.576	87.537	70.027	58.373

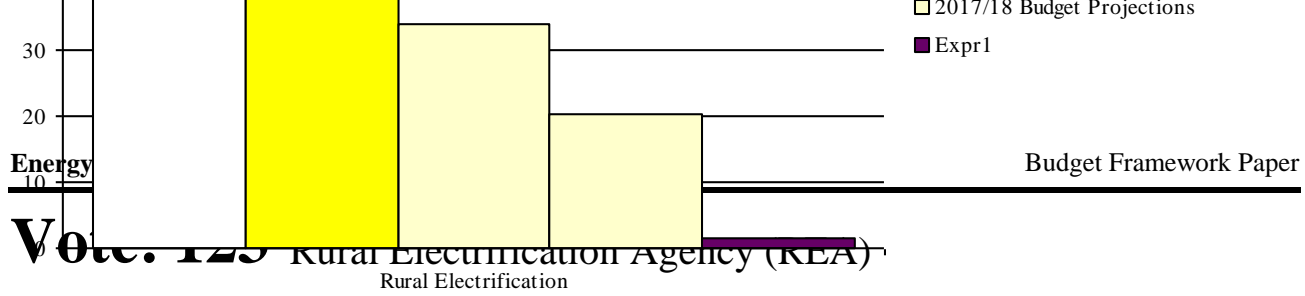
\* Donor expenditure data unavailable

\*\* Non VAT taxes on capital expenditure

The chart below shows total funding allocations to the Vote by Vote Function over the medium term:

**Chart V1.1: Medium Term Budget Projections by Vote Function (US\$ Bn, Excluding Taxes, Arrears)**





## Vote Summary

### (ii) Vote Mission Statement

The Vote's Mission Statement is:

*"To facilitate provision of electricity for socio-economic rural transformation in an equitable and sustainable manner."*

### (iii) Vote Outputs which Contribute to Priority Sector Outcomes

The table below sets out the vote functions and outputs delivered by the vote which the sector considers as contributing most to priority sector outcomes.

#### Table V1.2: Sector Outcomes, Vote Functions and Key Outputs

## V2: Past Vote Performance and Medium Term Plans

*This section describes past and future vote performance, in terms of key vote outputs and plans to address sector policy implementation issues.*

### (i) Past and Future Planned Vote Outputs

2013/14 Performance

#### RURAL ELECTRIFICATION PROJECT

##### A.GoU RE Priority projects

During the FY2013/14, there was continuous monitoring of the performance of projects funded from the energy fund since most of them were under the defects Liability period. All the projects with the exception of the project being implemented by Plan Build in Bushenyi and Rukungiri completed their Defects liability period and power lines are in good working condition. The above said projects are the GoU Rural electrification priority projects and they include the following:

Sironko-nakapirit- Amudat

Katakwi-Moroto

Ibanda-Kobujogera-Kamwenge-Muhanga-Kamwezi

Kakumiro-Birembo-Nalweyo,Bukwiri-Kyakwanzi,Kayunga-Busana

Lwala-Kaberaido,Dokolo Amolatar, Otuboi

Kitgum-Palabek,Lira-Aloi

Lot 1: Masafu-Bushiko –Buhasaba –Bunyadeti Health Centre III (Busia), Namawanga - Kimaluli – Nabweya, Magale,Bumbo,Butiru,Munamba,Lwakhakha,Nalondo,Bugobero, (Manafwa), Bufumbo-Bokonde (Mbale)

Lot 2: Serere - Apapai – Bugondo, (Soroti) Kanginima- Namiyembe- Kabelai T/C Scheme, (Pallisa), Bukedea-Malera (Bukedea), Iyowa (Tororo)

Lot 3: Kalege-Mayanja-Semuto-Semuto Sub-county, Kapeka-Kireta-Kikamulo Sub-county (Nakaseke), Wakisi TC on Jinja/Kayunga Road to the River Bank at Kirugu Wakikola zone, Kikubamutwe TC to Nankwanga on Jinja - Kayunga Road, Kisoga-Kiyoola-Nkokonjeru

Lot 5: Katooke to Muhororo, Nyantungo - Nyarukomo and Kayihura – Bwensi (Kyenjojo / Kibale), Murro/Isagara/Nyabeya TC's (Masindi)

Lot 6: Kalububu - Mitete – Lwebitakuli (Sembabule), Dimo Landing Site (Masaka)

Lot 7: Kibuuku – Rwebisengo

##### B.Projects funded by the energy fund Reallocation

There was continued implementation of projects that were funded by the USD 20 Million that was received from the Energy Fund. With the exemption of Lot3 and Lot4, all projects under the seven lots are 100% complete and under the defects Liability Period. Lot3 and Lot4 are at 75% completion. The projects include the following:

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Lot 1: Wakiso/Mpigi/Mityana/Busunju

Lot 2: Kamuli/Buyende/Kayunga/Jinja

Lot 3: Mbale/Manafwa /Tororo/Butaleja /Kapchorwa /Pallisa/Bulambuli, Sironko

Lot 4: Masindi/Lira/Nakasongola

Lot 5: Lwengo/Mbarara/Isingiro/Ibanda/Kiruhura

Lot 6: Bushenyi/Buhweju/Kasese/Kyenjojo

Lot 7: Rukungiri/Kanungu/Ntungamo/Kabale

#### C.Consolidated Fund and Transmission Levy projects

REA monitored three projects that were under defects liability period and supervised construction of 2 projects whose progress is as below.

Electricity power networks on Kamuli and Namutumba(100% complete & still under Defects Liability Period)

Electricity power Networks in Hoima and Nakasongola(100% complete & still under Defects Liability Period)

Kaddugala-Lwamayongo, Rwashamaire-Nyamitooma-Karuruma(DLP completed and is good working conditions)

Schemes in western Uganda(80% complete)

Mayuge-Lumino LV component(60% complete)

#### D.Projects Funded by the Royal Government of Norway

Most of the projects have been completed and closed while others were under the Defects Liability Period with the exception of LV networks in Rukungiri and Kanungu districts whose construction works were at 90%.

-Rwamucucu-Kisiizi-Kyempene

-Additional Scope in Rwamucucu-Kisiizi-Kyempene

-Low Voltage networks in Rukungiri and Kanungu Districts

-Myanzi-Kiganda

-Mubende-Kyenjojo

-Rakai-Isingiro; Lumbugu-Lyantonde, Sembabule-Lwemiyaga; Lyantonde-Lwebitakuli

-Kabale-Kisoro

-Gulu-Adjumani-Moyo

-Apala-Adwari-Kiiru with a tee-off to Morulem

-Rackokoko-Awere-Lalogi

#### E.World Bank Funded projects

1.Electricity Supply to Selected Agricultural Farms and enterprises(All surveys are complete and materials procured and delivered at site)

2.Kagando Hydropower evacuation project (80% of works are complete)

3.Intensification works under ERT funded RE project areas (Under Procurement)

4.Supply of No Pole electricity supply connection Materials (Under Procurement)

5.Ntenjeru and Environs (100% completion of works that included the construction of 72km of medium voltage networks plus 50km of low voltage networks supplying over 32 trading centers.)

6.RuhiiraMillenim Village (100% completion of works that included the construction of 106km of medium voltage networks plus 58km of low voltage networks)

7.Gulu-Acholibur(100% completion of works that included the construction of 125km of medium voltage networks plus 33km of low voltage networks)

8.Opeta-Achokora(100% completion of works that included the construction of 53km of medium voltage networks plus 21km of low voltage networks)

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9. Masindi-Wak-Buliisa (95% completion of works that included the construction of 178km of medium voltage networks plus 77km of low voltage networks)

10. Nkonge-Kashozi (95% completion of works that included the construction of 150km of medium voltage networks plus 60km of low voltage networks)

#### F. JICA III Funded Project

During the FY2013/14, all procurements under the JICA component were completed and delivered to site. Installation works were ongoing.

#### G. GOU Funded Rural Electrification Schemes under 10 Lots

REA went ahead to procure contractors who undertook the implementation of various schemes under 10 lots. 20% advance payment was processed and the contractors were on ground by the end of the Financial Year. The ten lots are as follows:

Lot 1: Wakiso, Butambala, Mpigi, Mityana, Mubende Districts and environs

Lot 2: Masaka, Sembabule, Rakai, Gomba, Kiruhura Districts and environs

Lot 3: Nakasongola, Luwero, Nakaseke, Hoima Districts and environs

Lot 4: Kayunga, Mukono, Jinja, Luuka, Kamuli Districts and environs

Lot 5: Manafwa, Mbale, Tororo, Sironko, Butaleja, Budaka, Bulambuli, Bududa Districts and environs

Lot 6: Serere, Soroti, Pallisa, Kapchorwa, Kumi Districts and environs

Lot 7: Mbarara, Sheema, Bushenyi, Ibanda Districts and environs

Lot 8: Ntungamo, Rukungiri, Kabale, Kanungu, Kisoro Districts and environs

Lot 9: Bundibugyo, Kasese, Rubirizi Districts and environs

Lot 10: Gulu, Kitgum, Pader, Otuke, Lira, Lamwo Districts and environs

#### OBA PROGRAM

##### A. Consumer connections

Connections continued in the quarter under review in the Service Territories of KIL, WENRECO, BECS, PACMECS and FESL. The electricity connections under the OBA project are made by Licensed Distribution Companies – LDCs namely; Umeme limited, West Nile Rural Electrification Company (WENRECO), Ferdult Engineering Services Limited (FESL), Kilembe Investments Limited (KIL), Bundibugyo Energy Cooperative Society (BECS) and Pader – Abim Community Multi-Purpose Electric Cooperative Society Limited (PACMECS).

Preparations were underway to bring UEDCL on board to make OBA connections. The board approved the allocation and the implementation agreement was drafted. A cumulative total of 2,890 connections was achieved by end of June 2014.

##### B. Consultancies

The OBA Project has three consultancy assignments; (i) the Consumer Awareness Consultant (CAC), (ii) the Independent Verification Agent (IVA), and (iii) The Poverty Mapping Consultant (PMC). The progress of each of the consultancies is elaborated below;

##### Consumer awareness consultancy (CAC)

The CAC is intended to raise awareness among households in Uganda in order to generate demand for connections under the OBA project. Real Marketing Limited (RML) was appointed in February 2013 to carry out this consultancy. This activity is funded by KfW. Activities were stepped up on radio and TV. Up to 17 radios were airing OBA adverts.

##### Independent verification agent (IVA)

The IVAs provide end-user auditing and verification services of completed connections installed by the Licensed Distribution Companies (LDCs) under the OBA project. The two companies selected for this

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consultancy are KPMG and Ernest and Young (EY). KPMG verifies connections by Umeme while Ernst and Young verifies connections by KIL, FESL, WENRECO, BECS and PACMECS. The IVAs signed contracts in June 2013. This activity is funded by the World Bank through ERT II. Ernst and Young completed verification of 688 connections belonging to KIL and BECS. The two companies were also paid 67% of their invoices for these connections. They also completed verification of KIL's first batch of 300 connections which was also paid for.

#### Poverty mapping consultancy

The Poverty Mapping Consultancy identifies eligible households in newly electrified areas that are classified as poor and hence eligible for a connection subsidy under OBA. The new areas will be on account of the new lines built or being built by REA in the service territories and commissioned after July 2012. The poverty Mapping Consultancy contract was signed on 28th March 2014 between M & E Associates and GoU represented by the Rural Electrification Board. The consultant commenced with the assignment and is progressing well.

#### *Preliminary 2014/15 Performance*

In the first quarter REA continued to implement the various planned outputs of the financial year 2014/15. The performance as at September 2014 was as elaborated below.

#### BADEA/SAUDI FUND

Implementation commenced during the quarter with line clearance and pegging.

1. Kapchorwa-Bukwo-Suam (Kapchorwa)
2. Mayuge-Bwondha Landing Site (Mayuge)
3. Kasambira-Bugulumbya-Bukuutu (Kamuli)
4. Mityana-Lusalira (Mityana)
5. Lake Victoria free Trade Zone (Rakai)
6. Apac-Chegere-Alemi (Apac)
7. Hoima-Nalweyo (Hoima)
8. Kitgum-Namokora/Padipe (Kitgum)

#### OFID/OPEC projects

Evaluation process was in progress for the procurement of a contractor.

#### Ntenjeru-Mpenja

#### Biafra-Nakusubuyaki

Ziba – Namaseke – Nansagazi – Kiwale – Buyiira – Lugonjo – Ntimbe – Bukasa – Kisimbize – Buzzu –

Banda – Kalambya – Natyole

Lukonda – Wangege village

Nansagazi – Ssenyi Landing sites

Aduku-Cawente, Aduku-Nambieso, Aduku-Inomo

Lira-Bala

Aloi-Omororo

Dogapio-Atura

#### GOU PROJECTS UNDER 2 LOTS

Under implementation at 65% completion

Lot1-Networks in Eastern Uganda

Kayunga/Jinja/Iganga/Luuka/Kamuli/Buyende/Tororo/manafa

Under implementation at 70% completion

Lot 2 Networks in western Uganda

Bundibugyo-mubende/sembabule/Kiruhura/kisoro/Lyantonde/Nakasongola/Ibanda/Rukungiri

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### GOU PROJECTS UNDER 7 LOTS

Projects under implementation and at 90% completion

Lot 1: Wakiso/Mpigi/Mityana/Busunju

Lot 3: Mbale/Manafwa/Tororo/Butaleja/ Kapchorwa/Pallisa

Lot 4: Masindi/Lira

Lot 7: Rukungiri-Kanungu-Ntungamo-Kabale

Projects with completed Works and under Monitoring of Defects liability period

Lot5: Lwengo-Mbarara-Isingiro-Ibanda-Kiruhura

Lot 6: Bushenyi, Buhweju, Kasese and Kyenjojo

### GOU PROJECTS UNDER 10 LOTS

Projects below are under implementation with excavation and pole erection works in progress

Lot 1: Wakiso/Butambala/Mpigi /Mityana /Mubende

Lot 2:Masaka/Sembabule/Rakai/ Gomba/Kiruhura

Lot 3: Nakasongola/Luwero/ Nakaseke /Hoima

Lot 4: Kayunga/Mukono/Jinja/Luuka/Kamuli

Lot 5: Manafwa/Mbale/Tororo/Sironko/ Butaleja/Budaka/Bulambuli/Bududa

Lot 6: Serere/Soroti/Pallisa/Kapchorwa/Kumi

Lot 7: Mbarara/Sheema/Bushenyi/Ibanda

Lot 8: Ntungamo/Rukungiri/Kabale /Kanungu/ Kisoro

Lot 9: Bundibugyo/Kasese/Rubirizi

Lot 10: Gulu/Kitgum/Pader/Otuke/Lira/Lamwo

### JICA III

-Mayuge - Lumino (JICA) - Under implementation at HV stringing stage

### FRENCH DEVELOPMENT AGENCY

Grid extensions in northwest, Rwenzori, western, mid western, south & southwestern territories

Expression of Interest for procurement of Supervision Consultancy published on AFD website

### AFRICAN DEVELOPMENT BANK

Grid extensions in north, eastern and central service territories - Preparation of Feasibility study ongoing.

### WORLD BANK FUNDED GRID EXTENSIONS UNDER ERT III

Signing of the financing arrangements and approval are being finalized. Meetings have been held between the Government of Uganda and World Bank. The financing Closure is expected soon.

### GOVERNMENT OF NORWAY

Projects were under the defects liability period monitoring

-Mubende-Kyenjojo

-Rakai-Sembabule

-Kabale-Kisoro

-Apala - Adwari – Kiiru

-Gulu - Adjumani – Moyo

-Rackokoko -Awere - Lalogi

-Muhanga-Rwamucucu-Kisiizi-Kyempene with Tee-offs to Rugyeyo Via Nyakishenyi - Additional Scope

-Muhanga-Rwamucucu-Kisiizi-Kyempene with Tee-offs to Rugyeyo Via Nyakishenyi - Additional Scope II was under implementation at 85% completion

### ISLAMIC DEVT BANK I

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Islamic Development Bank (RE Projects in Karamoja sub-region - Loan Proposal was submitted to IDB for Approval

Islamic Development Bank (RE Projects in Mirama-Kabale & Teso-Karamoja sub-region) - the Loan was approved by cabinet during the quarter.

### OBA PROGRAMME

Uganda grid-based Output Based Aid (OBA) project is a 4.5-year project funded by the Global Partnership on Output-Based Aid (GPOBA) through the World Bank (IDA), the Government of the Federal Republic of German and the European Union (EU) through the German Financial Cooperation (KfW), and the Government of Uganda. The Project provides for subsidization of an output grant for household electricity connections to defray the capital costs associated with obtaining electricity connections, which has been a significant barrier for rural households.

During the first quarter of the FY2014/15, 2,350 consumer connections were made to national grid. UEDCL signed the OBA agreement and Procurement of connection materials was ongoing during the quarter For the case of Consumer Awareness, The consultant carried out direct marketing with Umeme, WENRECO, BECS, KIL, PACMECS and FESL. Advertisements continued on radio, TV and newspapers.

**Table V2.1: Past and 2015/16 Key Vote Outputs\***

<i>Vote, Vote Function Key Output</i>	<b>Approved Budget and Planned outputs</b>	<b>2014/15 Spending and Outputs Achieved by End Sept</b>	<b>2015/16 Proposed Budget and Planned Outputs</b>
<b>Vote: 123 Rural Electrification Agency (REA)</b>			
<b>Vote Function: 0351 Rural Electrification</b>			
<b>Output:035180</b>	<b>Construction of Rural Electrification Schemes (On-grid)</b>		
<i>Description of Outputs:</i>			Number of line Kms of Low voltage (240V) constructed. Number of line Kms of Medium Voltage (33Kv or 11Kv) constructed Number of solar systems installed
<i>Performance Indicators:</i>			
Number of solar systems installed			14,000
Number of line Kms of Medium Voltage (33Kv or 11Kv) constructed			3,262
Number of line Kms of Low Voltage (240v) constructed			2,954
<i>Output Cost: US\$ Bn:</i>	73.863	<i>US\$ Bn:</i> 10.752	<i>US\$ Bn:</i> 63.201
<i>Output Cost Excl. Ext Fin. US\$ Bn:</i>	33.013	<i>US\$ Bn:</i> 3.648	<i>US\$ Bn:</i> 32.195
<b>Output:035182</b>	<b>Increased rural household connections</b>		
<i>Description of Outputs:</i>			Number of private sector players participating in rural electrification for promotion of private sector involvement. Number of rural electrification cooperatives created for promotion of private sector involvement in rural electrification
<i>Performance Indicators:</i>			
Number of rural			2

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<i>Vote, Vote Function Key Output</i>	<b>Approved Budget and Planned outputs</b>	<b>2014/15 Spending and Outputs Achieved by End Sept</b>	<b>2015/16 Proposed Budget and Planned Outputs</b>
electrification cooperatives created for promotion of private sector involvement in rural electrification			
Number of district headquarters			6
Number of private sector players participating in rural electrification for promotion of private sector involvement in rural electrification			12
<i>Output Cost: US\$ Bn:</i>	6.554	<i>US\$ Bn:</i> 0.695	<i>US\$ Bn:</i> 4.554
<i>Output Cost Excl. Ext Fin. US\$ Bn:</i>	3.000	<i>US\$ Bn:</i> 0.121	<i>US\$ Bn:</i> 1.000
<b>Vote Function Cost</b>	<b>US\$ Bn:</b>	<b>99.044 US\$ Bn:</b>	<b>11.447 US\$ Bn:</b>
<i>VF Cost Excl. Ext Fin.</i>	<i>US\$ Bn</i>	<i>54.639 US\$ Bn</i>	<i>3.769 US\$ Bn</i>
<b>Cost of Vote Services:</b>	<b>US\$ Bn:</b>	<b>97.380 US\$ Bn:</b>	<b>11.447 US\$ Bn:</b>
<i>Vote Cost Excl. Ext Fin.</i>	<i>US\$ Bn</i>	<i>54.639 US\$ Bn</i>	<i>3.769 US\$ Bn</i>

\* Excluding Taxes and Arrears

### 2015/16 Planned Outputs

REA has planned budget priorities for the FY2015/16 and they are as outlined below

#### A.Completion of GoU ongoing projects

Lot 1: wakiso/butambala/Mpigi/Mityana/Mubende

Lot 2:Masaka/sembabule/Rakai/Gomba/Kiruhura

Lot 3:Nakasongola/Luwero/Nakaseke/Hoima

Lot 4:Kayunga/Mukono/ Jinja/Luuka/Kamuli

Lot 5:manafwa/Mbale/Tororo/Sironko/Butaleja/Budaka/bulambuli/Bududa

Lot 6:serere/Soroti/pallisa/Kapchorwa/Kumi

Lot 7:Mbarara/sheema/Bushenyi/Ibanda

Lot 8:Ntugamo/Rukungiri/Kabale/Kanungu/Kisoro

Lot 9: Bundibugyo/Kasese/Rubirizi

Lot 10:Gulu/Kitgum/pader/Otuke/Lira/Lamwo

#### B.BADEA/SFD Projects

This involves the completion of projects by GoU Counter part funding

Kapchorwa-Bukwo-Suam(kapchorwa)

Mayuge-Bwondhs Landing Site(Mayuge)

Kasambira-Bugulumbya-Bukuutu(Kamuli)

Mityana-Lusalira(Hoima)

Lake Victoria free Trade Zone(Rakai)

Apac-Chegere-Alemi(Apac)

Hoima-Nalweyo(Hoima)

Kitgum-Namakora/Padipe(Kitgum)

#### C.LV works for JICA phase III

Completion of LV GoU funded projects of Mayuge-Namaingo, Lumino-Namaingo, Namaingo-Bumeru,

Lutolo-Lufudu

D.Projects funded by the Government of Norway



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Muhanga-Rwamucucu-Kashambya-Rugyeyo/Kyempene  
 Myanzi,Kiganda,Katabalanga,Mubende  
 Mubende-Kyenjojo,  
 Rakai-Sembabule  
 Kabale-Kisoro  
 Apala-Adwari-Kiiru with tee-off to Morulem  
 Gulu-Adjuman-Moyo  
 Rackoko-Awere-Lalogi

### E.ERT II PROJECTS

Monitor the Defects Liability period  
 -soroti-Katakwi, Ayer-Kamdin Ibanda Kazo line  
 -Ruhira millennium Village  
 -Gulu-Acholibur and Tee off paicho-patiko-paloro  
 -Opeta-Achokora with Tee-off Iceme-Otwal  
 -Masindi-Waki-Buliisa-Tee-off tp Hoima  
 Nkonge-Kashozi and environs

### F.CONSTRUCTION OF NEW PROJECTS DURING THE FINANCIAL YEAR

#### 1.GoU Funded projects

- (i). Projects in Mityana,Bukomasimbi,Kayunga,kalungu,Nakasongol,Mukono,Kiboga,Kyankwanzi, Luwero & Nakaseke
- (ii).Projects in Iganga,Ngora,Tororo,Pallisa,Busia,Soroti,Budaka,Bududa,Bugiri,Namayingo,Mayuge &Kamuli
- (iii). Projects in Isingiro,Kanungu,Bundibugyo,Kyenjojo,Kamwenge,Kibaale,Kyegegwa,Kabarole,Kabale& Kisoro
- (iv).projects in Lira,Gulu,Agago,Pader,Abim & Arua

#### 2. ERT III PROJECTS

Commencement of the ERTIII World Bank projects to be implemented as follows:

#### 3.OPEC PROJECTS

- Ntenjeru-Mpenja
- Biafra-Nakusubuyaki
- Ziba – Namaseke – Nansagazi – Kiwale –Buyiira – Lugonjo – Ntimbe – Bukasa – Kisimbize – Buzzu – Banda – Kalambya – Natyole
- Lukonda – Wangege village
- Nansagazi – Ssenyi Landing sites
- Aduku-Cawente, Aduku-Nambieso, Aduku-Inomo
- Lira-Bala
- Aloi-Omororo
- Dogapio-Atura

-Muhanga-Rwamucucu-Kisiizi-Kyempene with Tee-offs to Rugyeyo Via Nyakishenyi - Additional Scope II

#### 4.AFD PROJECTS

-Grid extensions in northwest, Rwenzori, western, mid western, south & southwestern territories

#### 6.ISLAMIC DEVELOPMENT BANK PROJECTS

-Islamic Development Bank I (RE Projects in Karamoja sub-region)

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-Islamic Development BankII(RE Projects in Mirama-Kabale & Teso-Karamoja sub-region)

**Table V2.2: Past and Medum Term Key Vote Output Indicators\***

Vote Function Key Output Indicators and Costs:	2013/14 Outturn	2014/15		MTEF Projections		
		Approved Plan	Outturn by End Sept	2015/16	2016/17	2017/18
<b>Vote: 123 Rural Electrification Agency (REA)</b>						
<b>Vote Function:0351 Rural Electrification</b>						
Number of line Kms of Low Voltage (240v) constructed				2,954	2,954	2,954
Number of line Kms of Medium Voltage (33Kv or 11Kv) constructed				3,262	3,262	3,262
Number of solar systems installed				14,000	14,000	14,000
Number of private sector players participating in rural electrification for promotion of private sector involvement in rural electrification				12	12	12
Number of district headquarters				6	6	6
Number of rural electrification cooperatives created for promotion of private sector involvement in rural electrification				2	2	2
<b>Vote Function Cost (US\$ bn)</b>	<i>N/A</i>	<b>97.380</b>	<b>11.447</b>	<b>87.537</b>	<b>70.027</b>	<b>58.373</b>
<i>VF Cost Excl. Ext Fin.</i>	<i>14.693</i>	<i>52.976</i>	<i>3.769</i>	<i>52.976</i>	<i>N/A</i>	<i>N/A</i>
<b>Cost of Vote Services (US\$ Bn)</b>	<i>N/A</i>	<b>97.380</b>	<b>11.447</b>	<b>87.537</b>	<b>70.027</b>	<b>58.373</b>
<i>Vote Cost Excl. Ext Fin</i>	<i>14.693</i>	<i>52.976</i>	<i>3.769</i>	<i>52.976</i>	<i>N/A</i>	<i>N/A</i>

### Medium Term Plans

Focus will be on the following: -

- Construction of power lines.
- Connection of consumers
- Facilitate the development of 10 small renewable energy projects
- Install 100000 PV systems

### (ii) Efficiency of Vote Budget Allocations

The Rural Electrification Agency management activities will run according to the budget as planned without any diversions.

**Table V2.3: Allocations to Key Sector and Service Delivery Outputs over the Medium Term**

Billion Uganda Shillings	(i) Allocation (Shs Bn)				(ii) % Vote Budget			
	2014/15	2015/16	2016/17	2017/18	2014/15	2015/16	2016/17	2017/18
Key Sector	80.4	<b>67.8</b>	50.2	40.4	82.6%	<b>77.4%</b>	71.8%	69.2%
Service Delivery	80.4	<b>67.8</b>	50.2	40.4	82.6%	<b>77.4%</b>	71.8%	69.2%

The variations are as a result of different service providers that include UMEME, FERDSULT, cooperatives who charge different rates.

There are also Changes in prices of connection materials.

**Table V2.4: Key Unit Costs of Services Provided and Services Funded (Shs '000)**

Unit Cost Description	Actual 2013/14	Planned 2014/15	Actual by Sept	Proposed 2015/16	Costing Assumptions and Reasons for any Changes and Variations from Plan
<i>Vote Function:0351 Rural Electrification</i>					
Kilometer		54,000	54,000	54,171	Each kilometer is estimated to cost USD25000 which includes the cost of the conductor, poles, transformers and pole

# Vote: 123 Rural Electrification Agency (REA)

## Vote Summary

Unit Cost Description	Actual 2013/14	Planned 2014/15	Actual by Sept	Proposed 2015/16	Costing Assumptions and Reasons for any Changes and Variations from Plan
					accessories. The variations are as a result of differences in terrain, weather conditions, nature of settlements &
Connections		250	250	256	This is a no pole connection which includes a service cable and meter. The variations are as a result of different service providers that include UMEME, FERDSULT, cooperatives who charge different rates. Changes in prices of connection materials.

### (iii) Vote Investment Plans

Most of the Rural electrification projects have remained unfunded given the available funds for the Financial year. However, most of the fund have been allocated to the capital purchases to facilitate the completion of the already ongoing projects

**Table V2.5: Allocations to Capital Investment over the Medium Term**

Billion Uganda Shillings	(i) Allocation (Shs Bn)				(ii) % Vote Budget			
	2014/15	2015/16	2016/17	2017/18	2014/15	2015/16	2016/17	2017/18
Consumption Expenditure(Outputs Provided)	17.0	19.8	19.8	18.0	17.4%	22.6%	28.2%	30.8%
Investment (Capital Purchases)	80.4	67.8	50.2	40.4	82.6%	77.4%	71.8%	69.2%
<b>Grand Total</b>	<b>97.4</b>	<b>87.5</b>	<b>70.0</b>	<b>58.4</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

The capital purchases will include construction materials for 33kV and 11kV power lines. The materials include poles, conducters, transformers, auto closures, etc.

**Table V2.6: Major Capital Investments**

Project, Programme Vote Function Output <i>UShs Thousand</i>	2014/15		2015/16	
	Approved Budget, Planned Outputs (Quantity and Location)	Actual Expenditure and Outputs by September (Quantity and Location)	Proposed Budget, Planned Outputs (Quantity and Location)	Actual Expenditure and Outputs by September (Quantity and Location)
<b>Project 1261 West Nile Grid Extension Program-GBOBA</b>				
<b>035182 Increased rural household connections</b>	WORLD BANK FUNDED OBA PROGRAM -40000 consumer Connections made end of financial year.  -consumer subsidy connections in Kanungu and Kibaale/Kyenjojo concession areas	(i) 2,350 consumer connections were made. These were connected to national grid.  (ii) UEDCL signed the OBA agreement and Procurement of connection materials is ongoing.  (iii) Consumer Awareness - The consultant carried out direct marketing with Umeme, WENRECO, BECS, KIL, PACMECS and FESL. Advertisements continued on radio, TV and newspapers.	37,635 consumer Connections	
<b>Total</b>	<b>6,554,306</b>	<b>694,550</b>	<b>4,554,306</b>	
<i>GoU Development</i>	<i>3,000,000</i>	<i>120,993</i>	<i>1,000,000</i>	
<i>External Financing</i>	<i>3,554,306</i>	<i>573,558</i>	<i>3,554,306</i>	
<b>Project 1262 Rural Electrification Project</b>				

# Vote: 123 Rural Electrification Agency (REA)

## Vote Summary

Project, Programme Vote Function Output <i>US\$ Thousands</i>	2014/15		2015/16
	Approved Budget, Planned Outputs (Quantity and Location)	Actual Expenditure and Outputs by September (Quantity and Location)	Proposed Budget, Planned Outputs (Quantity and Location)
<b>035180 Construction of Rural Electrification Schemes (On-grid)</b>	<p>BADEA/SFD</p> <p>100% completion of projects of Kapchorwa-Bukwo-Suam Mayuge-Bwondha Landing Site Kasambira-Bugulumbya-Bukuutu Mityana-Lusalira Lake Victoria free Trade Zone Apac – Chegere – Alemi Hoima – Nalweyo Kitgum – Namokora,</p> <p>OFID/OPEC</p> <p>Update of design and procurement of contractor, 50% construction works, Monitoring of Defects Liability period. Undertake Way leaves acquisition, Undertake EA, Storage yard</p> <p>Ntenjeru-Mpenja Biafra-Nakusubuyaki Ziba – Namaseke – Nansagazi – Kiwale – Buyiira – Lugonjo – Ntimbe – Bukasa – Kisimbize – Buzzu – Banda – Kalambya – Natyole Lukonda – Wangege village Nansagazi – Ssenyi Landing sites</p> <p>Aduku-Cawente, Aduku-Nambieso, Aduku-Inomo Lira-Bala Alo-i-Omoro Dogapio-Atura</p> <p>GOU \$20 MILLIONS FUNDED PROJECTS</p> <p>Lot 1: EASTERN</p> <p>100% completion of projects Kayunga/Jijan/Iganga/Luuka/Kamuli/Buyende/Tororo/Busia/Manafa</p> <p>Lot 2: WESTERN</p> <p>100% completion of projects Bundibugyo/Mubende/Sembabule/Kiruhura/Kisoro/Lyantonde/Nakasongola/Ibando/Rukungiri</p> <p>Lot 1: Wakiso, Mpigi, Mityana, Busunju</p> <p>Kikera and Ssekihuka Villages Kibugga and Buwambo Village Farm</p> <p>Nangabo Village Farm (Kedaf) Wamala Parish and Environs Galamba Village Kawafu (Rono) Farm in Busunju Kabankonyo TC and Environs</p> <p>Lot 3: Mbale/Manafwa/Tororo/Butaleja</p>	<p>BADEA/SAUDI FUND</p> <p>Implementation commenced during the quarter with line clearance and pegging.</p> <p>1. Kapchorwa-Bukwo-Suam (Kapchorwa)</p> <p>2. Mayuge-Bwondha Landing Site (Mayuge)</p> <p>3. Kasambira-Bugulumbya-Bukuutu (Kamuli)</p> <p>4. Mityana-Lusalira (Mityana)</p> <p>5. Lake Victoria free Trade Zone (Rakai)</p> <p>6. Apac-Chegere-Alemi (Apac)</p> <p>7. Hoima-Nalweyo (Hoima)</p> <p>8. Kitgum-Namokora/Padipe (Kitgum)</p> <p>OFID/OPEC</p> <p>Evaluation process was in progress for the procurement of a contractor.</p> <p>Ntenjeru-Mpenja Biafra-Nakusubuyaki Ziba – Namaseke – Nansagazi – Kiwale – Buyiira – Lugonjo – Ntimbe – Bukasa – Kisimbize – Buzzu – Banda – Kalambya – Natyole Lukonda – Wangege village Nansagazi – Ssenyi Landing sites</p> <p>Aduku-Cawente, Aduku-Nambieso, Aduku-Inomo Lira-Bala Alo-i-Omoro Dogapio-Atura</p> <p>GOU PROJECTS UNDER 2 LOTS</p> <p>Under implementation at 65% completion</p> <p>Lot 1: Networks in Eastern Uganda Kayunga/Jijan/Iganga/Luuka/Kamuli/Buyende/Tororo/Busia/Manafa</p> <p>Lot 2: Networks in western Uganda Bundibugyo/Mubende/Sembabule/Kiruhura/Kisoro/Lyantonde/Nakasongola/Ibando/Rukungiri</p> <p>GOU PROJECTS UNDER 7 LOTS</p> <p>Under implementation at 90% completion</p> <p>Lot 1: Wakiso, Mpigi, Mityana, Busunju</p> <p>Kikera and Ssekihuka Villages Kibugga and Buwambo Village</p>	<p>REA has planned budget priorities for the FY2015/16 and they are as outlined below</p> <p>A. Completion of GoU ongoing projects</p> <p>Lot 1: wakiso/butamala/Mpigi/Mityana/Mubende</p> <p>Lot 2: Masaka/sembabule/Rakai/Gomba/Kiruhura</p> <p>Lot 3: Nakasongola/Luwero/Nakaseke/Hoima</p> <p>Lot 4: Kayunga/Mukono/Jinja/Luuka/Kamuli</p> <p>Lot 5: manafwa/Mbale/Tororo/Sironko/Butaleja/Budaka/bulumbuli/Bududa</p> <p>Lot 6: serere/Soroti/pallisa/Kapchorwa/Kumi</p> <p>Lot 7: Mbarara/sheema/Bushenyi/Ibando</p> <p>Lot 8: Ntungamo/Rukungiri/Kabale/Kanungu/Kisoro</p> <p>Lot 9: Bundibugyo/Kasese/Rubirizi</p> <p>Lot 10: Gulu/Kitgum/pader/Otuke/Lira/Lamwo</p> <p>B. BADEA/SFD Projects</p> <p>This involves the completion of projects by GoU Counter part funding</p> <p>Kapchorwa-Bukwo-Suam (kapchorwa)</p> <p>Mayuge-Bwondha Landing Site (Mayuge)</p> <p>Kasambira-Bugulumbya-Bukuutu (Kamuli)</p> <p>Mityana-Lusalira (Hoima)</p> <p>Lake Victoria free Trade Zone (Rakai)</p> <p>Apac-Chegere-Alemi (Apac)</p> <p>Hoima-Nalweyo (Hoima)</p> <p>Kitgum-Namakora/Padipe (Kitgum)</p> <p>C. LV works for JICA phase III</p> <p>Completion of LV GoU funded projects of Mayuge-Namaingo, Lumino-Namaingo, Namaingo-Bumeru, Lutolo-Lufudu</p> <p>D. Projects funded by the Government of Norway</p> <p>Muhanga-Rwamucucu-Kashambya-Rugveyo/Kyempene</p>

# Vote: 123 Rural Electrification Agency (REA)

## Vote Summary

Project, Programme Vote Function Output <i>US\$ Thousands</i>	2014/15 Approved Budget, Planned Outputs (Quantity and Location)	Actual Expenditure and Outputs by September (Quantity and Location)	2015/16 Proposed Budget, Planned Outputs (Quantity and Location)
	/Kapchorwa/Pallisa Muwafu TC in Mulanda sub- county Busiu TC - Kidok Health center Buwaya TC and Environs Buluganya, Buyaga - Bunalwere and Kaduwa Maizimasa sub-county, Doho and Bugosa TC National High Altitude Center at Teryet Kabwangasi Parish, Kakutu and Kagumu sub-county Lot 4: Masindi/Lira Ogur Health center and Apii Pe Village Kisindi - Masindi Farm Inputs care center Rukondwa Village Kafu TC and Kafu Farm Bujwahya and Bulyango TC Lot 5: Lwengo/Mbarara/Isingiro/Ibanda /Kiruhura Katovu - Mudaala and Kalengero, Bwizibwera - Biharwe and Bukiro Rwentanga Community - Phase I Mile 17 at Byakatimba TC Nyabuhikye TC and Environs Akacucu TC and Environs Lot 6: Bushenyi/Buhweju/Kasese/Kyen jojo Bukonzo Mixed Farm Nsiika TC in Buhweju Katenga - Rubaare - Katooma – Rwagashane Rukakarwe Appropriate Technology Center Nyakatooke Village Maddox Secondary School Lot7: Rukungiri/Kanungu/Ntungamo/ Kabale Kitwe Farm and Environs Nyakibobo - Itojo sub-county Nyabushabi – Muyumba Bunyonyi Wildlife Island Rubaaya to Bigaaga Kicumbi TC and Environs Garubunda to Mabanga TC and Nyaruzinga to Kashenyi TC and Kafunjo TC Mburameizi barracks and Kiruruma water pump Mpangango Rukungiri Primary Teachers College Bwindi Community Hospital and Environs	Farm Nangabo Village Farm (Kedaf) Wamala Parish and Environs Galamba Village Kawafu (Rono) Farm in Busunju Kabankonyo TC and Environs Lot 3: Mbale/Manafwa/Tororo/Butaleja /Kapchorwa/Pallisa Muwafu TC in Mulanda sub- county Busiu TC - Kidok Health center Buwaya TC and Environs Buluganya, Buyaga - Bunalwere and Kaduwa Maizimasa sub-county, Doho and Bugosa TC National High Altitude Center at Teryet Kabwangasi Parish, Kakutu and Kagumu sub-county Lot 4: Masindi/Lira Ogur Health center and Apii Pe Village Kisindi - Masindi Farm Inputs care center Rukondwa Village Kafu TC and Kafu Farm Bujwahya and Bulyango TC. Works are completed and the project is under monitoring of Defects Liability Period Lot 5: Lwengo/Mbarara/Isingiro/Ibanda /Kiruhura Katovu - Mudaala and Kalengero, Bwizibwera - Biharwe and Bukiro Rwentanga Community - Phase I Mile 17 at Byakatimba TC Nyabuhikye TC and Environs Akacucu TC and Environs. Under monitoring of Defects Liability Period Lot 6: Bushenyi/Buhweju/Kasese/Kyen jojo Bukonzo Mixed Farm Nsiika TC in Buhweju Katenga - Rubaare - Katooma – Rwagashane Rukakarwe Appropriate Technology Center Nyakatooke Village Maddox Secondary School. Under implementation and at 90% completion. Lot7: Rukungiri/Kanungu/Ntungamo/ Kabale Kitwe Farm and Environs	Myanzi,Kiganda,Katabalanga,M ubende Mubende-Kyenjojo, Rakai-Sembabule Kabale-Kisoro Apala-Adwari-Kiiru with tee-off to Morulem Gulu-Adjuman-Moyo Rackoko-Awere-Lalogi  E.ERT II PROJECTS Monitor the Defects Liability period -soroti-Katakwi, Ayer-Kamdin Ibanda Kazo line -Ruhira millennium Village -Gulu-Acholibur and Tee off paicho-patiko-palaro -Opeta-Achokora with Tee-off Iceme-Otwal -Masindi-Waki-Buliisa-Tee-off tp Hoima Nkonge-Kashozi and environs  F.CONSTRUCTION OF NEW PROJECTS DURING THE FINANCIAL YEAR 1.GoU Funded projects (i). Projects in Mityana,Bukomasimbi,Kayunga, kalungu,Nakasongol,Mukono,Ki boga,Kyankwanzi, Luwero & Nakaseke (ii).Projects in Iganga,Ngora,Tororo,Pallisa,Busi a.,Soroti,Budaka,Bududa,Bugiri, Namayingo,Mayuge &Kamuli (iii). Projects in Isingiro,Kanungu,Bundibugyo,K yenjojo,Kamwenge,Kibaale,Kye gegwa,Kabarole,Kabale& Kisoro (iv).projects in Lira,Gulu,Agago,Pader,Abim & Arua  2. ERT III PROJECTS Commencement of the ERTIII World Bank projects to be implemented as follows: 3.OPEC PROJECTS -Ntenjeru-Mpenja -Biafra-Nakusubyaki -Ziba – Namaseke – Nansagazi – Kiwale –Buyiira – Lugonjo – Ntimbe – Bukasa – Kisimbize – Buzzu – Banda – Kalambya – Natyole -Lukonda – Wangege village -Nansagazi – Ssenyi Landing sites -Aduku-Cawente, Aduku- Nambieso, Aduku-Inomo

# Vote: 123 Rural Electrification Agency (REA)

## Vote Summary

Project, Programme Vote Function Output <i>US\$ Thousand</i>	2014/15		2015/16
	Approved Budget, Planned Outputs (Quantity and Location)	Actual Expenditure and Outputs by September (Quantity and Location)	Proposed Budget, Planned Outputs (Quantity and Location)
	GoU CONSOLIDATED FUND PROJECTS. 100% completion of projects Lot1:Wakiso/Butambala/Mpigi/Mityana/Mubende Lot2:Masaka/Sembabule/Rakai/Gomba/Kiruhura Lot 3: Nakasongola/Luwero/Nakaseke/Hoima Lot 4: Kayunga/Mukono/Jinja/Luuka/Kamuli Lot 5: Manafwa/Mbale/Tororo/Sironko/Butaleja/Budaka/Bulambuli/Bududa Lot 6: Serere/Soroti/Pallisa/Kapchorwa/Kumi Lot 7: Mbarara/Sheema/Bushenyi/Ibanda Lot 8: Ntungamo/Rukungiri/Kabale/Kanungu/ Kisoro Lot 9: Bundibugyo/Kasese/Rubirizi Lot 10: Gulu/Kitgum/Pader/Otuke/Lira/Lamwo  JICA III 100% construction of Mayuge-Namaingo, Lumino-Namaingo, Namaingo-Bumeru, Lutolo-Lufudu  FRENCH DEVELOPMENT AGENCY PROJECTS 70% construction of Grid extensions in North West, Rwenzori, Western, Mid western, South and South Western Service Territories  AFRICAN DEVELOPMENT BANK 100% completion of projects. Grid extensions in North Eastern, Eastern and Central Service Territories.  WORLD BANK FUNDED GRID EXTENSIONS UNDER ERT III 50% construction of projects.Grid extensions in North Eastern, Eastern and Central, North North West, Central North, North Western,	Nyakibobo - Itojo sub-county Nyabushabi – Muyumba Bunyonyi Wildlife Island Rubaaya to Bigaaga Kicumbi TC and Environs Garubunda to Mabanga TC and Nyaruzinga to Kashenyi TC and Kafunjo TC Mburameizi barracks and Kiruruma water pump Mpangango Rukungiri Primary Teachers College Bwindi Community Hospital and Environs. Under implementation and at 90% completion.  GOU PROJECTS UNDER 10 LOTS Projects below are under implementation Excavation and pole erection works commenced. Lot 1: Wakiso/Butambala/Mpigi /Mityana /Mubende Lot 2:Masaka/Sembabule/Rakai/Gomba/Kiruhura Lot 3: Nakasongola/Luwero/ Nakaseke /Hoima Lot 4: Kayunga/Mukono/Jinja/Luuka/Kamuli Lot 5: Manafwa/Mbale/Tororo/Sironko/Butaleja/Budaka/Bulambuli/Bududa Lot 6: Serere/Soroti/Pallisa/Kapchorwa/Kumi Lot 7: Mbarara/Sheema/Bushenyi/Ibanda Lot 8: Ntungamo/Rukungiri/Kabale /Kanungu/ Kisoro Lot 9: Bundibugyo/Kasese/Rubirizi Lot 10: Gulu/Kitgum/Pader/Otuke/Lira/Lamwo  JICA III -Mayuge - Lumino (JICA) - Under implementation at HV stringing stage  FRENCH DEVELOPMENT AGENCY Grid extensions in northwest, rwenzori, western, mid western,	-Lira-Bala -Aloi-Omoro -Dogapio-Atura  -Muhanga-Rwamucucu-Kisiizi-Kyempene with Tee-offs to Rugeyeo Via Nyakishenyi - Additional Scope II  4.AFD PROJECTS -Grid extensions in northwest, Rwenzori, western, mid western, south & southwestern territories  6.ISLAMIC DEVELOPMENT BANK PROJECTS -Islamic Development Bank I (RE Projects in Karamoja sub-region) -Islamic Development BankII(RE Projects in Mirama-Kabale & Teso-Karamoja sub-region)

# Vote: 123 Rural Electrification Agency (REA)

## Vote Summary

Project, Programme Vote Function Output <i>US\$ Thousand</i>	2014/15		2015/16
	Approved Budget, Planned Outputs (Quantity and Location)	Actual Expenditure and Outputs by September (Quantity and Location)	Proposed Budget, Planned Outputs (Quantity and Location)
	Western and Rwenzori Service Territories	south & southwestern territories EoI for procurement of Supervision Consultancy published on AFD website	
	FRENCH DEVELOPMENT AGENCY PROJECTS. Grid extensions in North West, Rwenzori, Western, Mid western, South and South Western Service Territories with 50% completion of projects.	AFRICAN DEVELOPMENT BANK Grid extensions in north eastern and central service territories - Preparation of Feasibility study	
	ISLAMIC DEVELOPMENT BANK PROJECTS Distribution net works in Karamoja region with 50% completion of works.	WORLD BANK FUNDED GRID EXTENSIONS UNDER ERT III signing of the financing contracts for Grid extensions in North Eastern, Eastern and Central, North North West, Central North, North Western, Western and Rwenzori Service Territories GOVERNMENT OF NORWAY Projects were under the defects liability period monitoring -Mubende-Kyenjojo -Rakai-Sembabule -Kabale-Kisoro -Apala - Adwari – Kiiru -Gulu - Adjumani – Moyo -Rackokoko -Awere - Lalogi -Muhanga-Rwamucucu-Kisiizi- Kyempene with Tee-offs to Rugeyo Via Nyakishenyi - Additional Scope -Muhanga-Rwamucucu-Kisiizi- Kyempene with Tee-offs to Rugeyo Via Nyakishenyi - Additional Scope II was under implementation at 85% completion	
		ISLAMIC DEVT BANK I Islamic Development Bank (RE Projects in Karamoja sub-region - Loan Proposal was submitted to IDB for Approval	
		Islamic Development Bank (RE Projects in Mirama-Kabale & Teso-Karamoja sub-region) - the Loan was Approved by cabinet during the quarter.	
<b>Total</b>	<b>75,526,546</b>	<b>10,752,374</b>	<b>63,201,414</b>
<b>GoU Development</b>	<b>15,639,223</b>	<b>3,648,346</b>	<b>15,976,000</b>

# Vote: 123 Rural Electrification Agency (REA)

## Vote Summary

Project, Programme Vote Function Output <i>US\$ Thousands</i>	2014/15		2015/16
	Approved Budget, Planned Outputs (Quantity and Location)	Actual Expenditure and Outputs by September (Quantity and Location)	Proposed Budget, Planned Outputs (Quantity and Location)
<i>External Financing</i>	40,850,000	7,104,028	31,006,848
<i>NTR</i>	19,037,323	0	16,218,566

### (iv) Vote Actions to improve Priority Sector Outcomes

In order to improve on the Vote performance, REA should be in position to realise the GoU target of achieving a rural electrification Target of 26% by the year 2023. This can only be achieved through increased funding for the agency to run its activities as planned. REA will also allocate some of the resources to increased capacity building and advocate for the timely release of funds that should also be in line with amount of funds that have been applied for.

**Table V2.7: Priority Vote Actions to Improve Sector Performance**

2014/15 Planned Actions:	2014/15 Actions by Sept:	2015/16 Planned Actions:	MT Strategy:
<b>Sector Outcome 1: Increased access to affordable and efficient sources of energy</b>			
Vote Function: 03 51 Rural Electrification			
<i>VF Performance Issue: Capacity building</i>			
- Procurement of equipment for the Solar PV testing bench.	Increased procurement of the additional solar equipment	-staff training for better service delivery.	Increased staff training for better service delivery.
- Provision of additional equipment			
<i>VF Performance Issue: Increased funding for rural electrification project</i>			
		- Persistent requests for additional funding to complete the manifesto projects.	Packaging projects for funding by GoU and development partners.
		- Package and market projects to development partners for funding.	
<i>VF Performance Issue: Timely release of funds</i>			
Continued engagement of development partners and MoFPED	ontime submission of progress reports which are in line with the funding agreements.	Timely submission of the funding requirements to the respective development partners and Ministry of Finance Planning & Economic Development.	Continued engagement of development partners

## V3 Proposed Budget Allocations for 2015/16 and the Medium Term

This section sets out the proposed vote budget allocations for 2015/16 and the medium term, including major areas of expenditures and any notable changes in allocations.

**Table V3.1: Past Outturns and Medium Term Projections by Vote Function\***

	2013/14 Outturn	2014/15		MTEF Budget Projections		
		Appr. Budget	Spent by End Sept	2015/16	2016/17	2017/18
<b>Vote: 123 Rural Electrification Agency (REA)</b>						
0351 Rural Electrification	23.527	97.380	11.447	87.537	70.027	58.373
<b>Total for Vote:</b>	<b>23.527</b>	<b>97.380</b>	<b>11.447</b>	<b>87.537</b>	<b>70.027</b>	<b>58.373</b>

### (i) The Total Budget over the Medium Term

The Rural Electrification Strategy and plan (RESP)2012-2023 approved by GOU has set a target of 26% rural electrification by the year 2023. To be able to achieve this very important milestone, GOU needs to



# Vote: 123 Rural Electrification Agency (REA)

## Vote Summary

substantially increase investment in the programme. The proposed budget allocation for the FY2015/16 is UGX87.537 billions.

### (ii) The major expenditure allocations in the Vote for 2015/16

Grid extension program will form the focus of resource allocation as follows:-

- Completion of construction works for 10 lots
- Construction of new rural electrification projects funded by GoU, AFD, IDB, OPEC, AFDB and BADEA III.
- completion of the BADEA/SFD projects by GoU providing its counter part funding
- Low Voltage networks and way leaves compensations for Mayuge to Lumino under JICA Phase III.
- Way leaves compensations for the 8 Rural Electrification projects which are funded by the Government of Norway. The said projects are complete and commissioned.
- Commence implementation of RE projects funded by ERT III World Bank and IDB, AFD, AFDB.

### (iii) The major planned changes in resource allocations within the Vote for 2015/16

REA has manifesto projects that were promised to the beneficiaries but there are no enough funds to undertake them.

**Table V3.2: Key Changes in Vote Resource Allocation**

Changes in Budget Allocations and Outputs from 2014/15 Planned Levels:			Justification for proposed Changes in Expenditure and Outputs
2015/16	2016/17	2017/18	
<i>Vote Function: 0301 Rural Electrification</i>			
<b>Output: 0351 01 Policy planning, monitoring, and advisory services</b>			
<i>US\$ Bn:</i> 2.819	<i>US\$ Bn:</i> 2.819	<i>US\$ Bn:</i> 1.037	<i>Capacity building and staff recruitment will enable REA to realise the GoU target of achieving a rural electrification target of 26% by the year 2023</i>
There will be increased activity geared at achieving the RESP target of 26% access by 2022 through capacity building and staff recruitment.	There will be increased activity geared at achieving the RESP target of 26% access by 2022 through capacity building and staff recruitment.	There will be increased activity geared at achieving the RESP target of 26% access by 2022 through capacity building and staff recruitment.	
<b>Output: 0351 80 Construction of Rural Electrification Schemes (On-grid)</b>			
<i>US\$ Bn:</i> -10.662	<i>US\$ Bn:</i> -24.617	<i>US\$ Bn:</i> -36.490	<i>There was a reduction in the MTEF ceiling allocations leading to a reuduction in the amount allocated for the financial year.</i>
Since REA has a number of priority projects in plan, the changes in allocation will leave most of unfunded.	Since REA has a number of priority projects in plan, the changes in allocation will leave most of unfunded	Since REA has a number of priority projects in plan, the changes in allocation will leave most of unfunded	
<b>Output: 0351 82 Increased rural household connections</b>			
<i>US\$ Bn:</i> -2.000	<i>US\$ Bn:</i> -5.554	<i>US\$ Bn:</i> -3.554	<i>REA has secured enough funds for the project until its time of completion</i>
The allocation to the project has reduced. However, it has no effect on the outputs of the project.	The allocations to the project has reduced. However, it has no effect on the outputs of the project.	The allocations to the project has reduced. However, it has no effect on the outputs of the project.	

## V4: Vote Challenges for 2015/16 and the Medium Term

*This section sets out the major challenges the vote faces in 2015/16 and the medium term which the vote has been unable to address in its spending plans.*

RAE is faced with a number of challenges that tend to have significant impact on its ability to undertake its mandate and these challenges include:

-way leaves issues have continued to affect the smooth implementation of several projects. This often leads to delays in execution of projects and it poses a serious threat to the lives of the contractors. The way leaves compensation bill continues to arise for the ongoing projects.

-The bureaucratic procurement process especially for donor funded projects like BADEA/SFD and OFID have caused serious delays in implementation of these projects.

## Vote: 123 Rural Electrification Agency (REA)

### Vote Summary

-Reluctance by some service providers especially UMEME to embrace the OBA connection project that is aimed at increasing the number of connections on the grid to over 100000 in the 4 years. This at the end of the day resulted into inadequate absorption of funds that were earmarked for the purpose.

The amount currently allocated to REA is inadequate to achieve the set targets and currently REA has a funding gap of UGX108.58 billion for the FY2015/16. The justifications for the said funding gap are as follows.

#### A.Completion of construction works for 10 Lots

REA is currently undertaking construction of power lined under 10lots worth UGX 65.89 billion. The projects were to be funded by from the 5% Transmission Levy and appropriations from the consolidated fund. Contracts were signed on the understanding that Rea would receive Ushs.32.5 billion from Uganda Electricity Transmission company Ltd (UETCL) which was diverted with approval from ministry of finance, planning and Economic development to pay thermo generators. UETCL claims that the electricity Regulatory declined to approve inclusion of these fund in tariff because that had already been done before the funds were diverted. UETCL was advised to request for this money from MoFPED on his instructions the diversion was made. UETCL claims that though the matter was brought to the attention of MoFPED, no funds have been remitted to them to enable the debt to be settled. REA is now stuck with these contracts because there is no money to complete construction. In that case an amount of UGX 32.94 billion is urgently required to finish the works.

#### B.Construction of new Rural Electrification Projects

REA has manifesto projects that were promised to the beneficiaries but there are no funds to undertake them. These projects are worth UGX 60.41 billion. It is expected that in the FY15/16, 50% of the works will be completed and the balance required in FY 2016/17.

#### C.Counterpart funding on BADEA/SFD projects

BADEA/SFD is funding construction of 8 rural electrification projects worth USD 26.78 million with the balance expected to come from GOU as counterpart funding. Whereas implementation of these projects is already underway, GoU has not provided any counterpart funding which is affecting the implementation of the project. For the FY2015/16 REA has a short fall of UGX12.47 billion.

#### D.LV Works for JICA phase III- counterpart funding

GOU signed a financing agreement with JICA for construction of high voltage line from Mayuge to lumino. The contribution from GOU is in form of construction of low voltage network and way leaves compensation. Whereas REA started works for the low voltage network, there is shortfall of UGX 5.14 billion to complete the works.

#### E.Projects funded by the Government of Norway (way leaves)

The government of Norway funded construction of 8 rural electrification projects. The projects are now complete and commissioned but way leaves compensation has not yet been done. Norway has threatened not to fund any additional rural electrification projects if compensation is not done. UGX 3.68 billion is required for this purpose.

#### F.REA Office block

REA has acquired a plot of land at Dundas road Kololo where it intends to to construct its head offices. The estimated cost of the project is USD6.2 million. REA intends to use part of its 5%levy to fund 50% of the construction works expected to start in FY15/16 and completed in FY 2016/17. For FY 2015/16 REA seeks the remaining 50% of UGX4.51 billion

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**Table V4.1: Additional Output Funding Requests**

Additional Requirements for Funding and Outputs in 2015/16:	Justification of Requirement for Additional Outputs and Funding
<i>Vote Function: 0380 Rural Electrification</i>	
<b>Output: 0351 80 Construction of Rural Electrification Schemes (On-grid)</b>	
<i>US\$ Bn: 108.580</i>	
<p>The amount currently allocated to REA is inadequate to achieve the set targets and currently REA has a funding gap of UGX 108.58 billion for the FY2015/16. The justifications for the said funding gap are as follows.</p> <p>A. Completion of construction works for 10 Lots REA is currently undertaking construction of power lined under 10 lots. These require a total of 32.94 billions to facilitate the completion.</p> <p>B. Construction of new Rural Electrification Projects There is a requirement of 50 billions for REA to undertake the manifesto projects that were promised to the beneficiaries but there are no funds to undertake them.</p> <p>C. Counterpart funding on BADEA/SFD projects BADEA/SFD is funding construction of 8 rural electrification projects worth USD 26.78 million with the balance expected to come from GoU as counterpart funding. Whereas implementation of these projects is already underway, GoU has not provided any counterpart funding which is affecting the implementation of the project. For the FY2015/16 REA has a short fall of UGX 12.47 billion.</p> <p>D.LV Works for JICA phase III- counterpart funding GOU signed a financing agreement with JICA for construction of high voltage line from Mayuge to lumino. The contribution from GOU is in form of construction of low voltage network and way leaves compensation. Whereas REA started works for the low voltage network, there is shortfall of UGX 5.14 billion to complete the works.</p> <p>E. Projects funded by the Government of Norway (way leaves) The government of Norway funded construction of 8 rural electrification projects. The projects are now complete and commissioned but way leaves compensation has not yet been done. Norway has threatened not to fund any additional rural electrification projects if compensation is not done. UGX 3.68 billion is required for this purpose.</p> <p>F. REA Office block REA has acquired a plot of land at Dundas road Kololo where it intends to to construct its head offices. The estimated cost of the project is USD6.2 million. REA intends to use part of its 5%levy to fund 50% of the construction works expected to start in FY15/16 and complited in FY 2016/17. For FY 2015/16 REA seeks the remaining 50% of UGX4.51 billion</p>	<p><i>The additional outputs and funding will contribute to the sector objectives in a way it will enable REA to realise the GoU target of achieving a rural electrification atarget of 26% by the year 2023</i></p>
<b>Output: 0351 82 Increased rural household connections</b>	
<i>US\$ Bn: 0.000</i>	
<p>There are enough secured funds for the project completion as planned</p>	<p><i>There are unfunded priorities under this project</i></p>

## Vote: 123 Rural Electrification Agency (REA)

### Vote Summary

*This section discusses how the vote's plans will address and respond to the cross-cutting policy, issues of gender and equity; HIV/AIDS; and the Environment, and other budgetary issues such as Arrears and NTR..*

#### (i) Cross-cutting Policy Issues

##### (i) Gender and Equity

**Objective:** To ensure equitable access to modern energy services.

*Issue of Concern :* There is a need for Gender balance.

##### *Proposed Interventions*

Gender mainstreaming which assesses the different implications for women and men in any planned policy action, including legislation and programmes.

*Budget Allocations* UGX billion      1.6

*Performance Indicators*    Equal access to modern energy services.

##### (ii) HIV/AIDS

**Objective:** To sensitize members about HIV/AIDS

*Issue of Concern :* HIV/AIDS sensitisation

##### *Proposed Interventions*

HIV/AIDS awareness programs put in place.

*Budget Allocations* UGX billion      1.6

*Performance Indicators*    The number of new cases of HIV/AIDS positive members.

##### (iii) Environment

**Objective:** To conserve the Environment

*Issue of Concern :* Conservation of the Environment

##### *Proposed Interventions*

- The use of low voltage power lines with minimal effect on the environment
- Environment protection awareness programs like tree planting
- Better and environment friendly energy access programs are designed like solar

*Budget Allocations* UGX billion      1.6

*Performance Indicators*    Minimised effects on the environment as a result of energy extension programs worldwide

#### (ii) Payment Arrears

The table below shows all the payment arrears outstanding for the Vote:

There are no outstanding payment arrears

#### (ii) Non Tax Revenue Collections

The table below shows Non-Tax Revenues that will be collected under the Vote:

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# Vote: 123 Rural Electrification Agency (REA)

## Vote Summary

Source of NTR	UShs Bn	2013/15 Actual	2014/15 Budget	2014/15 Actual by Sept	2015/16 Projected
Interest from private entities - Domestic			36.000		36.000
	<b>Total:</b>		<b>36.000</b>		<b>36.000</b>

The NTR forecasts for the 5% transmission levy. Therefore the forecasted NTR money will be used for the Rural Electrification Management activities and for the implementation of the rural electrification planned outputs during the Financial Year.