

Vote: 123 Rural Electrification Agency (REA)

QUARTER 4: Highlights of Vote Performance

V1: Summary of Issues in Budget Execution

This section provides an overview of Vote expenditure

(i) Snapshot of Vote Releases and Expenditures

Table V1.1 below summarises cumulative releases and expenditures by the end of the quarter:

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

(i) Excluding Arrears, Taxes	Approved Budget	Cashlimits by End	Released by End	Spent by End Jun	% Budget Released	% Budget Spent	% Releases Spent
Recurrent							
Wage	0.000	0.000	0.000	0.000	N/A	N/A	N/A
Non Wage	0.000	0.000	0.000	0.000	N/A	N/A	N/A
Development							
GoU	46.976	43.979	47.119	46.820	100.3%	99.7%	99.4%
Donor*	11.904	N/A	37.346	37.346	313.7%	313.7%	100.0%
GoU Total	46.976	43.979	47.119	46.820	100.3%	99.7%	99.4%
Total GoU+Donor (MTEF)	58.880	N/A	84.466	84.166	143.5%	142.9%	99.6%
(ii) Arrears and Taxes							
Arrears	0.000	N/A	0.000	0.000	N/A	N/A	N/A
Taxes**	0.428	N/A	0.000	0.000	0.0%	0.0%	N/A
Total Budget	59.308	43.979	84.466	84.166	142.4%	141.9%	99.6%
(iii) Non Tax Revenue	31.800	N/A	31.800	31.430	100.0%	98.8%	98.8%
Grand Total	91.108	43.979	116.266	115.597	127.6%	126.9%	99.4%
Excluding Taxes, Arrears	90.680	43.979	116.266	115.597	128.2%	127.5%	99.4%

* Donor expenditure information available

** Non VAT taxes on capital expenditure

The table below shows cumulative releases and expenditures to the Vote by Vote Function :

Table V1.2: Releases and Expenditure by Vote Function*

Billion Uganda Shillings	Approved Budget	Released	Spent	% Budget Released	% Budget Spent	% Releases Spent
VF:0351 Rural Electrification	90.68	116.27	115.60	128.2%	127.5%	99.4%
Total For Vote	90.68	116.27	115.60	128.2%	127.5%	99.4%

* Excluding Taxes and Arrears

(ii) Matters to note in budget execution

- Inadequate counterpart funding which is meant to pay the 18% VAT, wayleaves compensation and top up on the project costs.

Table V1.3: High Unspent Balances and Over-Expenditure in the Domestic Budget (US\$ Bn)

(i) Major unspent balances
(ii) Expenditures in excess of the original approved budget

* Excluding Taxes and Arrears

V2: Performance Highlights

This section provides highlights of output performance, focusing on key outputs and actions implemented to improve section performance.

Table V2.1: Key Vote Output Indicators and Expenditures*

Vote: 123 Rural Electrification Agency (REA)

QUARTER 4: Highlights of Vote Performance

<i>Vote, Vote Function Key Output</i>	Approved Budget and Planned outputs	Cumulative Expenditure and Performance	Status and Reasons for any Variation from Plans
Vote Function: 0351 Rural Electrification			
Output: 035180	Construction of Rural Electrification Schemes (On-grid)		
<i>Description of Performance:</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	2733 line Kilometres of LV were constructed. 2843.89 line Kilometres of MV were constructed.	a) Inadequate funding from GOU for Rural Electrification Projects b) Inadequate counterpart funding by the Government of Uganda c) Inadequate and untimely release of the 5% Rural Electrification levy by UETCL
<i>Performance Indicators:</i>			
Number of line Kms of Medium Voltage (33Kv or 11Kv) constructed	3,262	2844	
Number of line Kms of Low Voltage (240v) constructed	2,954	2733	
<i>Output Cost:</i>	US\$ Bn: 68.702	US\$ Bn: 40.168	% Budget Spent: 58.5%
Output: 035182	Increased rural household connections		
<i>Description of Performance:</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	73,953 household connections were made country wide There are several private sector players participating in Rural Electrification and are as follows: a) Eight(8) big and Ten (10) small Service providers participating in Rural Electrification b) Twenty eight (28) Companies providing solar c) Ten (10) local Contractors engaged in Rural Electrification Project d) Nine (9) Local Consultants engaged in Rural Electrification Project. e) Four (4) solar Mini grid developers currently participating in Rural Electrification and they include: Kanyegaramire and Kyamugarura solar Mini grids, Tiribogo Bio mas and Sekanyonyi Bio mas. Three (3) rural electrification cooperatives created for promotion of private sector involvement in rural electrification ie. Bwindi, Swam and Sekanyonyi	Normal progress
<i>Performance Indicators:</i>			
Number of district connected	6	5	
<i>Output Cost:</i>	US\$ Bn: 3.460	US\$ Bn: 1.500	% Budget Spent: 43.4%
Vote Function Cost	US\$ Bn: 90.680	US\$ Bn: 115.597	% Budget Spent: 127.5%

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QUARTER 4: Highlights of Vote Performance

<i>Vote, Vote Function Key Output</i>	Approved Budget and Planned outputs	Cumulative Expenditure and Performance	Status and Reasons for any Variation from Plans
Cost of Vote Services:	<i>US\$ Bn:</i> 90.680	<i>US\$ Bn:</i> 115.597	<i>% Budget Spent:</i> 127.5%

* Excluding Taxes and Arrears

untimely remittance of Non Tax Revenue by UETCL has continued to be a challenge for the Vote. It has greatly affected the implementation of Rural electrification projects that are earmarked to benefit from this funding source. Other activities that were greatly affected include REA's operational costs and monitoring implementation of ongoing projects

Table V2.2: Implementing Actions to Improve Vote Performance

Planned Actions:	Actual Actions:	Reasons for Variation
Vote: 123 Rural Electrification Agency (REA)		
Vote Function: 03 51 Rural Electrification		
-staff training for better service delivery.	Training conducted for staff to build their capacity in undertaking Rural Electrification Projects.	Normal Progress
Timely submission of the funding requirements to the respective development partners and Ministry of Finance Planning & Economic Development.	All funding proposals were submitted on time and their status is as follows a). ABUDHABI Fund for International Development (USD.10Million). The contract signature is expected by end of September2016 b) Chinese Exim Bank (USD.106 Million). The proposed projects have been submitted to the Ministry of Finance planning and Economic Development. c) Kuwait fund for development (USD 10 Million). The proposal awaits contract signature from the funder. D) KFW funding proposal to fund OBA Connections.(USD 1.5 Million)the proposal is still under discussion	Normal Progress
- Persistent requests for additional funding to complete the manifesto projects. - Package and market projects to development partners for funding.	a) Prepared and presented the case for additional funding for rural electrification projects to cabinet and parliament b) Prepared and submitted a number of funding proposals to development partners which include: ABUDHABI Fund for International Development, Chinese Exim Bank fund, Kuwait fund for development and the KFW funding proposal to fund OBA Connections.	There is still inadequate allocation of resources to Rural Electrification which has left a number of priority projects unfunded.

V3: Details of Releases and Expenditure

This section provides a comprehensive summary of the outputs delivered by the Vote and further details of Vote expenditures by Vote Function and Expenditure Item.

Table V3.1: GoU Releases and Expenditure by Output*

<i>Billion Uganda Shillings</i>	Approved Budget	Released	Spent	<i>% GoU Budget Released</i>	<i>% GoU Budget Spent</i>	<i>% GoU Releases Spent</i>

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<i>Billion Uganda Shillings</i>	Approved Budget	Released	Spent	% GoU Budget Released	% GoU Budget Spent	% GoU Releases Spent
VF:0351 Rural Electrification	46.98	47.12	46.82	100.3%	99.7%	99.4%
<i>Class: Capital Purchases</i>	46.98	47.12	46.82	100.3%	99.7%	99.4%
035180 Construction of Rural Electrification Schemes (On-grid)	45.48	45.62	45.32	100.3%	99.7%	99.3%
035182 Increased rural household connections	1.50	1.50	1.50	100.0%	100.0%	100.0%
Total For Vote	46.98	47.12	46.82	100.3%	99.7%	99.4%

* Excluding Taxes and Arrears

Table V3.2: 2015/16 GoU Expenditure by Item

<i>Billion Uganda Shillings</i>	Approved Budget	Releases	Expenditure	% Budget Released	% Budget Spent	% Releases Spent
<i>Output Class: Capital Purchases</i>	47.40	47.12	46.82	99.4%	98.8%	99.4%
231007 Other Fixed Assets (Depreciation)	0.00	18.66	18.38	N/A	N/A	98.5%
312104 Other Structures	46.98	28.46	28.44	60.6%	60.5%	99.9%
312204 Taxes on Machinery, Furniture & Vehicles	0.43	0.00	0.00	0.0%	0.0%	N/A
Grand Total:	47.40	47.12	46.82	99.4%	98.8%	99.4%
Total Excluding Taxes and Arrears:	46.98	47.12	46.82	100.3%	99.7%	99.4%

Table V3.3: GoU Releases and Expenditure by Project and Programme*

<i>Billion Uganda Shillings</i>	Approved Budget	Released	Spent	% GoU Budget Released	% GoU Budget Spent	% GoU Releases Spent
VF:0351 Rural Electrification	46.98	47.12	46.82	100.3%	99.7%	99.4%
<i>Development Projects</i>						
1261 West Nile Grid Extension Program-GBOBA	1.50	1.50	1.50	100.0%	100.0%	100.0%
1262 Rural Electrification Project	45.48	45.62	45.32	100.3%	99.7%	99.3%
Total For Vote	46.98	47.12	46.82	100.3%	99.7%	99.4%

* Excluding Taxes and Arrears

Table V3.4: Donor Releases and Expenditure by Project and Programme*

<i>Billion Uganda Shillings</i>	Approved Budget	Released	Spent	% GoU Budget Released	% GoU Budget Spent	% GoU Releases Spent
VF:0351 Rural Electrification	11.90	37.35	37.35	313.7%	313.7%	100.0%
<i>Development Projects</i>						
1261 West Nile Grid Extension Program-GBOBA	1.96	8.40	8.40	428.5%	428.5%	100.0%
1332 Energy for Rural Transformation (ERT) II- Rural Electrification	9.94	28.95	28.95	291.1%	291.1%	100.0%
Total For Vote	11.90	37.35	37.35	313.7%	313.7%	100.0%