

VOTE: 161 Uganda Free Zones Authority

I. VOTE MISSION STATEMENT

To establish Industrial Infrastructure , attract developers and operators and provide innovative support services.

II. STRATEGIC OBJECTIVE

1. To accelerate the development of industrial infrastructure to attract and retain private sector investments into Free Zones for export production along the Growth corridors of the Frowth Triangle as identified by NDP III
2. To create 500,000 employment opportunities in Free Zones.
3. Linkage of Free Zones to Export Markets to foster increased foreign exchange earnings.
4. Strengthen Legal framework, Governance structures, Management systems and Human capabilities of the Authority to attain high productivity.
5. To mainstream sustainable consumption and production, Gender and Equity in the Free Zones

III. MAJOR ACHIEVEMENTS IN 2022/23

- i. During the the 1st half of FY 2022/23 the authority managed to attract two (2) Developers and Operators which were licensed increasing the total number of Free Zones to 33 which were projected to invest US\$ 503 Million.
- ii. Construction works at Entebbe International Airport Free Zone are ongoing; Overall Project completion was at Approx. 40% by December 2022, Works on Trade House Foundation commenced, Southern embankment wall construction works were completed, Trade House Foundation & additional Production Unit 2 works were completed.
- iii. In the Half year of 2022/23 756 new Jobs were created by Free Zones cumulatively.
- iv. The export earnings from the Free Zones were US\$ 27,518,410 out of which only USD 47,128.were processed gold exports during the period ending December 2022.
- v. The actual investment generated by Free Zones in the half year ending December 2022 was at USD 30,984,938.
- vi. The local purchases and sub-contracting services were worth UGX 59,476,927,225 from Free Zones as backward linkages.
- vii. The Tax Revenue generated from Free Zones stood at UGX 8.735 Billion

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IV. MEDIUM TERM BUDGET ALLOCATIONS

Table 4.1: Overview of Vote Expenditure (Ushs Billion)

	2022/23		2023/24	MTEF Budget Projections				
	Approved Budget	Spent by End Dec	Budget Estimates	2024/25	2025/26	2026/27	2027/28	
Recurrent	Wage	2.393	1.172	2.393	2.512	2.764	3.040	3.040
	Non-Wage	3.248	1.073	3.778	3.854	4.624	6.243	6.243
Devt.	GoU	22.716	0.656	5.409	5.409	6.491	9.087	9.087
	Ext Fin.	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GoU Total		28.357	2.901	11.580	11.775	13.879	18.370	18.370
Total GoU+Ext Fin (MTEF)		28.357	2.901	11.580	11.775	13.879	18.370	18.370
Arrears		0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Budget		28.357	2.901	11.580	11.775	13.879	18.370	18.370
Total Vote Budget Excluding Arrears		28.357	2.901	11.580	11.775	13.879	18.370	18.370

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Table 4.2: Budget Allocation by Department for Recurrent and Development (Ushs Billion)

<i>Billion Uganda Shillings</i>	Draft Budget Estimates FY 2023/24	
	Recurrent	Development
Programme:07 Private Sector Development	5.641	5.409
SubProgramme:01 Enabling Environment	5.641	5.409
Sub SubProgramme:01 Business Development and Investor Support	0.415	0.000
001 Development and Investor Support	0.415	0.000
Sub SubProgramme:02 Legal and Board Affairs	0.150	0.000
001 Legal and Board Affairs	0.150	0.000
Sub SubProgramme:03 General Administration and Support Services	5.076	5.409
001 Finance and Accounts	0.037	0.000
002 HR and Administration	4.893	5.409
003 Information Technology	0.122	0.000
004 Internal Audit	0.025	0.000
Programme:10 Sustainable Urbanisation And Housing	0.530	0.000
SubProgramme:01 Physical Planning and Urbanization;	0.530	0.000
Sub SubProgramme:02 Legal and Board Affairs	0.530	0.000
001 Legal and Board Affairs	0.530	0.000
Total for the Vote	6.171	5.409

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V. PERFORMANCE INDICATORS AND PLANNED OUTPUTS

Table 5.1: Performance Indicators

Programme: 07 Private Sector Development

SubProgramme: 01 Enabling Environment

Sub SubProgramme: 01 Business Development and Investor Support

Department: 001 Development and Investor Support

Budget Output: 000022 Research and Development

PIAP Output: Capacity for research and development strengthened to support private and public investment

Programme Intervention: 070103 Develop and publicise a transparent incentive framework that supports local investors

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
No. of new Products developed through Research Partnerships	Number	2021-22	0	0	0	01
No. of outcomes and recommendations from research studies on private sector issues adopted in Government Policy eg. Annual Budgets	Number	2021-22	0	1	0	01
Number of Research projects undertaken to support private sector development	Number	2022-22	01	2	01	01

Budget Output: 190024 Investor Protection

PIAP Output: Export processing zones established

Programme Intervention: 070204 Increase accessibility to export processing zones

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
No. of Unique Customs procedure codes developed	Number	2021-22	07	58	48	10
Entebbe Free Zone fully built with industrial infrastructure	Yes/No	2021-22	No	yes	No	Yes
No of gazetted Free Zones.	Number	2021/22	31	35	03	20
No of public Free Zones with fully built industrial infrastructure and utilities	Number	2021-22	00	2	0	01
No. of export-ready EPZ operators	Number	2021-22	27	75	0	20
No. of manufacturers/ exporters (EPZ operators) linked to export markets	Number	2021-22	18	75	29	20

VOTE: 161 Uganda Free Zones Authority**Sub SubProgramme: 02 Legal and Board Affairs****Department: 001 Legal and Board Affairs****Budget Output: 000012 Legal and Advisory services****PIAP Output: Export processing zones established****Programme Intervention: 070204 Increase accessibility to export processing zones**

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
No. of Unique Customs procedure codes developed	Number	2021-232	07	58	0	20
Entebbe Free Zone fully built with industrial infrastructure	Yes/No	2021-22	No	yes	No	Yes
No of gazetted Free Zones.	Number	2021-22	31	35	02	20
No of public Free Zones with fully built industrial infrastructure and utilities	Number	2021-22	0	2	0	01
No. of export-ready EPZ operators	Number	2021-22	18	75	0	20
No. of manufacturers/ exporters (EPZ operators) linked to export markets	Number	2021/22	18	75	0	20

Sub SubProgramme: 03 General Administration and Support Services**Department: 001 Finance and Accounts****Budget Output: 000004 Finance and Accounting****PIAP Output: Export processing zones established****Programme Intervention: 070204 Increase accessibility to export processing zones**

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
No. of Unique Customs procedure codes developed	Number	2021/22	07	58	0	10
Entebbe Free Zone fully built with industrial infrastructure	Yes/No	2021-22	No	yes	No	Yes
No of gazetted Free Zones.	Number	2021/22	31	35	33	20
No of public Free Zones with fully built industrial infrastructure and utilities	Number	2021/22	00	2	0	01
No. of export-ready EPZ operators	Number	2021/22	27	75	0	20
No. of manufacturers/ exporters (EPZ operators) linked to export markets	Number	2021/22	18	75	0	20

VOTE: 161 Uganda Free Zones Authority**Sub SubProgramme: 03 General Administration and Support Services****Department: 001 Finance and Accounts****Budget Output: 000006 Planning and Budgeting services****PIAP Output: Export processing zones established****Programme Intervention: 070204 Increase accessibility to export processing zones**

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
No. of Unique Customs procedure codes developed	Number	2021/22	07	58	0	20
Entebbe Free Zone fully built with industrial infrastructure	Yes/No	2021/22	00	yes	No	Yes
No of gazetted Free Zones.	Number	2021/22	31	35	33	20
No of public Free Zones with fully built industrial infrastructure and utilities	Number	2021/22	00	2	0	01
No. of export-ready EPZ operators	Number	2021/22	27	75	0	20
No. of manufacturers/ exporters (EPZ operators) linked to export markets	Number	2021/22	18	75	0	20

Department: 002 HR and Administration**Budget Output: 000005 Human Resource Management****PIAP Output: Export processing zones established****Programme Intervention: 070204 Increase accessibility to export processing zones**

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
No. of Unique Customs procedure codes developed	Number	2021/22	07	58	0	20
Entebbe Free Zone fully built with industrial infrastructure	Yes/No	2021/22	No	yes	No	Yes
No of gazetted Free Zones.	Number	2021/22	31	35	0	20
No of public Free Zones with fully built industrial infrastructure and utilities	Number	2021/22	0	2	0	01
No. of export-ready EPZ operators	Number	2021/22	27	75	0	20
No. of manufacturers/ exporters (EPZ operators) linked to export markets	Number	2021/22	18	75	0	20

Budget Output: 000011 Communication and Public Relations**PIAP Output: Export processing zones established****Programme Intervention: 070204 Increase accessibility to export processing zones**

VOTE: 161 Uganda Free Zones Authority**Sub SubProgramme: 03 General Administration and Support Services****Department: 002 HR and Administration****Budget Output: 000011 Communication and Public Relations****PIAP Output: Export processing zones established**

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
No. of Unique Customs procedure codes developed	Number	2021/22	07	58	0	20
Entebbe Free Zone fully built with industrial infrastructure	Yes/No	2021/22	No	yes	no	Yes
No of gazetted Free Zones.	Number	2021/22	31	35	03	20
No of public Free Zones with fully built industrial infrastructure and utilities	Number	2021/22	00	2	0	01
No. of export-ready EPZ operators	Number	2021/22	27	75	0	20
No. of manufacturers/ exporters (EPZ operators) linked to export markets	Number	2021/22	18	75	0	20

Department: 003 Information Technology**Budget Output: 000019 ICT Services****PIAP Output: Export processing zones established****Programme Intervention: 070204 Increase accessibility to export processing zones**

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
No. of Unique Customs procedure codes developed	Number	2021/21	07	58	0	20
Entebbe Free Zone fully built with industrial infrastructure	Yes/No	2021/22	No	yes	No	Yes
No of gazetted Free Zones.	Number	2021/22	31	35	33	20
No of public Free Zones with fully built industrial infrastructure and utilities	Number	2021/22	00	2	0	01
No. of export-ready EPZ operators	Number	2021/22	27	75	0	20
No. of manufacturers/ exporters (EPZ operators) linked to export markets	Number	2021/22	18	75	0	20

Department: 004 Internal Audit**Budget Output: 000001 Audit and Risk Management****PIAP Output: Export processing zones established****Programme Intervention: 070204 Increase accessibility to export processing zones**

VOTE: 161 Uganda Free Zones Authority**Sub SubProgramme: 03 General Administration and Support Services****Department: 004 Internal Audit****Budget Output: 000001 Audit and Risk Management****PIAP Output: Export processing zones established**

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
No. of Unique Customs procedure codes developed	Number	2021/22	07	10	0	20
Entebbe Free Zone fully built with industrial infrastructure	Yes/No	2021/22	No	Yes	No	Yes
No of gazetted Free Zones.	Number	2021/22	31	30	0	20
No of public Free Zones with fully built industrial infrastructure and utilities	Number	2021/22	00	1	0	01
No. of export-ready EPZ operators	Number	2021/22	27	30	0	20
No. of manufacturers/ exporters (EPZ operators) linked to export markets	Number	2021/22	18			20

Project: 1755 Retooling of the Uganda Free Zones Authority**Budget Output: 000002 Construction Management****PIAP Output: An overarching local content policy framework developed****Programme Intervention: 070102 Develop and implement a holistic local content policy, legal and institutional framework**

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
No of standards for goods and services developed that are subject to local content preference schemes	Number	2021-22	01	1	0	01
Proportion of contracts by value awarded to local providers.	Percentage	2021/22	80%	80%	100%	90%

Programme: 10 Sustainable Urbanisation And Housing**SubProgramme: 01 Physical Planning and Urbanization;****Sub SubProgramme: 02 Legal and Board Affairs****Department: 001 Legal and Board Affairs****Budget Output: 000012 Legal and Advisory Services****PIAP Output: Physical Planning & Urban management system scaled****Programme Intervention: 100501 Implement participatory and all-inclusive planning and implementation mechanism to enforce the implementation of land use regulatory and compliance frameworks**

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Sub SubProgramme: 02 Legal and Board Affairs

Department: 001 Legal and Board Affairs

Budget Output: 000012 Legal and Advisory Services

PIAP Output: Physical Planning & Urban management system scaled

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24

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VI. VOTE NARRATIVE

Vote Challenges

- i. Budget Freezes affecting travel abroad to conduct outward trade missions and participate in regional and continental Free Zones policy and regulatory dialogues
- ii. Limited Budget for the implementation of the Free Zone scheme.
- iii. Inadequate strategic and expansive parcels of land for the establishment of Public Free Zones.
- iv. Limited joint research activities conducted with universities and research institutions to inform policy on areas for improvement in Free Zones

Plans to improve Vote Performance

- i. Complete the Construction works at Entebbe International Airport Public Free Zone
- ii. The Authority Plans to acquire large parcels of land in excess of 1000 acres for the development of public infrastructure and facilities to aid exports along the western and eastern growth corridors of the NDP III.
- iii. Alignment of the Free Zones national legislation to the proposed SEZ schemes under consideration of the EAC to increase Uganda's competitiveness, and enable market access of Uganda's manufactured products to regional and international markets.
- iv. Intensify marketing activities to increase private investment in the development of Free Zones.
- v. Conduct joint research with universities and policy research organisations to inform policy on areas that facilitate growth of Free Zones in Uganda.

VII. Off Budget Support and NTR Projections

Table 7.1: Off Budget Support by Project and Department

N/A

VOTE: 161 Uganda Free Zones Authority**Table 7.2: NTR Collections (Uganda Shillings Billions)**

Revenue Code	Revenue Name	FY2022/23	Projection FY2023/24
142225	Other Licence fees	0.583	0.000
Total		0.583	0.000

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VIII. VOTE CROSS CUTTING POLICY AND OTHER BUDGETARY ISSUES

Table 8.1: Cross- Cutting Policy Issues

i) Gender and Equity

OBJECTIVE	To promote gender fairness in UFZA
Issue of Concern	1 Gender and equity policy not yet operationalized 2. Limited capacity for mainstreaming gender and equity issues in policies, programs and projects 3. Limited use and availability of gender dis-aggregated data
Planned Interventions	1. Develop a strategy for operationalization of UFZA Gender policy 2. Train staff on mainstreaming G&E issues 3. Train staff in G&E data analysis and use. 4. Attend international Conferences on G&E
Budget Allocation (Billion)	0.002
Performance Indicators	1 .Number of staff trained in gender and equity related issues 2. Gender policy implemented 3. Number of conferences on G & E attended

ii) HIV/AIDS

OBJECTIVE	To have an HIV discrimination and stigmatization free workplace
Issue of Concern	1. Limited access to medical services at the workplace including Medicare for staff living with HIV/AIDS 2. Limited access to health information by staff
Planned Interventions	1. Improve supplies of drugs and equipment for the Sick Bay 2. Carry out health awareness campaigns including health week 3. Provide Medicare for all staff living with HIV AIDS 4. Develop checklists for mainstreaming HIV/AIDS
Budget Allocation (Billion)	0.015
Performance Indicators	Number of HIV awareness campaigns conducted Number of staff receiving medicare

iii) Environment

OBJECTIVE	To minimize the risks of environmental pollution in Free Zones
Issue of Concern	1.Limited awareness on environmental issues within UFZA 2. Limited capacity for mainstreaming environment in MFPED Programme/ projects & Free Zones
Planned Interventions	1. Organize trainings on sustainable environment awareness 2. Organize trainings to build capacity on mainstreaming environment 3. Create a green environment around the Public Zones 4. Develop checklists for mainstreaming environmental issues
Budget Allocation (Billion)	0.050
Performance Indicators	Green environment around the Public Free Zone Level of awareness created from the trainings conducted in relation to environmental issues.

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iv) Covid

N/A

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IX. PERSONNEL INFORMATION

Table 9.1: Staff Establishment Analysis

N / A

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Table 9.2: Staff Recruitment Plan

N/A

