

VOTE: 161 Uganda Free Zones Authority

I. VOTE MISSION STATEMENT

To establish industrial infrastructure, attract developers and operators, and provide innovative investor 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 Growth 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 2021/22

- i. The cumulative export earnings in Free Zones between quarter 1 and 2 stood at US\$35.85 million. Major exports included cut flowers, wheat flour, processed tobacco and sandalwood essential oils.
- ii. The actual capital investment of the Developers from Free Zones for the period of June to December 2021 stood at US\$ 262.6 million with 5,594 actual jobs were created.
- iii. The construction of production unit I at Entebbe International Airport Free Zone was completed, production unit II works commenced and overall project completion was at 37.4% by December 2021.
- iv. Four (4) licenses were issued to M/s Suntex ltd, M/s Abbarci ltd, M/s Royal Molases and M/s Wagagai mining Uganda ltd. This increased the total number of licensed Free Zones to thirty (30)
- v. Seven (7) Developers and one (1) Operator License were renewed. These are; M/s China-Africa International Industrial Co-operation Company Limited, M/s Wagagai Limited and Jambo Roses Limited on 28th September 2021 and 9th August 2021 respectively, M/s Biyinzika Avocado Ltd, M/s Uganda Tobacco Services Ltd, M/s Premier Roses Ltd, M/s Rosebud Limited and M/s Thyma Herbs Ltd on 13th October 2021, 10th November 2021, 27th October 2021 and 8th October 2021 respectively
- vi. The Annual performance report for FY2020/21 was prepared and published. The report illustrates the physical and financial performance of the Authority during the FY2020/21, challenges, recommendations and medium-term plans for the FY2021/22.
- vii. Seventeen (17) prospective Free Zone sites were inspected and found suitable for Customs supervision activities
- viii. Free Zones Enterprise Survey FY 2020/21 was conducted. Free Zones generated the following: Investment - US\$586.28M, Jobs - 8,389 & Exports US\$1.25Bn, Local Purchasing and Subcontracting costs US\$6.6M
- ix. As part of the publicity drive, 40 adverts and 40 DJ mentions were aired on KFM Radio, 30 TV adverts on NTV and NBS. Additionally, NBS TV hosted the Authority on the Business Perspective Programme

VOTE: 161 Uganda Free Zones Authority**IV. MEDIUM TERM BUDGET ALLOCATIONS****Table 4.1: Overview of Vote Expenditure (Ushs Billion)**

	2022/23 Proposed Budget	MTEF Budget Projections			
		2023/24	2024/25	2025/26	2026/27
Recurrent					
Wage	2.393	2.393	2.393	2.393	2.393
Non-Wage	3.248	3.248	3.248	3.248	3.248
Devt.					
GoU	22.716	7.716	7.716	7.716	7.716
Ext Fin.	0.000	0.000	0.000	0.000	0.000
GoU Total	28.357	13.357	13.357	13.357	13.357
Total GoU+Ext Fin (MTEF)	28.357	13.357	13.357	13.357	13.357
Arrears	0.000	0.000	0.000	0.000	0.000
Total Budget	28.357	13.357	13.357	13.357	13.357
Total Vote Budget Excluding	28.357	13.357	13.357	13.357	13.357

VOTE: 161 Uganda Free Zones Authority**Table 4.2: Budget Allocation by Department for Recurrent and Development (Ushs Billion)**

<i>Billion Uganda Shillings</i>	Draft Budget Estimates FY 2022/23	
	Recurrent	Development
Programme:07 PRIVATE SECTOR DEVELOPMENT	5.641	22.716
SubProgramme:01 Enabling Environment	5.641	22.716
Sub SubProgramme:01 Business Development and Investor Support	0.261	0.000
001 Development and Investor Support	0.261	0.000
Sub SubProgramme:02 Legal and Board Affairs	0.660	0.000
001 Legal and Board Affairs	0.660	0.000
Sub SubProgramme:03 General Administration and Support Services	4.721	22.716
001 Finance and Accounts	0.052	0.000
002 HR and Administration	4.538	22.716
003 Information Technology	0.106	0.000
004 Internal Audit	0.025	0.000
Total for the Vote	5.641	22.716

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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				
Indicator Name	Indicator Measure	Base Year	Base Level	Performance Targets
				2022/23
No. of new Products developed through Research Partnerships	Number	2017-2018	0	0
No. of outcomes and recommendations from research studies on private sector issues adopted in Government Policy eg. Annual Budgets	Number	2017-2018	0	1
Number of Research projects undertaken to support private sector development	Number	2017-2018	1	2
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	Performance Targets
				2022/23
No. of Unique Customs procedure codes developed	Number	2017-2018	7	10
Entebbe Free Zone fully built with industrial infrastructure	Yes/No	2017-2018	No	Yes
No of gazetted Free Zones.	Number	2017-2018	27	30
No of public Free Zones with fully built industrial infrastructure and utilities	Number	2017-2018	0	1
No. of export-ready EPZ operators	Number	2017-2018	27	30

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Sub SubProgramme: 03 General Administration and Support Services				
Project: 1755 Retooling of the Uganda Free Zones Authority				
Budget Output: 000002 Construction Management				
PIAP Output: An overarching local content policy framework developed				
Indicator Name	Indicator Measure	Base Year	Base Level	Performance Targets
				2022/23
No of standards for goods and services developed that are subject to local content preference schemes	Number	2020	0	1

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VI. VOTE NARRATIVE

Vote Challenges

- i. Insufficient budget for the completion of Entebbe International Airport Free Zone
- ii. Institutional Capacity strengthening in the areas of Marketing, Publicity, Research and Business process automation.
- iii. Lack of large strategic Industrial land for the development of Public Free Zones.
- iv. Refusal by the Ministry responsible for lands to transfer the title for land at Buwaya to UFZA.

Plans to improve Vote Performance

- i. Review the Legal and Regulatory framework of Free Zones to provide for Special Economic Zones (SEZs).
- ii. Acquisition of Strategic land for setting up industrial infrastructure in agro-processing, manufacturing, & regional-based Free Zones.
- iii. Completion of Entebbe International Airport Free Zones and development of at least 3 other Public Free Zones along the Growth Triangle to create employment opportunities and generate incomes for Ugandans.
- iv. Market & Attract Anchor Investors, Developers & Operators to accelerate investments in Public & Private Free Zones.
- v. Increase the exports earnings through partnerships with relevant MDAs to identify new regional & international markets for locally manufactured Free Zones products.
- vi. Map local export clusters for production and bulking to promote the Buy Uganda Build Uganda Policy on the supply side for Free Zones.
- vii. Identify and implement best practices for improved Planning, Financing, Regulation & Management of Public Free Zones.
- viii. Establish strategic partnership with Business Associations to foster backward and forward linkages in Free Zones.
- ix. Implement the national local content-framework to increase the capacity for Small and Medium Sized Enterprises to supply goods and services to Free Zones
- x. Develop climate change and environmental sustainability Plan for Free Zones.
- xi. Strengthen Research with the Academia, Policy & Research institutions, Science, Technology & Innovation institutions to inform policy and develop a strategy for the growth & development of Free Zones in Uganda.
- xii. Strengthen governance structures, management systems and staff capacity to increase efficiency of the Authority.

VII. Off Budget Support

Table 7.1: Off Budget Support by Project and Department

N / A

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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	Number of staff trained in gender and equity related issues Gender policy implemented 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	. Limited awareness on environmental issues within UFZA 2. Limited capacity for mainstreaming environment in MFPED Programme/ projects & Free Zones
Planned Interventions	1. Organize workshops on sustainable environment awareness 2. Organize workshops 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 Number of workshops conducted in relatio to environment issues.

iv) Covid

OBJECTIVE	Control the spread of Covid-19 in and around office premises
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Issue of Concern	Laxity in the population to observe the recommended preventive measures against Covid-19.
Planned Interventions	<ol style="list-style-type: none">1. Ensure strict adherence to Standard Operation Procedures as guided by Ministry of Health2. Create covid-19 awareness amongst all stakeholders3. Improve covid-19 infection prevention and control measures
Budget Allocation (Billion)	0.001
Performance Indicators	Availability of hand washing facilities at UFZA offices. Availability of infection control supplies like masks and sanitizers

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IX. PERSONNEL INFORMATION

Table 9.1: Staff Establishment Analysis

Title	Salary Scale	Number of Approved Positions	Number of filled Positions
ACCOUNTANT	UF4	1	1
ACCOUNTANTS ASSISTANT	UF6	1	1
ADMINISTRATIVE ASSISTANT	UF6	3	3
BUSINESS DEVELOPMENT & INVESTOR SUPPORT EXECUTIVE	UF4	2	1
BUSINESS DEVELOPMENT & INVESTOR SUPPORT OFFICER	UF5	10	7
CLIENT INTERFACE ASSISTANT	UF6	1	1
DIRECTOR (BUSINESS DEVELOPMENT & INVESTOR SUPPORT)	UF2	1	1
DIRECTOR (FINANCE & ADMINISTRATION)	UF2	1	1
DIRECTOR (LEGAL AFFAIRS)	UF2	1	0
DRIVER	UF7	4	4
ENGINEERING TECHNICIAN	UF5	1	0
EXECUTIVE ASSISTANT	UF4	1	0
EXECUTIVE DIRECTOR	UF1	1	1
HUMAN RESOURCE OFFICER	UF5	1	1
INFORMATION TECHNOLOGY OFFICER	UF5	1	1
INTERNAL AUDITOR	UF5	1	0
LEGAL EXECUTIVE	UF4	1	1
LEGAL OFFICER	UF5	1	1
MANAGER (FINANCE)	UF3	1	0
MANAGER (BUSINESS DEVELOPMENT & INVESTOR SUPPORT)	UF3	1	1
MANAGER (HUMAN RESOURCE & ADMINISTRATION)	UF3	1	1
MANAGER (INTERNAL AUDIT)	UF3	1	1
MANAGER (LEGAL AFFAIRS)	UF3	1	1
MANAGER (TECHNICAL SERVICES)	UF3	1	1
OFFICE ASSISTANT	UF7	1	1

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Title	Salary Scale	Number of Approved Positions	Number of filled Positions
PROCUREMENT EXECUTIVE	UF4	1	1
PROCUREMENT OFFICER	UF5	1	1
PROJECT ENGINEER	UF4	1	0
PUBLIC RELATIONS EXECUTIVE	UF4	1	1
PUBLIC RELATIONS OFFICER	UF5	1	0
RECORDS OFFICER	UF5	1	0
RESEARCH EXECUTIVE	UF4	1	0
RESEARCH OFFICER	UF5	1	1
STORES ASSISTANT	UF6	1	0

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Table 9.2: Staff Recruitment Plan

N/A

