



THE REPUBLIC OF UGANDA

**BUDGET SPEECH**  
**Financial Year 2010/11**

*Theme: Strategic Priorities to Accelerate Growth, Employment and  
Socio-Economic Transformation for Prosperity.*

DELIVERED AT THE MEETING OF THE FIFTH SESSION OF THE 8<sup>TH</sup>  
PARLIAMENT OF UGANDA

ON  
THURSDAY, 10<sup>TH</sup> JUNE, 2010

BY

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## **I. PREAMBLE**

Your Excellency the President of the Republic of Uganda,  
Your Excellency the Vice President,  
The Right Hon. Speaker of Parliament,  
The Right Hon. Deputy Speaker of Parliament,  
Your Lordship the Chief Justice,  
Honourable Members of Parliament,

1. I beg to move that Parliament resolves itself into a Committee of Supply for consideration of:
  - i. The Revised Revenue and Expenditure Estimates for the Financial Year 2009/2010; and
  - ii. Proposals for the Estimates of Revenue and Expenditure for Financial Year 2010/2011.
2. Mr. Speaker Sir, Article 155(1) of the Constitution requires the President to cause to be prepared and laid before Parliament, estimates of revenue and expenditure for the next financial year. I am accordingly performing this duty, with pleasure, on behalf of His Excellency the President. I wish to thank His Excellency the President for giving me yet another opportunity to deliver the budget speech on his behalf.

## **II. INTRODUCTION**

3. Mr. Speaker Sir, allow me to take this opportunity to express my gratitude to His Excellency the President of the Republic of Uganda, Yoweri Kaguta Museveni, for his visionary and tested leadership which has spearheaded the return to peace throughout the country and the reconstruction of the economy. Since 1986 His Excellency has overseen the management of the economy that has graduated from one of despair, to one of great hope and positive aspiration.
4. Mr. Speaker Sir, due to sound economic management under the NRM Government, the economy has continued to grow at a pace averaging 8.4 per cent since 2006. This solid performance is even higher than the remarkable economic growth that Uganda has experienced since 1986, which has led to a six-fold increase in the size of the economy that now stands at Shs. 34.6 Trillion. The

economy has been transformed from a largely agriculture-based one, to one spurred by significant industrial and service growth. The industrial sector has increased its share of GDP from 9.9 per cent in 1986 to 24.5 per cent in 2009; the service sector has increased from 36.1 per cent in 1985 to 50.3 per cent, while the dominance of the agricultural sector has declined from 53.9 per cent in 1985 to 14.9 per cent in 2009 indicating the extent of transformation. Bringing inflation down and keeping it to single digit from the peak when annual headline inflation rates averaged about 153 per cent between 1986 and the 1990 is yet another major achievement of the NRM. Even skeptics cannot justifiably belittle the significant progress our economy has made under the sound economic management of the NRM Government.

### **III. STRUCTURE OF THE BUDGET STATEMENT**

5. Mr. Speaker Sir, the structure of the budget I am presenting today is as follows:
- i. First, I will highlight the Economic and Sector Performance in line with the policy pronouncements made in my Budget Speech for the Financial Year 2009/10;
  - ii. Second, I will outline some of the emerging trends in the domestic, regional and international economy and the outlook for the Financial Year 2010/11;
  - iii. Third, I will focus on the Budget Strategy and Priorities for the Financial Year 2010/11; and
  - iv. Finally, I will announce the Proposed Taxation and Revenue Measures and outline the Way Forward.

### **IV. ECONOMIC AND SECTORAL PERFORMANCE FOR THE FY 2009/10 AND OUTLOOK FOR FY 2010/11**

#### *Performance of the Economy*

6. Mr. Speaker Sir, a year ago, I presented a budget strategy which broadly focused on improving the business climate of the country and revitalizing production through a range of strategic interventions. I am glad to report significant progress in the following areas.

### *Economic Growth*

7. Mr. Speaker Sir, the economy is estimated to have grown by 5.8 per cent in real terms in 2009/10, compared to 7.2 per cent growth recorded in 2008/09. This year's performance is in line with the East African region average growth rate of 5.1 per cent, which is the highest in Africa's regions. This shows the resilience of the region to economic shocks. Honourable Members may recall that at this time last year, we were concerned about the impact of the global economic crisis on our economy, which has had a secondary lagged effect. The slowdown in economic growth has also been attributed to the drought experienced in most parts of the country, rising oil and fuel prices.

### *Inflation*

8. Mr. Speaker Sir, the economy has experienced inflationary pressures since 2008 due to events which led to double digit inflation for the first time since Financial Year 1991/92. These events ranged from the 2008 floods in the Eastern region, rising region-wide demand for food crops and regional disturbances, as well as the rise in global prices of oil and food, which exerted significant upward pressure on commodity prices. The country experienced high fuel prices in March this year due to shortages arising from the maintenance of the oil pipe line from Mombasa to Eldoret. This resulted in higher fuel pump prices and increased costs which were passed on to consumers through production and transport prices.
9. Mr. Speaker Sir, in response to these developments, Government prudently implemented structural and anti inflationary policies in collaboration with Bank of Uganda. Government's timely interventions in the Agricultural Sector, together with the increased regional trade, also led to greater agricultural productivity and output, keeping food inflation in check.
10. Mr. Speaker Sir, as a result, inflation has since reverted to single digit from 13.9 per cent last financial year, to 4.4 per cent by the end of May 2010.

### *Exchange Rate*

11. Mr. Speaker Sir, the exchange rate appreciated from over Shs.2,100 in July 2009 to Shs.1,874 in November due to increased proceeds from exports,

increased inflows of foreign exchange from FDI and remittances from abroad. However, it depreciated to Shs.2200 in May 2010 driven by increased demand for dollars, together with the depreciation of the Euro against the dollar. The turmoil in the Euro Zone has also contributed to the strengthening of the dollar against other currencies as global markets continue to shift into dollar denominated assets.

#### *International Trade*

12. Mr. Speaker Sir, the performance of exports of tea, tobacco and fish was over 25 per cent higher in this Financial Year than in the previous year. Ninety-Six Thousand (96,000) metric tons of tobaccos were exported, compared to Twenty-Six Thousand (26,000) metric tons in the previous year. Recently, the volcanic ash cloud which affected Europe caused an estimated 35 per cent drop in flower exports and 6 per cent reduction in fish exports in the month of April 2010. However exports in both the flowers and fish sectors have since rebounded. Import growth has stagnated due to fall in private sector imports. The total import bill for the twelve months up to end of March 2010 was around US \$3.9 billion, down by 6.1 per cent compared to the previous year.
13. Mr. Speaker Sir, Uganda is the only country in the East African region which did not resort to the International Monetary Fund for balance of payments support during the global economic crisis. This was due to the strength of our international reserves position, which stood at 5.3 months of imports, reflecting the sound economic management by the NRM Government.

#### *Financial Sector*

14. Mr. Speaker Sir, the banking sector continued to support growth of businesses by increasing the range of products and services offered and by expanding the branch network. During the year, 21 new bank branches were opened to enhance access to the banking system. The industry has managed to combine rapid expansion with financial stability. The ratio of non-performing loans remains at around 3 per cent, which is within international standards.
15. Due to competition in retail banking, the private sector is demanding diversified banking products from the sector beyond what is covered under the

existing Law. I will therefore be submitting amendments to the Financial Institutions Act 2004 to Parliament which will allow commercial banks to offer bank assurance, financial products under Islamic banking and other market responsive products to their customers. This will allow banks to move into previously untapped markets.

16. The Rural Financial Services Strategy continued to increase coverage of services to the wider population, especially in rural areas. Government has facilitated the establishment and strengthening of the financial infrastructure of Savings and Credit Cooperative Organizations (SACCOs) and other micro finance institutions as means for financial intermediation. There are now over 1,060 sub counties, city divisions and municipal divisions with registered SACCOs, having over one million members in total. The SACCO infrastructure has generated Shs 44 billion as share capital, Shs.83 billion as savings and Shs. 122 billion in their lending portfolio in the Financial Year ending.
17. Mr. Speaker, Sir, technological innovations have now made it possible to extend financial services to millions outside the formal banking system. A case in point is mobile telephone money transfer services that allow mobile phone users to make financial transactions or transfers across the country conveniently and at low cost. MTN Mobile money, ZAP and M-Sente have demonstrated that low cost means that use modern technology can effectively expand the financial services frontier. Today, millions of Ugandans use mobile money to make payments, send remittances, and store funds for short periods. These innovations have illustrated how financial services can be extended to millions of people outside the formal banking sector at low cost.
18. The Bank of Uganda continues to maintain effective regulatory and supervisory safeguards to ensure that expanded access to banking is not at the expense of financial stability. Because of prudent regulation, the banking sector in Uganda has been insulated against the contagion of the toxic assets from the Global banks. I commend the Governor Bank of Uganda and his team for managing the sector efficiently.

### *Interest Rates*

19. Mr. Speaker Sir, lending rates on shilling denominated loans fell from 21.8 per cent in August 2009 to 19.6 per cent in January 2010. However, this is still higher than the EAC regional average, which is about 15 per cent. Government's efforts to bring down interest rates have yielded some results that have seen yields on treasury bills decline. Government has introduced measures to bring interest rates down, such as the introduction of the Credit Reference Bureau, lowering cost of doing business, and increasing competition between banks and boosting transparency by regularly publishing bank rates and charges, as well as maintaining macroeconomic stability and fiscal consolidation.

### *Capital Markets*

20. Mr. Speaker Sir, in line with the diversification process of the financial sector, the value of wealth held by Ugandans in the form of capital and equity shares has continued to grow. The Initial Public Offer (IPO) of the National Insurance Corporation (NIC), which was oversubscribed by 32 per cent, has increased the opportunity for the public to invest in the insurance sector in particular, and the equity markets, in general. 92 per cent of shares in the NIC were bought by Ugandans. I urge companies to embrace capital markets as a source of long term financing as we broaden the equity market. This is yet another record success of the NRM Government's Policy of Privatization of Public Enterprises, which gives Ugandans opportunity to directly own shares of Public Enterprises.

21. Mr. Speaker Sir, the Securities Central Depository which was recently launched will foster safer and more efficient clearance and settlement of securities. It will also lead to electronic trading once the Automated Trading System is in place. This computer-based trading will enable negotiations to take place between bidders anonymously, thereby reducing the cost of information exchange between participants. This system will also be linked with other systems on the East African stock markets.

### *Insurance Services*

22. Mr. Speaker, Sir, while our insurance service penetration is still low by regional standards and accounts for less than one per cent of GDP, we commend the effort of the industry players who have played a big role to create awareness. As a result, the industry has registered an increase in insurance premium from Shs.129 billion in 2008/09 to Shs.167 billion this year, dominated mainly by non-life insurance which accounts for over 90 per cent of the policies underwritten.
23. The Insurance Industry has also taken advantage of the opportunities available under African Trade Insurance Agency (ATIA) and so far, the Agency has underwritten 14 projects in Uganda worth US \$ 106 million in the areas of manufacturing, telecommunication and infrastructure. I therefore urge the Ugandan business community to take advantage of the insurance policies available at ATIA to increase competitiveness and profitability of their businesses by hedging against insurable risks.

### **Fiscal Performance**

24. Mr. Speaker Sir, the expenditure outturn for the Financial Year 2009/10 budget is projected at Shs 6,576 billion, financed by domestic sources amounting to Shs 4,856 billion and Shs 1, 720 billion from external loans and grants. URA revenue is projected to perform better this year with a 17.6 per cent annual growth compared to the 15.6 per cent growth in the previous year. This revenue effort is equivalent to 12.5 per cent of GDP which is still low, though is a great improvement from the 4.23 per cent of revenue as a percentage of GDP, collected in 1987. Several reforms are currently being implemented to improve tax administration.
25. Mr. Speaker Sir, overall expenditure is projected to perform at about 90 per cent, the underperformance being on account of slow performance of the development budget. This low absorption is expected to be transitory as Ministries, Departments and Agencies become more conversant with new conditions precedent to accessing funds, which include preparation of work plans, recruitment and procurement plans which are meant to enable them implement their activities in a timely manner. The new requirements were instituted by my

Ministry to ensure Value for Money right from the time of disbursement of Government funds.

26. External support is projected to finance about 26 per cent of the budget. The sectors that are expected to receive the highest external support are Transport and Works, Agriculture, and Public Sector Management which are key to growth and are complimentary sectors in the economy.

### **Sector Performance for the FY 2009/10**

27. Mr. Speaker Sir, in the budget statement of this financial year, I announced a number of measures aimed at stimulating economic growth with substantial allocations in the following areas:- (i) increasing agricultural production and value addition; (ii) transport infrastructure; (iii) energy infrastructure; (iv) human resource development; and (v) peace, security and good governance.
28. For transparency and accountability, which is a cherished principle by the NRM Government, it is imperative that I present the key achievements and challenges of the Financial Year 2009/10, before I present the Budget Strategy and Priorities for Fiscal Year 2010/11.

### **Increasing Agricultural Production and Value Addition**

29. In the agricultural sector, the budget for the FY 2009/10 set out to address the biggest constraints to agricultural production including crop pests and livestock diseases, lack of suitable inputs, and appropriate technologies to increase productivity, the vagaries of weather and limited access to financial and extension services.
30. Mr. Speaker Sir, the restructuring of NAADS has enabled the organization to provide better advisory services. NAADS has enabled farmers to access technologies and gradually shift from subsistence to market based activities. It supported the establishment and development of over One Thousand (1,000) sub-county farmer fora and over Sixty Thousand (60,000) technology learning sites. During the financial year, NAADS extended direct support to about Thirty One Thousand (**31,000**) farmers in form of improved technologies for demonstration and expanded coverage.

31. As articulated in the State of the Nation Address by His Excellency the President, NAADS extended different technologies in crop, livestock, fisheries and apiculture to farmers. Tractor hire services were also operationalised in Teso, Lango, Acholi, W.Nile and Busoga regions. In order to increase the availability of water for production, funds were provided for the construction of bulk water facilities as well. The dams and valley tanks which were commissioned are as follows:-

- i. Rwenjuba in Isingiro District;
- ii. Makukulu in Lyantode District;
- iii. Kibanda in Rakai District;
- iv. Dyangoma in Mubende District;
- v. Kasejere in Kiboga District;
- vi. Ajamaka in Kumi District;
- vii. Atar in Apac District;
- viii. Wangkwok in Kitgum District.
- ix. Imeri in Kamuli District and
- x. Kasiira in Kumi District.

32. Mr. Speaker Sir, for the first time, Government in partnership with Commercial Banks, established an Agricultural Credit Facility amounting to **Shs.60 billion** to be lent to borrowers at interest rates not exceeding 10 per cent per annum for a maximum period not exceeding eight years. Effective next financial year, banks have agreed to increase their contribution of shs.30 billion, making the total amount available, including government contribution to shs.90 billion. The objective of the Credit Facility is to facilitate farmers in the acquisition of agricultural and agro-processing machinery and equipment. To date, **Shs.54 billion** has been disbursed from Government and partner financial institutions investments in the following areas:-

- i. Tractors, planters and other farm implements;
- ii. Irrigations systems
- iii. Milk processing equipment
- iv. Maize and feed mills
- v. Tea processing plant and machinery

- vi. Refrigeration equipment for meat processing; and
- vii. Flower and Horticulture equipment.

33. Mr. Speaker Sir, we undertook these interventions which enabled the agricultural sector to recover from the earlier slowdown in growth. This is exhibited by bumper harvests in the Financial Year 2009/10 in many parts of the country. The output for agricultural activities that include cash-crops, food crops, livestock, forestry and fishing activities grow by 2.1 per cent in 2009/10 down from a growth rate of 2.5 per cent in the previous year. However there was good performance of the food sub-sector which grew by 2.7 per cent. The bumper harvest of largely maize produce caused challenges of post-harvest handling which Government is addressing.

#### **Industrialization and Value Addition**

34. In order to improve business environment and competitiveness of Uganda's economy, Government set aside funds for industrialization and value addition. Through concerted efforts by His Excellency the President, Government has supported Uganda Industrial Research Institute (UIRI) to become a centre of excellence in value addition, business incubation, innovation, product and process design, as well as technology transfer. UIRI has undertaken the following interventions, among others, as a result:-

- i. developed new technologies for soap production;
- ii. developed machinery for paper production from banana stems and other fibers;
- iii. fabricated machinery for producing feeds;
- iv. developed machinery for silk processing;
- v. built a variety of looms for weaving and enhanced its capacity to process bamboo into a variety of products; and
- vi. Renovated and equipped a vaccine production pilot plant.

35. The above technologies have all been prototyped and are ready for commercialization. Two virtual incubation centers have been built in Lira district for peanut butter production and in Mpigi district for fruit juice processing.

36. Mr. Speaker Sir, Government has also provided support towards new business incubation centre at Makerere University Department of Food Science to enable it equip students and new graduates of Food Science Technology with skills and knowledge in the operation and management of agro-processing enterprises in order for them to become job-makers and employers. This is being done through the following:-
- i. Developing viable technologies and knowledge driven food processing and nutrition enterprises;
  - ii. Promoting entrepreneurship amongst researchers and graduates ;
  - iii. Providing support to commercial enterprises based on technologies developed at the University and
  - iv. Building human capacity in agro-processing, value-addition, nutrition and entrepreneurship.
37. Mr. Speaker Sir, Special Economic Zones (SEZ) have been set up in Kampala Industrial and Business Park (KIBP) at Namanve, Luzira, Mbarara and Bweyogere; land for two estates in Mbale and Soroti were acquired and extra land was identified in Kasese, Masaka, Gulu, Fort-Portal, Jinja, Bukwo, Arua and Nakasongola. Graveling of 15Km roads and construction of office blocks in Namanve was completed and 230 plots were allocated to investors.
38. The Uganda Development Corporation (UDC), which was revived as the investment arm of Government, is already playing a role in the implementation of the Soroti Fruit Processing Facility Project; the Tororo Phosphates Mining Project; and the manufacture of iron and steel from the abundant iron ore deposits in Kabale and Kisoro Districts.
39. Mr. Speaker Sir, in order to strengthen the legal framework for improving the business environment, the following Acts were passed by Parliament: Mortgage Act, 2009; Trade Secrets Act, 2009; Hire Purchase Act, 2009; Partnership Act, 2009; Contract Act, 2009. In addition, the following bills are before Parliament: The Companies Bill, 2009; The Insolvency Bill, 2008; The Chattel Securities Bill, 2008; The Trade Marks Bill, 2008; The E-Transactions Bill ,2008; The Computer Misuse Bill, 2008; The E-Signature Bill, 2008; The Industrial Property Bill, 2009 and The Anti Money Laundering Bill 2009. The following draft bills

are before Cabinet: The Sale of Goods Bill, 2008, The Counterfeits Bill, 2009; The Capital Markets (Amendment) Bill, 2009; The Free Zones Bill.

40. Mr. Speaker Sir, through you I want to thank the Eighth Parliament for enacting those laws and request for the speedy consideration of the pending enabling legislation.
41. In line with the National Skills Programme, Enterprise Uganda has supported the youth to generate jobs. Over Seven Thousand (7,000) youth have benefited from '**Business and Enterprise Start-up Tool**' (BEST) clinics in Kampala and up-country. Within six months of gaining the business and entrepreneurship skills, 60-65 per cent of the youth under the programme have been able not only to employ themselves but have each generated one to two additional jobs.

## **Transport Infrastructure**

### *Road infrastructure*

42. Mr. Speaker Sir, during the FY 2009/10, Government continued to improve the condition of the road network through tarmacking gravel roads, rehabilitation and maintenance of the national, district and community access roads. I am happy to report that Government is making progress in the road sector. The list of tarmacked roads under reconstruction and gravel roads being upgraded to tarmac total 3,624 kilometers throughout the country. Some of these roads are:-
- i. Kampala Northern Bypass which was completed in September 2009;
  - ii. Soroti-Dokolo which was completed in December 2009;
  - iii. Fort Portal-Bundibugyo-Lamia border; Construction commenced
  - iv. The design of Gulu-Atiak-Bibia/Nimule, and Ntungamo-Mirama Hill/Kagamba-Ishaka Roads completed
  - v. Substantial progress has been made towards completion of Gayaza-Zirobwe-Wobulenzi and Matugga-Semuto-Kapeeka Roads.
43. Mr. Speaker Sir, the Uganda Road Fund commenced operations in January 2010 and has financed the routine maintenance of over twenty nine thousand (29,000) kilometres of road, the rehabilitation of about one thousand two Hundred (1,200) kilometers and maintained 87 bridges. Under the District, Urban and

Community Access Road (DUCAR) network, an additional thirty one thousand seven hundred (31,700) kilometers and about five thousand (5,000) kilometers of community access roads have been maintained under routine and periodic maintenance respectively. In order to address the slow pace of road maintenance in Kampala City, with effect from the third quarter of Financial Year 2009/10, the five (5) Divisions of Kampala City Council started receiving road maintenance funds directly from the Uganda Road Fund. This will continue as a means of improving road maintenance in the city.

## **Energy Infrastructure**

### *Electricity Generation*

44. Mr. Speaker Sir, I am happy to report that the power supply has considerably increased since mid-2005. As stated in the State of the Nation Address, Government's major priority in the energy sector remains focused on increasing generation and transmission capacity through construction of large and mini hydro power plants. The construction of the 250 MW Bujagali Hydropower Project is on course and will be completed on schedule. The feasibility studies for the 700MW Karuma and the 100 MW Isimba Hydropower projects are also underway. The 13 MW Bugoye renewable energy project was also completed and commissioned during the financial year. Load shedding is currently at a minimum and only localized due to network overloading.

### *Rural Electrification*

45. Mr. Speaker Sir, for emphasis allow me to restate the list of rural electrification schemes which were articulated in the State of the Nation Address under the Rural Electrification Programme. The following schemes were completed during the FY 2009/10; Corner Kilak-Patongo-Adiang-Abim-Kiru with tee-offs to Pader and Kalongo, Iceme-Oyam district headquarters and environs, restoration of Soroti-Kalaki-Lwala power line, Kapchorwa-Kaprooni-Kelle Farm Institute, restoration of Kidongole-Bukedea-Masandain Mbale, Bumbeire in Bushenyi, Atari in Apac; Buwekula-Musika-Kanyogoga in Jinja, and Kiyunga-Mbulamuti in Kamuli.

46. Mr. Speaker, progress on the above schemes is a further demonstration of the NRM Government's commitment to deliver investments throughout the country as promised under the NRM Manifesto 2006.

#### *Petroleum Exploration and Production*

47. Mr. Speaker Sir, investment in the petroleum exploration has so far exceeded US\$ 900 million and is expected to increase when the development and production phases commence. To date, five out of the ten exploration areas in the Albertine Graben are licensed to various companies. The principles for the Oil and Gas legal and regulatory framework were approved by Cabinet and the Bill will be submitted to Parliament in the next financial year. In the Financial Year ending, as articulated in the State of the Nation Address, 33 out of 35 wells have yielded hydrocarbons, a positive sign of existence of oil.

### **Human Resource Development**

#### *Education*

48. Mr. Speaker Sir, in the financial year ending, the Education Sector placed focus on the consolidation of the achievements so far gained under Universal Primary and Secondary Education programmes. Specific emphasis was put on improvement of the quality of schooling through the construction, provision of instructional materials and improving inspection and sanitation in primary schools.
49. The Universal Secondary Education programme was rolled out to cover senior four. In addition, Government has carried out emergency repairs at Kakungube and Kamodi Secondary Schools and completed 4 classroom blocks in 10 new seed secondary schools at Ruyonza, Busembatia, Serere, Busalaamu, Rubongi Army, Buhimba, and Kapchorwa Secondary Schools and Bukooli College. The ground floors of blocks at Kabale, Pallisa and Nkoma Secondary Schools were also completed; and an administration block at Kyamate Secondary School, a classroom block, science laboratory and administration block at Rubaare Secondary School were also constructed. Government has also completed the payment for land compensation for the construction of Entebbe Comprehensive School.

50. Government has also financed the completion of construction of a total of One Thousand Eight Hundred (1,800) classrooms. An additional 2,600 new classrooms, 130 multi-purpose science rooms, 28 libraries and 23 teachers' houses are in final stages of completion.
51. In higher education, Government recognizes the contribution of the Private Sector to the provision of access to higher Education. Accordingly, Government has supported the following Private Universities with a total of Shs. 7.7 billion. These are Bugema University, Busoga University, Kampala International University, Kumi University, Mountains of the Moon University, Nkumba University, Uganda Christian University in Mukono and Uganda Martyrs University in Nkozi. Government has also supported the Islamic University in Uganda by guaranteeing their borrowing from the Islamic Development Bank.
52. In order to provide the necessary human resource for the petroleum sector, the Uganda Petroleum Institute was established at Kigumba with an initial allocation of Shs.1.5bn for infrastructure development, and the Institute is now operational. I am happy to report that thirty students in geo-physics, chemistry and oil science related disciplines have been admitted to the institute this year.
53. Mr. Speaker Sir, with respect to vocational education and training, Government completed construction of 44 classrooms and 34 workshops in 14 vocational schools enrolling Primary 7 leavers in the financial year now ending. Furthermore, Machinery & Equipment has been supplied to 15 vocational schools enrolling Primary 7 leavers.
54. In addition, the following outputs were achieved:-
- i. Construction of a Library block on going at Uganda College of Commerce, Kabale.
  - ii. Construction of a Library block on going at Uganda Technical College, Elgon.
  - iii. Rehabilitation of classroom and dormitory at Lake Katwe Technical Institute.
  - iv. Provision of 3 workshops, mainhall, and 2 dormitories at Nalwire Technical Institute.

- v. Training of 80 Instructors and 60 technical Teachers is ongoing at Uganda Technical Colleges at Bushenyi, Elgon, Kichwamba, Lira and the Nakawa Vocational Training Institute.
- vi. Procurement process for construction of an administration block, 2 workshops and 2 Dormitories at Ahmed Sseguya Memorial technical Institute is ongoing.

### *Health*

55. Mr. Speaker Sir, according to the 2009 Uganda Malaria Indicator Survey, the proportion of households having at least an Insecticide Treated Mosquito Net (ITN) increased from 49 per cent in the Financial Year 2008/09, to 59 per cent this year. In November 2009, the Global Fund in Geneva disbursed US Dollars 40 million to Uganda for procurement of Long Lasting Insecticide Treated Nets (LLITNS). Delivery of the nets throughout the country, which started in February 2010, is expected to end this financial year.

56. The Ministry of Health attained the targeted coverage for Indoor Residual Spraying in the 7 districts where malaria is endemic. These districts are: Apac, Pader, Kitgum, Oyam, Gulu, Katakwi and Gulu. Mr. Speaker Sir, the scheduled rehabilitation and reconstruction of Regional Referral Hospitals, particularly of Lira, Masaka and Kabale is at advanced stage. Construction of 6 mental health units at Masaka, Jinja, Mubende and Mbale, Moroto and Lira referral hospitals is near completion, and civil works have been completed and the facilities commissioned at Masaka, Jinja, Mubende, Lira, and Mbale. The construction and rehabilitation of 13 Health Centre IVs and 26 Health Centre IIIs in south western Uganda districts of Mbarara, Isingiro, Ibanda, Kiruhura, Ntungamo, Bushenyi, Rukungiri, Kabale, and Kanungu is at an advanced stage. However, delays have been reported in the rehabilitation works in Soroti and Buhinga.

### *Water and Environment*

57. Mr. Speaker Sir, under water for production, the following schemes were completed in the FY 2009/10; Rubaare and Nshenyi Valley tanks in Ntungamo, Kailong dam in Kotido, Leye dam in Apac and Mayikalo dam in Sembabule. In addition, construction of the following dams is almost complete; Kagango

dam, Kagamba and Obwongerero valley tanks in Isingiro district, Kawomeri dam in Abim, Olelpec and Alamia valley tanks. Other ongoing projects include Akwera dam in Lira, Lutunku and Kisozi valley tanks in Sembabule, Longoromit dam in Kabong, Kobebe dam in Moroto and Arechet dam in Moroto district. The challenge in this sector is unit costs which appear to be disproportionately higher than the increases in the underlying cost of inputs.

58. Mr. Speaker Sir, rainwater harvesting aims at supplementing other efforts to improve safe water supply, which currently stands at 65 per cent. The main intervention is to implement demonstration schemes and subsidizing of rain water storage tanks for basic household consumption and promote use through raising awareness. A total of 385 rainwater harvesting systems were constructed by 2007 in the districts of Mbarara, Bushenyi, Isingiro and Kabale Districts. In financial year ending, 340 rain harvesting systems are under installation in Kakyera, Lwamagwa, Ddwaniro, and Kyalulangira sub counties in Rakai District and in Namasagali and Balawoli Sub counties in Kamiuli Districts

#### *Information and Communication Technology*

59. Mr. Speaker Sir, this financial year, Government planned to complete the inter-connectivity of the entire country by laying over 1500 km of optical fiber to link most major towns in the country. Under phase two of the project, the fibre optic cable was laid through Jinja, Iganga, Bugiri, Busia, Tororo, Mbale, Kumi and Soroti; Luwero, Nakasongola, Masindi, Lira and Gulu; Mityana, Mubende, Kyenjojo, Kabarole, Kasese, Bushenyi, Mbarara, Masaka and Mpigi. The National Information Technology Authority (NITA-U) setup Business Information Centres in the districts of Busia, Iganga, Lira, Kamwenge, Mityana and Rukungiri.

#### *Increasing Public Private Partnerships (PPPs) to Support Efficient Delivery of Infrastructure Services:*

60. Mr. Speaker Sir, Government recently approved the PPP Policy and Principles to be enshrined in the PPP Bill for presentation to Parliament in the coming financial year. The proposed PPP Bill will provide the framework for the implementation of selected public infrastructure by harnessing private sector financial and human resource skills, while sharing the construction and operational risks between

public and private sectors. This will ensure improved efficiency and value for money in the delivery of public infrastructure services, including speedy implementation of public-private sector investments. In the meantime, the Uganda Police Force and Uganda Prisons Services are being supported to deliver office and housing accommodation through a PPP arrangement, under existing laws and regulations.

### **Reconstruction Programmes**

#### *Northern Uganda Peace, Recovery and Development Plan (PRDP)*

61. Mr. Speaker Sir, in the current financial year, Government commenced on the full implementation of the Northern Uganda Peace, Recovery and Development Plan (PRDP) with an allocation of Shs. 100 billion, which has been fully disbursed. In terms of planned investments, over 90 per cent of the activities are being implemented with the following as the major key deliverables:

- i. Over 700 classrooms are under construction.
- ii. About 55 Classrooms have been rehabilitated.
- iii. 275 teachers' houses are under construction
- iv. 930 toilet stances are being built.
- v. Over 220 boreholes are under construction.
- vi. About 30 shallow wells are under construction.
- vii. 160 boreholes have been rehabilitated.
- viii. 46 maternity wards under construction.
- ix. 203 Health workers' houses are under construction.
- x. Over 36 Out Patient Departments in the Health Centers are under construction.
- xi. Over 25 new Health Centre IIs are under construction.
- xii. 670 Kms of feeder roads have been rehabilitated
- xiii. Over 360 km of community access roads opened.

62. In addition, the resettlement programme for former Internally Displaced Persons (IDPS) registered remarkable achievements. For example, under the tractor hire scheme, a number of tractors were procured and communities were supported to open up land which has increased food production in the region. Seven Thousand

Nine Hundred (7,900) hectares of land has been allocated for ploughing under the scheme. Iron sheets were procured and distributed to returnees. We have piloted construction of low cost housing using Hydraform technology in Karamoja, Teso and Acholi Regions, which has worked well. Government has also procured 300 ox-ploughs, 700 oxen, 350 heifers to distribute to farmers in the Lango sub region. As part of the restocking programme for that area.

#### *Luwero-Rwenzori Development Plan*

63. Mr. Speaker Sir, last month Government launched a 5 year Development Plan for the Luwero-Rwenzori Reconstruction Programme. This is as an affirmative plan for this area that was affected by the NRA protracted war and the ADF insurgency. In FY 2009/10, Shs. 10 billion was provided to cover the 40 districts in the two regions. So far grants have been provided to 240 parishes, 60 sub-counties and 7 districts to support interventions in agricultural commercialization, roads and bridges, schools and water for production in the cattle corridor. In financial year 2010/11, the plan will focus on establishing secondary schools in 50 sub-counties and primary schools in 108 parishes which have none. In addition, support will be extended to water, roads and bridges.

#### **IV. ECONOMIC OUTLOOK FY 2010/11 AND THE MEDIUM TERM**

##### *Growth Prospects*

64. Mr. Speaker Sir, as stated in the State of the Nation Address, the economy has performed very well in the face of the global financial crisis that erupted in 2008. While the first rounds of effects of the global financial crisis were relatively limited, the international economy remains volatile. The recent turbulence in the Eurozone has raised some challenges for the Uganda economy. The global economy is still clouded by a high degree of uncertainty but this, so far, should not warrant a radical change in the near term macroeconomic policy of the budget which I am presenting to this August House today. We shall continue to monitor the developments closely and we stand ready to adjust policies promptly if needed.

65. Mr. Speaker Sir, regardless of the recent developments, the economic growth outlook for the medium term remains positive and reflects the resilience of our economy because of continued economic stability and diversification of our exports in regional markets. The economy is projected to grow at 6.4 per cent in the coming financial year, and at an average rate of 7 per cent for the outer years. This compares favourably with a forecasted growth trend in the East African region where growth is expected to rebound to rates of 6 per cent per annum.

*Balance of Payments*

66. The coffee sector is expected to rebound in FY 2010/11. We expect to ship 3.15 million bags of coffee, compared to 2.95 million last year, representing 10 per cent increase in the value of the exports. The tobacco sector is also continuing its rapid progress and exports for next financial year are projected to be worth over US Dollars 100 million for the first time, from an average of US Dollars 58 million over the last three years. I will be requesting the Bank of Uganda to revive the study of the Domestic Resource Costs (DRC) and also compile the Index of Agricultural Production Statistics, so as to assess the relative price competitiveness of agriculture commodities.

*Inflation*

67. Mr. Speaker Sir, the NRM Government remains committed to low and stable inflation over the medium-term in order to provide stable environment for investment. Government will continue to aim at stimulating demand in the economy, while keeping inflation at around 5 per cent.

*Interest Rates*

68. Mr. Speaker Sir, we recognize the problems associated with high interest rates and are therefore, working with commercial banks to bring lending rates down. Government is proceeding with the computerization of land registries as well as lowering the cost of doing business through investments in the necessary economic, physical, energy and social infrastructure. Underwriting risk, as the case is under the Agricultural Guarantee Scheme, the introduction of the National Identification System and the full operationalisation of the Credit Reference

Bureau, will further reduce the risks which raise the cost of loanable funds. The operationalisation, in a phased manner, starting next year, of the fibre-optic based National Transmission Backbone Infrastructure (NBI), will also reduce the cost of communication.

#### *Deepening Regional Integration*

69. Mr. Speaker Sir, on 1<sup>st</sup> July, 2010, the East African Community will establish a single economic territory within which business and labour operate. It is envisaged that the EAC Common Market will stimulate greater productive efficiency, higher levels of domestic and foreign investment, increased employment, and growth of intra-regional trade and of extra-regional trade. The Common Market allows freedom of movement of goods, services, capital, business enterprises and skilled labour within an area bound by a Customs Union. The Customs Union has been largely completed, and the entire EAC region is looking forward to the implementation of the Common Market. We give credit to His Excellency the President for his commitment and strong support towards regional integration.

#### **THE BUDGET STRATEGY FOR FINANCIAL YEAR 2010/11**

70. Mr. Speaker Sir, let me now turn to the Budget Strategy for the FY 2010/11. The theme for next year's budget is '***Strategic Priorities to Accelerate Growth, Employment and Socio-Economic Transformation for Prosperity***', in line with the thrust of the National Development Plan. Mr. Speaker Sir, the Financial Year 2010/11 budget marks the transition from the Poverty Eradication Action Plan (PEAP) to the recently launched National Development Plan (NDP) which lays out the strategic five-year plan for Uganda's development up to 2014/15. The NDP provides a single framework for guiding the strategic allocation of national resources as a means towards the attainment of government's strategic objectives. The objectives of the NDP clearly reflect the strategic vision of the NRM Government to transform Ugandan society from a peasant to a modern and prosperous country within 30 years, through growth, employment and prosperity for socio-economic development. Achievement of the NDP's and Government's core objectives requires identification and targeting of key areas of the economy

responsible for accelerating economic growth and socio-economic transformation.

71. The NDP seeks to address structural bottlenecks to the economic and social transformation of Uganda over the next five years. It spells out the most binding constraints to achieving the vision of a transformed Uganda as the following:-

- i. Inadequate physical infrastructure to efficiently transport inputs to production and final goods to markets, together with high communication costs; and limited availability of energy infrastructure to increase productivity and enhance the quality of life
- ii. Low application of science and technology that impedes technological capabilities and competitiveness;
- iii. Inadequate supply and limited access to critical production inputs such as fertilizer, water, and construction materials leading to high costs for these items;
- iv. Inadequate quality and quantity of Human Resource due to limited capacity of the education system and low health and education service delivery standards;
- v. Limited availability of financial services and high costs of financing;
- vi. Weak public sector management and administration; and
- vii. Poor mind-sets, negative attitudes and perceptions that limit business and entrepreneurship, limited use of modern science and ICT tools and discrimination against women in certain spheres.

72. Over the medium term, the Ugandan economy will be faced with a number of macroeconomic management challenges, but also a number of opportunities. Among the opportunities are the continued progress towards economic integration, particularly in regard to the East African Community and the discovery of oil resources. The former provides opportunities for increased trade and more employment opportunities.

73. At the macro-level, therefore, Government policies and the budget allocations will be geared towards ensuring enhanced efficiency, competitiveness and productivity, if the country is to benefit from regional integration.

## **VII: THE BUDGET FRAMEWORK FOR FINANCIAL YEAR 2010/11**

74. Mr. Speaker Sir, the Resource Envelope for the next financial year amounts to Shs. **7,552**billion of which **Shs. 5,640bn** is financing from domestic sources and **Shs. 1,912.1bn** from external loans and grants. Resources from both Tax and Non-Tax Revenues will contribute Shs. 5,034.4 billion and Shs. 91.5 bn respectively, while loan repayments will contribute Shs. 59.9 bn. Next year's budget will be about 19.1 per cent of GDP. Domestic sources are projected to finance about 75 per cent of the budget in the coming financial year, while the balance of **25 per cent** will be provided by our development partners. This is in line with our objective of gradually increasing the share of the budget financed through domestic sources.
75. As the Ministry responsible for mobilizing resources for Government, I wish to register our gratitude to our development partners for the continued support to our country.

## **VIII. BUDGET PRIORITIES FOR FINANCIAL YEAR 2010/11.**

76. Mr. Speaker Sir, the Financial Year 2010/11 budget priorities seek to implement the goals of the National Development Plan (NDP). Next year's budget priorities are therefore in tandem with the NDP's and are as follows:-
- i. Infrastructure Development in Roads and Energy;
  - ii. Promotion of Science, Technology and Innovation to facilitate value addition and employment;
  - iii. Enhancing agricultural production and productivity;
  - iv. Private Sector Development; and
  - v. Improving Public Service Delivery.
77. Mr. Speaker Sir, I now wish to turn to the details of the budget priorities for the Fiscal Year 2010/11.

## **A: INFRASTRUCTURE DEVELOPMENT**

### *Road Transport*

78. Mr. Speaker Sir, whereas the national road network has registered substantial progress, the status of our road infrastructure still remains inadequate by regional and international standards. This hinders access to markets and negatively affects overall economic performance by imposing high transport costs. The focus of the roads sector in FY2010/11 will be concentrated on completing on-going projects and road maintenance to clear the backlog.
79. During the coming financial year, priority will be given to completing the tarmacking, rehabilitating and maintaining critical road links that are important to the promotion of production, competitiveness and regional trade. The road development programme will encompass the following:-
- i. Completing the upgrading or reconstruction of works on the following roads: Dokolo – Lira (60.4km), Kampala – Gayaza – Ziobwe – Wobulenzi (Phase 1 - 43km), Matugga – Semuto – Kapeeka (41km), Kabale – Kisoro – Bunagana/Kyanika (98km) , Masaka – Mbarara (154km), Busega – Masaka (124km) and Busega – Mityana (57km) Roads.
  - ii. Commencement of the upgrading to tarmac or reconstruction of the following roads: Mbarara – Kikagati (75km), Gulu – Atiak – Bibia (Sudan border)108km), Vurra – Arua – Koboko – Oraba (92km), Nyakahita – Ibanda – Kamwenge – Fort Portal (208km), Fort Portal – Bundibugyo – Lamia (104km), Mukono – Kyetume - Katosi/ Kisoga – Nyenga (72km), Ntungamo – Mirama Hills/ Ishaka – Kagamba (72km), Rukungiri-Kihihi - Kanungu-Ishasha (74km), Moroto – Nakapiripirit (90km), Kapchorwa – Suam, (77km), Mpigi – Kabulasoke – Maddu – Sembabule (135km), Hoima – Kaiso – Tonya (85km), Mbarara – Katuna (152km), Mukono – Jinja (52km), Mukono – Kayunga/ Nkoloto - Njeru (94km), Tororo – Mbale – Soroti (155km), Malaba/Busia – Bugiri (82km), Kawempe –

Kafu (166km), Kafu – Karuma (67km) and Jinja – Kamuli (60km) and Kamdini – Gulu (60 km).

- iii. Completing the rehabilitation of the following roads: Kampala – Mukono (23km), Lira – Kamdini road (68km), Masaka – Kyotera; Villa/Maria – Nyendo roads (38km) and Mbarara – Ishaka/ Mbarara – Ibanda roads (123km).
- iv. Completing the design for upgrading to tarmac of the following roads: Olwiyo- Gulu- Kitgum (167.1 kms), Muyembe- Moroto- Kotido (291.5 kms), Soroti- Katakwi- Moroto- Loktanyala (290 kms), Masaka- Bukakata (36Kms), Mpigi – Maddu- Sembabule (124Kms), Mukono- Kyetume-Katosi/Kisoga-Nyenga (74 km), Villa Maria – Sembabule (48 Kms), Rukungiri – Kihihi – Kanungu – Ishasha (74Kms), Kyenjojo- Hoima-Masindi-Kigumba (238Kms), Musita – Lumino – Busia/Majanji (140Km), Tirinyi - Pallisa – Kumi/Pallisa – Mbale (111Km), Mbale – Bubulo – Lwakhakha (41 kms), Namagumba- Budadiri- Nalugugu (30 kms), Kamuli- Bukungu (64 Kms), HoimaWanseko (111km), Kayunga – Galiraya (88km).
- v. Completing the design for capacity improvement of the following roads: Kampala – Jinja (80km), Kibuye – Mpigi (30km), Kampala – Entebbe (35km) and Kampala Northern Bypass (17.5 km). Commence the design for reconstruction of Tororo – Mbale – Soroti (156) and Lira – Kamudini – Gulu (122km).

80. Mr. Speaker Sir, Government will commence the rehabilitation of the Nalubale Bridge at Jinja and the design of the second Nile Bridge at Jinja in the coming financial year. We will also complete construction of the following: Aswa bridge on Gulu – Kitgum road; commence construction/rehabilitation of 10 bridges in West Nile namely: Enyao, Alla and Kia Kia in Arua, Goli, Cido, Nyagak, Nyacara, Pakwala, Ora 1 and 2 in Nebbi district; commence the construction of bridges and landing sites on Atiak – Moyo – Afoji road; Bunyamusenyu bridge on River Kafu which link Nakaseke to Masindi will also be constructed.

81. In line with the National Transport Master Plan, Government is committed to improving the transport system and infrastructure within Greater Kampala Metropolitan Area. In the coming financial year, Government has earmarked US Dollars 50million specifically for road rehabilitation and improvement within Kampala City. This is in addition to Shs.13billion that Government will continue to provide directly to the City's Divisions for road maintenance. Government has also embarked on plans to construct the Kampala-Entebbe express highway. This is expected to greatly improve the traffic flow between the City and the International Airport.
82. In order to address the challenge to maintenance and rehabilitation of district roads, urban roads and community access roads in the country, Government has secured funding to procure road equipment for zonal, district and urban road units. In a bid to improve transport infrastructure within Kalangala Islands, I have made a provision of Shs. 1.0billion for the shadow road toll to enable the private contractor commence construction of the Kalangala Main Island Road under a Public Private Partnership Agreement.
83. I have provided an additional funding of Shs. 50billion over this year's budget under the Uganda Road Fund towards the maintenance of 10,000kms of national roads in FY2010/11 that were taken over by the Uganda National Road Authority (UNRA) from the Local Governments.
84. Under water transport, Ferries for Obongi - Sinyanya and Rwampanga – Namasale will be provided. The scope of works for the refurbishment of the MV Pamba is now complete and its rehabilitation to restore its sea-worthiness will be undertaken in the next financial year.
85. Mr. Speaker Sir, in order to improve the procurement process next financial year, UNRA will strengthen its capacity in contract management. Government will also institute an Inter-Ministerial Technical Committee in the sector to ensure cooperation across Government agencies.
86. Mr. Speaker Sir, in the coming financial year, the Auditor General will periodically undertake financial and technical audits on road construction works before the works are completed to ensure that quality is maintained.

### *Railway Transport*

87. Mr. Speaker Sir, Government has undertaken a feasibility study for upgrading Tororo-Pakwach railway line and intends to carry out a study to extend the railway line from Gulu to Nimule/Southern Sudan. We have also commenced the feasibility study for the full restoration of the Kampala – Kasese railway line. Furthermore, Government is in the process of procuring consultancy services for studies for development of a Standard gauge Railway between Kenya and Uganda.

### *Energy Infrastructure*

88. Mr. Speaker Sir, our power supply needs to be in tandem with the growing demand as higher growth rates translate into higher levels of demand for electricity. In the short run, thermal power generation will continue to mitigate the hydro power shortages and Government will step up generation capacity in the long-run. In the next financial year, construction of the 250 MW Bujagali Hydro power will continue and the first turbine will be commissioned in October 2011 raising installed generation capacity from the current 550 MW to about 800MW in 2012 when the Bujagali Project is fully commissioned. The feasibility study for the engineering design for the 700 MW Karuma hydro power project and 100 MW Isimba hydro power project will be completed.

89. Mr. Speaker Sir, next financial year, Government will undertake the following power transmission projects:

- i.) complete upgrading of 132 KV Tororo-Oluyo-Lira and Mutundwe-Entebbe transmission lines;
- ii.) construction of the following lines; the 220 KV Bujagali-Kawanda-Mutundwe; the 132 KV Mbarara-Nkenda , Nkenda-Mputa, Mbarara-Mirama, Masaka-Mwanza, Jinja-Tororo-Lessos, Kawanda-Masaka, Karuma-Lira, Kaiso Tonya-Fortportal-Nkenda, Opuyo-Moroto, Karuma-Oluyiyo and Mbale-Nakapiripirit-Moroto.
- iii.) Regional inter-connection of Bujagali-Tororo-Lessos (Kenya); Mbarara-Mirama-Birembo (Rwanda); Masaka-Mwanza (Tanzania) and Nkenda-Beni-Rutshuru and Beni-Bunia (DRC).

**B: PROMOTION OF SCIENCE, TECHNOLOGY AND INNOVATION FOR VALUE  
ADDITION, PRIVATE SECTOR DEVELOPMENT AND EMPLOYMENT CREATION**

90. Mr. Speaker Sir, in order to achieve the NRM vision of developing a self sustaining and private sector led economy, Government will continue to address impediments to private sector development. As a key priority in the coming financial year, Government will support industry by enabling the acquisition of appropriate technology, financial capital and skilled human resource by the private sector complemented with a conducive entrepreneurial environment.
91. Mr. Speaker Sir, in the coming financial year, Government will focus on the promotion of science and technology application to enhance private enterprises technological capacity for greater employment creation. The Uganda National Council of Science and Technology (NCST) and UIRI have therefore been strengthened to promote the use of technology and to spearhead the efforts of translating research and development results into practical products and processes, using the business incubation model. Government will continue to support UIRI to expand its programs in business incubation by establishing four multipurpose value addition centers across the country and to expand its Small and Medium Enterprise outreach programme, among other interventions. An allocation of Shs. 1.207 billion has been provided to UIRI to set up a Science Unit. Makerere University will also receive an additional Shs. 5 billion for innovation in engineering and technology research and development. In order to enhance and retain high scientific skills in the country, I have provided Shs. 18 billion for salary enhancement for scientists.
92. In addition, an allocation of Shs. 1bn has been provided to Enterprise Uganda to provide existing entrepreneurs and enterprises with the necessary skills and training to re-orient their business processes to tested and fruitful ventures.
93. Mr. Speaker Sir, youth unemployment is a major concern to the Government. In the next financial year Government will set up a School Leavers Industrial Training Fund at the Directorate of Industrial Training. I am providing Shs. 2 billion for this Fund. Furthermore, in pursuit of employment opportunities for the youth, Government is sourcing funding to enable the acquisition of small scale machinery and processing units for 'Jua Kali' businesses. In addition, the

Industrial Processing Venture Capital Fund will avail financing for bankable start-up ventures for University and College Graduates with interest rates not exceeding 5 per cent per annum payable within eight years. For a start, I am providing Shs 4 billion for the Fund in the next financial year.

94. Mr. Speaker Sir, in the Information and Communication Technology sector, Business Process Outsourcing (BPO) will be encouraged to create jobs for the educated youth and generate exports. The ICT sector will receive Shs. 2.6 billion in priority allocations for the operation of NITA-Uganda which is expected to eventually lead to the decline of the cost of access to ICT related services. The operationalisation, on a commercial basis, of the National Transmission Backbone Infrastructure (NBI) will commence in the first quarter of next financial year in a phased manner and is expected to substantially reduce the cost of communication. Sourcing of funding for the third phase of the NBI, which will link the system to other countries in the region is being finalised.

#### **C: ENHANCING AGRICULTURAL PRODUCTION AND PRODUCTIVITY**

95. Mr. Speaker Sir, improvement in the agricultural sector will greatly contribute to the attainment of the NDP objectives through increasing household incomes and promoting equity. The successful contribution of the agricultural sector to the attainment of NDP objectives will be assessed by measuring changes in: farmer incomes per capita; farmer income distribution; on and off-farm employment; skills development and agricultural production and productivity and value addition.
96. Accordingly, in the FY 2010/11, the sector will focus on the following priority programmes, among others:
- (i) Enhancing Production and Productivity and Improving Access to Markets.
  - (ii) Enhancing the availability and quality of gainful employment: through increased on and off- farm employment opportunities;
  - (iii) Increased hi-tech and other professional agricultural employment;
  - (iv) Increased farmer earnings; and
  - (v) Increased agro-industrial production and productivity.

97. Mr. Speaker Sir, the above programmes will be implemented through generation of improved varieties and stocks by NARO and sensitization by NAADS Secretariat as well as scaled-up provision of pesticides and fertilizers in key commodity areas such as cotton and coffee production. I have allocated an additional Shs31bn to the sector to fully operationalise the Agriculture Development Strategy and Investment Plan (DSIP) that will implement the programmes I have mentioned above.
98. In order to accelerate farmer adoption of technologies for improved production and productivity, NAADS will extend direct support to 100 farmers per parish commencing July 2010, by providing them with input kits consisting of seed, fertilizer and herbicide for selected enterprises such as rice, wheat, maize, tea, coffee and cocoa, and some implements such as hoes and spray pumps where they are needed, to address food security and reduce poverty. This will be in addition to mobilizing farmers to form groups, farmer institutional development, and promoting technology transfer and value addition.
99. In addition, Commercialization Challenge Fund (CCF) will be established to support technology development at Sub County. It will also support commercialization and value addition through agro-processing. I am providing Shs. 15 billion for the Challenge Fund.
100. These measures will boost the Agriculture sector to allow increased reliable production through the availability of resources within the control of farmers and also enable them to receive reasonable incomes from increased agro-processing ventures from both existing and established ventures.
101. Mr. Speaker Sir, Government will make arrangements for the provision of rice hullers, maize mills and other processing units at every sub-county for value addition in the medium term.

#### **D: HUMAN DEVELOPMENT**

102. Mr. Speaker Sir, Government needs to re-energise the delivery of social services to ensure that quality human resources are developed and engaged in the economy to address the inadequate quantity and quality of human resources as identified in the NDP. This not only requires the enhancement of technical and business skills but also the delivery of social services across the board to ensure

improved standards of living. Actions to improve human resource development will be prioritised in the following sectors.

*Education Sector*

103. Mr. Speaker Sir, under the education sector, Government will continue to focus on increasing and improving equitable access to quality education at all levels. Specifically, government will increase net enrollment ratios for primary, transition rates from primary to secondary, maintain admission student enrollment numbers at 4000 students in public universities for government sponsored students, and improve access to physical education and sports.
104. Accordingly, a provision of Shs. 31 billion to support USE has been made under Secondary Capitation grant for S1 representing a full cycle of Secondary Education. In addition, Shs. 11.20 billion has been provided for instructional materials and hardship allowance for teachers in hard to reach areas.
105. Under higher education, an additional Shs. 5billion has been allocated to the National Council for Higher Education the National Curriculum Development Centre in order to ensure quality and standards improvement. Furthermore, all school inspection funds will be sent directly to the Local Governments in order to eliminate the bureaucracies in accessing the funds and also to ensure timely implementation of the activities.
106. In the coming year, construction of the following seven (7) seed secondary schools will be completed:- Buwambo in Wakiso, Butiba in Buliisa, Bundihakungu in Bundibugyo, Burunga in Kiruhura, Ruyonza in Ntungamo, Kamruka in Budaka and Lugoro in Kitgum. Sixteen (16) new seed secondary schools will be constructed in the sub-counties of Nalusala in Sironko, Bukabooli in Mayuge, Paicho in Gulu Mpungwe in Mukono, Ogoko in Arua, Kanara in Bundibugyo, Katunguru in Bushenyi, Bufunjo in Kyenjojo, Purungo in Amuru, Patongo in Pader, Atatur in Kumi, Kalisizo Town in Rakai, Mella in Tororo, Apo in Yumbe, Wakyato in Nakaseke District and Bumayoka in Bududa. Mr. Speaker Sir, in a bid to expand equitable access to secondary education, thirty one (31) secondary schools will become Government grant aided.
107. Government will also continue the renovation of the following six traditional secondary schools: Masaba SS in Sironko, Kabalega SS in Masindi, Mpanga SS

in Kabarole, Kigezi College Butobere in Kabale, Lango College in Lira, and Kololo SS in Kampala.

108. Mr. Speaker Sir, the following eight (8) traditional secondary schools will also be provided with a fully furnished and equipped ICT Laboratory: Bishop S.S in Mukono, Wanyange Girls in Jinja Sacred Heart in Gulu, Rock High in Tororo, Nyarilo SS in Koboko, St Mary's College Rushoroza in Kabale, Kinyansano Girls in Rukungiri, Kibibi S.S in Mpigi. The following eight (8) traditional schools will also be rehabilitated and expanded, these include; Kigezi High School in Kabale, Namagabi SS in Kayunga, Comboni College in Lira, Bwere SS in Kasese, Gulu High School in Gulu, Kitgum High School in Kitgum, Kitante Hill School in Kampala, Ndejje SS in Luwero. A dormitory at Mbale School for the Deaf will also be constructed.

109. In order to improve teacher retention in 15 seed secondary schools in rural sub counties, teachers' houses will be constructed in Buwambo in Wakiso, Butiba in Buliisa, Bundihakhungu in Bundibugyo, Burunga in Kiruhura, Ruyonza in Ntungamo, Kamruka in Budaka, Lugoro in Kitgum, Shituni, Bukonte Namasale, Jangakoro, Lwabiyata, Busii, Kabezi and Karusandara.

110. In line with emphasis on skills development to enhance employment generation, Government has provided funds to complete and equip the following technical institutes: Abim, Kyeizoba in Bushenyi, Kaabong, Kisomoro in Kabarole, Kamwenge Youth Polytechnic in Kasese, Kyaka in Kyenjojo, Lwengo in Masaka, Nkoko in Mayuge; Kahaya, and Maanji Memorial Academy in Mbarara; Moroto, Katonga in Mpigi, Nakapiripiriti, Rutunku Community Polytechnic in Sembabule and Lt. Col. Nasuru Amin Izaruku in Yumbe. The following technical colleges will also be equipped: Kichwamba in Kabarole and Birembo in Kibaale. The following technical schools will be equipped:- Bumbeire in Bushenyi, Kaliro, Kitagwenda in Kamwenge and BarLonyo in Lira.

111. Mr. Speaker Sir, over the next four years Government will establish a secondary school in every sub-county and a vocational training college in every district.

112. To enhance research in Science and Technology, Government will continue to implement the Presidential Initiative on Innovations in Food Science Engineering,

Technology and Skills for Production, Employment and Development in Animal Industry (SPEDA) in the Faculties of Agriculture, Technology and Veterinary at Makerere University.

#### *Water and Environment*

113. Mr. Speaker Sir, in the Water and Environment sector, the provision of safe drinking water in rural areas will be a priority with an additional funding of Shs. 5billion allocated in FY2010/11 towards this area. In addition Shs. 3bn has been provided for the operationalisation of the Meteorological Department to improve weather forecasting which will be of direct benefit to agricultural production and planning. As I pointed out earlier, we will tackle the challenge of unit cost in the water sector using the model which has been piloted in Katakwi district where it has been proved that a medium scale dam can be built at Shs. 20 million as opposed to over Shs 100 million currently used by the Ministry of Water and Environment.

114. In the financial year 2010/11, 600 rain harvesting systems will be installed in the water stressed areas of Kiganda in Mubende District, Ngoma in Nakaseke District and Bukooli in Bugiri District Under conditional grant funding, Local governments shall install 1300 plastic tanks mainly at public institutions and selected households in areas where traditional technologies like hand pump equipped boreholes are not feasible. In the medium term, Plans have been finalized for promotion of integrated rainwater harvesting to cover household needs for human consumption as well as for small cottage agricultural processing industries, small scale irrigation and water for livestock in addition to health centers and schools in rural areas. This will be phased over a five year period. The following outputs are expected from the intervention:-

- i. 35,000 Rainwater harvesting systems installed in some NGO's have developed expertise.
- ii. 180 artisans and masons trained on installation of rainwater harvesting systems
- iii. Capacity development for staff in 30 districts
- iv. Technology, expertise and demonstration models developed for higher level of service.

*Health Sector*

115. Mr. Speaker Sir, despite the progress registered in the health service delivery, the sector still faces a number of challenges. For instance, the Uganda Malaria Indicator Survey (2009) reported that 59.6 per cent of children under 5 years old affected by fever in the last two weeks before the survey had received anti-malarial treatment. Only 3.2 per cent of the children had received correct treatment for malaria within 24 hours from the onset of fever. It was also estimated that only 31.7 per cent of expectant mothers were receiving second dose of intermittent preventive treatment of malaria.
116. In the FY 2010/11, Government will mainly focus on development of health infrastructure through rehabilitation of Regional Referral Hospitals, at Arua, Fort Portal, Hoima, Gulu, Jinja, Mbale, Soroti, Mbarara, Mubende and Moroto. Government will also expand health facilities and accommodation for health workers, at Kiryandongo, Kawolo, Kitagata and Nakaseke Referral Hospitals. Government will further undertake the rehabilitation of the Mulago National Referral Hospital.
117. In addition, Government has earmarked USDollar130 million over 5 years specifically to improve maternal and reproductive health outcomes; and also construct health infrastructure based on verifiable master plans. Of this total amount, US Dollars 30 million is earmarked to cater for reproductive health.
118. In the coming financial year, Government will further improve the management of drugs through central procurement at the National Medical Stores and Joint Medical Stores. Government has defined a basic kit of medicines to be delivered by NMS directly to each Health Centre, instead of delivering medicines to District Stores.
119. In a bid to enhance Government's ability to attract, recruit and retain health workers, Government has earmarked funds for the enhancement of the salaries of medical officers and other health workers in the next financial year. In addition, the construction of staff accommodation at health facilities will be given priority under capital development projects.

120. To implement the ongoing interventions, the health sector will receive an additional Shs. 7bn which will be targeted towards the purchase of essential drugs and the control of malaria.

*Northern Uganda Reconstruction*

121. Mr. Speaker, with the restoration of total peace and security in Uganda, our focus now is to support the region's development. Next FY 2010/11 will see the second year of the implementation of the Northern Uganda Peace, Recovery and Development Plan (PRDP). Accordingly, Government has increased the funding for PRDP from the US\$ 100bn provided in the FY 2009/10 to US\$ 124 billion in the next financial year. These resources will be earmarked towards capital development projects in roads, water, health education sectors. The resources will also support the provision of ox-ploughs, oxen and heifers. I am also making an *ex gratia* provision of Shs. 200 million for the families of the Sixty Nine victims of the Mukura Tragedy to be paid through the Ministry of Justice and Constitutional Affairs.

**E: IMPROVEMENTS IN SERVICE DELIVERY**

*Focusing on results for more effective service delivery*

122. Mr. Speaker Sir, for the past two financial years, our budgeting and reporting system has moved to an output based approach in line with international best practice. This enables clearer scrutiny on linking performance to financial resources. This has been complimented with the introduction of Performance Contracts for Accounting Officers and quarterly performance reporting. Secondly the development of the Output Budgeting Tool (OBT), which is an integrated repository of financial and performance data, has enabled comprehensive and uniform reporting to be generated.

123. Government has also stepped up its monitoring efforts geared towards enhanced effectiveness of public expenditures. The initial focus is on agriculture; education; energy, health; industrialization; roads; water and sanitation; ICT and micro-finance sectors. The information submitted in the budget performance reports is monitored and verified by the Budget Monitoring and Accountability

Unit (BMAU) under my Ministry, through field visits to verify physical outputs of interventions on the ground. This compliments the Baraza initiative which was piloted in four districts before its full rollout, which seeks to transparently provide accountability for public resources by public officials at sub-county fora. The Presidential Public Sector Round Table also meets half yearly to discuss the performance of Government agencies.

#### *Strengthening Financial Services*

124. Mr. Speaker Sir, in the coming financial year, my Ministry and the Bank of Uganda will finalise the Financial Markets Development Policy with the objectives of deepening and broadening the Financial Sector by (i) By enhancing financial inclusion; ii) establishment of an appropriate regulatory framework that covers all financial services with a focus on those currently excluded; iii) setting up an institutional framework that will ensure that key sectors of the economy begin to access financial services; and iv) a provision of shs 6.1 billion to enhance the lending of urban based savings and credit cooperative organizations ( SACCOs ) Shs 4.0 billion of this funding will go towards SACCOs in Kampala markets and the balance of shs 2.1 billion will be availed to other Kampala SACCOs and those in other urban areas.

#### *Improvement of Public Sector Efficiency and Effectiveness*

125. Mr. Speaker Sir, a diagnostic review has revealed that a number of Public Sector Organisations have duplicated and overlapping functions leading to ineffectiveness in public service delivery. Accordingly, Government in the coming financial year will undertake various reforms and interventions aimed at improving Public Sector Organizations' efficiency and effectiveness and also ensure value for money in their operations. The Parastatal Monitoring Unit in my Ministry will continue to liaise with other Government institutions to monitor the performance of the Public Sector Organisations.

### *Absorption of Funds*

126. Implementation of Government programmes will be improved by building capacity in all Ministries, Departments and Agencies and linking workplans, procurement plans and recruitment plans to cash releases.

### *Pension and Gratuity*

127. Mr. Speaker Sir, during the FY 2009/10, a comprehensive audit of existing pension and gratuity arrears was undertaken to establish the outstanding stock. I have provided Shs.124 billion to clear all the outstanding verified pensions and gratuity arrears as verified.

128. In order to improve the efficiency of pension payments and eliminate graft, all pension and gratuity payments are being paid using the Straight Through Processing (STP) system directly to the specific accounts of the beneficiaries. Government has paid all gratuity and pensions for all those who are retiring this Financial Year 2009/10. In this financial year, a total of shs. 184 billion has been paid to clear current pensions and gratuity and a further Shs. 49 billion to clear arrears, including ex gratia payment for ex-combatants.

129. Mr. Speaker Sir, in the new financial year, Government will also pay all Local Council I and II chairpersons a honoraria, in recognition of their contribution at improving governance and accountability at local levels. I have made a provision of Shs. 10.7 billion for this purpose.

130. Mr. Speaker Sir, the Retirement Benefits Regulatory Authority (RBRA) Bill to regulate the retirement benefits in the country was presented to Parliament. The objectives of the RBRA bill are to establish an authority to regulate the sector and prepare it for liberalization.

### *Public Sector Management*

131. Mr. Speaker Sir, Government is committed to improving the management of the public sector. Therefore in the FY 2010/11, our focus will be on the following areas:

1. *Accountability and Governance:* Mr. Speaker Sir, the NRM Government is committed to zero tolerance of corruption and wastage of public

resources which are some of the major challenges facing our country. Government has put in place a number of measures to root out these vices in terms of prevention, detection and sanctioning of corruption by establishing and strengthening institutions such as the Anti Corruption Court, the Inspectorate of Government, the Public Accounts Committee and the Auditor General.

2. *Workplans and Reporting:* Mr. Speaker Sir, as a measure to enhance the performance of the Public Sector, all Government institutions are now required to prepare comprehensive work plans specifying the location of activities and outputs by sub-county. This has greatly facilitated the monitoring of Government programmes and improved the delivery of public services. In the coming financial year, Government will focus on strengthening the monitoring and supervision of various projects as indicated in the annual and quarterly work plans. Preparatory work for this process has already been done by training various district leaders including Local Council V and III Chairpersons, Chief Administrative Officers, Sub-County Chiefs and Gombolola Internal Security Officers, and other local government officials. To enhance monitoring, at the local government level, I am proposing an allocation of shs 10.7 billion for the procurement of bicycles for local council I chairpersons to facilitate their work in governance and administration.
3. *Payroll Management:* The introduction of the Straight Through Processing (STP) of salaries and pensions has greatly improved the management of Government payroll and reduced delays previously experienced. In the next financial year, Government will commence implementing the Integrated Personnel and Payroll System (IPPS). The system will computerize and integrate personnel records in all Government institutions and will eliminate weaknesses existing in the current system.
4. *Pay Reform:* Mr. Speaker Sir, Government is taking action to improve the remuneration of public servants as a means of improving their motivation and better service delivery. However, due to resource constraints, Government will start with enhancement of salaries for key selected staff

in the FY 2010/11 budget. Accordingly, I have provided for a 30 per cent increase to enhance the salaries of scientists, primary school teachers, low cadre health workers and low cadre staff in security forces. For the rest of the public service, I have provided financing to cater for inflation. I have also provided Shs.3billion to enhance salaries for Commissioners in Constitutional Commissions. The details of these will be provided by the Ministry of Public Service.

## **Public Finance Management**

### *Domestic Arrears*

132. Mr. Speaker Sir, to control the accumulation of arrears, the following measures will be implemented to curtail the accumulation of new arrears:

- i. accounting officers will be required to provide a detailed account to explain their outstanding bills. Service providers will have their bills settled within three months;
- ii. all new non-statutory arrears will raise an automatic audit query and will be subjected to scrutiny by the Public Accounts Committee (PAC) of Parliament;
- iii. arrears will have a first call on spending agencies' resources for the subsequent years;
- iv. The Straight Through Processing (STP) system now employed for pensions will be extended to utilities and rental due from Government, in order to ensure prompt payments for them.
- v. Mandatory rotation of accountants and procurement officers will start July 2010.
- vi. The Commitment Control System will be adhered to and penalties stated in performance contracts of accounting officers will be enforced.

### *Management of accounts*

133. Government is taking measures to eliminate the scope for diverting budgetary funds which remain unspent at end of the fiscal year. These measures will

commence with the closure of the financial year 2009/10 and will include the following:

- i. publishing the balances as at June 30 and September 30 of each calendar year on all government accounts at the BOU and commercial banks;
- ii. presentation of these accounts to Parliament by July 31 and October 30 of the following fiscal year;
- iii. requirement of parliamentary approval to spend any balances held over from the previous fiscal year beyond end-June, as well as supporting work and procurement plans showing how such funds would be utilized will be required;
- iv. mandatory return of all unspent balances which have not been re-appropriated by Parliament by end-September to the Government Consolidated Fund

134. I will be proposing amendments to the PFAA and other relevant laws and regulations to support these measures.

#### *Management of Oil Revenues*

135. Mr. Speaker Sir, under the NRM Government oil will offer numerous opportunities and is going to be a blessing, contrary to some skeptics who are engaged in the debate of how oil is going to be a curse to Uganda. In line with the National Oil and Gas National Policy, my Ministry is putting in place legal and institutional infrastructure to ensure that oil revenue is managed prudently. In this regard, tax legislation has been amended to cater for assessment and collection for oil revenues. Government will also amend the Public Finance and Accountability Act to ensure prudent management of oil revenues in accordance with international best practices. The revenues will be integrated in a prudent macroeconomic fiscal framework and the Medium Term Expenditure Framework that is underpinned by the recently approved National Development Plan. Government will ensure that the management of petroleum revenues is handled in a transparent manner that does not undermine the integrity of the budget framework, and macroeconomic stability.

## **F: PEACE, SECURITY AND GOOD GOVERNANCE**

### *Security*

136. Mr. Speaker Sir, the hallmark of the NRM Government has been the maintenance of peace throughout Uganda, eradication of terrorism, building professional security organizations and restoration of law and order. The NRM Government has a track record in this respect unmatched by any other regime since Independence. Government will continue to protect the Constitution and promote the rule of law.
137. In the security sector, Government will focus on implementation of the Defence Strategic Infrastructural Investment Plan (DSIIP) to continue professionalizing the UPDF and build capacity of its specialized units. Co-operation in defence and security within the region especially in the East African Community (EAC) will be enhanced and the Memorandum of Understanding (MoU's) will be upgraded to Protocols.

### *General Elections*

138. Mr. Speaker Sir, this FY 2009/10, Government embarked on implementation of the Roadmap for the forthcoming General Elections. Funding for the general elections of 2011 has received special attention to facilitate free and fair multiparty elections. Accordingly, I have provided an additional Shs.102 billion in addition to the amount provided in financial year ending, to the Electoral Commission to ensure successful conduct of the 2011 General Elections. I have also provided Shs. 500 million to fund activities of political organizations.
139. Mr. Speaker Sir, we have embarked on the implementation of National Identification in order to establish a national identification system for Ugandans, to among others to improve voter registration, promotion of financial sector development, public service delivery and governance.
140. Mr. Speaker, Sir, to further improve governance in Uganda, we will continue implementing the African Peer Review Mechanism National Program of Action. This will be done by respective Ministries, Departments and Agencies in accordance with the provisions in the National Development Plan and the budget.

### **Constitutional Self Accounting Bodies**

141. Mr. Speaker Sir, the budgetary proposals of the following Self Accounting Bodies have been submitted in compliance with Article 155(2) of the Constitution.

- I. Courts of Judicature
- II. Electoral Commission
- III. Inspectorate of Government
- IV. Parliamentary Commission
- V. Uganda Law Reform Commission
- VI. Uganda Human Rights Commission
- VII. Uganda Aids Commission
- VIII. National Planning Authority
- IX. Office of the Auditor General

142. In accordance with Article 155(3) of the Constitution, Government has made recommendations on these proposals. I hereby lay both the budgetary proposals and the recommendations of Government before this august House, as required by Constitution.

143. In order for me to submit a fully financed National Budget for your consideration in accordance with Article 155(1) of the Constitution, the budget provisions of these Self Accounting bodies are in accordance with the resource envelope conveyed to them in the course of budget preparation, including the presentation of the National Budget Framework Paper to Parliament, in accordance with the Budget Act 2001.

### **X. TAX PROPOSALS FOR FINANCIAL YEAR 2010/11**

144. Mr. Speaker Sir, this financial year, URA revenue collections are projected to under perform about Shs 160 billion against the target of Shs 4474.4 billion projected for the period. This will impact on the base for next fiscal year. Based on the macro assumptions of GDP, inflation, exchange rate and efficiency gains, URA collections for next financial year is projected at Shs 5,034.4 billion.

145. In the coming financial year, the policy is not to introduce major tax proposals but instead provide stability for the tax system as an incentive to investment.

However, I am proposing minor amendments to improve assessment and collection and also take into account decision of East African Finance Ministers. The details are contained in various tax law amendment bills and the East African Gazette. The proposed measures are as follows:

146. Mr. Speaker Sir, to make transport for the ordinary Ugandan more affordable, I am proposing to reduce Registration Fees for Motorcycles by Shs. 80,000 from U Shs.222,800 to Shs,141,400 And to instruct the URA to decentralize registration to ease public access.

#### *Software licence*

147. Consistent with Government policy of promoting the use and development of the ICT, VAT on software licence will be exempt as is the case with computers and their software.

#### *Petroleum tax legislation amendments*

148. Mr Speaker Sir I am proposing to integrate procedures for assessment and collection of petroleum revenues in the Income Tax Act. The objective is to ensure adequate provisions within the tax law to handle petroleum revenue streams. The details are contained in the Income Tax (amendment) Bill.

#### **EAC Pre-budget consultations of the Ministers of Finance**

149. Mr. Speaker Sir, it was agreed by the EAC Ministers that we do not apply the CET rate of 25 per cent per cent for buses and trucks for Tanzania, Uganda and Rwanda for one year to ease the transport of persons and goods. I call upon Ugandans to take advantage of this stay of application.

150. Furthermore, we agreed to extend the duty remission for the list of Uganda industrial inputs for one year. This will enable our manufacturers to remain competitive as we address the infrastructure constraints

151. In addition the Ministers agreed as follows:

- i. to maintain the current structure of the Common External Tarrif (CET) of 0 per cent, 10 per cent and 25 per cent as it has served the Community well in trade and investment among partner states;

- ii. Establish an East African Infrastructure Fund which will be domesticated within East African Development Bank;
- iii. Develop a coordinated framework of engagement with the Multilateral agencies, e.g. World Bank, IMF, ADB and others;
- iv. Convene a meeting of Ministers for Finance, Permanent Secretaries of Ministries of Finance and Governors to agree on the roadmap for the Monetary Union including Macro-economic convergence criteria immediately after conclusion of the budget sessions of Partner States; and
- v. Review the sensitive list within five years with a view to reduce the list and preserve the current tariff structure of 0 per cent, 10 per cent and 25 per cent.

*Pre-shipment Inspection*

152. Mr. Speaker, Sir following representations from private sector regarding the re-introduction of pre-shipment inspection on imports to the country; Government has decided to review this policy.

**X. REPORT OF TAX EXPENDITURE FOR FINANCIAL YEAR 2009/10**

153. Mr Speaker Sir, Article 152 (2) of the Constitution requires me to periodically report to Parliament on the exercise of powers conferred upon me by any law to waive or vary a tax imposed by that law. This is to report that this fiscal year, I have exercised powers conferred by the Income Tax Act and Value Added Tax Act and waived shillings Four Billion Three Hundred Five Million Eight Hundred Nineteen Thousand and Six Hundred Twenty Three Only ( **Shs 4,305,819,623/=**).
154. Mr Speaker Sir, Government has also paid Shillings Twelve Billion Four Hundred Twenty Two Million Six Hundred Forty Eight Thousand and Nine Hundred Fifty Seven only ( **Shs 12,422,648,957/=**) in respect of Hotels, some Hospitals and Tertiary Institutions, and Non Government Organizations with tax exemption clauses in their agreement.

## **XI. SCHEDULE OF INDEBTEDNESS**

### *Schedule Of Indebtedness*

155. Mr. Speaker Sir, in accordance with the provision of Section 13 (1) and (2) of the Budget Act 2001, I hereby lay before the House the Statement on:

- (i) Government's total external indebtedness as at 31st March, 2010; and
- (ii) the grants that Government received during financial year 2009/10.

156. With respect to Section 13 (3) of the same Act, Government did not guarantee any new loan during financial year 2009/10.

157. On utilization of loans and grants, I have pointed out some implementation issues on a loan-by-loan and grant-by-grant basis in the matrix attached to the report. The matrix provides the summary of implementation/ disbursement benchmarks and triggers and also the status of each loan and grant. However, the implementing agencies are expected to provide detailed information regarding the progress of their respective projects. I hope that the details of the utilization and the performance of each loan and grant, including the extent of the achievement of the objectives and targets, will be provided in the policy statements of the ministries and departments which received the loans and grants as well as in our poverty monitoring and assessment reports.

### *Debt Sustainability*

158. Uganda's external debt is projected to remain sustainable in the medium term. This can be attributed to our current borrowing policies and continued strong macroeconomic performance. Despite the recent global crisis where economies are concerned about their credit worthiness, Uganda has continued to attract external financing at our preferred terms which is consistent with our borrowing strategy.

159. Prudent debt management has been a factor in our good credit rating for the last three years. Uganda's rating with Fitch international was improved from B to B positive with a stable outlook. Standard and Poor rating was also improved from B to B +, this rating remains the best in the region. These strong credit ratings reflect our economic resilience to the international markets and has made Uganda an increasingly attractive destination for investors.

160. Mr Speaker before I make my concluding remarks, the task of preparing this budget speech is a big one which cannot be accomplished single handedly. I therefore wish to put on record my gratitude to H.E. the President, H.E. the Vice President, Right Hon. Prime Minister, colleague Ministers and in particular State Ministers in my Ministry and technical staff, led by the Permanent Secretary / Secretary to the Treasury for the invaluable contribution to this budget speech.

## **XII CONCLUSION**

161. Mr. Speaker Sir, this budget is presented as we plan to hold our second multiparty general elections next year. As Ugandans, we should take pride in our efforts to consolidate and deepen our multiparty democracy and constitutionalism for the benefit of the entire population.

162. The NRM Government, under wise leadership of His Excellency Yoweri Kaguta Museveni, must be commended for ushering in and sustaining democracy in this country. The priceless contribution made by the people of Luwero Triangle and others in liberating this country from anarchy should remain a living testimony. Uganda has transitioned from a no-party democracy to a full-blown multi-party system of governance in an orderly and peaceful manner. Democratic principles have firmly taken root and Uganda has democratic institutions, such as Parliament where Government and the Opposition execute their functions of making laws for peace, order, development and good governance for the welfare of all Ugandans. In consolidating democratic governance, Government has ensured improved service delivery through enacting the decentralization policy which has increased accountability to the people through local authorities and councils placing them in control of their destiny.

163. Mr. Speaker Sir, there should therefore be no doubt that the NRM Government cherishes Democracy. In spite of the high cost involved, our Government shall always allocate sufficient resources for democracy to flourish in this country.

164. Mr. Speaker Sir, for the last four budgets since 2006, the overwhelming majority of Ugandans embraced the policies of Government and indeed the country has made significant progress with the economy growing at average rate

of 8.4 per cent above the sub-Saharan African average of only 2.4 per cent. This budget provides a long-term perspective and lays out a firm basis for achieving the nation's vision of a transformed Ugandan Society from a peasant to a modern and prosperous country within thirty years. The central theme and message of this budget is to continue the progress registered in Improving democracy, the rule of law, constitutionalism and significantly improve the standards of living of all Ugandans. We are therefore confident that Ugandans will be in position to make a majestic stride into the future.

165. Mr. Speaker Sir, it is a well known fact that over 52 per cent of the population in Uganda is comprised of the youth who have been born under the good environment provided by the NRM Government. Accordingly, the NRM continues to pay attention to their development and has provided them with many opportunities including: political space, free education in both primary and secondary, good health care, and has now embarked on providing them with skills through vocational training and higher education.

166. In addition, Government has introduced special programs that directly or indirectly target the youth. These include: commercialization of agriculture for creations of both farm and non-farm employment, special school leavers' fund for start-up capital, increasing the ICT infrastructure and related opportunities such as provision of online services in business outsourcing, and provision of entrepreneurial skills and machinery for small scale industries.

167. From the foregoing, it is clear that the NRM vision is to provide a bright future for the youth of this country. We should not forget that the young people are the leaders of today's leaders. I, therefore, with humility, dedicate this budget to the youth of this country.

168. Mr. Speaker Sir, I beg to move.

FOR GOD AND MY COUNTRY

**Annexes**

- The Medium Term Fiscal Framework Financial Year 2010/11 – 2014/15
- Summary of Estimates of Revenue for Financial Year 2009/10 and 2010/11
- Medium Term Expenditure Framework Financial Year 2009/10 – 2014/15
- Summary of Statutory Charges on the Consolidated Fund, Financial Year 2009-2010/11
- Medium Term off-Budget External Support.

## ANNEX 1: THE MEDIUM TERM FISCAL FRAMEWORK

Ushs Billions	2005/06	2006/07	2007/08	2008/09	Approved Budget 2009/10	Projected Outturn 2009/10	Budget Estimate 2010/11	Projection 2011/12	Projection 2012/13	Projection 2013/14	Projection 2014/15
	<b>REVENUE &amp; GRANTS</b>	<b>3,231.9</b>	<b>3,812.1</b>	<b>3,904.5</b>	<b>4,671.5</b>	<b>5,803.0</b>	<b>5,322.3</b>	<b>6,126.4</b>	<b>6,663.0</b>	<b>7,745.2</b>	<b>8,998.9</b>
Revenue	2,334.4	2,724.3	3,246.8	3,786.6	4,546.4	4,397.7	5,125.9	5,966.7	7,024.8	8,268.5	9,734.8
URA Revenue	2,251.4	2,627.6	3,161.1	3,662.3	4,474.0	4,315.5	5,034.4	5,869.7	6,922.5	8,160.6	9,618.2
Other Non Tax Revenue <sup>1</sup>	83.0	96.7	85.7	124.3	72.4	91.5	91.5	97.0	102.3	107.8	116.6
<b>Grants</b>	<b>897.5</b>	<b>1,087.8</b>	<b>657.7</b>	<b>884.9</b>	<b>1,256.6</b>	<b>924.6</b>	<b>1,000.6</b>	<b>696.3</b>	<b>720.4</b>	<b>730.4</b>	<b>741.9</b>
Budget Support Grants	484.4	733.2	470.5	530.9	603.4	631.9	605.2	348.7	465.6	465.6	465.6
Project Grants	413.2	354.6	187.2	354.0	653.2	292.7	395.4	347.6	254.8	264.8	276.3
<b>EXPENDITURE</b>	<b>3,548.9</b>	<b>3,803.7</b>	<b>4,373.6</b>	<b>5,181.2</b>	<b>7,080.8</b>	<b>6,363.2</b>	<b>7,323.8</b>	<b>7,612.4</b>	<b>8,561.8</b>	<b>9,830.6</b>	<b>11,124.1</b>
<b>Recurrent Expenditure</b>	<b>2,231.8</b>	<b>2,440.3</b>	<b>2,881.2</b>	<b>3,298.0</b>	<b>3,578.7</b>	<b>3,827.1</b>	<b>4,279.2</b>	<b>4,258.6</b>	<b>5,075.4</b>	<b>6,198.8</b>	<b>6,646.8</b>
Wages & Salaries	866.5	986.5	1,106.1	1,183.6	1,311.3	1,307.0	1,318.2	1,369.4	1,396.7	1,770.9	1,850.6
Non Wage	895.9	1,067.1	1,301.1	1,517.1	1,609.6	1,647.6	2,138.0	2,163.7	2,911.4	3,648.1	4,073.6
Statutory	221.3	152.5	164.7	233.3	289.6	516.3	483.2	373.8	470.8	494.3	500.7
Interest Payments	248.1	234.2	309.2	364.0	368.2	356.2	339.9	351.7	296.5	285.5	221.9
External	63.7	38.8	37.8	47.6	63.1	51.1	77.4	72.0	73.8	83.8	73.6
Domestic	184.4	195.4	271.4	316.4	305.1	305.1	282.4	279.7	222.7	201.7	148.3
<b>Development Expenditure</b>	<b>1,255.9</b>	<b>1,111.7</b>	<b>1,371.2</b>	<b>1,657.1</b>	<b>3,465.9</b>	<b>2,491.1</b>	<b>2,924.9</b>	<b>3,321.2</b>	<b>3,470.7</b>	<b>3,616.2</b>	<b>4,464.7</b>
Donor Projects	737.4	397.9	643.9	450.1	1,698.1	882.5	1,306.9	1,523.3	1,119.6	1,163.7	1,214.3
Domestic	518.5	713.8	727.3	1,207.0	1,767.8	1,608.6	1,618.0	1,797.9	2,351.1	2,452.5	3,250.4
<b>Net lending and investment</b>	<b>-29.3</b>	<b>101.1</b>	<b>-162.9</b>	<b>-56.7</b>	<b>-39.9</b>	<b>-31.1</b>	<b>-59.9</b>	<b>-38.9</b>	<b>-34.4</b>	<b>-34.4</b>	<b>-37.4</b>
<b>Domestic Arrears Payments</b>	<b>90.5</b>	<b>150.5</b>	<b>284.1</b>	<b>282.8</b>	<b>76.1</b>	<b>76.1</b>	<b>179.5</b>	<b>71.5</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>
Others	0.0	0.0	19.7	55.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>OVERALL DEFICIT</b>	<b>-317.0</b>	<b>8.4</b>	<b>-469.1</b>	<b>-509.7</b>	<b>-1,277.8</b>	<b>-1,041.0</b>	<b>-1,197.3</b>	<b>-949.4</b>	<b>-816.6</b>	<b>-831.8</b>	<b>-647.4</b>
Including grants	-1,214.5	-1,079.3	-1,126.7	-1,394.6	-2,534.4	-1,965.6	-2,197.9	-1,645.7	-1,537.0	-1,562.2	-1,389.3
Excluding grants	897.5	1,087.8	657.7	884.9	1,256.6	924.6	1,000.6	696.3	720.4	730.4	741.9
<b>FINANCING</b>	<b>317.0</b>	<b>-8.4</b>	<b>469.1</b>	<b>509.7</b>	<b>1,277.8</b>	<b>1,041.0</b>	<b>1,197.3</b>	<b>949.4</b>	<b>816.6</b>	<b>831.8</b>	<b>647.4</b>
External Financing (net)	269.2	681.9	587.1	557.1	1,063.9	613.1	742.7	1,010.8	677.1	692.3	727.9
Disbursement	466.2	829.9	499.0	707.6	1,274.2	795.4	911.5	1,175.7	864.8	898.9	938.0
Budget Support Loans	76.3	473.2	4.1	232.8	229.3	205.6	0.0	0.0	0.0	0.0	0.0
Project Loans	389.9	356.7	494.9	474.8	1,044.9	589.8	911.5	1,175.7	864.8	898.9	938.0
Amortisation	-150.2	-104.4	-87.4	-126.0	-140.9	-127.0	-151.0	-162.7	-184.8	-202.9	-216.5
Exceptional Financing	-46.8	-43.6	175.5	-24.5	-69.4	-55.3	-17.7	-2.2	-2.9	-3.7	6.4
Domestic financing (net)	47.9	-690.4	-98.3	-47.4	213.9	427.9	454.6	-61.4	139.5	139.5	-80.5
<b>Memo items:</b>											
Fiscal deficit % of GDP	-1.7%	0.0%	-1.9%	-1.7%	-3.6%	-3.0%	-3.5%	-2.4%	-1.9%	-1.7%	-1.2%
Incl. grants	-6.7%	-5.1%	-4.6%	-4.6%	-7.2%	-5.7%	-6.1%	-4.1%	-3.4%	-3.0%	-2.4%
Excl. grants											
Domestic revenue % of GDP	12.8%	12.9%	13.3%	12.6%	12.9%	12.7%	13.4%	13.9%	14.5%	15.1%	15.7%
Tax revenue % of GDP	12.4%	12.4%	12.9%	12.2%	12.7%	12.5%	13.2%	13.7%	14.3%	14.9%	15.5%
Expenditure % of GDP	19.5%	18.0%	17.9%	17.2%	20.1%	18.8%	17.9%	18.1%	18.2%	18.2%	18.1%
Donor grants and loans % of GDP	7.5%	9.1%	4.7%	5.3%	7.2%	5.0%	5.0%	4.4%	3.3%	3.0%	2.7%

**Source:**  
Macroeconomic Policy Department, MFPED

**Notes:**

<sup>1</sup> Includes non-tax revenue collected by ministries

**Annex 2: Summary of Estimates of Revenues, 2009/10 and 2010/11 - Shs Billions**

<b>Tax Head</b>	<b>Approved Budget Estimate 2009/10</b>	<b>Projected Outturn 2009/10</b>	<b>Budget Estimate 2010/11</b>
<b>Domestic Taxes</b>	<b>2,178.5</b>	<b>2,331.4</b>	<b>2,784.2</b>
Direct taxes	1295	1371.8	1627.3
Indirect taxes	883.5	959.6	1156.9
o/w VAT	602.9	688.8	833.1
Excise duty	280.6	270.7	323.7
<b>International Trade Taxes</b>	<b>2,199.9</b>	<b>1,983.4</b>	<b>2,237.8</b>
Fees and Stamp Duty	30.2	26.2	30.8
<b>Net URA Collections*</b>	<b>4,474.0</b>	<b>4,315.7</b>	<b>5,034.8</b>
Non-URA Collections	70.8	76.9	90.3
<b>Total URA Collections</b>	<b>4,544.8</b>	<b>4,392.6</b>	<b>5,125.1</b>
Tax Revenue/GDP Ratio	12.7%	12.5%	13.2%

Source: MFPED

\* Net URA excludes tax refunds



ANNEX 3: MEDIUM TERM EXPENDITURE FRAMEWORK (MTEF) 2009/10 - 2014/15 (Excl. Energy Savings, Arrears and Non-VAT Taxes) Ushs.

SECTOR/VOTE	FY 2009/10 Budget Approved				FY 2010/11 Budget Projections				FY 2011/12 Budget Projections						
	Wage	Non-Wage Recurrent	Domestic Dev	Donor Project	Total excl.	Wage	Non-Wage Recurrent	Domestic Dev	Donor Project	Total excl.	Wage	Non-Wage Recurrent	Domestic Dev	Donor Project	Total incl.
<b>ACCOUNTABILITY</b>															
008 MFPEID (excl. URA)	2.53	39.98	107.10	106.38	255.99	2.53	40.17	129.59	78.90	172.29	2.65	138.75	156.01	159.35	297.41
008 Subcounty Development Grant/Strategic Interventions		4.60	6.20	6.20	16.20		4.60	6.20	6.20	16.20		4.69	6.20	6.20	18.61
102 Inspectorate of Government (IGG) (Statutory)	3.84	0.91	3.46	3.46	16.08	6.84	9.48	0.91	0.96	17.23	7.18	9.67	1.09	0.13	17.44
112 Directorate of Ethics and Integrity	0.44	0.99	1.73	0.87	3.15	0.44	0.99	2.23	0.71	3.65	0.46	1.01	2.67	-	4.14
130 Treasury Operations					2.00					2.00					2.04
131 Audit	12.99	10.84	0.66	2.31	24.49	12.99	10.84	0.66	0.75	24.49	13.64	11.06	0.79	0.18	25.68
141 URA		100.85	5.00	106.48	107.88		100.85	5.00	106.48	107.88		100.85	5.00	106.48	106.88
142 URA		2.57	4.96	4.96	10.78		2.57	4.96	3.62	11.15		2.57	4.96	3.90	10.88
153 PPDA		3.57	3.43		7.00		3.57	3.43		7.00		3.57	3.43		7.00
501-950 District Grant for Monitoring and Accountability					10.15					10.15					10.35
<b>SUB-TOTAL ACCOUNTABILITY</b>	<b>19.30</b>	<b>200.54</b>	<b>121.12</b>	<b>120.44</b>	<b>461.89</b>	<b>22.80</b>	<b>216.38</b>	<b>155.70</b>	<b>85.18</b>	<b>394.87</b>	<b>23.94</b>	<b>313.40</b>	<b>167.33</b>	<b>163.56</b>	<b>688.23</b>
<b>ENERGY AND MINERAL DEVELOPMENT</b>															
008 Energy Fund			191.28	191.28	191.28					191.28					191.28
017 Energy and Minerals	1.88	3.17	153.96	348.64	507.65	1.88	6.17	133.96	248.93	142.01	1.97	6.29	160.76	221.26	131.28
<b>SUB-TOTAL ENERGY AND MINERAL DEVELOPMENT</b>	<b>1.88</b>	<b>3.17</b>	<b>348.24</b>	<b>348.64</b>	<b>698.93</b>	<b>1.88</b>	<b>6.17</b>	<b>133.96</b>	<b>248.93</b>	<b>142.01</b>	<b>1.97</b>	<b>6.29</b>	<b>292.04</b>	<b>221.26</b>	<b>300.30</b>
<b>TOURISM, TRADE AND INDUSTRY</b>															
015 Tourism, Trade and Industry	1.62	7.15	8.13	7.47	16.91	1.62	7.15	8.13	7.53	16.91	1.70	7.29	9.76	4.37	18.76
154 Uganda National Bureau of Standards		6.22	3.61		9.83		6.22	3.61		9.83		6.22	3.61		10.43
110 Uganda Industrial Research Institute		4.53	7.03		11.56		4.53	7.03		11.56		4.53	7.03		14.28
117 Uganda Tourism Board		1.73	0.32		2.05		1.73	0.32		2.05		1.76	0.39		2.15
<b>SUB-TOTAL TOURISM, TRADE AND INDUSTRY</b>	<b>1.62</b>	<b>19.62</b>	<b>19.10</b>	<b>7.47</b>	<b>47.81</b>	<b>1.62</b>	<b>22.14</b>	<b>17.78</b>	<b>7.53</b>	<b>41.55</b>	<b>1.70</b>	<b>22.59</b>	<b>21.34</b>	<b>4.37</b>	<b>45.63</b>
<b>LANDS, HOUSING AND URBAN DEVELOPMENT</b>															
012 Lands, Housing and Urban Development	2.13	8.09	5.04		16.16	2.13	8.04	8.19		19.16	2.24	13.02	9.82		25.08
136 Lands, Housing and Urban Development	0.27	0.23	3.68		4.18	0.27	0.23	3.68		4.18	0.28	0.24	3.68		4.40
<b>SUB-TOTAL LANDS HOUSING AND URBAN DEVELOPMENT</b>	<b>2.40</b>	<b>9.22</b>	<b>8.72</b>		<b>20.33</b>	<b>2.40</b>	<b>9.07</b>	<b>11.87</b>		<b>23.33</b>	<b>2.52</b>	<b>13.26</b>	<b>14.24</b>		<b>30.02</b>
<b>SOCIAL DEVELOPMENT</b>															
018 Gender, Labour and Social Development	2.07	12.47	6.49	6.21	21.03	2.07	13.40	6.49	2.41	21.96	2.17	13.66	7.79	3.12	23.63
501-850 District Functional Adult Literacy Grant		1.60			1.60		1.60			1.60		1.60			1.63
501-850 District Women, Youth and Disability Councils Grants		1.50			1.50		1.50			1.50		1.50			1.53
501-851 Community Based Rehabilitation/ Public Libraries	0.86	1.22			2.07	0.86	1.22			2.07	0.90	1.24			2.14
<b>SUB-TOTAL SOCIAL DEVELOPMENT</b>	<b>2.93</b>	<b>16.78</b>	<b>6.49</b>	<b>6.21</b>	<b>28.20</b>	<b>2.93</b>	<b>20.71</b>	<b>6.49</b>	<b>2.41</b>	<b>30.13</b>	<b>3.07</b>	<b>21.12</b>	<b>7.79</b>	<b>3.12</b>	<b>31.99</b>
<b>INFORMATION AND COMMUNICATION TECHNOLOGY</b>															
020 Information and Communication Technology	0.82	1.65	7.26		9.52	0.82	3.21	8.26		12.09	0.85	3.28	10.31		14.24
<b>SUB-TOTAL INFORMATION AND COMMUNICATION TECHNOLOGY</b>	<b>0.82</b>	<b>1.65</b>	<b>7.26</b>		<b>9.52</b>	<b>0.82</b>	<b>3.21</b>	<b>8.26</b>		<b>12.09</b>	<b>0.85</b>	<b>3.28</b>	<b>10.31</b>		<b>14.24</b>
<b>PUBLIC SECTOR MANAGEMENT</b>															
003 Office of the Prime Minister	1.12	16.83	41.77	82.13	59.72	1.12	24.88	55.46	55.63	81.46	1.17	223.31	66.55	58.75	291.03
003 Information and National Guidance	0.47	1.80	0.20		2.47	0.47	1.85	0.35		2.67	0.50	1.89	0.42		2.80
005 Public Service	1.63	7.36	1.00	31.39	10.00	1.63	7.36	1.00	9.64	10.00	1.71	12.51	1.20	10.45	15.43
005 Public Service Pension/Comp (Statutory)					103.39					193.04					146.91
011 Local Government	0.72	3.17	4.61	11.67	8.51	0.72	3.17	4.61	106.24	25.51	0.77	14.91	21.32	172.59	201.80
007 National Planning Authority (Statutory)	2.11	1.16	0.79	3.01	1.79	2.11	1.16	0.79	1.61	1.79	2.22	1.16	0.79	1.57	1.97
108 National Planning Authority (Statutory)		3.89	0.79		6.79		3.89	0.79		6.79		3.89	0.79		6.83
146 Public Service Commission	0.84	2.01	0.63		3.48	0.84	2.01	0.63		3.48	0.88	2.05	0.76		3.68
147 Local Govt Finance Comm	0.82	1.20	0.12		2.14	0.82	1.20	0.12		2.14	0.86	1.20	0.15		2.21
501-850 Unconditional Grant (Urban Authorities)		14.70			32.43		17.73	16.96		34.70		18.62	17.30		35.92
501-850 Unconditional Grant (District)		84.82			158.80		73.97	116.92		190.90		77.67	119.26		196.93
501-850 Local Government Development Programme (LGDP)					64.31					63.31					62.99
501-850 District Equalisation Grant		3.49			3.49		3.49			3.49		3.56			3.56
<b>SUB-TOTAL PUBLIC SECTOR MANAGEMENT</b>	<b>103.05</b>	<b>287.13</b>	<b>113.63</b>	<b>232.20</b>	<b>473.80</b>	<b>103.05</b>	<b>395.89</b>	<b>139.47</b>	<b>173.13</b>	<b>638.49</b>	<b>108.20</b>	<b>566.75</b>	<b>167.36</b>	<b>243.35</b>	<b>1,075.68</b>
<b>PUBLIC ADMINISTRATION</b>															
001 Office of the President (excl E&I)	7.33	20.74	8.81		36.88	7.33	22.24	12.81		42.38	7.70	22.68	15.37		45.75
002 State House	2.89	57.87	15.67		76.43	2.89	53.92	5.90		62.70	3.03	55.00	7.08		65.10
006 Foreign Affairs	2.61	6.14	0.67		9.43	2.74	12.30	0.67		15.71	2.88	12.55	0.80		16.23
100 Specified Officers - Salaries (Statutory)					0.28					0.28					0.30
102 Electoral Commission (Statutory)	6.29	40.77	0.40		47.45	6.29	113.27	0.40		119.95	6.60	46.53	0.48		53.61
201-231 Missions Abroad	0.86	32.38	3.49		46.74	0.86	41.76	4.49		60.11	0.91	42.59	8.99		62.99
<b>SUB-TOTAL PUBLIC ADMINISTRATION</b>	<b>30.86</b>	<b>197.50</b>	<b>29.94</b>		<b>217.20</b>	<b>30.39</b>	<b>243.46</b>	<b>27.26</b>		<b>301.13</b>	<b>31.91</b>	<b>179.35</b>	<b>32.71</b>		<b>243.97</b>
<b>LEGISLATURE</b>															
104 Parliamentary Commission (Statutory)	14.34	94.53	11.48	1.48	120.35	14.51	103.13	11.48		129.12	15.23	105.20	13.77		134.20
<b>SUB-TOTAL PARLIAMENT</b>	<b>14.34</b>	<b>94.53</b>	<b>11.48</b>	<b>1.48</b>	<b>120.35</b>	<b>14.51</b>	<b>103.13</b>	<b>11.48</b>		<b>129.12</b>	<b>15.23</b>	<b>105.20</b>	<b>13.77</b>		<b>134.20</b>
<b>INTEREST PAYMENTS DUE</b>															
Domestic Interest					305.11					262.42					279.68
External Interest					63.10					77.44					72.01
<b>SUB-TOTAL INTEREST PAYMENTS</b>					<b>368.22</b>					<b>339.86</b>					<b>351.69</b>
<b>Total Centre</b>	<b>631.03</b>	<b>1,239.13</b>	<b>1,407.03</b>	<b>1,682.44</b>	<b>4,899.62</b>	<b>631.85</b>	<b>1,791.17</b>	<b>1,205.48</b>	<b>1,275.69</b>	<b>3,528.49</b>	<b>643.72</b>	<b>1,814.90</b>	<b>1,343.83</b>	<b>1,496.83</b>	<b>5,199.29</b>
<b>Total Local Government Programmes</b>	<b>718.82</b>	<b>386.21</b>	<b>337.81</b>	<b>1,422.84</b>	<b>1,422.84</b>	<b>728.77</b>	<b>346.82</b>	<b>386.10</b>	<b>15.23</b>	<b>1,458.69</b>	<b>762.06</b>	<b>348.76</b>	<b>422.19</b>	<b>1,178</b>	<b>1,533.01</b>
<b>Line Ministries + Loc. Gov't Programmes</b>	<b>1,249.85</b>	<b>1,605.34</b>	<b>1,744.84</b>	<b>1,682.44</b>	<b>6,282.46</b>	<b>1,257.62</b>	<b>2,137.99</b>	<b>1,591.57</b>	<b>1,290.93</b>	<b>4,987.18</b>	<b>1,305.78</b>	<b>2,163.66</b>	<b>1,766.03</b>	<b>1,508.82</b>	<b>6,744.80</b>
<b>Statutory Interest Payments</b>					<b>368.22</b>					<b>339.86</b>					<b>351.69</b>
<b>Statutory excluding Interest Payments</b>	<b>57.17</b>	<b>302.63</b>	<b>18.38</b>	<b>15.64</b>	<b>378.18</b>	<b>60.60</b>	<b>483.15</b>	<b>26.80</b>	<b>15.95</b>	<b>570.56</b>	<b>63.63</b>	<b>373.83</b>	<b>32.17</b>	<b>14.71</b>	<b>469.63</b>
<b>GRAND TOTAL</b>	<b>1,307.02</b>	<b>2,276.19</b>	<b>1,763.22</b>	<b>1,698.08</b>	<b>5,346.43</b>	<b>1,318.22</b>	<b>1,678.38</b>	<b>1,306.88</b>	<b>1,306.88</b>	<b>5,897.18</b>	<b>1,369.42</b>	<b>2,869.18</b>	<b>1,798.19</b>	<b>1,523.33</b>	<b>7,579.10</b>

**ANNEX 3: MEDIUM TERM EXPENDITURE FRAMEWORK (MTEF) 2009/10 - 2014/15 (Excl. Energy Savings, Arrears and Non-VAT Taxes) Ushs.**

SECTOR/VOTE	FY 2012/13 Budget Projections						FY 2013/14 Budget Projections						FY 2014/15 Budget Projections						
	Wage		Non-Wage Recurrent		Domestic Dev		Wage		Non-Wage Recurrent		Domestic Dev		Wage		Non-Wage Recurrent		Domestic Dev		
	Total incl.	Donor Project	Total excl.	Donor Project	Total incl.	Donor Project	Total incl.	Donor Project	Total excl.	Donor Project	Total incl.	Donor Project	Total excl.	Donor Project	Total incl.	Donor Project	Total excl.	Donor Project	
<b>SECURITY</b>																			
001 ISO	14.24	10.69	0.94	-	25.88	25.88	16.31	13.44	1.15	-	30.90	30.90	17.12	13.74	1.18	-	32.04	32.04	
004 Defence (incl. Auxiliary)	214.87	314.23	4.94	-	534.04	534.04	241.03	336.44	1.07	-	578.54	578.54	262.08	343.17	0.71	-	595.96	595.96	
159	235.29	325.04	6.34	-	570.76	570.76	264.40	354.20	2.92	-	621.92	621.92	276.82	361.31	5.91	-	643.84	643.84	
<b>WORKS AND TRANSPORT</b>																			
016 Works and Transport	4.06	22.41	99.19	24.08	125.66	149.74	4.65	48.17	122.00	25.03	174.82	199.84	4.88	49.17	124.44	26.11	178.50	204.61	
113 Uganda National Roads Authority (UNRA)	14.97	70.11	50.19	306.53	135.27	441.81	17.14	73.62	61.73	318.61	152.49	471.10	18.00	75.09	62.97	332.46	156.06	488.51	
118 Road Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
119 District Road Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
501-850 District Road Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
501-850 District Road Maintenance (PRD&RRP)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
501-850 Transport/Corridor Project	-	-	17.98	-	-	-	-	-	17.98	-	3.88	3.88	-	-	-	-	-	-	-
<b>SUB-TOTAL ROADS</b>	<b>19.03</b>	<b>415.77</b>	<b>167.36</b>	<b>330.61</b>	<b>602.16</b>	<b>932.77</b>	<b>21.79</b>	<b>485.86</b>	<b>201.72</b>	<b>343.64</b>	<b>709.16</b>	<b>1,034.82</b>	<b>22.88</b>	<b>479.12</b>	<b>187.41</b>	<b>358.87</b>	<b>689.41</b>	<b>1,047.98</b>	
<b>AGRICULTURE</b>																			
013 Agriculture, Animal Industry and Fisheries	3.77	8.76	35.95	7.51	48.48	55.99	4.31	17.20	44.22	7.80	65.73	73.53	4.53	10.43	42.45	8.14	57.41	65.55	
142 National Agricultural Research Organisation (NARO)	-	45.58	14.25	21.15	59.83	80.98	0.39	56.85	17.92	21.88	75.17	97.15	0.41	70.99	92.28	22.94	163.68	186.62	
152 NAAADS Secretariat	-	9.15	16.71	35.49	24.86	60.35	-	8.56	20.55	36.88	29.11	66.00	-	29.99	15.79	38.49	45.77	84.26	
155 Uganda Cotton Development Organisation	-	7.27	-	-	7.27	7.27	-	12.63	-	-	12.63	12.63	-	2.89	15.07	-	17.66	17.66	
501-850 Uganda Cotton Development Authority	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
501-850 National Agricultural Advisory Services (Districts)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
501-850 National Agricultural Advisory Services (Districts)	-	-	141.82	7.21	141.82	149.03	-	174.44	-	7.49	174.44	181.93	-	-	-	-	177.93	185.74	
501-850 Production and Marketing Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>SUB-TOTAL AGRICULTURE</b>	<b>6.50</b>	<b>83.81</b>	<b>208.73</b>	<b>71.35</b>	<b>299.04</b>	<b>370.39</b>	<b>7.83</b>	<b>110.00</b>	<b>257.13</b>	<b>74.16</b>	<b>374.96</b>	<b>449.12</b>	<b>8.22</b>	<b>117.64</b>	<b>343.64</b>	<b>77.38</b>	<b>469.50</b>	<b>546.89</b>	
<b>EDUCATION</b>																			
013 Education and Sports (incl Prim Educ)	6.25	52.21	127.61	184.42	186.07	370.50	7.16	60.37	156.96	191.69	224.48	416.17	7.51	60.45	156.70	200.02	224.67	424.69	
132 Education Service Commission	0.63	5.85	0.94	7.41	7.41	7.41	0.72	6.14	1.16	-	8.01	8.01	0.75	5.40	7.38	-	13.54	13.54	
136 Makerere University	32.05	19.99	27.13	7.45	78.17	85.62	36.70	19.94	33.37	7.74	90.00	97.75	38.53	66.65	4.83	8.08	110.01	118.09	
137 Mbarara University	3.02	3.02	3.02	-	3.02	3.02	3.02	3.02	3.02	-	3.02	3.02	3.02	3.02	3.02	-	-	3.02	3.02
138 Kyambogo University	11.88	9.10	12.32	-	33.31	33.31	13.61	9.66	15.15	-	38.32	38.32	14.29	14.80	1.19	-	172.26	172.26	
140 Uganda Management Institute	-	0.54	2.16	-	2.70	2.70	-	0.57	2.66	-	3.23	3.23	-	0.73	3.19	-	39.92	39.92	
149 Gulu University	5.34	5.04	1.44	-	11.83	11.83	11.58	5.30	7.24	-	24.12	24.12	12.16	6.76	13.79	-	32.72	32.72	
111 Busitema University	2.91	4.79	1.55	-	9.25	9.25	3.33	4.03	1.91	-	10.26	10.26	3.49	0.32	6.65	-	10.46	10.46	
501-850 District Primary Educ incl SFG	403.16	41.02	73.60	-	517.78	517.78	461.62	43.07	90.52	-	595.22	595.22	484.70	46.71	1.09	-	532.50	532.50	
501-850 District Secondary Education	132.00	107.44	13.82	-	283.26	283.26	151.14	112.81	17.00	-	280.95	280.95	158.70	109.87	12.37	-	280.93	280.93	
501-850 District Technical Institutions	18.34	10.61	-	-	28.95	28.95	21.00	11.14	-	-	32.14	32.14	22.05	50.89	162.17	-	234.91	234.91	
501-850 District Training Schools	623.87	265.20	269.79	191.87	1,158.56	1,358.73	719.80	284.80	337.31	199.43	1,341.72	1,541.93	755.18	435.41	531.91	208.10	1,722.21	1,930.31	
<b>SUB-TOTAL EDUCATION</b>	<b>162.33</b>	<b>325.00</b>	<b>121.43</b>	<b>110.95</b>	<b>606.76</b>	<b>717.71</b>	<b>185.87</b>	<b>384.01</b>	<b>149.36</b>	<b>115.32</b>	<b>719.24</b>	<b>854.56</b>	<b>194.99</b>	<b>444.79</b>	<b>282.27</b>	<b>120.33</b>	<b>922.05</b>	<b>1,042.38</b>	
<b>HEALTH</b>																			
014 Health	3.69	48.67	3.85	98.30	56.21	154.51	4.22	65.34	4.74	102.17	74.30	176.47	4.26	66.65	4.83	106.61	75.75	182.36	
107 Uganda AIDS Commission (Statutory)	0.74	5.58	3.62	12.65	9.94	22.59	0.84	5.86	4.45	13.15	11.16	24.30	0.88	2.44	0.13	13.72	3.46	17.18	
114 Uganda Cancer Institute	-	0.78	4.32	-	5.10	5.10	-	0.82	5.31	-	6.14	6.14	-	49.17	5.42	-	54.59	54.59	
115 Uganda Heart Institute	-	0.05	2.16	-	2.21	2.21	-	0.05	2.66	-	2.71	2.71	-	14.80	1.19	-	16.00	16.00	
116 National Medical Stores	-	127.23	-	-	127.23	127.23	-	-	-	-	170.59	170.59	-	199.00	31.19	-	230.20	230.20	
134 Health Service Commission	0.54	2.17	0.50	-	3.22	3.22	0.62	5.28	0.61	-	6.52	6.52	0.65	6.78	13.79	-	21.21	21.21	
135 Uganda Blood Transfusion Service (UBTS)	16.15	12.53	7.23	-	35.92	35.92	18.56	13.15	6.82	-	40.55	40.55	19.44	13.32	1.05	-	33.94	33.94	
161 Mulago Hospital Complex	2.06	6.31	10.69	-	19.37	19.37	2.36	6.63	13.82	-	22.51	22.51	2.48	7.83	12.37	-	22.68	22.68	
162 Butabika Hospital	22.68	68.64	24.48	-	115.80	115.80	25.97	72.07	30.11	-	128.15	128.15	27.27	50.89	162.17	-	240.12	240.12	
163-175 Regional Referral Hospitals	-	22.62	-	-	22.62	22.62	-	23.75	-	-	23.75	23.75	-	13.41	9.07	-	22.48	22.48	
501-850 District NGO Hospitals/Primary Health Care	-	18.56	64.17	-	197.82	197.82	131.78	10.12	78.93	-	220.83	220.83	138.37	14.36	34.37	-	187.09	187.09	
501-850 District Primary Health Care	-	7.58	-	-	7.58	7.58	-	-	-	-	7.96	7.96	-	5.94	-	-	5.94	5.94	
<b>SUB-TOTAL HEALTH</b>	<b>162.33</b>	<b>325.00</b>	<b>121.43</b>	<b>110.95</b>	<b>606.76</b>	<b>717.71</b>	<b>185.87</b>	<b>384.01</b>	<b>149.36</b>	<b>115.32</b>	<b>719.24</b>	<b>854.56</b>	<b>194.99</b>	<b>444.79</b>	<b>282.27</b>	<b>120.33</b>	<b>922.05</b>	<b>1,042.38</b>	
<b>WATER AND ENVIRONMENT</b>																			
019 Environment	1.82	2.42	12.01	73.65	57.01	78.22	2.20	11.38	90.47	59.95	104.05	163.30	2.31	11.61	92.28	61.83	106.20	169.02	
157 National Forestry Authority	1.00	0.26	1.44	1.50	1.70	1.70	1.14	2.84	14.77	2.87	18.46	21.43	1.20	29.99	15.79	3.10	48.98	50.07	
159 National Environment Management Authority	-	3.45	1.51	-	7.22	7.22	2.58	0.27	1.77	1.56	2.04	3.60	-	2.89	15.07	1.63	17.66	19.29	
501-850 District Water Conditional Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
501-850 District Water Conditional Grant	-	-	1.92	81.48	-	83.40	-	2.01	100.22	-	102.23	102.23	-	3.70	156.70	-	163.11	163.11	
501-850 District Natural Resource Conditional Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>SUB-TOTAL WATER</b>	<b>5.17</b>	<b>11.79</b>	<b>170.00</b>	<b>61.36</b>	<b>186.95</b>	<b>248.32</b>	<b>5.92</b>	<b>20.88</b>	<b>209.10</b>	<b>63.78</b>	<b>235.69</b>	<b>299.67</b>	<b>6.22</b>	<b>54.36</b>	<b>292.05</b>	<b>66.55</b>	<b>352.63</b>	<b>419.18</b>	
<b>JUSTICE/LAW AND ORDER</b>																			
007 Justice Court Awards (Statutory)	-	1.72	-	-	1.72	1.72	-	1.80	-	-	1.80	1.80	-	1.84	-	-	-	1.84	1.84
007 Justice Attorney General Compensation	3.14	10.76	34.29	7.21	48.36	52.47	3.59	11.62	42.17	7.50	56.32	64.24	3.77	148.84	-	-	152.62	152.62	
007 Internal Affairs (Excl. Auxiliary forces)	1.17	34.95	129.26	-	165.38	165.38	10.57	3.96	16.57	-	25.11	25.11	11.10	4.04	-	-	15.14	15.14	
101 Judiciary (Statutory)	15.20	51.33	11.39	-	77.92	77.92	17.40	49.89	158.99	-	85.31	85.31	18.27	54.97	-	-	73.25	73.25	
105 Law Reform Commission (Statutory)	0.60	2.92	0.14	-	3.66	3.66	0.69	3.06	0.18	-	3.93	3.93	0.72	3.12	0.18	-	4.03	4.03	
106 Uganda Human Rights Comm (Statutory)	2.30	3.80	2.95	0.35	9.05	9.40	2.63	3.89	3.63	0.37	10.25	10.62	2.76	4.07	14.29	0.38	21.13	21.51	
109 Law Development Centre	-	1.50	-	-	1.50	1.50	-	1.58	-	-	1.58	1.58	-	1.61	14.45	-	16.06	16.06	
109 Uganda Registration Services Bureau	0.47	1.16	0.15	-	0.62	0.62	0.53	0.72	0.16	-	0.69	0.69	0.56	0.96	-	-	0.72	0.72	
120 National Citizenship and Migration Control	1.84	6.68	0.63	-	8.32	8.32	1.89	7.02	1.14	-	8.89	8.89	1.97	7.16	-	-			



**Annex 4 : SUMMARY OF ESTIMATES OF STATUTORY CHARGES ON CONSOLIDATED  
FUND SERVICES, 2010/11 AND 2009/10**

SERVICE VOTE	DETAILS	WAGE ( '000)	2010/11		TOTAL RECURRENT ( '000)	2009/10  TOTAL
			NON-WAGE			
			RECURRENT ( '000)	ARREARS ( '000)		
001	<b>OFFICE OF THE PRESIDENT</b>					
	Specified Officers - President	43,200			43,200	43,200
	- Vice President	42,000			42,000	42,000
	Gratuity Arrears (ISO)			10,627,032	10,627,032	3,400,000
005	<b>PUBLIC SERVICE</b>					
	Former Presidents/VicePresidents	56,800	264,800		321,600	146,800
	Pensions					
	o/w Civil Service Pensions		60,000,000		60,000,000	53,667,193
	o/w Teachers' Pensions		48,000,000		48,000,000	36,374,215
	o/w Defence Pensions		24,000,000		24,000,000	13,722,103
	o/w Local Governments Pensions		12,000,000			
	o/w Commuted gratuity		4,649,000			
	o/w Other		44,121,000			
	Pension Arrears			113,017,404	113,017,000	12,000,000
007	<b>JUSTICE</b>					
	Justice Court Awards		1,347,324		1,347,324	1,347,324
	Justice Court Awards Arrears			10,822,969	10,822,969	5,265,000
	Justice Compensation Arrears					
130	<b>TREASURY SERVICES</b>					
	<b>External Debt</b>					
	o/w External Interest		77,400,000		77,400,000	63,104,054
	o/w External Amortisation		159,000,000		159,000,000	140,924,618
	o/w Exceptional Financing		7,700,000		7,700,000	37,525,579
	o/w External Arrears		13,900,000		13,900,000	31,877,042
	<b>Domestic Debt</b>					
	o/w Domestic Interest		262,400,000		262,400,000	305,113,652
	o/w Domestic Amortisation		9,700,000	24,500,000	34,200,000	
018	<b>PRESIDENT INDUSTRIAL COURT</b>	54,900			54,900	54,900
101	<b>JUDICIARY</b>	14,192,663	40,259,064		54,451,727	49,612,007
102	<b>ELECTORAL COMMISSION</b>	6,286,161	112,765,395		119,051,556	47,051,556
103	<b>INSPECTORATE OF GOVERNMENT</b> (Inspector and Deputy Inspector General of Government)	6,841,105	14,478,756		21,319,861	11,615,305
104	<b>PARLIAMENTARY COMMISSION</b>	14,505,059	103,132,919		117,637,978	108,871,978
105	<b>UGANDA LAW REFORM COMMISSION</b>	562,762	2,286,636		2,849,398	2,849,398
106	<b>UGANDA HUMAN RIGHTS COMMISSION</b>	2,144,599	2,981,713		5,126,312	4,585,798
107	<b>UGANDA AIDS COMMISSION</b>	687,155	1,632,346		2,319,501	1,319,501
108	<b>NATIONAL PLANNING AUTHORITY</b>	2,111,076	4,888,924		7,000,000	6,000,000
131	<b>AUDIT</b> (Auditor General)	12,990,810	10,841,542		23,832,352	23,832,252
133	<b>DIRECTORATE OF PUBLIC PROSECUTION</b>	54,900			54,900	54,900
144	<b>POLICE</b> (Inspector & Deputy Inspector General)	43,422			43,422	43,422
145	<b>PRISONS</b> (Commissioner & Deputy Commissioner)	43,422			43,422	43,422
149	<b>GULU UNIVERSITY</b> (Gratuity Arrears)			351,000	351,000	440,000
159	<b>EXTERNAL SECURITY ORGANIZATION</b> (Gratuity Arrears)					
	<b>Statutory Totals</b>	<b>60,660,034</b>	<b>1,017,749,419</b>	<b>159,318,405</b>	<b>1,176,957,454</b>	<b>960,927,219</b>

Annex 5: PROJECT SUPPORT TO UGANDA DISBURSED DIRECTLY TO IMPLEMENTING INSTITUTIONS (Direct support to NGOs, Private Sector, Parastatals, and Funds spent by Donors to support Government programmes)							(millions of US dollars)				
SECTOR	Donor	Counterpart / Implementing Partner	Project name	Fy2008/09	Fy2009/10	Fy2010/11	Fy2011/12	Fy2012/13			
Accountability	DANIDA	CSO	Public accountability and governance programme	0.67	-	0.91	-	0.90			
	Danida	URA	Minor project-support to modernisation of URA	-	-	-	-	-			
	DANIDA	DANIDA - HUGGO	Support to CSO	0.31	0.33	0.32	0.31	-			
	Ireland	Various CSOs	Deepening Democracy Programme - Basket	0.41	1.69	1.08	0.67	0.67			
	Ireland	DDP	Civil Society Fund	0.29	0.43	1.01	1.01	1.00			
	Netherlands	Norwegian Church Aid	Deepening Democracy Programme	-	0.02	-	-	-			
	UK	CSOs	Citizen Participation for Accountability	1.49	0.74	-	-	-			
	UK		Financial Sector Deepening	-	-	3.75	3.73	3.71			
	UK		Population - Joint UN Programmes (TBC)	-	1.48	1.50	-	-			
	UK		Deepening democracy programme	2.73	0.42	0.64	0.64	0.64			
	UK		Conflict Sensitivity/Peace building M&E (NU) PRDP	-	1.36	-	-	-			
	UNDP	IGG	Support to Anti Corruption Division	0.16	-	-	-	-			
	UNDP	DEI	UGA06121SUPPORT TO IGG	0.07	-	-	-	-			
	UNDP	Min. Of Finance-ALD	UGA06122 SUPPORT TO DEI	0.26	-	-	-	-			
	UNDP	PPIDA	UGA06124 EXECUTION OF THE CPAP	0.04	-	-	-	-			
	UNDP	Min. Of Finance-EPRD	UGA06125 SUPPORT TO PPDA	0.15	-	-	-	-			
	UNDP	District (Arua, Moroto, Kumi, Kabarole, Rakai)	UGA06210 Mitring&Analysisof Gvr	-	0.25	3.38	1.75	0.25			
	UNDP	Min of Local Gov, MGLSD, Lower Local Govts, ULGA, AMICA)	UGA06218 MIDG Country Report	-	0.25	3.87	2.00	0.25			
	UNDP	Parliament and CSOs	Support Oversight entities and Local communities to monitor service delivery	0.64	0.47	-	-	-			
	Sweden	KIW, DFCU	Deepening Democracy Basket Fund	-	2.71	0.67	-	-			
	Germany	KIW	Microfinance Programme I-II (KIW)	1.04	1.90	1.89	0.67	-			
	Germany	GTZ, BoJ	Financial Sector Programme (KWI)	2.38	2.18	-	-	-			
	Germany	DED	Financial System Development (GTZ)	0.59	-	0.85	-	-			
	UNFPA	UGANDA BUREAU OF STATISTICS	Technical advice to the reform of the finance sector	0.30	0.69	-	-	-			
	UNFPA	POPULATION SECRETARIAT	Data availability and Use	0.43	0.96	-	-	-			
	UNFPA	POPULATION SECRETARIAT	Commitment to ICPD	0.18	0.68	0.00	-	-			
	UNFPA	POPULATION SECRETARIAT	Population and Development Linkages	0.06	0.06	0.22	-	-			
UNFPA	POPULATION SECRETARIAT	Population and Development Linkages	0.21	0.21	0.27	-	-				
UNFPA	UGANDA BUREAU OF STATISTICS	Data availability and Use	0.15	0.15	0.27	-	-				
<b>Sub-total</b>				<b>12.79</b>	<b>16.97</b>	<b>20.37</b>	<b>11.37</b>	<b>7.42</b>			
Agriculture	Japan	Multi Purpose & Com-munity Empowerment Association	The Project for Improving Agricultural Productivity Through Promoting Animal Traction	0.06	-	-	-	-			
	Austria	HORIZONTAL3000	Agriculture development project in Kabarole phase IV	0.04	-	-	-	-			
	Austria	HORIZONTAL3000	IRUDEKA II	-	0.09	-	-	-			
	Belgium		Belgian NGOs (BD, VECCO, TRIAS & PROTOS) in rural development	2.99	2.98	3.37	3.36	3.35			
	DANIDA		ASPS II- ABDC	2.57	0.18	-	-	-			
	DANIDA		ASPS II DATICS	0.64	-	-	-	-			
	DANIDA		ASPS II- Restoration Livelihoods N. Uganda	1.73	-	-	-	-			
	DANIDA		ASPS II- Progr. Coordination Unit	0.64	1.01	-	-	-			
	DANIDA		U-Growth - AgriBusiness Development initiative	0.27	8.28	13.62	15.35	13.46			
	Danida	PMA	Support to PMA secretariat	0.54	0.54	0.54	-	-			
	UK	Cornell University	Agricultural Biotech Support Project (ABSP II)	0.60	0.50	0.60	-	-			
	USA	Chemionics	APEP (Agricultural Productivity Enhancement Program)	4.23	-	-	-	-			
	USA	Land O Lakes Consortium	Dairy Development	0.30	0.30	-	-	-			
	USA	Auhun University	Fisheries Investment for Sustainable Harvest (FISH)	0.50	0.70	-	-	-			
	USA	ARD Inc	LEAD (Livestock and Aquaculture Development)	3.87	3.87	8.71	-	-			
	USA	IFPRI	Program for Biosafety Systems (PBS)	0.36	0.25	0.30	-	-			
	UN WFP	FAO	Tuning High Food Prices into Opportunities for Uganda's Subsistence Farmers	8.50	0.11	-	-	-			
	Iceland	MAAIF	Support to Quality Assurance for Fish Marketing Project 2009-2014	-	26.43	1.10	0.90	0.52			
	<b>UN WFP</b>		Supporting Medium- and Longer-Term Solutions to Hunger in Uganda	-	45.23	35.00	31.50	30.00			
	<b>Sub-total</b>				<b>23.13</b>	<b>63.24</b>	<b>51.11</b>	<b>47.32</b>			
	Accountability	Japan	Arua District Local Government	The Project for Construction of Classroom Blocks at 2 Primary Schools in Arua District	0.11	-	-	-	-		
		Japan	Pope John Paul II Memorial College	The Project for Construction of Classroom Blocks at St. John Bosco Mweruka Primary School	0.11	-	-	-	-		
		Japan	St. John Bosco Primary School, Mweruka	The Project for Construction of Classroom Blocks at St. John Bosco Mweruka Primary School	0.11	-	-	-	-		
		Japan	Aktion Afrika Hilfe	The Project for Construction of Classroom Blocks at Four Primary Schools in Kyangwali Refugee Camp	0.09	-	-	-	-		
		Japan	MoES, MoFPED	African Institute for Capacity Development	0.35	0.41	0.39	-	-		
		Japan	Bushenyi District Local Government	The Project for Construction of Classroom Blocks at Three Primary Schools in Bushenyi District	0.11	-	-	-	-		
		Japan	Butaleja District Local Government	The Project for Construction of Classroom Blocks and Desk Procurement For 10 Primary Schools in Butaleja District	0.10	-	-	-	-		
Japan		Kitgum District Local Government	The Project for Construction of Classroom Blocks at Five Primary Schools in Kitgum District	0.26	-	-	-	-			
Japan		Bugalo College- Bwiriya	The Project for Construction of a Classroom block in Bugalo College Bwiriya	0.04	-	-	-	-			
Austria		HORIZONTAL3000	Austrian Scholarship Fund	0.21	-	0.01	-	-			
Belgium		BTC	Scholarship programme (on going)	1.36	1.35	1.34	1.34	1.34			
Ireland		Various agencies	Curriculum Reform and Teacher Development Programme	1.44	0.38	0.81	0.81	0.80			
Ireland		MoES	Karamoja PPET Programme	8.58	4.94	1.01	1.01	1.00			
Ireland		Various	Quality Education Support	-	0.17	0.67	0.67	0.67			
Netherlands			Acholi Bursary Schemes	2.72	-	-	-	-			
Netherlands			GROWNS Arua and Nebbi	0.54	-	-	-	-			
Netherlands			Support to UNATU	0.18	-	-	-	-			
Netherlands			Quick Start Education Northern Uganda	23.14	6.81	-	-	-			
Netherlands			Quality Enhancement Initiative Baseline Study	0.41	0.14	-	-	-			
Norway		Save the Children	Education - Uganda	-	1.03	-	-	-			
UNICEF		Ministry of Education, District Local Governments, NGOs,	Basic Education & Hygiene (Keep Children Learning)	-	-	5.54	5.81	5.81			
UNICEF		Ministry of Education, District Local Governments, NGOs,	Water, Sanitation (Keep Children Learning)	-	-	2.70	3.00	2.70			
UNICEF		Ministry of Education, District Local Governments, NGOs,	Social Policy & Evaluation (Keep Children Learning)	-	-	0.27	0.27	0.27			
Germany		GTZ	Promotion of empl.-oriented Vocational and Technical Training(PEVOT)	1.77	1.76	-	-	-			







Sub-total				18.65	19.79		
Justice, Law and Order	Austria	DANIDA	Legal Aid Basket Fund	-	-	0.41	-
	Austria	ICTJ	Broadening the Debate on Transitional Justice after Juba	0.25	-	0.25	-
	Austria	FIDA	Accountability for sexual and gender-based violence in transitional Northern Uganda	-	0.08	-	-
	Austria	GEZA	Support to a sustainable, community-based peace process in Northern Uganda	-	0.27	-	-
	Austria	HORIZONT3000	Psychosocial Support Project	-	0.04	-	-
	DANIDA	HUGGO	Democracy, Justice and peace prog(DJPP)-Democratisation, civil and Human rights	2.11	0.07	0.08	0.04
	Ireland	HUGGO	Uganda Human Rights Commission (UHCRC)	0.20	0.34	0.20	0.34
	Ireland	DANIDA - HUGGO	Legal Aid Basket Fund	0.34	0.34	0.34	0.34
	Ireland	Gou - JLOS	Support to JLOS - PRDP-KDDP programmes	1.05	-	1.05	-
	Netherlands	Refugee Law project	African Centre for Treatment and Rehabilitation of Torture Victims	0.20	-	0.20	-
	Norway	NRC	Beyond Juba	-	0.10	-	-
	Norway	Den Norske Advokattforening	IDP Return facilitation legal aid (NRC ICLA)	0.56	0.90	0.56	0.27
	UK	Uganda Police Force	The Norwegian Bar Association	-	0.42	-	-
	UK	Legal Aid Basket Fund	Support to Police	-	-	0.64	-
	Sweden	CTZ	Access to Justice	-	0.62	-	0.61
	DANIDA	Ministry of Justice and Constitutional Affairs, District Local Governments, NGOs,	Criminal Justice Reform Programme	1.35	-	1.35	-
	DANIDA	Ministry of Justice and Constitutional Affairs, District Local Governments, NGOs,	Democracy, Justice and peace prog(DJPP)- access to Justice	1.03	-	1.03	-
	DANIDA	Ministry of Justice and Constitutional Affairs, District Local Governments, NGOs,	Democracy, Justice and peace prog(DJPP)-peace and conflict	1.32	-	1.32	-
	DANIDA	Ministry of Justice and Constitutional Affairs, District Local Governments, NGOs,	DJPP programme administration	0.53	-	0.53	-
	DANIDA	Ministry of Justice and Constitutional Affairs, District Local Governments, NGOs,	DJPP- TA longterm assistance	0.86	-	0.86	-
Sub-total	UNICEF	Ministry of Justice and Constitutional Affairs, District Local Governments, NGOs,	Child Protection (Safe, 40%)	-	2.02	-	2.05
Local Governments	Belgium	District Kasese	Kasese District Development Phase 2 (KDRP- II)	9.76	8.75	3.33	3.33
	Belgium	District Bundibugyo	Bundibugyo Integrated Development (BIDP)	0.68	1.35	0.68	1.07
	Belgium	Kampala City Council	Kampala Environment Project (KIEMP)	0.34	0.68	0.34	0.67
	Belgium	Districts & Municipalities	Support from Belgian LGs to Ugandan LGs	2.03	2.70	2.03	0.67
	UNDP	Ministry of Local Gov't	Support to Alliance of Mayors initiative in Africa on HIV/AIDS (AMICALL)	0.07	0.07	0.07	0.07
	UNDP	Ministry of Local Gov't	SUPPORT TO DDP3	0.47	-	0.47	-
	UNDP	Ministry of Local Gov't	UGA0614SUPPORT PDM	0.05	-	0.05	-
	UNDP	Ministry of Local Gov't	UGA06131 SUPPORT TO LCC	1.52	-	1.52	-
	UNDP	Isingiro District Local Gov.	UGA06131 SUPPORT TO LCC	0.80	-	0.80	-
	UNDP	Isingiro District Local Gov.	MV1 Uganda - RAF/05/023	0.14	-	0.14	-
Monitoring & Evaluation	USA	MEMS	MEMS (Monitoring and Evaluation Management Services)	4.35	4.13	4.49	1.75
	USA	TMG	Uganda Monitoring & Evaluation Management Services (UMEMS)	0.49	0.55	0.49	0.55
	USA	OPM	Support to the National MAP-Mia	-	1.37	-	1.37
Mines Action	UNDP	Mine Awareness Trust	UGA06302 Technical Advice/Surv	0.49	-	0.49	-
	UNDP	OPM	Support to the National MAP-Mia	0.77	-	0.77	-
Trade and Industry	Sweden	UNCCI	Uganda Chamber of Commerce	0.08	0.06	0.08	-
	Sweden	ILOSEMA	Promotion of SMEs	0.32	-	0.32	-
	Sweden	International Alert	North-South Dialogue Programme	0.38	0.75	0.38	0.74
	Sweden	NOGAMU	Organic Sector Development	0.48	0.50	0.48	0.49
	Sweden	ILO	Decent Work Programme	-	0.25	-	0.16
	Sweden	MTTI	Quality Infrastructure and Standards Program (QUISP) (NEW)	-	1.24	-	1.23
	Sweden	U-GROWTH	U-GROWTH	1.26	1.24	1.26	1.22
Sub-total	EU	MoLG, Kiangala	FED/2003/018-438 TECHNICAL COOPERATION FACILITY (TCF) 2004-2009	1.39	1.95	1.39	3.77
Multisector	Iceland	MoLG, Kiangala	Support to the implementation of Kiangala District Development Plan (KDDP) 2006-2015	0.25	1.00	0.25	1.00
	EU	MoLG, Kiangala	FED/2006/018-626 Technical Cooperation Facility II	1.89	0.28	1.89	0.28
	EU	MoLG, Kiangala	FED/2008/020-220 Technical Cooperation Facility III	0.57	1.38	0.57	1.27
Sub-total	Norway	Conciliation Resources	Civil Society Led Peace Building in LRA Affected Areas	2.70	2.66	2.81	2.27
Northern Uganda	Norway	JRP Justice & Reconciliation Project	Continued Justice and conciliation in Northern Uganda	0.44	-	0.44	-
	Norway	NRC	Support to Transition assistance to northern Uganda (NRC, shelter)	0.27	-	0.27	-
	Norway	Save the Children	Integrated Community based child protection	0.45	-	0.45	-
	Norway	NRC	Education for recovery and protection, NRC	0.60	-	0.60	-
	UK	Common Wealth Secretariate	Support to vulnerable - northern Uganda (PRDP) (NGOs and UNHCR)	1.80	2.11	1.80	2.11
	UK	Common Wealth Secretariate	Disarmament, Demobilisation and Reintegration Programme	5.61	1.05	5.61	1.05
	UK	Common Wealth Secretariate	Support to Local Gov Association - capacity building- northern Uganda (PRDP)	0.23	0.22	0.23	0.22
	UK	Common Wealth Secretariate	Support to Service Delivery - northern Uganda (PRDP)	6.07	-	6.07	-
	UK	UJA	Support to NU Youth Centre (education) (PRDP)	-	3.75	-	4.48
	UK	UJA	Support to NU Local Gov NGOs to build accountability	-	1.27	-	1.26
	UK	UJA	Support to Uganda Investment Authority(NU) PRDP	-	7.87	-	4.85
	UNDP	NUSAF II (Word Bank)	AG- Conflict Sensitivity	0.07	0.75	0.07	0.74
	UNDP	OPM	NUSAF II (WB) Component - PRDP	0.16	-	0.16	-
	UNDP	MoGLSD	Transition & Recovery	6.03	-	6.03	-
	UNDP	MoGLSD	UGA05304 Sexual and Gender Bas	0.16	-	0.16	-
Sub-total	Belgium	BTC	Micro project scheme (on going)	10.60	15.74	14.92	11.58
Other	Belgium	GOAL - MAPS	Support to international NGOs & Parastatals	0.19	0.17	0.19	0.17
	Belgium	Concern - MAPS	Education/Health/HIV/AIDS	0.68	1.08	0.68	1.07
	Ireland	Various NGOs	Livelihoods/Security/HIV/AIDS	4.36	-	4.36	-
	Ireland	UCA- Uganda Cooperative Alliance	Various Humanitarian Projects with NGOs	1.21	-	1.21	-
	Norway	IOM	NATURE - EFTAF - Empower Farmers Through Agribusiness and Financial Services	3.57	-	3.57	-
	Norway	Save the Children	Support to IOM's trafficking projects Northern Uganda	-	0.50	-	0.27
	Norway	Venner av Uganda	Child Protection Uganda	-	0.97	-	0.97
	Norway	CARE	Poverty Alleviation through Commercialisation of Agriculture	-	0.10	-	0.10
	Norway	Caritas	Social economic transformation for communities in Acholi	-	1.10	-	0.86
	Norway	Save the Children	CARITAS Country Program	-	0.17	-	0.17
	Norway	LO- Landsorganisasjonen i Norge/ national organization of Trade Unions	Emergency Preparedness and rescue	-	0.07	-	0.07
	Norway	Civil Society	Africa Organizational Development (UGA)	0.09	0.13	0.09	0.13
	UK	Civil Society	Support to the National Development Plan- Civil society engagement	0.64	-	0.64	-



Tourism, Trade and Industry	Ireland Austria Austria Austria Austria USA	Tradlinks (NGO) CARE HORIZONTAL3000 HORIZONTAL3000 Ministry of Tourism, Trade and Industry Chemotics	Tradlinks Kigezi business development services Income smoothing through agricultural marketing intervention Sustainable Timber-based Batch production Income generation through ecological fruit processing TRADE CAPACITY ENHANCEMENT PRO Rural SPEED (Rural Savings Promotions and Enhancement of Enterprise Development)	1.80 - 0.11 0.08 0.01 0.32 2.00	1.62 0.03 - 0.05 - - -	0.67 - - - - - -	1.34 - - - - - -	1.20 - - - - - -
<b>Sub-total</b>				<b>4.32</b>	<b>1.71</b>	<b>0.67</b>	<b>1.34</b>	<b>1.20</b>
<b>Water and Environment</b>								
Norway	Norway	WWF	Strengthening Environmental Organizations in Uganda	-	0.17	-	-	-
Norway	Norway	PLAN Norge	Water supply and hygiene (through UWASNET)	-	0.71	-	-	-
Sweden	Sweden	Anti-Corruption Coalition of Uganda (ACCU)		0.06	0.06	-	-	-
Japan	Japan	Mbale District Local Government	The Project for Improving Access to Safe Water in Mbale District	0.11	-	-	-	-
Japan	Japan	Fort Portal Municipal Council	The Project for Improving Garbage Collection in Fort Portal Municipality	0.08	-	-	-	-
Austria	Austria	Rwakalerere Primary School	The Project for Water Provision To Rwakalerere Primary School & Surrounding Communities	0.04	-	-	-	-
Austria	Austria	To be determined	Integrated Water Resources Development and Management for the Aswa sub-basin, Northern Uganda	-	-	0.19	0.27	0.35
DANIDA	DANIDA	MWE	Programme management support to the WSPSI	0.04	-	-	-	-
DANIDA	DANIDA	MWE	Programme management support to the JWSSPS(Phase I)	0.36	-	-	-	-
DANIDA	DANIDA	MWE	Programme management support to the JWSSPS(Phase II)	-	-	-	0.51	0.50
DANIDA	DANIDA	MWE	Technical advise to the JWSSPS (Phase I)	0.62	-	-	-	-
DANIDA	DANIDA	MWE	Technical advise to the JWSSPS (Phase II)	-	-	-	0.72	0.72
UNICEF	UNICEF	Ministry of Water and Environment, District Local Governments, NGOs,	Water, Sanitation and Hygiene (Keep Children Alive)	-	-	6.31	7.01	6.31
UNDP	UNDP	WORLD WIDE FUND	UGA07200 Albertine Rift	0.43	-	-	-	-
UNDP	UNDP	MIN. OF Lnds, Housing & Urban DEV.	UGA06220Dyijng Nhal Slum upgr	0.28	-	-	-	-
UNDP	UNDP	Kapchorwa Local Government	UGA07201Sppt to Kpchorwa Distrc	0.13	-	-	-	-
UNDP	UNDP	MIN. OF ENERGY & MINERAL DEV.	Charcoal	0.06	-	-	-	-
UNDP	UNDP	Energy and Development Group	Energy Access	0.21	-	-	-	-
UNDP	UNDP	NEMA	SAICM	0.02	-	-	-	-
UNDP	UNDP	MWE, WMD, CCU, NEMA, MAAIF, MEMD, MLHUD, OPM, Parliamentary Forum for Climate Change	Support national and local gov't institutions to develop, review and mainstream ENRM interventions	-	0.37	1.11	1.11	0.55
UNDP	UNDP	MWE, WMD, CCU, NEMA, MAAIF, MEMD, MLHUD, OPM, Parliamentary Forum for Climate Change	Support CSOs and sub counties to pilot ENRM and climate change adaptation/mitigation interventions	-	0.43	1.30	1.30	0.65
Germany	Germany	KfW	Kampala WSS Programme 1a (Gaba III Waterworks)	2.45	1.49	-	-	-
Germany	Germany	KfW	Gaba III Staff Training	0.27	-	-	-	-
Germany	Germany	KfW	Kampala WSS Programme 1b (Gaba III Transmission Meins)	0.41	0.68	-	-	-
Germany	Germany	KfW	Kampala Sanitation Programme 1 (Co-Financing with EU-WF)	0.61	2.10	5.39	-	-
Germany	Germany	DED	Kampala Sanitation Programme 2 (Co-Financing with AfDB)	-	1.35	4.05	4.03	2.68
Germany	Germany	GTZ/CIM	Technical advice to the reform of the water sector	0.70	-	0.81	-	-
Austria	Austria	W&E Consult	Reform of the Water Sector	1.50	2.17	2.70	2.69	2.68
Austria	Austria	IRC	TA for donor coordination Water Sector Uganda	0.00	-	-	-	-
Austria	Austria	HORIZONTAL3000	Emergency Water Supply and Sanitary Facilities for returning populations in Lira and Kitgum	0.04	-	-	-	-
Austria	Austria	COWI	Water, agriculture and sanitation integrated programme in Rakai	0.05	0.05	0.06	0.05	-
Austria	Austria	Concern International	Evaluation of Kisoro and Kitgum Town Water Supply projects	-	0.04	-	-	-
Austria	Austria	IRC International Water and Sanitation Centre	Sustainable Water Supply and Sanitation Service Delivery in Pader District	-	0.54	0.43	-	0.11
Austria	Austria	Various	Learning for Practice, Policy on Household, School Sanitation and Hygiene in Northern Uganda	-	0.28	0.14	-	-
Austria	Austria	Various	Support to JWSSPS programme management and TA	0.25	0.51	-	-	-
Austria	Austria	Various	Support to JWSSPS programme management and TA	-	-	-	-	-
USA	USA	ARD Inc	Northern Uganda Water Services (NUWATER)	-	-	2.00	-	-
<b>Sub-total</b>				<b>8.69</b>	<b>10.95</b>	<b>24.48</b>	<b>17.68</b>	<b>14.54</b>
<b>Works and Transport</b>								
UK	UK	EC	Building infrastructure for growth in Uganda-private sector support*	-	-	5.70	4.92	4.45
UK	UK	TMEA Secretariate	EAC Regional Intergration (TBC)	-	-	1.75	2.98	2.97
Japan	Japan	Tororo Municipal Council	The Project for Installation of Streetlights in Tororo Municipality	0.11	-	-	-	-
<b>Sub-total</b>				<b>0.11</b>	<b>-</b>	<b>7.45</b>	<b>7.91</b>	<b>7.42</b>
<b>Grand Total</b>				<b>506.26</b>	<b>672.88</b>	<b>559.66</b>	<b>229.31</b>	<b>191.45</b>