CITIZEN’S GUIDE TO THE BUDGET FY 2020/21

PRODUCED BY MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT IN PARTNERSHIP WITH
The Financial Year (FY) 2020/21 marks the first year of implementation of the third National Development Plan (NDP III). The new plan will build on the foundation that was already laid by the Second National Development Plan (NDP II). The NDP III seeks to consolidate the cumulative gains that we have made over the previous plans and unlock new opportunities for all Ugandans taking cognizance of the effects of COVID 19 pandemic on the economy.

The theme for the financial year (FY) 2020/21 budget is ‘Stimulating the Economy to safeguard Livelihoods, Jobs, Businesses and Industrial Recovery’. The total approved budget for financial year 2020/21 is Ushs. 45,493 billion, Of which Ushs. 29,999 billion was appropriated by Parliament and Ushs. 15,495 billion is Statutory Expenditure. This will be financed using both our domestic revenue and external financing.

Uganda was hit with the COVID-19 pandemic and other natural disasters that resulted into a decline in the economy. Accordingly, Government formulated a stimulus and growth package which I pronounced in the Budget Speech for FY 2020/21 to stimulate the economy into recovery. The objectives of the stimulus package are;

1) To restore Household Incomes and Safeguard Jobs;
2) To re-ignite Business Activity;
3) To provide Tax Relief to Business;
4) To enhance Economic Infrastructure, and;
5) To improve Good Governance and Maintain Security Law and Order.

Therefore, in order to further strengthen the economic response to the impact of the COVID-19 pandemic and other natural disasters mentioned above, consultations with the general public have continued through activities of the National Budget Month (NBM) FY 2020/21, which is part of the Budget Transparency Initiatives (BTI) implemented by Government.

I hope that you, fellow citizens will find this publication of the Citizen’s Guide to the Budget useful to deepen your knowledge and understanding of the National Budget, in order to take advantage of the opportunities it presents and in order to contribute towards improving the quality of public services delivered, through increased vigilance and monitoring of the implementation of the National Budget.
FOREWORD

I would like to thank the BTI and NBM partners for their support towards increasing citizen’s knowledge and understanding of the National Budget. I encourage all of you, fellow citizen’s to access this and other information on the Budget online, by visiting the Budget Website www.budget.go.ug or by calling the Budget toll free hotline 0800229229.

I thank you.

For God and my Country

Matia Kasaija
MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT
JUNE 2020
Glossary of Selected Terms

**Appropriation Act:** authorizes Government Ministries and Agencies to allocate and spend funds on selected programmes and projects.

**Approved Budget:** this is the appropriated budget and statutory budget by the Parliament of the Republic of Uganda, for a financial year. (1st July to 30th June).

**Budget:** This is an estimation of revenue and expenditure for specified future period of time usually a year.

**Budget surplus:** this refers to the period when government income exceeds the expenditures.

**Budget Deficit:** This occurs when Government expenditures exceed the revenue.

**Chart of Accounts:** is a financial organizational tool that provides a complete listing of every account in an **accounting** system.

**Concessional loans:** Loans extended on terms substantially more generous than market loans. The concessionality can be achieved either through interest rates below those on the market or by grace periods, or a combination of these. Concessional loans usually have long grace periods. These are usually provided by Multilateral Agencies e.g World Bank.

**Contingencies Fund:** This is a fund created to meet some urgent or unforeseen expenditure of Government.

**Development Partner:** a country/ Institution that offers assistance in form of funds, machinery, experts and several others to another country.

**Domestic Financing:** is the amount of money raised by Government, in local currency and from its own residents mostly through the commercial banks and issuing Government securities( Treasury bills, Bonds etc)

**Economic Growth:** increase in the amount of goods and services produced in a country over a period of time, usually one year.
Glossary of Selected Terms

**Gross Domestic Product (GDP):** Is the monetary value of all finished goods and services produced within a country’s borders in a specific time period, though GDP is usually calculated on an annual basis.

**External Financing:** resources in form of loans and grants that was previously referred to as donor funding in the budget documents. The change in the name was made to ensure conformity in the international nomenclature.

**Grants:** are non-payable funds or products disbursed by one party often a Government Department, Cooperation, Foundation or Trust. These are provided for mostly by bi-lateral Development Partners.

**Subsidies (Outputs Funded):** these are services funded by the Vote but delivered by another institution. They relate to expenditures on grants and transfers in the chart of accounts.

**Integrated Financial Management System:** this is an IT based budgeting and accounting system that manages spending, payment processing, budgeting and reporting for Governments and other entities.

**Inflation:** is a sustained increase in the general price level of goods and services in an economy over a given period of time.

**Investment (capital purchases):** these relate to purchase of capital assets.

**Item:** these are the lowest operational level of the budget and represent and represent the resources necessary to carry out activities e.g staff salaries, travel inland, printing and stationery etc.

**MTEF:** is a plan that shows the amount of money that Government intends to spend in the next five years.

**National Budget:** Refers to a country’s official statement which shows how Government plans to raise revenues and how these revenues will be allocated to different programmes and projects over a given period of time usually a financial year.
Non-Tax Revenue: is the recurring income earned by the government from sources other than taxes. These include fees and licenses.

OTT Tax: this tax is an excise duty on over the top (OTT) services.

OTT Services: the transmission or receipt of voice or messages over the internet protocol network and includes access to virtual private networks (VPN).

Private Sector Credit: money that is available to the private sector from the financial institutions for example banks and it is accessed through borrowing, buying goods on credit, among others.

Programme Based Budgeting (PBB): Practice of developing budgets based on the relationship between programme funding levels and expected results from that programme.

Programme Budgeting System (PBS): is the online budgeting system that describes and gives the detailed costs of every activity that is to be carried out with a given budget.

Project: these represent the result or set of activities implemented by the vote which contribute to the achievement of the set objectives. They primarily involve capital purchases and may be financed by the Government of Uganda and Development Partners e.g Emergency constructions of primary school classrooms.

Programmes: a set related activities with a particular long term goal. It also represents a result or set of activities implemented by the vote which contribute to the achievement of set objectives. These are recurrent in nature.

Public Debt: is the debt owed by a Central Government.
Glossary of Selected Terms

**Release:** Central Government transfer of funds to Ministries Departments and Agencies (including supplementary schedule) from the Consolidated Fund.

**Statutory Expenditure:** Expenditure charged on the Consolidated Fund by the constitution and it is laid before Parliament for approval.

**Sector:** these are groups of institutions (votes) or parts of institutions which contribute towards a common function e.g. Education, Health, Agriculture etc.

**Trade Deficit:** is an economic measure of a negative balance of trade in which a country’s imports exceeds the export of goods and services.

**Taxes:** these are financial charges or other levies imposed upon a taxpayer (an individual or legal entity) by a state or the functional equivalent of the state to fund various public expenditures. In Uganda, tax revenues are collected by URA these include income tax, VAT, excise duty, custom duties among others.

**Votes:** these are Institutions (Ministries, Departments, Agencies and the Local Governments) which form the basis for budget allocations and accountability e.g Ministry of Education, Ministry of Public Service etc.
**Acronyms**

NDP III  Third National Development Plan  
GDP  Gross Domestic Product  
COVID-19  Corona Virus Disease 2019  
FY  Financial Year  
VAT  Value Added Tax  
URA  Uganda Revenue Authority  
UNOC  Uganda National Oil Company  
GDP  Gross Domestic Product  
NCD  Non-communicable Diseases  
UPE  Universal Primary Education  
NIN  National Identification Number  
TIN  Taxpayer Identification Number  
MTEF  Medium Term Expenditure Framework  
IFMIS  Intergrated Financial Management Information System  
GoU  Government of Uganda  
PBS  Programme Budgeting System  
PBB  Programme Based Budgeting  
DTS  Digital Tax Stamps  
EFD  Electoral Fiscal Device  
GIS  Geographical Information System  
TAT  Tax Appeals Tribunal
WHY THIS PUBLICATION?

The Citizen’s Guide to the Budget is a document simplified to enable the general public to understand the Government Budget.

This is a summary of the National Budget showing how Government plans to raise revenue and how it plans to allocate and spend those resources in different areas of the economy to achieve the National Development Goals.

APPROVAL OF THE BUDGET

Parliament approved the Budget for FY 2020/21 on 31st March, 2020 in accordance with the law, and the corresponding Budget Speech was presented by the Hon. Minister of Finance on 11th June, 2020. PFMA 2015

FOCUS OF THE FY2020/21

Given that FY 2020/21 is the first fiscal year of implementation of the Third National Development plan III, the Budget Strategy is anchored on the NDP III medium-term growth and development objectives. The budget for FY 2020/21 will therefore be anchored on the following pillars;

1. Improving wellbeing of Ugandans;

2. Boosting Economic Transformation; and

3. Improving peace, security and good Governance.

Given that this Budget was prepared and finalized before COVID-19 Pandemic, the execution of the budget will be examined carefully to ensure that funds provided to the areas will revamp the economy to mitigate the post effect of COVID 19 Pandemic.

WHAT A CITIZEN NEEDS TO KNOW

how the Government intends to raise the resources for financing the budget

how the Government will make use of the available resources that have been raised highlighting the priorities; and

To participate actively at all levels and hold Government responsible and accountable for quality service delivery.
Economic Growth: Government projects to generate revenues amounting to **Ushs. 19,878 billion**, broken down into tax revenue of Ushs. 18,226 billion and non-tax revenue of Ushs. 1,652 billion. This target translates to growth of revenue effort by 0.33 percentage points of GDP to 13.14% of the rebased GDP by end of June 2021. This is below the overall Government target of growth in revenue by 0.5 percentage points of GDP, on account of lower economic activity occasioned by the COVID-19 pandemic.

Exchange Rates: The Uganda shilling depreciated by 2.6% as of March 2020 against the US dollar trading at an average midrate of 3,772.9 US$ compared to 3,679.8 US$ in the Month of February. The exchange rate is projected to remain relatively stable due to improved inflows from coffee exports, offshore portfolio investors and FDIs, especially in the oil and Gas Sector.

Inflation: The annual headline inflation decreased to 2.8% in May 2020 from 3.2% in April. This was largely attributed to a decline in Energy, Fuels, Utilities and Food Crops inflation. The inflation is projected to average 3.0% in FY 2019/20 and remain within policy target in FY 2020/21, supported by prudent fiscal and monetary policy measures.

### Interest Rates

<table>
<thead>
<tr>
<th>Month/Year</th>
<th>April 2020</th>
<th>June 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Bank Rate</td>
<td>8</td>
<td>7</td>
</tr>
</tbody>
</table>

### Commercial Bank Rate

<table>
<thead>
<tr>
<th></th>
<th>February 2020</th>
<th>March 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lending Rates</td>
<td>19.12</td>
<td>17.78</td>
</tr>
<tr>
<td>Time Deposit Rate</td>
<td>10.14</td>
<td>10.12</td>
</tr>
</tbody>
</table>

Private Sector Credit: The rate of the private sector credit reduced by 0.4% from Ushs. 15,794.68 billion in January 2020 to Ushs. 15,735.48 billion in February, 2020. The reduction in stock was attributed to:

1. Foreign currency denominated which fell by 1.5% and more than offset a slight growth of 0.2% in shillings denominated credit during the month of March.
2. Demand for foreign currency denominated lending is expected to dampen given the anticipated pressures on the exchange rate as the economic and financial impact of the corona virus pandemic unfolds.
The strategic priorities for the Budget for FY2020/21 will centre on the under-listed areas;

1. Agro-processing and light manufacturing for export promotion and import substitution;
2. Mineral development, oil and gas, tourism, scientific research and innovation, with environmental protection in mind;
3. Infrastructure and rural economic development;
4. Improving social services and balancing opportunities across regions; and
5. Enhancing governance and sustaining peace and security
COVID-19 STIMULUS PACKAGE

In order to boost economic recovery and make progress with our Economic Transformation agenda, the Economic Stimulus and Growth Strategy shall focus on;

RESTORE HOUSEHOLD INCOMES AND SAFEGUARD JOBS

1. Enhance the provision of improved agricultural inputs and up scale agriculture extension services- **UShs. 300 billion**.

2. Create jobs for the vulnerable but able bodied persons affected by Corona Virus - **Ushs 130 billion**.

3. Provide seed capital to organised special interest groups under the Youth Fund, Women Entrepreneurship Fund and the ‘Emyooga’ Talent Support scheme - **UShs. 256 Billion**.

RE-IGNITE THE BUSINESS ACTIVITY

1. Provide credit through SACCOs and Micro Finance Institutions to support micro and small-scale enterprises. - **UShs 94 billion**;

2. Increase access to credit at Uganda Development Bank to offer low interest financing to manufacturing, agribusiness and other private sector firms - **UShs. 1,045 billion** over the medium term;

3. Increase funding to Uganda Development Corporation for public-private partnership investments to facilitate our import substitution and export promotion strategy - **UShs. 138 billion**;

4. Expedite the payment of arrears owed by Government to private sector firms commencing July 2020 - **UShs 673 billion**.

PROVIDE TAX RELIEF TO BUSINESSES

1. Defer payment of Corporate Income Tax or Presumptive tax for Corporations and Small, Medium Enterprises (SMEs), until September 2020 -**Ushs. 1.38billion**.

2. Waive interest on tax arrears accumulated before 1"st July 2020 -**50billion**
The budget for FY 2020/21 amounts to **45.493 trillion** compared to last financial year’s budget (2019/20) of **40.487 trillion** reflecting an increase in the budget by to a **5.006 Trillion**

Of the **Ushs. 45.493 trillion**, **32,980.7 billion** is domestic revenue while **12,521.3 billion** is External Financing.

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**DOMESTIC REVENUE FUNDING SOURCES (Ushs. Bn)**

<table>
<thead>
<tr>
<th>Source</th>
<th>FY 2019/20</th>
<th>FY 2020/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Revenue</td>
<td>20,449</td>
<td>21,716</td>
</tr>
<tr>
<td>Borrowing</td>
<td>2,831</td>
<td>3,555</td>
</tr>
<tr>
<td>Petroleum Fund</td>
<td>446</td>
<td></td>
</tr>
<tr>
<td>Local Gov’t Revenue</td>
<td>201</td>
<td>216</td>
</tr>
</tbody>
</table>

**EXTERNAL FINANCING FUNDING SOURCES (Ushs. Bn)**

<table>
<thead>
<tr>
<th>Source</th>
<th>FY 2019/20</th>
<th>FY 2020/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants</td>
<td>1,900</td>
<td>1,819</td>
</tr>
<tr>
<td>Loans</td>
<td>8,209</td>
<td>10,702</td>
</tr>
</tbody>
</table>
SECTOR ALLOCATIONS
FY 2019/20 AND FY 2020/21 SECTOR BUDGET ALLOCATION (Ushs. Bn)

PERCENTAGE INCREASE IN SECTOR BUDGET ALLOCATIONS FOR FY 2020/21 IN COMPARISON TO FY 2019/20
TAX MEASURES FY 2020/21

In order to boost revenue collections in FY 2020/21 a number of administrative measures will be implemented by Government and these include;

1. Rollout of the Electronic Fiscal Device (EFD) and Electron Fiscal Receipt Invoicing System (EFRIS) to improve compliance in VAT.

2. Implementation of Digital Tax Stamps (DTS) solution as well as expanding the scope of the products covered under the solution to deter under-declaration of the production and importation of those products. It is meant to ensure that goods on the market meet the health and safety standards so that the goods that are sold on the market do not harm Ugandans.

3. Purchase and installation of five (5) Non-Intrusive Inspection Scanners to facilitate quick inspection of cargo coming into the country and in so doing reducing on the delays that previously existed due to manual inspection.

4. Implement trade facilitation initiatives to expedite international trade flows and business facilitation as a way of encouraging more individuals to engage in export trade.

5. Implementation of Rental Geographical Information System (GIS) solution, including Ripple Nami in a bid to enhance rental income tax collection as well as gazetting the rental income tax chargeable in different geographical areas for taxpayers who do not voluntarily declare their rental income.

6. Enhance the use of data management and analytics.

7. Provide effective and efficient client support services.


9. Strengthen the Tax Appeals Tribunal (TAT) to enable the institution to carry out its mandate of delivering judgements on tax objections in the most efficient manner.
<table>
<thead>
<tr>
<th><strong>A. INCOME TAX</strong></th>
<th><strong>Expected Additional Revenue (Ushs. Bn)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Impose a tax rate of 30% on both individuals and companies on rental income after deducting expenses of up to 50% of rental income.</td>
<td>51.6</td>
</tr>
<tr>
<td>Impose a 0.5% withholding tax on sale of non-business land.</td>
<td>16.66</td>
</tr>
<tr>
<td>Introduce an alternative minimum tax of 0.5% of turnover to apply to loss making businesses and businesses with effective tax rates below 0.5% for 5 consecutive years.</td>
<td>178</td>
</tr>
<tr>
<td>Introduce a new simplified tax regime for small businesses to enhance equity and improve tax compliance.</td>
<td>7</td>
</tr>
<tr>
<td>Introduce 1% withholding tax on agricultural supplies to registered businesses so as to enhance revenue contribution from the agricultural sector.</td>
<td>20</td>
</tr>
<tr>
<td>Impose a 10% final withholding tax on commissions paid to insurance agents and advertising agents who have not been complying with the tax return filing requirements of the law.</td>
<td>10</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th><strong>B. EXCISE DUTY</strong></th>
<th><strong>Expected Additional Revenue (Ushs. Bn)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase Excise Duty on fuel (petrol, diesel and kerosene) by Ushs.100 to generate revenue for infrastructural development.</td>
<td>191.73</td>
</tr>
<tr>
<td>Increase excise duty on lubricants from 10% to 15% of the value.</td>
<td>9</td>
</tr>
<tr>
<td>Impose excise duty rate on soft cup cigarettes at UGX 75,000 per 1000 sticks and the excise duty rate on hinge lid cigarettes at UGX 120,000 per 1000 sticks.</td>
<td>10</td>
</tr>
<tr>
<td>Revenue enhancement measures to support the implementation of the Digital Tax Stamps (DTS) e.g Soda, Wines, ready to drink spirits, Malt beer</td>
<td>90.6</td>
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</tbody>
</table>

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<thead>
<tr>
<th><strong>C. VALUE ADDED TAX</strong></th>
<th><strong>Expected Additional Revenue (Ushs. Bn)</strong></th>
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</thead>
<tbody>
<tr>
<td>Limit the practice of taxpayers unilaterally deducting VAT paid on their inputs to 3 months, beyond which they are obliged to apply to URA for a refund.</td>
<td>2</td>
</tr>
<tr>
<td>Require an owner of a commercial building to account for VAT for each building separately and not claim VAT paid on inputs used in the construction of an incomplete building against VAT collected from a completed building.</td>
<td>12</td>
</tr>
<tr>
<td>Require an owner of a commercial building to account for VAT for each building separately and not claim VAT paid on inputs used in the construction of an incomplete building against VAT collected from a completed building.</td>
<td>12</td>
</tr>
</tbody>
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<tr>
<th><strong>D. STAMP DUTY</strong></th>
<th><strong>Expected Additional Revenue (Ushs. Bn)</strong></th>
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</thead>
<tbody>
<tr>
<td>Impose stamp duty of Ushs. 100,000 on licenses for provision of professional services.</td>
<td>17</td>
</tr>
</tbody>
</table>
In order to further address the short term emergency liquidity requirements of businesses, boost their cash-flows, and ensure business continuity, the following tax relief measures were pronounced:

1. **Defer payment of PAYE by sectors affected**: PAYE due from 1st April 2020 to 30th June 2020 has been deferred to September, 2020 for tax compliant Ugandan businesses facing hardships as a result of the COVID-19 pandemic.

2. **Defer payment of PAYE by sectors affected**: This was deferred until September 2020 for tax compliant Ugandan businesses facing hardships as a result of the COVID-19 pandemic.

3. **Waive interest on tax arrears**: Interest and penalties on tax arrears accumulated before 1st July 2020 have been waived to lessen the tax liability of businesses that voluntarily comply with their tax obligations.

4. **Provide for Tax Deductibility of Donations for the Corona Virus Response**: Allowed a tax reduction on the value of the donations the private sector has made towards the Corona Virus Response.

5. **Expedite Payment of outstanding VAT refunds**: The Uganda Revenue Authority will speed up payment of outstanding VAT refunds due to businesses.
Agriculture

Achievements for FY 2019/20

1. The value of exports for maize, beans and rice increased by 41% between the 4th quarter of FY 2018/19 and the 2nd quarter of FY 2019/20.
2. Conducted 400 fisheries enforcement activities on the major water bodies which resulted in an increase in Nile Perch stocks by 31%.
3. Coffee export volumes increased by 14% in 2019 compared to the same period in 2018.

To enhance agro-based industrialization Government in FY 2020/21 will:

1. Organize farmers into producer cooperatives or groups linked to important commercial farmers/processors.
2. To put more focus on agricultural extension services to improve farming practices and increasing the use of appropriate research and technologies.
3. Facilitate market access for agricultural products through export development

Below is a summary of Budget allocations to votes under the Agricultural Sector
Achievements for FY 2019/20

1. Works for the Electrification of Industrial Parks, the substations at Mukono and Iganga were completed and commissioned.
2. The major works at Isimba HPP and the transmission line were completed, and correction of snags and defects were on-going.
3. Government installed the Laboratory Management Information System on the main Directorate of Geological Survey and mines server and 5 work stations were set up.

FY 2020/21 Interventions

- Strengthening human and institutional capacity to enable promotion and licensing, effective monitoring, regulation, and management of the commercial and business interests of the State through building the capacity of UNOC in exploration and other upstream and mid-stream management.
- Finalization of the local content Bill under the Oil and Gas industry to promote local participation in the oil and gas supply chain.
- Fast-tracking Investment in oil-related infrastructure.

FY 2020/21 Energy & Mineral Development Sector Vote Budget Allocations. The sector was allocated for next financial year a total of shs. 2,564.26bn.
Achievements for FY 2019/20

1. Improvement of Muni and Kaliro National Teachers college stood at 91.5%.
2. 94% physical progress completion of the support to the implementation of skilling Ugandans.
3. In the education sector, the literacy rate of person aged 10 years and above has increased from 71% to 74%, supported by increased investment in education infrastructure, improved staffing and increased monitoring and supervision.

To improve the quality of the Education system in FY 2020/21, Government will prioritize the following:

* Develop the electronic mode of validation and distribution of self-learning materials to learners.
* Provide lessons through digital platforms such as TV and Radios to ensure continuous learning.
* Digitize inspection of schools through scaling up the Integrated Inspection System, among others.
* Expand access to Vocational Education and Training, including international accreditation of BVET institutions as Centres of Excellence;
* Improve the quality of tertiary education through adequate staffing and provision of infrastructure for research and development; and
* Roll out the new education curriculum, including Early Childhood Development (ECD) Curriculum.
Achievements FY 2019/20

1. Maternal mortality and under-five child mortality reduced from 435 and 137 to 336 and 64 respectively;
2. 90% completion of the regional hospital for paediatric surgery at Entebbe.
3. Support to Mulago rehabilitation was substantially completed with some sections handed over to GoU.
4. Completion of the construction of the radiotherapy bunkers at Uganda Cancer Care Institute project.
5. Construction of the cold room at Nakasero Blood Bank was estimated at 45%.

In FY 2020/21 Government will:

♦ Due to the COVID-19 pandemic, Government has prioritized the purchase of Personal Protective Equipment (PPE).
♦ Additional funding has been provided to increase Intensive Care beds at National and Regional Referral Hospitals.
♦ Increased Investment in prevention and management of non-communicable diseases (NCD) by expanding the geographical coverage of services.
♦ Strengthen the supply chain for medicines and medical supplies to improve the availability of medicines and ensure accountability for medicines.
♦ Upgrade of more Health Centres II’s to HC III and functionalizing Health Centres III’s at sub-county level; and
♦ Health spending has been increased to ensure the recruitment of additional health workers and also provide for their welfare.
Achievements for FY 2019/20

1. A total of 56.92km were completed under 4 oil roads packages including Masindi park junction, Buliisa para junction, hoima-butiaba-Wanseko road, design and build of Buhimba-nalwego-Bulamagi & Bulamagi-Igayaza Kakumiro roads.

2. Maintenance of 4,049km national paved roads representing 100% level performance.

3. Rehabilitation of 109.1km (54.55%) of the annual target of 200km of the National Roads network; and

4. Completed 26% reconstruction work of Apron 4 at Entebbe Airport.

Key interventions in FY 2020/21

- Maintenance and expansion of the national road network towards the NDPIII target of tarmac road of 8,000 kilometres.
- Further development of the airport infrastructure and water transport routes, i.e. Bukasa, Jinja, among others;
- Rehabilitating the old meter gauge and undertake preparatory work of the SG
- Rollout to all LGs the Rural Transport Infrastructure (RTI) which is currently supporting the construction of roads using low-cost seal technologies in twenty (22) districts in Eastern and Northern Uganda
- Prioritize funding for the completion of the capitalization and operations of the Uganda National Airline.

The sector was allocated Ushs. 5,874.81bn and the allocations to the Votes are as shown below;
Achievements in FY 2019/20

1. The current rural water coverage is estimated at 69%, while the urban water coverage stands at 79.1%.

2. Expansion of pipe water main network system (to serve Ugandans with water) has increased from 17,623Km to 20,182Km.

3. Irrigation area has increased from 15,000hac to 19,138hac against the irrigation potential estimated at 3.03 Million Hectares countrywide.

4. Forest cover has increased to 12.4% since last year. Over 4,574,797 assorted tree seedlings were raised and distributed to the public.

5. Government restored 1,124.4 hectares of degraded wetlands and demarcated 283.7km of critical wetlands

Key interventions for FY 2020/21

The budget for the FY 2020/21 will focus on the following;

⇒ Increase access to safe water supply from the current 69% to 71% through the construction/completion of the pipe water supply.

⇒ Increase access to urban water supply and sewerage programme to 81% and 89% for sanitation through implementing outputs like 02 piped water systems of Karago-II & Igorora completed and handed-over for Operation and Maintenance, Complete construction works of piped water systems.

⇒ Increase water for production storage capacity to 42 mcm.

⇒ Construction of ten (10) small scale irrigation schemes in West Nile, Acholi and Lango Sub-regions and Twenty (20) small scale irrigation systems in Eastern Uganda to 75% cumulative progress. In addition 20 small scale irrigation systems will be designed in Western Uganda.

⇒ Rolled out a plan to combat the rising water levels by opening the gates at Jinja to release up to 2,200 cubic metres per second.

⇒ Intensified monitoring and fore-
casting of weather and water levels, information to guide policy actions
floods and effectively disseminate by stakeholders

**Major Capital Investments in the FY 2020/21**

1. Construction of 30 Water Supply and Sanitation systems as well as rehabilitation of the Piped Water Supply and Sanitation Systems;
2. Construction of Bulk Water Supply Schemes including Feasibility Studies for Mega irrigation schemes;
3. Completion of Rwengaaju irrigation scheme in Kabarole District;
4. Construction of 12 small scale solar powered irrigation schemes, 20 parish valley tanks and 30 small scale irrigation schemes;
5. Purchase of Specialized Machinery & Equipment, Assorted tree seedlings for planting in catchment areas;
6. Completion of the regional Ministry of Water and Environment offices.

The sector was allocated Ushs. 1,720.14 and the Vote allocations are as shown below;
Achievements for FY 2019/20

1. 750 kilometre optical fibre cable was added onto the internet connection in three sections; Kasese-Mpondwe, Soroti-Katakwi-Moroto, Karuma-Arua -Moyo.
2. 34 additional MDA sites were connected to the internet bringing the total number to 437 sites.
3. The NBI infrastructure has been extended further, now covering forty-nine (49) districts, 480 MALGs and 7 border posts. This has supported implementation and improvement in e-Government services.

Interventions in FY 2020/21

- Government will continue expanding the National ICT infrastructure coverage through continued extension of the National Backbone Infrastructure.
- Government will attract investment in assembly manufacturing of ICT end-user devices which has impact on job creation.
- Rolling out secure video/teleconferencing system and the unified messaging and collaboration system to MDAs and LGs to maintain collaborative work engagements with no or very little physical contacts.
- Improving contact tracing through Implementation of National Postcode and Addressing Geographic Information System (GIS); and, the development of software applications (e.g. for contact tracing, communication, etc.) and Government business continuity systems.

FY 2020/21 ICT & NATIONAL GUIDANCE Sector Vote Budget Allocations (Ushs. 162.65 Bn)
Achievements for FY 2019/20

1. Economic growth rate was recorded at 6.1% below the annual expectations of 6.3% and within the range of the average medium term growth rate of 6.4% as required in the NDP II.

2. The ratio of Public Debt to GDP reduced from 41.8 percent of GDP in December 20 18 to 38.0 percent in nominal terms on account of rebasing the GDP

Interventions in FY 2020/21

- The Government will introduce the e-citizen program by linking all key Government systems together, including the Land information system, the NIN and the TIN as a crucial reform for increasing revenue collection.

- Rationalization of the entire Government architecture, to come up with a lean and efficient government.

- Intensifying the fight against corruption to ensure that public resources are strictly utilized for the intended purpose. All Government institutions must implement the recently reviewed rewards and sanctions framework.

- Programmatic planning and execution. The Government will operationalize the program-based planning and program-based budgeting in line with NDP III programme areas for the full rollout of the reform in FY 2021/22.

FY 2020/21 Accountability Sector Vote Budget Allocations (Bn. 2,131.43 Ushs)
Tourism

Achievements for FY 2019/20

1. Completed rehabilitation of the National Museum for improved competitiveness and tarmacked the lower parking.
2. Launched the “experience Uganda” outdoor and Tourism influencer campaign.
3. Organized the African birding expo to promote the avian tourism potential of the destination of the African market place.
4. UTB partnered with Uganda airlines to promote Uganda’s tourism in over ten regional routes to eastern and southern Africa which is also Uganda’s official carrier of the Pearl of Africa Tourism Expo 2020.
5. UTB partnered with UCC to promote Uganda as a filming location and support the creation of a positive image for the destination through film.

Government will prioritize the following in FY 2020/21

- Develop high-value tourism products to attract to high-end tourists with potential for higher earnings e.g design and construct the equator moment in Queen Elizabeth National Park.
- Provide adequate tourism infrastructure like roads, ICT, regional aerodromes, water and sanitation facilities.
- Government will engage EAC member states to operationalize the EAC single tourist visa.
- Develop skills essential for tourism growth. Government will speed up completion of the crane training institute to facilitate the training of more assessors to improve the classification and grading of tourism facilities.
SECURITY AND GOVERNANCE

Achievements for FY 2019/20

1. ISO procured assorted specialized machinery and equipment and a motor vehicle to aid internal security operations within the country.

2. ESO collected and analyzed 350 foreign intelligence reports of the planned 760 reports in FY 2019/20.

Interventions for FY 2020/21

⇒ Enhance the capacity of the judiciary to automate and provide online services to improve efficiency in the delivery of justice;

⇒ Rollout of the CCTV camera project to other parts of the Country and speeding up installation of monitoring chips on all motorcycles to address the threats of criminal gangs, kidnap, murders and robbery.

⇒ Government will implement the seamless integration of systems and the Service Uganda centres to facilitate public access to real time services in a one stop centre.

⇒ Improve security at border points by enhancing cyber monitoring to counteract global threats e.g. organized crimes and illegal immigrants;

⇒ Enhancing the capacity of teleconferencing facilities in government to limit person to person contacts in addition to reducing on operational costs in terms of travel expenses.
RESTORATION OF HOUSEHOLD INCOMES AND SAFE GUARD JOBS

Following the immediate adverse impact on household incomes and jobs of the emergencies we have recently faced (COVID-19), the following interventions will be implemented to increase agricultural production to ensure national food security and expand regional food exports.

1. Create jobs for the vulnerable but able bodied persons affected by Corona Virus by expanding labour intensive public works in urban and peri-urban areas; for which an allocation of Ushs 130 billion has been made.

2. Provide rainwater harvesting technologies in rural communities, implementation of solar irrigation schemes and investment in the construction of multi-purpose water reservoirs.

3. Roll-out regional and community based storage facilities to store increased agricultural products and reduce post-harvest losses; and

4. Provide seed capital to organised special interest groups under the Youth Fund, Women Entrepreneurship Fund and the ‘Emyooga’ Talent Support scheme; for which an allocation of UShs. 256 Billion has been made.
RE-IGNITING THE BUSINESS ACTIVITY

In order to improve the availability of investment finance and the cash-flows of Micro, Small and Medium Enterprises and other manufacturing firms, the following interventions will be implemented:

1. Provide credit through SACCOs and Micro Finance Institutions to support micro and small-scale enterprises. UShs 94 billion was proposed.

2. Increase access to credit at Uganda Development Bank to offer low interest financing to manufacturing, agribusiness and other private sector firms, for which UShs. 1,045 billion over the medium term;

3. Increase funding to Uganda Development Corporation for public-private partnership investments to facilitate our import substitution and export promotion strategy, for which I have provided, to start with, UShs. 138 billion;

4. Provide for Banks to restructure loans to their borrowers who are facing liquidity constraints and provide additional liquidity on a case by case basis, as recently guided by the Bank of Uganda;

5. Reduce charges on mobile banking and mobile money transactions, to improve efficiency, reduce person-to-person contact to prevent spread of the Corona Virus;