

# Vote: 123 Rural Electrification Agency (REA)

## QUARTER 3: Highlights of Vote Performance

### VI: Summary of Issues in Budget Execution

This section provides an overview of Vote expenditure

#### (i) Snapshot of Vote Releases and Expenditures

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

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

(i) Excluding Arrears, Taxes	Approved Budget	Cashlimits by End	Released by End	Spent by End Mar	% Budget Released	% Budget Spent	% Releases Spent
Recurrent Wage	0.000	0.000	0.000	0.000	N/A	N/A	N/A
Recurrent Non Wage	0.000	0.000	0.000	0.000	N/A	N/A	N/A
Development GoU	16.976	15.454	14.653	14.546	86.3%	85.7%	99.3%
Development Donor*	44.404	N/A	35.125	16.023	79.1%	36.1%	45.6%
<b>GoU Total</b>	<b>16.976</b>	<b>15.454</b>	<b>14.653</b>	<b>14.546</b>	<b>86.3%</b>	<b>85.7%</b>	<b>99.3%</b>
<b>Total GoU+Donor (MTEF)</b>	<b>61.380</b>	<b>N/A</b>	<b>49.778</b>	<b>30.569</b>	<b>81.1%</b>	<b>49.8%</b>	<b>61.4%</b>
(ii) Arrears and Taxes Arrears	0.000	N/A	0.000	0.000	N/A	N/A	N/A
(ii) Arrears and Taxes Taxes**	1.663	N/A	0.000	0.000	0.0%	0.0%	N/A
<b>Total Budget</b>	<b>63.044</b>	<b>15.454</b>	<b>49.778</b>	<b>30.569</b>	<b>79.0%</b>	<b>48.5%</b>	<b>61.4%</b>
(iii) Non Tax Revenue	36.000	N/A	26.786	26.939	74.4%	74.8%	100.6%
<b>Grand Total</b>	<b>99.044</b>	<b>15.454</b>	<b>76.565</b>	<b>57.508</b>	<b>77.3%</b>	<b>58.1%</b>	<b>75.1%</b>
Excluding Taxes, Arrears	97.380	15.454	76.565	57.508	78.6%	59.1%	75.1%

\* Donor expenditure information available

\*\* Non VAT on capital expenditure

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

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

Billion Uganda Shillings	Approved Budget	Released	Spent	% Budget Released	% Budget Spent	% Releases Spent
VF:0351 Rural Electrification	97.38	76.56	57.51	78.6%	59.1%	75.1%
<b>Total For Vote</b>	<b>97.38</b>	<b>76.56</b>	<b>57.51</b>	<b>78.6%</b>	<b>59.1%</b>	<b>75.1%</b>

\* Excluding Taxes and Arrears

#### (ii) Matters to note in budget execution

During the quarter, a number of challenges were faced during implementation as follows:-

-Inadequate budget allocation for the financial year which resulted into inadequate releases to cover works undertaken by contractors. As a result a number of certificates could not be paid which affected the contractors' cash flows.

-Inadequate budget allocation for import taxes for the financial year resulting into inadequate releases to cover import taxes for all rural electrification materials imported during the quarter. As a result materials have been held up in customs since January 2010 resulting into accumulation of demurrage charges and stalling of project implementation.

-Delayed release of payment for certificates submitted to BADEA/SFD which has affected project implementation.

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## QUARTER 3: Highlights of Vote Performance

**Table V1.3: High Unspent Balances and Over-Expenditure in the Domestic Budget (Ushs Bn)**

(i) Major unspent balances
(ii) Expenditures in excess of the original approved budget
* Excluding Taxes and Arrears

## V2: Performance Highlights

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

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

Vote, Vote Function Key Output	Approved Budget and Planned outputs	Cumulative Expenditure and Performance	Status and Reasons for any Variation from Plans
<b>Vote Function: 0351 Rural Electrification</b>			
<b>Vote Function Cost</b>	<b>UShs Bn: 97.380</b>	<b>UShs Bn: 57.508</b>	<b>% Budget Spent: 59.1%</b>
<b>Cost of Vote Services:</b>	<b>UShs Bn: 97.380</b>	<b>UShs Bn: 57.508</b>	<b>% Budget Spent: 59.1%</b>

\* Excluding Taxes and Arrears

-Lack of clarification on the VAT status of Rural electrification projects whose contracts were signed prior to July, 2014.

-Inadequate funding for compensation of way leaves

**Table V2.2: Implementing Actions to Improve Vote Performance**

## V3: Details of Releases and Expenditure

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

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

Billion Uganda Shillings	Approved Budget	Released	Spent	% GoU Budget Released	% GoU Budget Spent	% GoU Releases Spent
<b>VF:0351 Rural Electrification</b>	<b>16.98</b>	<b>14.65</b>	<b>14.55</b>	<b>86.3%</b>	<b>85.7%</b>	<b>99.3%</b>
<i>Class: Capital Purchases</i>	16.98	14.65	14.55	86.3%	85.7%	99.3%
035180 Construction of Rural Electrification Schemes (On-grid)	13.98	13.98	<b>13.95</b>	100.0%	99.8%	99.8%
035182 Increased rural household connections	3.00	0.67	<b>0.60</b>	22.4%	19.9%	88.9%
<b>Total For Vote</b>	<b>16.98</b>	<b>14.65</b>	<b>14.55</b>	<b>86.3%</b>	<b>85.7%</b>	<b>99.3%</b>

\* Excluding Taxes and Arrears

**Table V3.2: 2014/15 GoU Expenditure by Item**

Billion Uganda Shillings	Approved Budget	Releases	Expenditure	% Budget Released	% Budget Spent	% Releases Spent
<b>Output Class: Capital Purchases</b>	<b>18.64</b>	<b>14.65</b>	<b>14.55</b>	<b>78.6%</b>	<b>78.0%</b>	<b>99.3%</b>
231007 Other Fixed Assets (Depreciation)	16.98	14.65	<b>14.55</b>	86.3%	85.7%	99.3%
312204 Taxes on Machinery, Furniture & Vehicles	1.66	0.00	<b>0.00</b>	0.0%	0.0%	N/A
<b>Grand Total:</b>	<b>18.64</b>	<b>14.65</b>	<b>14.55</b>	<b>78.6%</b>	<b>78.0%</b>	<b>99.3%</b>
<b>Total Excluding Taxes and Arrears:</b>	<b>16.98</b>	<b>14.65</b>	<b>14.55</b>	<b>86.3%</b>	<b>85.7%</b>	<b>99.3%</b>

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

Billion Uganda Shillings	Approved Budget	Released	Spent	% GoU Budget	% GoU Budget	% GoU Releases
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	Budget	Budget	Budget	Budget Released	Budget Spent	Released Spent
<b>VF:0351 Rural Electrification</b>	<b>16.98</b>	<b>14.65</b>	<b>14.55</b>	<b>86.3%</b>	<b>85.7%</b>	<b>99.3%</b>
<i>Development Projects</i>						
1261 West Nile Grid Extension Program-GBOBA	3.00	0.67	<b>0.60</b>	22.4%	19.9%	88.9%
1262 Rural Electrification Project	13.98	13.98	<b>13.95</b>	100.0%	99.8%	99.8%
<b>Total For Vote</b>	<b>16.98</b>	<b>14.65</b>	<b>14.55</b>	<b>86.3%</b>	<b>85.7%</b>	<b>99.3%</b>

\* Excluding Taxes and Arrears

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

Billion Uganda Shillings	Approved Budget	Released	Spent	% GoU Budget Released	% GoU Budget Spent	% GoU Releases Spent
<b>VF:0351 Rural Electrification</b>	<b>44.40</b>	<b>35.13</b>	<b>16.02</b>	<b>79.1%</b>	<b>36.1%</b>	<b>45.6%</b>
<i>Development Projects</i>						
1261 West Nile Grid Extension Program-GBOBA	3.55	2.82	<b>1.52</b>	79.3%	42.7%	53.8%
1262 Rural Electrification Project	40.85	32.31	<b>14.51</b>	79.1%	35.5%	44.9%
<b>Total For Vote</b>	<b>44.40</b>	<b>35.13</b>	<b>16.02</b>	<b>79.1%</b>	<b>36.1%</b>	<b>45.6%</b>