

# Vote: 123 Rural Electrification Agency (REA)

## QUARTER 4: 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 (UShs Billion)**

(i) Excluding Arrears, Taxes	Approved Budget	Cashlimits by End	Released by End	Spent by End Jun	% 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	37.788	36.986	36.976	217.9%	217.8%	100.0%
Development Donor*	44.404	N/A	40.255	20.852	90.7%	47.0%	51.8%
<b>GoU Total</b>	<b>16.976</b>	<b>37.788</b>	<b>36.986</b>	<b>36.976</b>	<b>217.9%</b>	<b>217.8%</b>	<b>100.0%</b>
<b>Total GoU+Donor (MTEF)</b>	<b>61.380</b>	<b>N/A</b>	<b>77.241</b>	<b>57.828</b>	<b>125.8%</b>	<b>94.2%</b>	<b>74.9%</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>37.788</b>	<b>77.241</b>	<b>57.828</b>	<b>122.5%</b>	<b>91.7%</b>	<b>74.9%</b>
(iii) Non Tax Revenue	36.000	N/A	35.845	33.835	99.6%	94.0%	94.4%
<b>Grand Total</b>	<b>99.044</b>	<b>37.788</b>	<b>113.086</b>	<b>91.663</b>	<b>114.2%</b>	<b>92.5%</b>	<b>81.1%</b>
Excluding Taxes, Arrears	97.380	37.788	113.086	91.663	116.1%	94.1%	81.1%

\* Donor expenditure information available

\*\* Non VAT taxes 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	113.09	91.66	116.1%	94.1%	81.1%
<b>Total For Vote</b>	<b>97.38</b>	<b>113.09</b>	<b>91.66</b>	<b>116.1%</b>	<b>94.1%</b>	<b>81.1%</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 and project completion. Other factors that affected the performance included delays in obtaining the no Objection from some development partners like OFID/OPEC and Delays caused by wayleaves challenges.
- Lack of counterpart funding for donor projects to pay for GoU contribution and 18% VAT.
- Inadequate funding for import taxes was also a major challenge that led to materials being held in customs for over four months. This did not only cause implementation delays but also led to accumulation of demurrage charges.
- Another challenge was in the depression of the shilling which made contracts made in USD very expensive. Some contractors were threatening to abandon sites since they can not import materials due the depreciation of the Uganda shilling.

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

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## QUARTER 4: Highlights of Vote Performance

(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>US\$ Bn:</b>	<b>97.380 US\$ Bn:</b>	<b>91.663 % Budget Spent: 94.1%</b>
<b>Cost of Vote Services:</b>	<b>US\$ Bn:</b>	<b>97.380 US\$ Bn:</b>	<b>91.663 % Budget Spent: 94.1%</b>

\* Excluding Taxes and Arrears

The timing of project construction certificates and invoices continue to be a challenge since they can not correspond with the funds flow and the reporting period. Some projects ahead schedule which resulted into the issuing of certificates and yet the funds were not available.

**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>36.99</b>	<b>36.98</b>	<b>217.9%</b>	<b>217.8%</b>	<b>100.0%</b>
<i>Class: Capital Purchases</i>	16.98	36.99	36.98	217.9%	217.8%	100.0%
035180 Construction of Rural Electrification Schemes (On-grid)	13.98	33.98	33.98	243.1%	243.1%	100.0%
035182 Increased rural household connections	3.00	3.01	3.00	100.2%	100.0%	99.8%
<b>Total For Vote</b>	<b>16.98</b>	<b>36.99</b>	<b>36.98</b>	<b>217.9%</b>	<b>217.8%</b>	<b>100.0%</b>

\* Excluding Taxes and Arrears

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

Billion Uganda Shillings	Approved Budget	Releases	Expend- iture	% Budget Released	% Budget Spent	% Releases Spent
<b>Output Class: Capital Purchases</b>	<b>18.64</b>	<b>36.99</b>	<b>36.98</b>	<b>198.4%</b>	<b>198.4%</b>	<b>100.0%</b>
231007 Other Fixed Assets (Depreciation)	16.98	36.99	36.98	217.9%	217.8%	100.0%
312204 Taxes on Machinery, Furniture & Vehicles	1.66	0.00	0.00	0.0%	0.0%	N/A
<b>Grand Total:</b>	<b>18.64</b>	<b>36.99</b>	<b>36.98</b>	<b>198.4%</b>	<b>198.4%</b>	<b>100.0%</b>
<b>Total Excluding Taxes and Arrears:</b>	<b>16.98</b>	<b>36.99</b>	<b>36.98</b>	<b>217.9%</b>	<b>217.8%</b>	<b>100.0%</b>

**Table V3.3: GoU 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>16.98</b>	<b>36.99</b>	<b>36.98</b>	<b>217.9%</b>	<b>217.8%</b>	<b>100.0%</b>
<i>Development Projects</i>						
1261 West Nile Grid Extension Program-GBOBA	3.00	3.01	3.00	100.2%	100.0%	99.8%

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<i>Billion Uganda Shillings</i>	<b>Approved Budget</b>	<b>Released</b>	<b>Spent</b>	<i>% GoU Budget Released</i>	<i>% GoU Budget Spent</i>	<i>% GoU Releases Spent</i>
1262 Rural Electrification Project	13.98	33.98	<b>33.98</b>	243.1%	243.1%	100.0%
<b>Total For Vote</b>	<b>16.98</b>	<b>36.99</b>	<b>36.98</b>	<b>217.9%</b>	<b>217.8%</b>	<b>100.0%</b>

\* Excluding Taxes and Arrears

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

<i>Billion Uganda Shillings</i>	<b>Approved Budget</b>	<b>Released</b>	<b>Spent</b>	<i>% GoU Budget Released</i>	<i>% GoU Budget Spent</i>	<i>% GoU Releases Spent</i>
<b>VF:0351 Rural Electrification</b>	<b>44.40</b>	<b>40.25</b>	<b>20.85</b>	<b>90.7%</b>	<b>47.0%</b>	<b>51.8%</b>
<i>Development Projects</i>						
1261 West Nile Grid Extension Program-GBOBA	3.55	3.55	<b>1.95</b>	100.0%	54.9%	54.9%
1262 Rural Electrification Project	40.85	36.70	<b>18.90</b>	89.8%	46.3%	51.5%
<b>Total For Vote</b>	<b>44.40</b>	<b>40.25</b>	<b>20.85</b>	<b>90.7%</b>	<b>47.0%</b>	<b>51.8%</b>