

Vote: 110 Uganda Industrial Research Institute

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 (UShs Billion)

	Approved Budget	Cashlimits by End	Released by End	Spent by End Mar	% Budget Released	% Budget Spent	% Releases Spent
<i>(i) Excluding Arrears, Taxes</i>							
Recurrent Wage	4.398	3.745	3.745	3.335	85.2%	75.8%	89.0%
Recurrent Non Wage	1.520	1.070	1.056	1.016	69.5%	66.9%	96.2%
Development GoU	8.323	6.163	5.586	5.567	67.1%	66.9%	99.6%
Development Donor*	0.000	N/A	0.000	0.000	N/A	N/A	N/A
GoU Total	14.240	10.979	10.388	9.918	72.9%	69.6%	95.5%
Total GoU+Donor (MTEF)	14.240	N/A	10.388	9.918	72.9%	69.6%	95.5%
<i>(ii) Arrears and Taxes</i>							
Arrears	0.000	N/A	0.000	0.000	N/A	N/A	N/A
Taxes**	0.706	N/A	0.706	0.478	100.0%	67.7%	67.7%
Total Budget	14.947	10.979	11.094	10.396	74.2%	69.6%	93.7%
<i>(iii) Non Tax Revenue</i>	0.100	N/A	0.000	0.000	0.0%	0.0%	N/A
Grand Total	15.047	10.979	11.094	10.396	73.7%	69.1%	93.7%
Excluding Taxes, Arrears	14.340	10.979	10.388	9.918	72.4%	69.2%	95.5%

* 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:0651 Industrial Research	14.34	10.39	9.92	72.4%	69.2%	95.5%
Total For Vote	14.34	10.39	9.92	72.4%	69.2%	95.5%

* Excluding Taxes and Arrears

(ii) Matters to note in budget execution

UIRI's Challenges on Budget Execution remain

1. Delayed operationalization of the industrialization fund
2. Inadequate facilitation that impedes technology transfer and value addition,
3. Lack of information and access to value addition funds.
4. Inadequate pool of specialized scientists and engineers.
5. National planning process does not promote inter-institutional collaborations.
6. Unfunded mandates / projects.
7. Inadequate funding for R & D continues to be a national malady
8. Limited skilled manpower and lack of entrepreneurial skills
9. Infrastructure problems (e.g. connectivity, energy, transport, etc)

Vote: 110 Uganda Industrial Research Institute

QUARTER 3: Highlights of Vote Performance

10. Inadequate facilities for research and prototyping

11. Lengthy procurement procedures

During the quarter a request to the ministry of Finance Planning and Development was made for a one off supplementary funding to address the following, but had been declined. The Institute is rewriting the requests as projects for resubmissions

Items/Activities Amount (billions)

1. Establishment of a regional hub for STI (Science Technology and Innovations) in support of industrialization of EAC states	2.5
2. Staff recruitment and retention, especially high calibre scientists and engineers	1.2
3. Improved emoluments for current and future staff	3.6
4. Seed fund for continuing collaborative research between CSIR, (Council for Scientific and Industrial Research of South Africa) and UIRI	2.0
5. Foundry Technology	1.8
6. Expanding Business Incubation portfolio	2.6
7. Expansion of agro processing centers as catalyst for rural industrialization and commercialization of value added products	8.42
8. Industrial skills capacity building	0.85
9. Augmentation and full operationalization of Millennium Science Initiative (MSI) project	4.8
10. Development of industrial value chain collaboration network and collaborative research with other RTOs (e.g. Danish Technological Institute)	0.70

TOTAL 28.47bn

The request was in consideration that the budget for UIRI had been static, and even experienced significant shortfalls during FY 2010/11, FY 2011/12, and FY 2012/13 at that the Institute had been denied opportunities to realize its full potential as a lead agency for Uganda's industrialization efforts. Furthermore, the Institute had fully exploited the technological and infrastructural prospects ushered in by the Millennium Science Initiative (MSI) of the World Bank (2008-12). Through MSI, UIRI was able to acquire state-of-the-art industry grade technologies like: numerically controlled lathes and milling machines; seam-welding equipment; HPLC (High Performance Liquid Chromatography); autoclaves; etc. But we never succeeded in securing additional budget for complementary equipment and other requisite inputs.

Vote: 110 Uganda Industrial Research Institute

QUARTER 3: Highlights of Vote Performance

UIRI's selection as a Centre of Excellence for EAC in industrial research having put us on the vanguard of leading the industrialization process in the region. To this end we have taken the initiative to set up a regional STI (Science, Technology, and Innovations) Hub for which we need facilitation. There is need for budget support beyond MTEF in order to build and complement the technological base and to fill the gaps occasioned by past shortfalls and inadequacies in financial provisions.

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

<i>(i) Major unspent balances</i>
<i>(ii) Expenditures in excess of the original approved budget</i>
* 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*

<i>Vote, Vote Function Key Output</i>	Approved Budget and Planned outputs	Cumulative Expenditure and Performance	Status and Reasons for any Variation from Plans
Vote Function: 0651 Industrial Research			
Output: 065101	Administration and Support Services		
<i>Description of Performance:</i>	Recruit 50 high caliber scientists and engineers, pay salaries & other staff benefits to 260 employees; Pay asset insurances, utility & property expenses, Clear communication and general supplies expenditures, Pay maintenance and professional services expenses	<ol style="list-style-type: none"> Six employees were recruited. These included administrative personnel, scientists and engineers. The Institute paid salaries & other staff benefits to 260 employees; Institute asset insurances, utility & property expenses were paid Communication and general supplies expenditures have been paid Maintenance and professional services expenses have been paid 	
<i>Output Cost:</i>	UShs Bn: 6.018	UShs Bn: 4.351	% Budget Spent: 72.3%
Output: 065102	Research and Development		
<i>Description of Performance:</i>	Develop new value added products. Provide chemical, material and microbial analytical services for UIRI internal and external clients. Design and fabricate prototypes of affordable and appropriate technologies for dissemination. Initiate new project research agendas. Undertake research projects for targeted value added products to reduce post harvest loss and house hold incomes.	<ol style="list-style-type: none"> 45 microbial analyses were undertaken as the chemistry laboratory is under renovation in preparation for accreditation 6 new value added products were developed to include biochar fertilizer, mushroom sausages, sorghum wine, probiotic soy yoghurt, liquid detergent and aloe based lotion and cream. There was no new research project initiated during the 	•Research can only be meaningful when utilized for development. This requires 8.42bn for taking technology to the people through technology transfer and technology development; Expansion of agro processing centers as catalyst for rural industrialization and ccommercialization of developed value added products.

Vote: 110 Uganda Industrial Research Institute

QUARTER 3: Highlights of Vote Performance

<i>Vote, Vote Function Key Output</i>	Approved Budget and Planned outputs	Cumulative Expenditure and Performance	Status and Reasons for any Variation from Plans
	Launch and commercialize already developed products. Commercialization and marketing of Newcastle vaccine. Operationalise established valued addition centers.	quarter	
<i>Performance Indicators:</i>			
No. of value added products developed for industrialisation to reduce post harvest losses.	50	39	
No. of research projects initiated	5	4	
No. of product analyses undertaken for quality checks	300	638	
<i>Output Cost:</i>	UShs Bn: 1.563	UShs Bn: 0.876	% Budget Spent: 56.0%
Output: 065103	Industrial and technological Incubation		
<i>Description of Performance:</i>	Expand the UIRI Industrial and Technological Business Incubation portfolio. Extend support to business incubation and MSME. Promote and create awareness of new products by SME's, Develop business management skills through ICT applications. Train MSMS in product formulation, skills development and capacity building.	The core focus during the quarter was on preparation for the WAITRO Conference and hence the current incubatee's major role was to participate by exhibiting their products.	Business incubation- Expansion and greater support to UIRI Business incubation program has proved successful. 2.6bn is required to build capacity and boost growth of micro and small scale start up enterprises This will strengthen the program and enhance innovation, by creating enterprises from value addition, primary level to manufacturing level and propel industry.
<i>Performance Indicators:</i>			
No. of technologies deployed with incubatees	20	11	
No. of SME's incubates taken on	25	18	
<i>Output Cost:</i>	UShs Bn: 1.577	UShs Bn: 1.012	% Budget Spent: 64.2%
Output: 065104	Model Value Addition Centre Establishment		
<i>Description of Performance:</i>	Establish and equip value additional centers in regions of target raw material. Operatonalise value addition centers to stimulate farmer raw material as the centers would provide ready market for their produce.	A lot of maintainance works was undertaken during the quarter in preparation for the WAITRO Conference. Major civil works repairs for plumbing and electrical installations, painting, furnishing and fittings were done	N/A
<i>Performance Indicators:</i>			
No. of products up-scaled and commercialized by the centres	30	21	
No. of model value addition centres at 75% completion	3	2	
No. of local raw materials	40	29	

Vote: 110 Uganda Industrial Research Institute

QUARTER 3: Highlights of Vote Performance

<i>Vote, Vote Function Key Output</i>	Approved Budget and Planned outputs	Cumulative Expenditure and Performance	Status and Reasons for any Variation from Plans
developed and populated in the scientific databases			
<i>Output Cost:</i>	UShs Bn: 0.519	UShs Bn: 0.298	% Budget Spent: 57.4%
Output: 065105	Facility Repair and Maintenance		
<i>Description of Performance:</i>	Continued preventative / routine maintenance, upgrades of technologies, system and servicing of unplanned break downs. These include machinery equipment, of electrical system, water and drianage,cold rooms, air conditioners. Replacements and refabrication of parts.	UIRI continues to carry out preventative / routine maintenance, upgrades of technologies, system and servicing of unplanned break downs. These include machinery and equipment, mechanical and electrical system, ICT equipment, water and drainage, cold rooms, air conditioners. Replacements and refabrication of parts.	N/A
<i>Output Cost:</i>	UShs Bn: 0.600	UShs Bn: 0.230	% Budget Spent: 38.2%
Output: 065106	Industrial Skills Development and Capacity Building		
<i>Description of Performance:</i>	The Institutes Industrial Skills and Capacity development includes internship programs, industrial training for university continuing students, staff trainings for skills upgrading and enhancement of new evolving technologies. It also includes production trainings in various food processing fields and engineering technics for potential entrepreneurs	The Institute took on 26 SMEs trainees in various fields of Industrial Development and Value Addition to include food formulation and processing, cosmetic development and technology transfer	N/A
<i>Performance Indicators:</i>			
No. of apprenticeships taken on	70	45	
No. of SMEs trained in industrial development and value addition processing	300	230	
<i>Output Cost:</i>	UShs Bn: 0.121	UShs Bn: 0.081	% Budget Spent: 66.7%
Vote Function Cost	UShs Bn: 14.340	UShs Bn: 9.918	% Budget Spent: 69.2%
Cost of Vote Services:	UShs Bn: 14.340	UShs Bn: 9.918	% Budget Spent: 69.2%

* Excluding Taxes and Arrears

The climax of Q4 performance was the hosting of WAITRO networking conference which was organized subsequent to the 74th WAITRO Board and 15th WAITRO Board Regional Focal Point meeting that took place at the Kampala Serena Hotel, Uganda.

The conference on industrialization gathered approximately 200 professional from WAITRO member organizations, regions and national Research and Technological Organizations, Researchers, academicians, scientists, and engineers engaged in proactive dialogue. The 17 countries represented by Uganda, Germany, Denmark, Malaysia, Egypt, Jordan, Kenya, Tanzania, Rwanda, Columbia, Trinidad and Tobago, Ethiopia, Rwanda, Burundi, Nigeria, South Africa and Thailand.

The event hosted by Uganda Industrial Research Institute (UIRI) in Kampala from 24th-27th March 2015 with the Theme "RTOs as drivers for Industrialization and Socio Economic Transformation"

Vote: 110 Uganda Industrial Research Institute

QUARTER 3: Highlights of Vote Performance

The goal of the conference was to promote the discussion, sharing and dissemination of technical and scientific knowledge oriented towards the following topics

- i. Green technologies
 - ii. Trends in Technology Development
 - iii. Regional R&D policy in Sustainable Development of SMEs – The South Africa experience
 - iv. RTOs role in technology transfer – narrowing the gap across the technological divide
 - v. Driving Regional Integration through industrialization
 - vi. Case studies from different RTOs were shared with an aim of learning lessons from their success
 - vii. Trinidad and Tobago – Development of the Gas Industry
 - viii. DTI's (Denmark) – Experience with technology transfer to industry
 - ix. TISTR (Thailand) Contribution of TISTR to the socio- Economic Transformation of Thailand
 - x. CMRDI (Egypt) – The role of CMRDI in improving the competitiveness of Mineral Resources
 - xi. WAITRO's success stories in technology transfer to industry and lessons learned
- Support to Business and Technological incubation activities were carried out and onsite incubatees demonstrated their developed products
 - Works at Model Value Addition Centers under establishment were undertaken as per plan
 - Preventative and routine maintenance of UIRI infrastructure, machinery and equipment was undertaken
 - Industrial training and skills capacity building have been proved as the only means to eradicate unemployment hence hands-on-training of students and entrepreneurs was undertaken
 - UIRI continued to promote and create awareness of its research results by participating at exhibitions, running media supplement's
 - Technology transfer through procurement and fabrication of industrial equipment's was undertaken

Table V2.2: Implementing Actions to Improve Vote Performance

Planned Actions:	Actual Actions:	Reasons for Variation
Vote: 110 Uganda Industrial Research Institute		
Vote Function: 06 51 Industrial Research		
Enhance the Business incubation portfolio. Take technology to the people	<p>Competitiveness demands products that are of high quality. That can measure up to the standards of intended markets. The choice of the product that an entrepreneur aspires to deal in must also have a competitive edge over other available substitute products. How unique is the product on offer?</p> <p>Development of quality products remains a core consideration to UIRI's contribution towards the national industrialization efforts. Thus UIRI intends to continue championing for a quality conscious society through skills training, joint research, product development & formulation, industrial process designs and in its business incubation program.</p>	Strengthening of the Industrial and technological incubation center requires 2.60bn
Upgrade staff skills to measure up to the ever evolving technologies to be able to design and develop competitive products and services	<p>Deliberate effort to undertake specialized training for UIRI technical staff and consequently train entrepreneurs and students has been actualized. UIRI provides a wide scope of exposure and training to the nationals ranging from guided study tours, hands-on-training to students and</p>	N/A

Vote: 110 Uganda Industrial Research Institute

QUARTER 3: Highlights of Vote Performance

Planned Actions:	Actual Actions:	Reasons for Variation
	entrepreneurs. This has spurred an appreciation for design and development of competitive products	
Vote: 110 Uganda Industrial Research Institute		
Vote Function: 06 51 Industrial Research		
Establish the Regional Scientific and Innovation hub as Center of Excellence.	Drawing of the Concept Note for the Establishment of a Regional Scientific and Innovation Hub as a Center of Excellence was completed. The Concept Note was presented to Ministry of Finance Planning and Economic Developing among a list of UIRI funding gaps for funding	Awaiting funding of 2.5bn

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
VF:0651 Industrial Research	14.24	10.39	9.92	72.9%	69.6%	95.5%
<i>Class: Outputs Provided</i>	10.32	7.32	6.85	70.9%	66.4%	93.6%
065101 Administration	5.92	4.80	4.35	81.1%	73.5%	90.6%
065102 Research and Development	1.56	0.90	0.88	57.4%	56.0%	97.6%
065103 Industrial Incubation	1.58	1.01	1.01	64.0%	64.2%	100.4%
065104 Maintenance - Civil works	0.52	0.30	0.30	57.3%	57.4%	100.1%
065105 Maintenance - Machinery and Equipment	0.60	0.23	0.23	38.3%	38.2%	99.8%
065106 Student Industrial Training and Capacity Building	0.12	0.08	0.08	67.8%	66.7%	98.4%
065108 Popularization of research and technologies	0.02	0.00	0.00	0.0%	0.0%	N/A
<i>Class: Capital Purchases</i>	3.92	3.07	3.07	78.3%	78.3%	100.0%
065172 Government Buildings and Administrative Infrastructure	0.54	0.54	0.54	100.0%	100.0%	100.0%
065176 Purchase of Office and ICT Equipment, including Software	0.09	0.08	0.07	82.4%	81.4%	98.9%
065177 Purchase of Specialised Machinery & Equipment	3.29	2.45	2.45	74.6%	74.6%	100.0%
Total For Vote	14.24	10.39	9.92	72.9%	69.6%	95.5%

* 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
Output Class: Outputs Provided	10.32	7.32	6.85	70.9%	66.4%	93.6%
211102 Contract Staff Salaries (Incl. Casuals, Temporary)	5.29	4.19	3.78	79.2%	71.5%	90.2%
211103 Allowances	0.10	0.06	0.06	59.9%	59.8%	99.8%
212101 Social Security Contributions	0.53	0.40	0.33	75.0%	63.0%	84.0%
213001 Medical expenses (To employees)	0.20	0.13	0.13	65.0%	65.0%	100.0%
221001 Advertising and Public Relations	0.03	0.02	0.02	78.4%	78.4%	100.0%
221002 Workshops and Seminars	0.00	0.00	0.00	0.0%	0.0%	N/A
221003 Staff Training	0.16	0.12	0.12	75.2%	75.1%	99.9%
221004 Recruitment Expenses	0.00	0.00	0.00	0.0%	0.0%	N/A
221007 Books, Periodicals & Newspapers	0.03	0.00	0.00	5.1%	5.0%	98.9%
221009 Welfare and Entertainment	0.08	0.06	0.06	78.7%	78.5%	99.8%
221011 Printing, Stationery, Photocopying and Binding	0.01	0.01	0.01	66.8%	61.2%	91.6%

Vote: 110 Uganda Industrial Research Institute

QUARTER 3: Highlights of Vote Performance

<i>Billion Uganda Shillings</i>	Approved Budget	Releases	Expenditure	% Budget Released	% Budget Spent	% Releases Spent
221012 Small Office Equipment	0.03	0.02	0.02	75.0%	74.1%	98.8%
221017 Subscriptions	0.01	0.01	0.01	88.0%	107.9%	122.5%
222001 Telecommunications	0.07	0.05	0.05	76.0%	75.2%	98.9%
222002 Postage and Courier	0.00	0.00	0.00	0.0%	0.0%	N/A
222003 Information and communications technology (ICT)	0.04	0.03	0.03	79.3%	79.3%	100.0%
223001 Property Expenses	0.10	0.07	0.07	73.7%	71.3%	96.7%
223002 Rates	0.05	0.03	0.03	52.1%	52.1%	100.0%
223004 Guard and Security services	0.14	0.09	0.09	64.2%	63.0%	98.1%
223005 Electricity	0.54	0.41	0.41	75.0%	75.0%	100.0%
223006 Water	0.13	0.10	0.10	75.0%	75.0%	100.0%
223007 Other Utilities- (fuel, gas, firewood, charcoal)	0.13	0.02	0.02	19.0%	18.9%	99.7%
224001 Medical and Agricultural supplies	0.25	0.17	0.17	66.9%	66.7%	99.7%
224004 Cleaning and Sanitation	0.14	0.10	0.11	73.1%	76.7%	105.0%
224005 Uniforms, Beddings and Protective Gear	0.08	0.05	0.05	58.7%	61.9%	105.6%
224006 Agricultural Supplies	0.55	0.27	0.28	49.1%	50.0%	101.8%
226001 Insurances	0.04	0.02	0.02	64.3%	63.6%	99.0%
227001 Travel inland	0.01	0.01	0.01	75.0%	74.4%	99.2%
227002 Travel abroad	0.19	0.14	0.14	73.0%	72.9%	99.9%
227003 Carriage, Haulage, Freight and transport hire	0.01	0.01	0.01	75.0%	75.0%	100.0%
227004 Fuel, Lubricants and Oils	0.24	0.15	0.15	63.2%	63.2%	100.0%
228001 Maintenance - Civil	0.05	0.05	0.05	96.0%	94.5%	98.4%
228002 Maintenance - Vehicles	0.24	0.07	0.07	30.8%	30.3%	98.5%
228003 Maintenance – Machinery, Equipment & Furniture	0.85	0.46	0.46	53.5%	53.5%	100.0%
Output Class: Capital Purchases	4.63	3.78	3.55	81.6%	76.7%	93.9%
231001 Non Residential buildings (Depreciation)	0.54	0.54	0.54	100.0%	100.0%	100.0%
231005 Machinery and equipment	3.38	2.53	2.53	74.8%	74.8%	100.0%
312204 Taxes on Machinery, Furniture & Vehicles	0.71	0.71	0.48	100.0%	67.7%	67.7%
Grand Total:	14.95	11.09	10.40	74.2%	69.6%	93.7%
Total Excluding Taxes and Arrears:	14.24	10.39	9.92	72.9%	69.6%	95.5%

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

<i>Billion Uganda Shillings</i>	Approved Budget	Released	Spent	% GoU Budget Released	% GoU Budget Spent	% GoU Releases Spent
VF:0651 Industrial Research	14.24	10.39	9.92	72.9%	69.6%	95.5%
<i>Recurrent Programmes</i>						
01 Headquarters	5.92	4.80	4.35	81.1%	73.5%	90.6%
<i>Development Projects</i>						
0430 Uganda Industrial Research Institute	8.32	5.59	5.57	67.1%	66.9%	99.6%
Total For Vote	14.24	10.39	9.92	72.9%	69.6%	95.5%

* Excluding Taxes and Arrears

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