UGANDA MULTI-YEAR COMMITMENT STATEMENT FY 2023-2024 AND PERFORMANCE OF PROJECTS FY 2021/22

Government of Uganda

MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

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GLOSSARY

Arrears	Approved payments (certificates) for goods or services delivered from past years that have not been paid to date.
Contractual Commitments	Commitments entered into as a result of contracts / purchase orders signed for goods, services or works under each projects.
Counterpart Requirements	Specific explicit Government of Uganda (GOU) obligations that have to be undertaken in order for externally financed funding to be disbursed (e.g. Land acquisition, Resettlement Action Plan). Counterpart requirements are often spelt out in the Financing agreement and represent conditions to be met often prior to project execution
Multi-year commitments	These are development expenditure requirements on projects or undertakings whose implementation spans more than one year and which have been approved by the Development Committee
Non-contractual commitments	Project expenditures / commitments which are not contractual but resulting from (i) incidental expenses related to projects, (ii) project recurrent commitments, (iii) statutory commitments and (iv) social contracts

EXECUTIVE SUMMARY

Rt. Hon. Speaker and Honourable Members, the Public Investment Plan (PIP) for FY 2023/24 – FY 2026/27 has **316 projects** with a total project life value of **Ushs 90.9 Trillion**. Of this amount, **Ushs 39.5 Trillion** shall be funded by the Government of Uganda, while **Ushs 51.4 Trillion** shall be funded through external financing over the project life.

The Country's total budget estimate for FY2023/24 stands at **Ushs 50.91 Trillion** of which Ushs **14.06 Trillion** is development expenditure and **Ushs 24.11 Trillion** is recurrent expenditure and **Ushs. 12.73 Trillion** is domestic debt refinancing and amortization of external debt. This implies that out of the total budget, 27.6 percent of the resources will be allocated to capital and social investments.

Of the Ushs **14.06 Trillion** provided in the Medium Term Expenditure Framework (MTEF) to finance ongoing projects in FY 2023/24, **Ushs 6.63 Trillion** is from domestic sources while **Ushs. 7.44 Trillion** is from External Financing. This MTEF provision is less than the total project requirement of **Ushs 19.09 Trillion** hence a funding gap of **Ushs 5.02 Trillion** for FY 2023/24. However, this gap is projected to decrease to **Ushs. 2.78 Trillion** in FY 2024/25 after which positive fiscal space will be realized as more projects and multi-year contracts are completed.

Project budget performance increased from 71% in FY 2020/21 to 81.6% largely on account of increased disbursement for external financing which was reported at 66.3% in FY 2021/22 compared to 35% recorded in FY 2020/21. This positive rebound is partly attributed to efficiency gains in the Public Investment Management Systems (PIMS) which among others require that only ready projects underpinned by detailed feasibility studies are admitted into the Public Investment Plan

Rt. Hon. Speaker, the above notwithstanding, several challenges were identified during execution of projects in the previous Financial Years and these have continued to impede performance of projects. The key challenges include; delayed acquisition of right of way for infrastructure projects, inadequate technical capacity in the Public Investment Management System (PIMS) process, continued poor absorption of funds, especially for externally financed projects, inadequate monitoring and supervision of projects, poor operation and maintenance of public assets, contract management challenges, over commitment of the budget, among others.

In order to ensure efficiency and effectiveness of public investment in FY 2023/24 and the medium term, some recommendations have been proposed including; promoting proper sequencing and prioritisation of new projects to assess their readiness before commencement, ensuring adequate budgetary provision for Resettlement Action Plan (RAP) activities and operation and maintenance as well as supporting the Public Investment Management System (PIMS) Centre of Excellence at Makerere University to sustainably improve capacity of Government staff in public investment management.

A. INTRODUCTION

1. Rt. Hon. Speaker and Hon. Members, Section 13 (3) of the Public Finance Management Act (PFMA), 2015 (as amended) requires the Hon. Minister of Finance, Planning and Economic Development to present the proposed annual budget for the next Financial Year to Parliament by 1st April.

2. The financial estimates for the Financial Year to which the annual budget relates under Section 13 (10) c of the PFM Act (as amended), should include a statement of the multi-year expenditure commitments to be made by Government in the next Financial Year.

3. In addition, under section 23 (4), the Minister responsible for Finance is also required for every Financial Year to submit to Parliament, a report on the performance of the Multi-Year Expenditure commitments made.

4. This Multi-Year Commitment Statement (MYCS) for FY 2023/24 is key in informing the planning, prioritisation, and budgeting processes of Government development initiatives in the medium term thereby supporting decision-making by different stakeholders when approving new capital initiatives and allocating resources for the annual budget.

5. Rt. Hon. Speaker and Hon. Members, the rest of the statement is structured in five sections as follows:
   Section B covers the legal requirement supporting the statement;
   Section C explains the purpose of the Multiyear Commitment Statement;

Section D indicates the methodology that was used to compile and analyse the Multiyear commitment data across Government;

Section E provides the aggregate analysis of multi-year commitments compared to the MTEF FY 2023/24 – FY 2027/28; It also provides the performance of Multiyear commitments made by Government in FY 2021/22, half year performance of Multiyear Commitments of FY 2022/23 and the challenges that impede project performance; and

Section F provides recommendations to improve Public Investment Management.

B. LEGAL REQUIREMENTS

6. **Section 23 (1)** of the **PFM Act 2015 (as amended)** requires that no Vote shall enter into a contract, transaction or agreement that binds the Government to a financial commitment for more than one year or which results in a contingent liability, except where the financial commitment or contingent liability is authorized by Parliament.

7. **Section 4.22.3** of the Treasury Instructions, 2016 further requires that the multi-year commitments shall consist of such expenditure requirements on projects or undertakings whose implementation spans more than one year.

8. Rt. Hon. Speaker, this statement has been prepared considering the above legal requirements.

C. PURPOSE OF THE MULTI YEAR COMMITMENT STATEMENT

9. Rt. Hon. Speaker, the purpose of this statement is to present the multiyear expenditure commitment obligations to be made by

Government during FY 2023/24 and the medium term. The statement also reports on the performance of commitments made during FY 2022/23.

10. Furthermore, this statement seeks to request Parliament to authorize Government Ministries, Departments and Agencies (MDAs) responsible for implementing development projects that span more than one year, to enter into multi-year obligations in order to properly implement projects within the available fiscal space.

11. The fiscal space analysis presented as part of this statement is intended to:

    i. Inform decision making in the subsequent budget cycles;
    ii. Quantify the magnitude of Government commitments to ensure that resources are efficiently prioritized and allocated to projects that have ongoing multi-year commitments; and
    iii. Enforce fiscal discipline within the available fiscal space.

12. Rt. Hon. Speaker and Colleagues, this consolidated statement of multi-year expenditure commitments also seeks to demonstrate the overall financial obligation and variance of both new and on-going projects compared to the indicative resource allocations for FY 2023/24 and the medium term.

D. METHODOLOGY

13. Rt. Hon. Speaker, the data presented in this statement was obtained from Ministries, Departments and Agencies (MDAs) using an excel based Template. The template captures; the magnitude of outstanding arrears, counterpart funding requirements, contractual and non-contractual commitments.

14. The data submitted by Votes was jointly validated by the Ministry of Finance, Planning and Economic Development and the respective Planning Units in MDAs using Multi Year Commitment (MYC) guidelines and review of documents submitted to the Development Committee including signed civil works contracts, framework contracts, financing agreements and certificates.
15. The submitted data was further corroborated with relevant systems i.e. the Integrated Financial Management System (IFMS), the Programme Budgeting System (PBS) and the Integrated Bank of Projects (IBP).

E. AGGREGATE ANALYSIS OF MULTI YEAR COMMITMENTS

a) Multi-Year Expenditure Commitments Analysis for FY 2023/24 – FY 2027/28

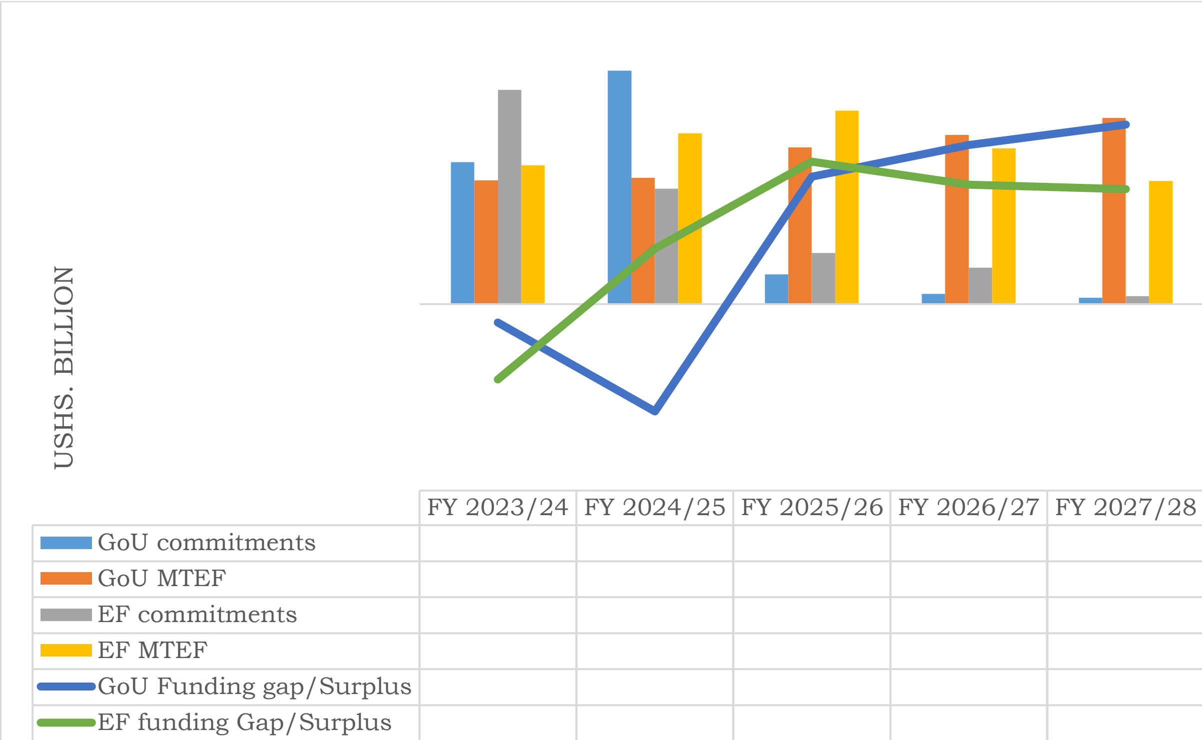
16. The Public Investment Plan (PIP) for FY 2023/24 – FY 2027/28 has **316 projects** with a total project life value of **Ushs 90.9 Trillion**. Of this amount, **Ushs 39.5 Trillion** shall be funded by the Government of Uganda, while **Ushs 51.4 Trillion** shall be funded through external financing over the project life.

17. The Country's total budget estimate for FY2023/24 stands at **Ushs 50.91 Trillion** of which Ushs **14.06 Trillion** is development expenditure and **Ushs 24.11 Trillion** is recurrent expenditure and **Ushs. 12.73 Trillion** is domestic debt refinancing and amortization of external debt. This implies that out of the total budget, 27.6 percent of the resources will be allocated to capital and social investments.

18. Over the MTEF period, the total value of project commitments is **Ushs 45.372 Trillion**, with **Ushs 22.593 Trillion** expected to be funded by Government of Uganda and **Ushs 22.779 Trillion** to be

provided through external financing. The annual projects commitments over the MTEF period are summarized in figure 1 below and Annex 1.

Figure 1: Multi-Year Project Commitments Vs MTEF Development Ceiling (Ushs Billion)



Source: MFPED, March, 2023

19. Colleagues, it should be noted that due to resource constraints, Government has provided **Ushs 14,064.7 Billion** in the MTEF to finance ongoing projects in FY 2023/24 of which **Ushs 6,628 Billion** is from domestic sources and **Ushs. 7,436.7 Billion** is External Financing. This MTEF provision is less than the total project requirement of **Ushs 19,087.99 Billion** hence a funding gap of **Ushs 5,023.34 Billion** for FY 2023/24. However, this gap is projected to decrease to **Ushs. 2,784.4 Billion** in FY 2024/25 after which positive fiscal space will be realized as more projects and multi-year contracts are completed.

20. To address the above constraint, all Votes across Government were advised in the Second Budget Call Circular to prioritize ongoing project commitments within the available fiscal space and postpone the uptake of new project commitments.

21. In addition, the external financing resource envelope has been reduced owing to under performance of some unready externally funded projects. This will help Government minimize the associated fiscal costs including payment of commitment fees on undrawn loan balances.

22. The biggest over commitments in FY 2023/24 are under the programmes of **Integrated Transport Infrastructure and Services (Ushs 1,541.6 Billion)** followed by **Natural Resources, Environment, Climate Change, Land and Water Management Programme (Ushs 584.9 Billion), Development Plan Implementation (Ushs 306.54 Billion)** and **Human Capital Development (Ushs 161.22 Billion)** as shown in Table 1.

Table 1: Variance between GoU MTEF Development Ceiling and Project Commitments (Ushs Billion)

Programme Name	**FY 2023-24 commitments (Ushs Bn)**	**FY 2023-24 Dev't Ceiling (Ushs Bn)**	**Variance (Ushs Bn)**
Agro-Industralisation	347.47	358.36	10.89
Mineral Development	22.00	22.00	-
Sustainable Development of Petroleum Resources	150.06	119.06	(31.0)
Manufacturing	0.23	0.23	0.00
Tourism Development	55.96	52.74	(3.22)
Natural Resources, Environment, Climate Change, Land and Water Management	969.53	384.68	(584.85)
Private Sector Development	24.10	14.70	(9.40)
Sustainable Energy Development	457.53	443.14	(14.39)
Integrated Transport Infrastructure and Services	2,932.89	1,391.3	(1,541.59)

Programme Name	FY 2023-24 commitments (Ushs Bn)	FY 2023-24 Dev't Ceiling (Ushs Bn)	Variance (Ushs Bn)
Sustainable Urbanization and Housing	5.60	5.60	-
Digital Transformation	26.48	14.89	(11.64)
Human Capital Development	380.71	219.48	(161.22)
Innovation, Technology Development and Transfer	87.67	163.80	76.13
Public Sector Transformation	3.20	3.20	-
Community Mobilization and Mindset Change	5.00	5.00	-
Governance and security	1,316.61	2,346.19	1,029.59
Regional Development	44.42	25.16	(19.26)
Development Plan Implementation	568.93	262.39	(306.54)
Administration of Justice	64.97	64.72	(0.25)
Legislation, Oversight and Representation	147.24	64.49	(82.75)
Total	7,610.69	5,961.08[1]	(1,649.61)

Source: MFPED, March, 2023

23. Rt. Hon. Speaker, over commitment of expenditures in Uganda's Public Investment Plan (PIP) relative to the available medium-term fiscal space remains a challenge. This means that the commitments cannot be adequately accommodated within the available fiscal space. This situation leads to time and cost overruns and reduces the expected impact on the county's development agenda.

b) PERFORMANCE OF MULTIYEAR EXPENDITURE COMMITMENTS MADE BY GOVERNMENT IN FY 2021/22

24. Rt. Hon. Speaker, the performance of projects in the Public Investment Plan (PIP) for FY 2021/22 was assessed by the Development Committee (DC) which is a multi-institution committee comprised of representatives from Office of the

[1] This excludes Local Government allocation of Ushs. 666 Billion

President (OP), Office of the Prime Minister (OPM), Ministry of Justice and Constitutional Affairs (MoJCA), Ministry of Lands, Housing and Urban Development (MoLHUD), Ministry of Gender, Labor and Social Development (MoGLSD), National Planning Authority (NPA), Public Procurement and Disposal of Assets Authority (PPDA), National Environment Management Authority (NEMA), Equal Opportunities Commission (EOC) and Ministry of Works and Transport (MoWT).

25. Rt. Hon Speaker and Hon members, all projects are implemented through a development budget. In FY 2021/22, the aggregate performance of projects is indicated in table 2.

Table 2: Development Budget Performance in FY 2021/22 (Ushs Billion)

	Budget	**Release**	**Expenditure**	**Budget Performance**	**Absorption capacity**
GoU	7,313.36	6,964.53	6,715.56	95.2%	96.4%
EF	6,512.33	4,317.68	2,928.00	66.3%	67.8%
Total	**13,825.69**	**11,282.22**	**9,643.57**	**81.6%**	**85.5%**

Source: PBS, MoFPED

26. Rt. Hon. Speaker, the development budget allocation for FY 2021/22 was Ushs. 13,825.69 Billion, of which GoU funding was 7,313.36 Billion and External financing was Ushs. 6,512.33 Billion. In terms of budget performance, Ushs. 11,282.22 Bn was released, out of which Ushs. 9,643.57 Billion was spent, representing a budget performance rate of 81.6% and absorption rate of 85.5%.

27. Budget performance increased from 71% in FY 2020/21 to 81.6% largely on account of increased disbursement for external financing which was reported at 66.3% in FY 2021/22 compared

to 35% recorded in FY 2020/21. This positive rebound is partly attributed to efficiency gains in the Public Investment Management Systems (PIMS) which among others require that only ready projects underpinned by detailed feasibility studies are admitted into the Public Investment Plan.

28. Rt. Hon. Speaker, the detailed project performance at programme and project level in FY 2021/22 is indicated in table 3 and Annex 2 respectively.

Table 3: Project Performance FY 2021/22 at Programme level

	GOU FY 2021/22					**EF FY 2021/22**					**Overall performance**	
Programme	Budget	Release	Expenditure	Budget Performance (%)	Absorption (%)	Budget	Release	Expenditure	Budget Performance (%)	Absorption	Overall Budget Performance (%)	Overall absorption (%)
Agro-Industralisation	267.4	274.5	275.7	102.7%	100%	418.2	294.8	176.9	70%	60%	83%	80%
Development Plan Implementation	109.1	105.2	104.0	96.5%	99%	132.5	130.3	102.6	98%	79%	98%	88%
Digital Transformation	6.2	6.3	6.2	101.1%	99%	110.1	79.0	44.8	72%	57%	73%	60%
Governance and security	2,414.5	2,495.2	2,493.5	103.3%	100%	406.9	-	-	0%	-	88%	100%
Human Capital Development	213.8	370.2	369.4	173.2%	100%	1,400.0	1,058.0	578.7	76%	55%	89%	66%
Innovation, Technology Development and Transfer	84.8	7.8	7.7	9.1%	100%	-	-	-	-	-	9%	100%
Integrated Transport Infrastructure and Services	2,084.2	1,905.2	1,900.1	91.4%	100%	2,165.6	1,689.1	1,140.4	78%	68%	85%	85%
Mineral Development	22.5	2.5	2.3	11.1%	92%	20.3	18.6	18.6	92%	100%	49%	99%
Natural Resources, Environment, Climate Change, Land and Water Management	482.7	404.4	400.2	83.8%	99%	659.6	412.4	282.8	63%	69%	72%	84%
Private Sector Development	2.0	5.7	5.7	285.2%	100%	113.0	55.0	31.0	49%	56%	53%	61%
Public Sector Transformation	1,252.3	1,172.1	1,071.1	93.6%	91%	94.2	-	-	0%		87%	91%
Regional Development	24.4	36.9	36.1	151.0%	98%	206.5	377.7	376.3	183%	100%	180%	99%

Programme	GOU FY 2021/22					EF FY 2021/22					Overall performance	
	Budget	Release	Expenditure	Budget Performance (%)	Absorption (%)	Budget	Release	Expenditure	Budget Performance (%)	Absorption	Overall Budget Performance (%)	Overall absorption (%)
Sustainable Development of Petroleum Resources	36.3	35.0	4.2	96.5%	12%	-	-	-			96%	12%
Sustainable Energy Development	295.0	126.6	22.4	42.9%	18%	734.1	151.4	147.4	21%	97%	27%	61%
Sustainable Urbanization and Housing	2.9	1.8	1.8	61.5%	100%	51.4	51.4	28.4	100%	55%	98%	57%
Tourism Development	15.2	15.2	15.2	100.0%	100%	-	-	-	-	-	100%	100%
Grand Total	**7,313.4**	**6,964.5**	**6,715.6**	**95.2%**	**96%**	**6,512.3**	**4,317.7**	**2,928.0**	**66%**	**68%**	**82%**	**85%**

Source: PBS, MoFPED

29. At programme level, Budget performance of projects in FY 2021/22 was lowest under the innovation, technology Development transfer programme at 9% followed by sustainable energy development programme at 27%. This is largely on account of government policy to rationalize institutions within the two programmes during financial year. On the other hand, regional development programme performed at 180% largely on account of supplementary budget extended to the programme under the affirmative action interventions. This was followed by tourism development programme which had budget performance of 100% and Development plan implementation whose budget performed at 98%.

30. In terms of absorption, during FY 2021/22, low absorption was observed in the sustainable development of petroleum resources programme at 12% followed by the sustainable housing and urbanization programme whose absorption was 57%. High absorption was observed in the Governance and security;

innovation, technology development transfer and tourism development programmes at 100%.

31. Rt. Hon. Speaker, my Ministry and the Development Committee are committed towards ensuring that project performance for both GoU and externally funded projects improve through regular review of all projects in the Public Investment Plan to ensure they are on track. My Ministry will not hesitate to cancel or terminate projects that consistently perform poorly e.g. Government terminated the financing agreement for Muzizi Hydro Power Project with KfW in FY 2021/22. In addition, two externally funded projects i.e. Masaka - Mbarara Grid Expansion line project and Kampala Metropolitan Transmission System Improvement project that have perpetually failed to conclude procurement have been downgraded to pipeline status until this process is concluded.

c) HALF YEAR PERFORMANCE OF MULTIYEAR EXPENDITURE COMMITMENTS MADE BY GOVERNMENT FOR FY 2022/23.

32. Rt. Hon Speaker and Hon Members, while presenting the Budget for FY 2022/23 to this August House, I requested the House to authorize Accounting Officers to enter into multi-year contracts for a number of projects. Accounting Officers have since commenced and continued implementation of these contracts.

33. Rt. Hon. Speaker, as at end December, 2022, my Ministry had released a total of Ushs. 5,369.8 billion of which Ushs. 3,011.9 billion was GoU funding while Ushs. 2,357.8 billion was External Financing to enable implementation of projects. This translates into 38.8% Budget performance for FY 2022/23 which is below the expected 50% performance as at the end of the second quarter

of the Financial Year. This budget performance is largely on account of the low release in quarter one of FY 2022/23 which was a deliberate effort by my Ministry to coordinate with Bank of Uganda's contractionary monetary policy to combat inflationary pressures.

34. Rt. Hon. Speaker, the Programmes of Manufacturing, Sustainable Energy Development as well as Innovation, Technology Development and Transfer had the least budget performance as at December 2022 of 7.3%, 14.9% and 17.5% respectively. On the other hand, the Programmes of Tourism Development, Natural Resources, Environment, Climate Change, Land and Water as well as Human Capital Development registered the highest budget performance of 58.4%, 54.6% and 43.2% respectively as at December, 2022.

35. Rt. Hon Speaker and Hon members, of the Ushs. 5,369.8 billion released as at December 2022 to support project implementation, Ushs. 3,858.7 billion was spent representing an absorption rate of 71.9%. This position is however bound to improve as we end the FY since more certificates of works are expected to be paid by Accounting Officers.

d) KEY CHALLENGES AFFECTING PROJECT EXECUTION

36. Rt. Hon. Speaker, during the annual portfolio reviews of all Government projects for FY 2022/23, several challenges were identified as the key impediments to public investment performance. The key challenges are highlighted below.

37. **Inadequate technical capacity in the Public Investment Management System (PIMS) process**. Government has a limited

pool of PIMS experts required to undertake the critical processes of PIMS especially project preparation and appraisal, project implementation, as well as monitoring and evaluation which leads to delays in commencement, stagnation of strategic projects and frequent adjustments in project cost and scope.

38. **Implementation of unready projects**: Several Votes have continued to start new projects without prioritizing preparatory activities such as procurement, acquisition of right of way, instituting project teams among others precedent to civil works. This has often resulted in project delays and cost overruns.

39. **Continued low absorption of funds,** especially externally funded projects arising from failure to meet conditions precedent in the financing agreements.

40. **High cost of implementing infrastructure projects**. The unit cost of implementing infrastructure projects especially in the programmes of Sustainable Energy Development and Integrated Transport Infrastructure and Services have gradually increased. This is mainly attributed to over dependence on foreign expatriates to supervise and undertake the civil works for the respective projects.

41. **Insufficient budget allocation and release for key project activities.** A number of projects were noted to have insufficient budget allocation and releases which impacted on the timely completion of scheduled project activities and thus affecting project timelines.

42. **Delayed acquisition of right of way for infrastructure projects due to inadequate funding and legal issues**. Some infrastructure projects are fast tracked given their strategic nature without

acquisition of the requisite right of way through compensation of project affected persons resulting into delayed implementation of projects.

43. **Over commitment of the budget** demonstrated by inadequate "drip" financing to the projects and non-allocation of funding to some projects. This has continued to slow down project implementation and the associated expected benefits to the country.
44. **Inadequate monitoring and supervision of projects** resulting into shoddy works and delayed execution of projects.
45. **Poor operation and maintenance of public assets** due to insufficient budgetary provision for maintenance resulting into shortened lifespan of assets and increased fiscal costs for re-investment.
46. **Contract management challenges.** Several contract management issues were observed to hinder effective implementation of projects. Contractor related challenges such as cash flow constraints, delays in mobilization of human resources and equipment were among the observed challenges that hindered effective implementation of projects, especially infrastructure and construction projects.

F. RECOMMENDATIONS TO IMPROVE THE EFFICIENCY OF PUBLIC INVESTMENTS IN UGANDA

47. Rt. Hon. Speaker, in order to ensure efficiency and effectiveness in public investment in FY 2023/24 and the medium term, I recommend the following and further request Parliament for support in this regard.

48. **Proper sequencing and prioritisation of projects**. Parliament should ensure that during the review of the respective policy statements, MDAs prioritise completion of ongoing projects before embarking on new projects to avoid constraining the fiscal space for the country. My Ministry developed the project selection criteria which will ensure that only ready to go projects are selected from a pipeline of new projects for inclusion in the PIP and budget respectively.

49. **Parliament should enhance its oversight role** to ensure monitoring of projects during implementation and ex post evaluation. This will enable realisation of value for money and better service delivery after project completion.

50. **There is urgent need to strengthen the legal framework for effective public investment management,** to provide for legal reform to address land use and right-of-way challenges (expropriation law).

51. **There is need to make adequate budgetary provision for Resettlement Action Plan (RAP) activities.** This will facilitate the fulfilment of pre-disbursement conditions for externally funded projects and consequently improve on the disbursement and absorption of external funding and minimize commitment costs. All externally funded projects should be required to meet the readiness conditions before admission into the PIP.

52. **Extension of financing of projects should be approved after re-assessment of projects.** In order to ensure proper coordination

between appraisal and external financing, extension including no cost extensions for external financing should be done after appraisal of the projects in line with the Development Committee guidelines.

53. **There is need to strengthen capacity of MDAs in project and contract management through dedicated capacity building programs.** This will enhance contract management capabilities, improve on contract negotiation skills and minimize contract related challenges.

54. **External financing should only be prioritized for projects with high growth impact** to ensure that the investments being implemented are able to service the loans in a fiscally sustainable manner. Therefore, all projects should undertake the requisite feasibility studies to assess their economic and financial viability prior to committing external financing.

55. **Enhance funding for the Project Preparation Facility under National Planning Authority (NPA).** There is need to enhance funding for project preparation activities through enhancing and protecting funding provided under NPA to support project preparation.

56. **There is need to provide adequate provision of funds for operation and maintenance in the budget** to improve the lifespan of completed public assets.

57. **Parliament should enhance its oversight role** to ensure monitoring of projects during implementation and ex post evaluation. This will enable realisation of value for money and better service delivery after project completion.

G. CONCLUSION

58. Rt. Hon. Speaker, Government is committed and focused on ensuring that the resources required for the achievement of Uganda's public investment aspirations as enshrined in the NDPIII and Vision 2040 are obtained in the short, medium and long term. Government is also well aware that the resource requirements needed to achieve the above aspirations are enormous amidst national, regional and international challenges.

59. In that regard, we shall continue to accord priority towards accomplishing ongoing commitments within the Programs, Ministries, Agencies and Departments to enable timely completion of projects, and strengthen mechanisms to reduce wastage of the limited resources, reduction of arrears, improve absorption of funds, more especially for externally financed projects. In the same vein, any projects that were granted extension in the budget (beyond the original project life span) will be fast-tracked for completion during FY 2023/24 to create fiscal space for new projects in the subsequent years.

60. Rt. Hon. Speaker and Hon. Members, I beg to submit.

Matia Kasaija (MP)
MINISTER FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

ANNEXES