

**REPORT OF THE COMMITTEE ON TOURISM, TRADE AND  
INDUSTRY ON THE MINISTERIAL POLICY STATEMENTS AND  
DRAFT BUDGET ESTIMATES FOR THE MINISTRY OF TRADE,  
INDUSTRY AND COOPERATIVES, AND THE MINISTRY OF  
TOURISM, WILDLIFE AND ANTIQUITIES FOR THE FINANCIAL  
YEAR 2018/2019**

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**OFFICE OF THE CLERK TO PARLIAMENT  
PARLIAMENTARY BUILDING  
KAMPALA - UGANDA**

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**APRIL 2018**

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**1.0 INTRODUCTION**

RT. Hon Speaker and Hon. Members, in accordance with Article 155 (4) of the Constitution of the Republic of Uganda; Section 12 of Public Finance Management Act 2015, and Rule 177(a) and (d) of the Rules of Procedure of the Parliament of Uganda, Sectoral Committees are mandated to;

- (a) Examine and comment on policy matters affecting Ministries and Departments under their jurisdiction; and
- (b) Critically examine Government recurrent and capital budget estimates and make recommendations on them for general debate in the House.

**2.0 SCOPE**

The Sectoral Committee on Tourism, Trade and Industry considered the Ministerial Policy Statements and Budget Estimates for the financial year 2018/2019 for the following Votes:

Vote 015: Ministry of Trade, Industry and Co-operatives (MTIC)

Vote 154: Uganda National Bureau of Standards (UNBS)

Vote 306: Uganda Export Promotion Board(UEPB)

Vote 022: Ministry of Tourism, Wildlife and Antiquities (MTWA)

Vote 117: Uganda Tourism Board (UTB)

The Report covers the following aspects:

- (a) Sector mandates
- (b) Budget performance in FY 2017/18
- (c) Sector achievements in the FY 2017/18
- (d) Planned activities and programmes for FY 2018/19
- (e) Funds requested to implement the planned activities for FY 2018/19
- (f) Committee Observations and recommendations

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### 3.0 Mandate

The mandate of the Ministry is to formulate review and support policies strategies plans and programs that promote and ensure expansion and diversification of trade, cooperatives, environmentally sustainable industrialization, appropriate technology development and transfer to generate wealth for poverty eradication and benefit the country socially and economically.

The sector's strategic objectives are derived from the NDP II and the Trade Industrial and Cooperatives sector development plan.

Specifically the sector's strategic objectives among others include;

- (a) Increase the share of manufactured goods and services in the country's total export
- (b) Improve private sector competitiveness
- (c) Increase Market access for Uganda's products and services in regional and international market
- (d) Promote the development of value added industries in agriculture and minerals
- (e) Promote the formulation and growth of cooperatives
- (f) Increase the diversity in type and range

### 4.0 METHODOLOGY

The Committee:

- (a) Received and analyzed the Ministerial Policy Statements of the Ministries of; Trade Industry and Cooperatives and Tourism Wildlife and Antiquities for FY 2018/19
- (b) Examined the Draft Estimates of Revenue and Expenditure for the Financial year 2018/19

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- (c) Reviewed the observations and recommendations made on the Ministries' Budget Estimates for the last financial year 2017/18
- (d) Held meetings with the Ministries of Trade Industry and Cooperatives, Tourism, wildlife and Antiquities and sectors namely; Uganda Export Promotion Board (UEPB), Uganda National Bureau of Standards (UNBS), Management Training and Advisory Centre (MTAC), Uganda Development Corporation (UDC), Uganda Warehouse Receipt Systems Authority (UWRSA), Uganda Wildlife Education Centre (UWEC), Uganda Wild Life Authority (UWA), Uganda Tourism Board (UTB), Uganda Hotel Tourism Training Institute (UHTTI) Private Sector Foundation and SEATINI and Civil Society Budget Advocacy Group among others.
- (e) Received alternative Policy statements for the Ministry of Trade, Industry and Cooperatives and Ministry of Tourism, Wildlife and Antiquities

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**OVERVIEW ON MINISTRY OF TRADE, INDUSTRY AND COOPERATIVES BUDGET PERFORMANCE FOR THE FY 2017/18 AND PROPOSED BUDGET FY 2018/19**

**Table 1 .Budget performance of Vote 015: Ministry of Trade, Industry and Cooperatives**

	2016/17 Outturn	2017/18		Proposed FY 2018/19	Half year Exp.Perf.( %)	Change between Approved & proposed (Bn)
		Approved Budget	Expenditure by End Dec			
Recurrent Wage	1.172	2.110	0.859	2.110	41%	0.00
Non-Wage	14.986	17.469	6.330	19.590	36%	2.12
Devt. GoU	16.356	36.187	8.883	25.627	25%	10.56
Ext. Fin.	0.000	8.828	0.000	12.058	0%	3.23
<b>GoU Total</b>	<b>32.514</b>	<b>55.765</b>	<b>16.071</b>	<b>47.326</b>	<b>29%</b>	<b>8.44</b>
<b>Total GoU+Ext Fin(MTEF)</b>	<b>32.514</b>	<b>64.593</b>	<b>16.071</b>	<b>59.385</b>	<b>25%</b>	<b>5.21</b>
Arrears	3.362	0.053	0.044	1.544	83%	1.49
<b>Total Budget</b>	<b>35.876</b>	<b>64.646</b>	<b>16.116</b>	<b>60.928</b>	<b>25%</b>	<b>3.72</b>
<b>A.I.A Total</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>1.089</b>	<b>0.0%</b>	<b>1.09</b>
<b>Grand Total</b>	<b>35.876</b>	<b>64.646</b>	<b>16.116</b>	<b>62.017</b>	<b>25%</b>	<b>2.63</b>
<b>Total Vote Budget Excluding Arrears</b>	<b>32.514</b>	<b>64.593</b>	<b>16.071</b>	<b>60.474</b>	<b>25%</b>	<b>4.12</b>

Source: MoTIC MPS FY 2018/19

**Observation**

Overall, the Ministry of Trade, Industry and Cooperatives performed less than programmed at 39%. Out of the approved budget of Shs.64.593Bn, Shs.16.1Bn was spent by the First Half of FY 2017/18. The underperformance was mainly attributed to the poor performance of the GoU and External finance Development budget. The Ministry's wage bill is expected to remain constant at

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Shs.2.11Bn while Nonwage, Development (GoU and Ext-Fin) are proposed to increase by Shs.2.12Bn, Shs.10.56Bn and Shs.3.23Bn respectively.

**Table 2: The Ministry of Trade Industry and Cooperatives sector allocation by source and category classification (UGX: Billions).**

Budget Allocation in Billion UGX		2017/18 (Year 1)	2018/19 (Year 2)	Year2- Year1/Year1*100 (Relative Change) %	Year (2)-Year (1) (Absolute Change)
	Wage	2.110	2.110	0%	0
<b>Recurrent</b>	Non-Wage	17.469	19.590	12.1%	2.121
	<b>Total Rec</b>	<b>19.579</b>	<b>21.7</b>	<b>10.8%</b>	<b>2.121</b>
	<b>As a % of the Total Budget for the Ministry</b>	<b>30.28%</b>	<b>33.8%</b>		
	GOU	36.187	25.627	-29.18	-10.56
<b>Development</b>	Ext. Fin.	8.828	12.058	36%	3.2
	<b>Total Dev't</b>	<b>45.015</b>	<b>37.685</b>	<b>-16.2%</b>	<b>-7.33</b>
	<b>As a % of the Total Budget to the trade Ministry</b>	<b>69.6%</b>	<b>60.76%</b>		
	<b>Total Budget (excl. Arrears, Taxes &amp; NTR)</b>	<b>64.594</b>	<b>59.385</b>	<b>-8.08%</b>	<b>-5.209</b>
	<b>Arrears</b>	0.053	1.544	2,813.20%	1.491

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<b>Taxes</b>	0.000	0.000	0%	0
<b>NTR</b>	0.000	0.000	0%	0
<b>AIA</b>	0.000	1.089	0%	1.089
<b>Total Budget (incl. Arrears, Taxes &amp; NTR)</b>	<b>64.647</b>	<b>62.018</b>	<b>-4.065</b>	<b>-2.629</b>

**Source: MPS for the Trade Ministry for the FY 2018/2019 including Arrears and AIA.**

**Observation**

- (a) Budgetary allocations to the Trade Ministry have declined from UGX 64.6bn in the FY 2017/2018 to UGX 62bn in the fiscal year 2018/2019 represented by a 4.0% decrease. The decline is because of the development budget specifically on the GoU budget component.
- (b) Allocations to wage are constant at UGX.2.1bn implying that there is no planned staff recruitment in the FY 2018/2019 as indicated in the NBFP.
- (c) There is an increase in Non-Wage Recurrent by UGX 2.1bn representing 12.1%.
- (d) Total recurrent expenditure has increased from UGX.19.5bn in the fiscal year 2017/2018 to UGX 21.7bn in the fiscal year 2018/2019 respectively representing 10.8% increase.
- (e) There is a decline in allocations to GoU by UGX.10.5bn and an increase in external financing from UGX 8.8bn in the FY 2017/2018 to UGX 12.6bn in the FY 2018/2019 by UGX 3.2bn representing a 36% increase.
- (f) There is an increase in arrears from 0.053bn in FY 2017/18 to UGX.1.4bn in the fiscal year 2018/2019.
- (g) There are neither taxes nor n Non-Tax Revenue allocated to the Ministry.

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**Table3: Overview of intra sector funding for FY 2018/19**

		2017/18	2018/19	Change
1. Industrial and Technological Development	36.984	26.751	-10.233	
2. Cooperative Development	6.309	6.239	-0.07	
3. Trade development	11.185	15.775	4.59	
4. MSME development	1.377	0.923	-0.454	
5. General Administration and Policy	8.791	12.330	3.539	
Total	64.647	62.018	-2.629	

**Source: MPS for the Trade Ministry for the FY 2018/2019**

**Observation**

- (a) An increase in trade development of UGX. 4.5bn is highly appreciated;
- (b) There is an increase in allocations to trade development from UGX.11.1bn in the FY 2017/2018 to UGX.15.7bn in the FY 2018/2019. The budgets for Industrial and Technological Development, Cooperative Development and MSME development have declined by UGX.10.2bn, UGX.0.07bn and UGX.0.4bn respectively implying that they are of less priority.
- (c) MSME development which should be a priority target to enhance growth will receive only UGX.0.9bn in the fiscal year 2018/2019 representing a 0.4% decline.

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- (d) General administration and Policy has increased from UGX 8.79bn in FY 2017/18 to UGX.12.2bn in FY 2018/19 representing an increase by UGX.3.5bn.

**Table 4. Sector half year Budget Performance for FY 2017/2018**

	<b>Approved Budget FY 2017/2018</b>	<b>Released Budget FY 2017/2018</b>	<b>Spent by end of Dec</b>	<b>% Budget Released</b>	<b>% Budget Spent</b>	<b>% Releases Spent</b>
<b>Vote 015</b>	<b>Ministry of Trade Industry and Cooperatives</b>					
Wage	2.11	1.055	0.859	50.00%	40.70%	81.40%
Non Wage	17.469	7.094	6.33	40.60%	36.20%	89.20%
<b>Total Recurrent</b>	<b>19.579</b>	<b>8.149</b>	<b>7.189</b>	<b>41.60%</b>	<b>36.70%</b>	<b>88.20%</b>
GoU	36.187	9.366	8.883	25.90%	24.50%	94.80%
External Support	8.828	0	0	0	0	0
<b>Development</b>	<b>45.015</b>	<b>9.366</b>	<b>8.883</b>	<b>20.80%</b>	<b>19.70%</b>	<b>94.80%</b>
<b>Recurrent+ Devt</b>	<b>64.594</b>	<b>17.515</b>	<b>16.072</b>	<b>31.40%</b>	<b>28.80%</b>	<b>91.80%</b>
Arrears	0.053	0.053	0.044	100.05%	83.00%	83.00%
MTEF(GOU&EXT+ ARREARS)	64.647	17.568	16.116	27.20%	24.90%	91.70%
NTR	0	0	0	0	0	0
<b>Total Budget</b>	<b>64.647</b>	<b>17.568</b>	<b>16.116</b>	<b>27.20%</b>	<b>24.90%</b>	<b>91.70%</b>
<b>Vote 154</b>	<b>Uganda National Bureau of Standards</b>					
Wage	6.356	3.178	3.178	50.00%	50.00%	100.00%
Non Wage	5.638	2.483	2.376	44.00%	42.10%	95.70%
<b>Total Recurrent</b>	<b>11.994</b>	<b>5.661</b>	<b>5.554</b>	<b>47.20%</b>	<b>46.30%</b>	<b>98.10%</b>
GoU	9.58	3.451	0.777	36.00%	8.10%	22.50%
External Support	0	0	0	0	0	0
<b>Development</b>	<b>9.58</b>	<b>3.451</b>	<b>0.777</b>	<b>36.00%</b>	<b>8.10%</b>	<b>22.50%</b>
<b>Recurrent+ Devt</b>	<b>21.574</b>	<b>9.112</b>	<b>6.331</b>	<b>42.20%</b>	<b>29.30%</b>	<b>69.50%</b>

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MTEF(GOU&EXT)	21.574	9.112	6.331	42.20%	29.30%	69.50%
AIA Total	18.396	10.92	9.767	0.00%	0.00%	0.00%
<b>Total Budget</b>	<b>39.97</b>	<b>20.032</b>	<b>16.098</b>	<b>50.10%</b>	<b>40.30%</b>	<b>80.40%</b>
<b>Vote 306</b>	<b>Uganda Export Promotion Board</b>					
Wage	1.16	0.58	0.501	50.00%	43.20%	86.40%
Non Wage	1.676	0.972	0.435	58.00%	26.00%	44.80%
<b>Total Recurrent</b>	<b>2.836</b>	<b>1.552</b>	<b>0.936</b>	<b>54.70%</b>	<b>33.00%</b>	<b>60.30%</b>
GoU	0.396	0.339	0	85.60%	0.00%	0.00%
External Support	0	0	0	0	0	0
<b>Development</b>	<b>0.396</b>	<b>0.339</b>	<b>0</b>	<b>58.50%</b>	<b>29.00%</b>	<b>49.50%</b>
<b>Recurrent+ Devt</b>	<b>3.232</b>	<b>1.891</b>	<b>0.936</b>	<b>58.50%</b>	<b>29.00%</b>	<b>693.40%</b>
MTEF(GOU&EXT)						
<b>Total Budget</b>	<b>3.232</b>	<b>1.891</b>	<b>0.936</b>	<b>58.50%</b>	<b>29.00%</b>	<b>693.40%</b>
<b>Sector Grand Total</b>	<b>107.849</b>	<b>39.491</b>	<b>33.15</b>	<b>36.60%</b>	<b>30.70%</b>	<b>83.90%</b>

**SOURCE: MPS. MPTIC 2018/2018**

This section looks at The Trade Industry and Cooperatives sectors budget performance in terms of financial and physical achievements realized in the first half of the FY 2017/2018.

- A total sum of UGX 107.849 billion was appropriated for the sector of which the recurrent was UGX 34.409 billion while development was UGX 54.99 billion and Appropriation in Aid(AIA) amounted UGX 18.449 billion.
- At the close of the first half of FY, the release for the sector was 36.6% of the approved budget and 83.9 % was absorbed equivalent to 30.7% of the budget.
- The underperformance was registered by the Ministry that received only 27.2% of its budget, spending the equivalent of 25% of the annual budget.

- (d) Uganda National Bureau of Standards received 50.1% of its approved budget and absorbed 80% of the release at the end of the half year.
- (e) Uganda Export Promotion Board received UGX 1.8bn (58%) of the approved budget of UGX 3.23bn however only 49% was absorbed at the end of the half year 2017/18.
- (f) The wage budget with the exception of UNBS, the Ministry and Export Promotion Board performed below target at 40.7% and 43% respectively.
- (g) The development budget of the Ministry and UNBS equally performed below target registering 20.8%, and 36% respectively.

**Key physical achievements by the Ministry during the half year 2017/18**

- (a) Undertook policies development and regulatory environment formulation including bills and sector supervision.
- (b) Supported industry development through key development project under the Ministry and Soroti fruit factory registered a near completion, set up of a tea factory in Zombo/Nebbi.
- (c) Continued with the implementation of the Buy Uganda and Build Uganda policy with successive deepening across sectors.

**SECTOR BUDGET FOR THE FY 2018/19**

**Table3: Analysis of budgetary allocations in the Agencies in the Trade Sector.**

Agency	Budget (UGX)	Actual (UGX)	Variance (UGX)	% Change
<b>1.Ministry of Trade</b>	<b>64.646</b>	<b>62.018</b>	<b>-2.628</b>	<b>-4.06</b>
<b>1.UNBS</b>	<b>39.970</b>	<b>47.841</b>	<b>7.871</b>	<b>19.6%</b>
<b>2.UEPB</b>	<b>3.233</b>	<b>3.079</b>	<b>-0.154</b>	<b>-4.76</b>
<b>Total</b>	<b>107.849</b>	<b>112.938</b>	<b>5.089</b>	<b>12.9</b>

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**Source: MPS for the Trade Ministry for the FY 2017/2018 and 2018/2019**

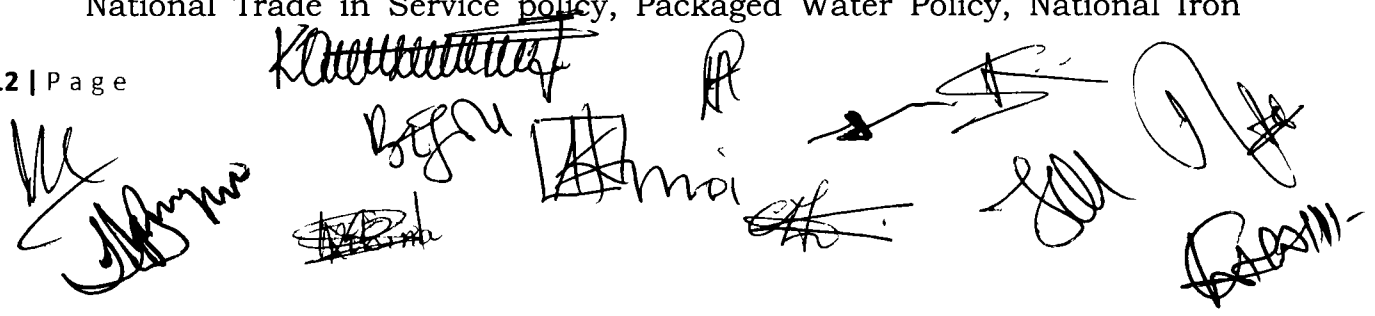
**Observations**

- (a) The trade sector's budget has a marginal increase of 4.7% to UGX.112.938 up from UGX 107.85bn out of the total national budget of UGX 30,905bn.
- (b) Allocations to UNBS have increased from UGX 39.9bn in FY 2017/2018 to UGX 47.8bn the Financial Year 2018/2019 representing an increase of UGX 7.8bn
- (c) There is a decline in allocations to UEPB from UGX 3.2bn in the FY 2017/2018 to UGX 3bn in the FY 2018/2019 a decline of UGX 0.1bn.  
The decline impedes adequate marketing for Uganda's exports.

**Policy and Legal Framework**

The Ministry has been working towards creating an enabling and a conducive trade and investment environment through formulation of various laws, regulations and policies as follows;

- (a) The Bills before Parliament include; The Cooperative Societies Amendment Bill,
- (b) The other Bills under Development include; National Consumer Protection Bill, Competition Bill, National Industrial Development Bill, Produce Regulatory Bill, Metrology Bill, Accreditation Bill, Alcohol Bill, World trade Organization Domestication Bill.
- (c) The various Trade Agreements that have been negotiated or still under negotiation Include; the EAC Common Market Protocol, COMESA free Trade Area, WTO Trade facilitation Agreement, EAC-COMESA-SADC Tripartite Agreement, and the EAC-EU Economic Partnership Agreement (EPA).Majority of these have not been concluded.
- (d) The Policies and Strategies that are still in advanced stages of development include: National Trade Fair and Exhibition Policy, Sale of Goods and Supply Service Policy, the Gift policy, the Tea Trade policy, National Trade in Service policy, Packaged Water Policy, National Iron

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and Steel Policy, Cement Policy, as well as the Industrial Sector Strategic Plan.

**Development of Micro, Small and Medium Enterprises (MSMEs)**

- (a) 35 stakeholders participated in consultative meetings to address the policy, principles, objectives, challenges and proposed policy interventions for the draft SME's policy
- (b) Profiled 5 institutions: Cotton wool making in Masaka, kerez in Kiira, Safe absorbent cotton in Mukono, pearl in Mitooma and Luuka Districts and making of Soft Touch Nile Surgical in Jinja.
- (c) 60 MSME's were monitored and technically guided.

**Observation and Recommendation**

The committee observed that the SME sector continues to face challenges including limited access to affordable finance, limited technical and business skills, informal status of the sector among other challenges which have impeded the sector.

Most SMEs don't see their third birth day because people employ their relatives, and therefore professional standards of running a business is compromised yet SMEs are an engine of economic growth across Africa. In Uganda the SME sector employs more than 2.5 million people who generate 80% of manufactured output, which contributes 20% of the GDP yet the budget for the SME has even been slashed further to UGX.0.9bn in the fiscal year 2018/2019 from UGX.1.3bn in the fiscal year 2017/2018.

***The Committee recommends that 2.7 Billion be allocated for the operationalization of the Micro Small and Medium Enterprises***



## Cooperatives Promotion and Development

- (a) The ministry is holding consultation for produce marketing Regulatory Bill.
- (b) 3 Cooperative Unions were investigated and verified for compensation
- (c) 8 Cooperatives were audited to ensure proper financing and reporting.
- (d) 612 cooperative societies were supervised to ensure compliance with the Cooperative Law
- (e) 16 cooperatives were inspected to ensure proper management by the leaders.

## Observation and Recommendation

The Committee observed that Cooperative revival is one of the core components in the National Development Plan but the budget allocated for it in vote 0620 in the past two financial years and in the medium term does not reflect Governments commitment to revive this sector of the economy. During the National Budget Frame Work Paper for the FY 2017/2018 additional funding of Shs. 20billion was allocated for revitalization of the Cooperative movement, and it is still one of the items under unfunded priorities.

***The Committee reiterates its earlier recommendation that Government prioritizes and provides UGX 20billion for the revival of the cooperatives and the process to revive the cooperative bank should also be fast tracked.***

## Boarder Export Markets (Zones)

In the process of promoting cross border trade and sourcing for market for Uganda's exports the Ministry has prioritized the establishment of border markets like Elegu, Mpondwe, Bunagana and Goli among others. However this program has been hampered by limited Government resources. The Committee further observed that Government secured a funding to the regional integration implementation programme (RIIP) from the establishment of border markets as

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passed by Parliament in the loan of US\$14 Million for the Great Lakes Trade facilitation programme under the world Bank, this amount is able to cover a percentage of the construction of Mpondwe Boarder point hence leaving other border markets unfunded.

***The Committee therefore strongly recommends that Government allocates 15billion shillings for the construction of a pilot border markets in Elegu since its master plan was developed and is ready.***

***The committee further recommends that Government prioritizes the construction of other border markets like Goli and Bunagana among others to promote cross border trade.***

### **Pending Laws**

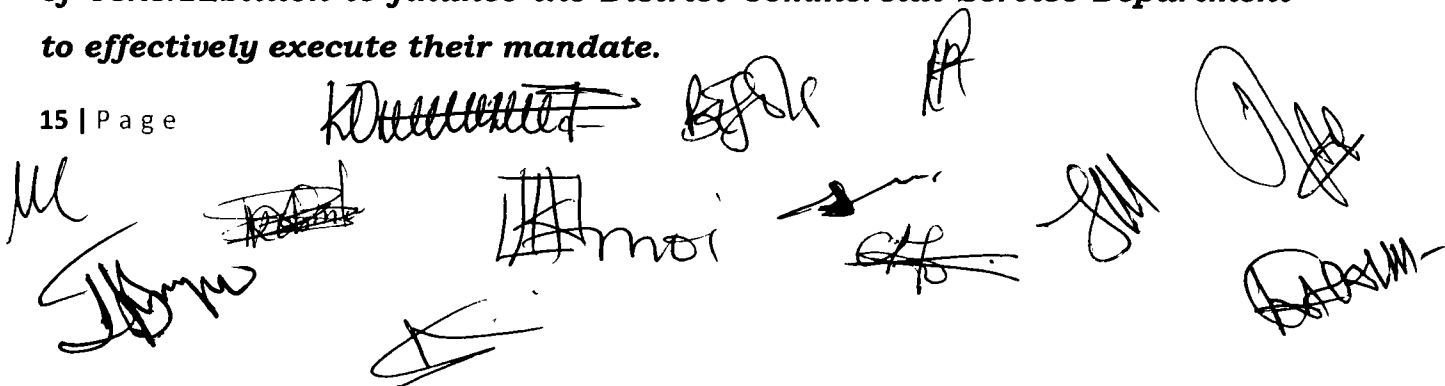
The Committee observed with serious concern a number of Bills have been delayed for a very long period of time. These Bills are; the National Consumer protection Bill; Competition Bill; Price Stabilization Bill; National Industrial Development Bill; Produce Regulatory Bill; Metrology Bill; Accreditation Bill; and the Alcohol Bill.

***The Committee recommends that Government should expedite the process of these laws in the next financial year.***

### **District Commercial Officers**

The Committee further observed that Government established District Commercial Offices (DCO); their key role is to promote trade, sensitization of the importance of cooperatives and ensuring quality in production at the District levels. However these offices are unfunded hence making them fail to execute their mandate.

***The committee recommends that Government raises a conditional grant of Ushs.12billion to finance the District Commercial Service Department to effectively execute their mandate.***

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**UNFUNDED PRIOTRIES UNDER MINISTRY OF TRADE INDUSTRY AND COOPERATIVES**

No	BUDGET ITEM	Amount(BN)
1.	Support to District Commercial Officers	12.0
2.	Operationalization of Small Medium Enterprise	2.7
3.	Rural Industrialization	50.0
4.	Border Export Zone	15.,0
5.	Cooperative Development	20.0
	<b>Total</b>	99.7

**5.2 UGANDA DEVELOPMENT CORPORATION**

UDC was established by an act of Parliament under the Uganda Development Act 2016. The Corporation was set up with the primary objective of promoting and facilitating industrial and economic development of Uganda. UDC was to attain its objectives through

- (a) Establishing subsidiary and associated companies
- (b) Enter into public private partnerships with any commercial, industrial or agricultural undertaking or enterprises
- (c) Through Public private partnership assist in financing and management of undertakings promoting industrial or economic development; and to promote and facilitate research into industrial development.

**Key Achievements of UDC in the half year 2017/18;**

- (a) UDC trained 165 tea farmers in better agronomic practices and cooperative movement.
- (b) Funds were transferred to the proprietor of Isingiro Fruit factory.
- (c) Draft feasibility study of Lake Katwe salt project was undertaken.
- (d) Evaluation of bids to determine the best evaluated bidder on the construction of the cement plant was finalized

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**Observation and Recommendation**

The Committee observed that UDC in line with its mandate is supposed to take up Government interests in the property listed in Schedule 2 of the Uganda Development Act 2016 which include; Amber House Limited, Embassy House, Development House, Munyonyo Commonwealth Resort, Nile Hotel Limited, Phenix Logistics and Tri-Star Apparels Limited. However none of the property interests has been fully transferred to the Corporation.

***The Committee therefore recommends that Government effects the transfer of its interests to UDC which is an investment arm of Government for income generation and effective management.***


**Capitalization of UDC**

The Committee notes that Uganda Development Corporation is the driver of the economy to get to middle income level and also for industrialization. However, according to the law, UDC is supposed to be capitalized with Shs. 500bn since its inception, it has not been capitalized.

***The Committee recommends that the process of capitalizing Uganda Development Corporation with Shs. 500bn should be prioritized in the financial year 2018/19 to enable it embark on projects for industrialization.***

**Soroti Fruit Factory**

The committee observed that the civil works of the factory have been completed and machines installed. The factory is expected to conduct trial run at the end of April 2018, the business brand name has been registered and gazetted.UDC has had engagements with potential buyers of oranges and pulp from the factory.

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However the Committee further observed that the fruit factory will not begin production due to the delays in the development of the central effluent treatment plant for waste management.

***The Committee recommends that Ministry of Finance, Planning and Economic Development provides funds for the waste Management Disposal Plant if the factory is to start operations as scheduled.***

The Committee further observed that for sustainable management the project must fully involve farmers as key stake holders in the supply of raw materials; however these farmers cannot be effective if there not organized in groups or cooperatives.

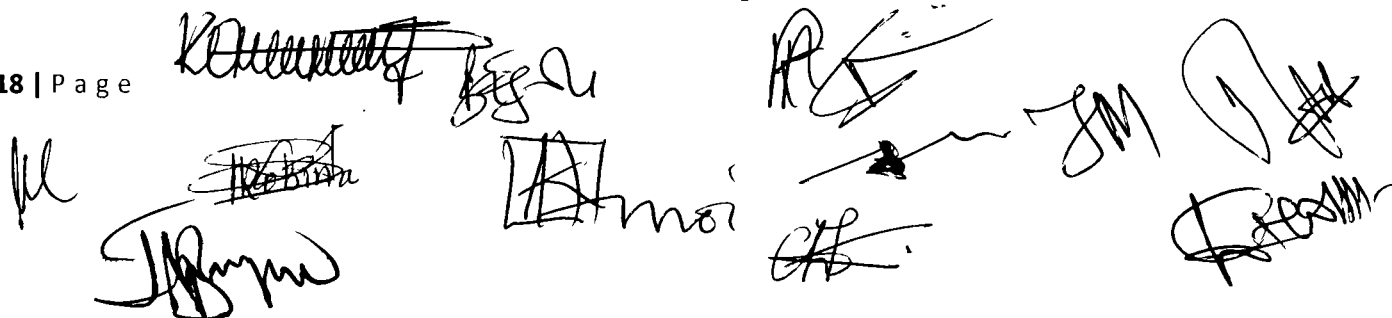
***The Committee recommends that Government avails funds to facilitate the formation of cooperatives societies that supply fruits to the factory so as for the farmers to be able to access inputs, effective supply of raw materials and quality production.***

#### **AFRICA GROWTH OPPORTUNITY ACT (AGOA)**

The African Growth and Opportunity Act (AGOA) is a non reciprocal trade preference program that provides duty free treatment to U.S Imports of certain products from eligible Sub Saharan African (SSA) countries. The legislation significantly enhances market access to the US for qualifying Sub Saharan Countries. Qualification for AGOA preferences is based on a set of conditions contained in the AGO legislation. In order to qualify and remain eligible for AGOA each country must be working to improve its rule of law, human rights and respect for core labour standards. AGOA extends up to 2025

#### **Observations and Recommendations**

The Committee observed that the Africa Growth Opportunity Act (AGOA) desk under Ministry of Trade is a presidential initiative that was created under State house with roles to sensitize, coordinate, supervise and monitor all AGOA

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projects and facilitate investors to cut through the Government bureaucracy. AGOA desk's activities are not properly rooted in the Ministry.

***The Committee reiterates its earlier recommendation that AGOA secretariat be merged with Uganda Export promotion Board to ensure increased Exports of the selected products to the USA market.***

#### **5.4 UGANDA WAREHOUSE RECEIPT SYSTEMS AUTHORITY**

UWRS is a government body established by an Act of Parliament under section 3 of the Warehouse Receipt Systems Act 2006. The mandate of the Authority is to develop and regulate the warehouse receipt system which is an integral part of structured commodities trading. The Authority's entry point in value addition is at post harvest level to leverage farmers through availing them with better storage facilities.

#### **Key achievements for FY 2017/2018**

- (a) The authority inspected and licensed 42 storage facilities out of the planned 50 facilities and 192 storage facilities have been profiled across the country
- (b) Developed Warehousing and Warehouse Standards for Bagged Cereals and pulses (US 1648:2016) simplified and printing is in progress.
- (c) The authority set up an inspection regime including management, inspection and licensing committee of the Board, inspection and collateral management firms
- (d) The E-system was developed and pretested awaiting finalization of the procurement process.
- (e) A group of 82 handlers were trained.