
New Year 2011
Address to the Nation

By

H.E. Yoweri Kaguta Museveni
President of the Republic of Uganda

31st December 2010

Fellow Ugandans, I congratulate you upon the completion of yet another prosperous year.

Before I enumerate the many achievements of the NRM Government in the past years and decades, let me take this opportunity to pay tribute to those who passed away and to express my condolences to those families which lost their loved ones.

Our Nation has been faced with challenges over the last couple of years. However, the resolve of the Ugandan people to overcome them has made our country admirable within the region and

across the entire world. While the entire world was in a crisis caused by the mismanagement of mainly European and American economies, Uganda's financial sector was booming and making profits. Whereas the Al-Shabab terrorists managed to orchestrate an attack on the peace and freedom of Ugandans, they now realize how big a mistake they made.

We have decided that we shall be proactive in hunting down Al-Shabab and other terrorists including in their own country in order to secure our borders.

Economic Performance

Economic Growth

I take this opportunity to thank all Ugandans for the hard work over the years, which has contributed to sustained high economic growth and transformation, with increasingly more jobs being created in the service and industry sectors. Despite a slight reduction in economic growth because of the global recession that reduced our exports to Europe and America, Uganda's economic growth at 5.9% during fiscal year 2009/10 was among the highest in the World. This slight reduction in growth was only temporary, as the latest data on economic activities indicate that in the first quarter of financial year 2010/11, the industrial sector grew by 10.9 percent, with construction growing at 19.1 percent; and mining and quarrying by 12 percent.

In the same period, the services sector as a whole grew by 5.2 percent with remarkable growth in the education sector of 22.3 percent, while financial services and other business services grew by 15.2 percent. These figures show that the economy is growing very fast, driven by the buoyancy in private sector activities.

Total GDP, which is the totality of production by all residents in Uganda, value in 2009/10 amounted to UGX 35 trillion shillings. When total production is divided by the population, each one on average earned about Ushs 1,086,000 in the financial year 2009/10. This is equivalent to an average income of about US\$ 540 per person in a year. Although this is much higher than what it was in 1986 when the NRM Government took responsibility for managing the country, it is still too low.

Under the Prosperity for All programme of the NRM Government and the recently launched National Development Plan, the aim is for each Ugandan household to earn a minimum of Ughs 20 million per annum.

Poverty Reduction

The sustained high growth of the Uganda economy has been translated into the significant decline in poverty across the country. The recent National Household Survey that was conducted

by the Uganda Bureau of Statistics between May 2009 and April 2010 shows that the number of Ugandans living in absolute poverty has continued to sharply decline throughout the country. Based on the survey, the percentage of the population below the poverty line has declined from 56 percent in 1992 to 24.5 percent in 2010. In 2002/03 Ugandans who were below the poverty line were 9.8 million. In 2009/10, this number had dropped to about 7.5 million.

This means that in a period of seven years, 2.3 million Ugandans have been lifted from poverty on to the path to prosperity. This remarkable improvement has occurred in spite of our high population growth rate. Although the incidence of income poverty remains highest in the northern region, the recent survey data shows that poverty declined much faster there than in other regions of the country. In the Northern region, poverty has declined from 60.7% in 2005/06 to 46.1 percent in 2009/10, meaning that the number of people under the poverty line in the North declined from 3.3 million in 2005/6 to 2.8 million in 2009/10. While this is progress, it is still not good enough; and the Government, through its Peace, Recovery and Development Programme (PRDP) has embarked on rehabilitating the economic infrastructure of Northern Uganda in order to further improve the socio-economic welfare of the people of Northern Uganda.

The proportion of people in poverty in Eastern region declined from 35.9 percent in 2005/06 to 24.3 percent; and this decline was driven mainly by rural areas where poverty has declined by a 12.7 percentage points in the same period. In the central region the decline was from 16.4 percent in 2005/06 to 10.7 percent in 2009/10 while western Uganda also enjoys very low poverty rates.

The decline in poverty is a result of the policies, programs and projects implemented by the NRM Government for the last two decades. Universal Primary Education has improved the literacy and numeracy rates, free primary health care programs have increased the productivity of Ugandans and increased their life expectancy; Plan for Modernization of Agriculture which has included NAADS has improved the capacity of Ugandans to adapt new methods of production and vocational training has equipped Ugandans with the skills to adapt to the employment needs of the private sector as well as creating self-employment including establishing small and medium sized enterprises.

Inflation

As a result of shocks in the external environment including a shock in food and oil prices, inflation was in two digits in calendar year 2008 and 2009. Because the sources of inflation were external and partly reflecting the high demand for Uganda's food produce and other light manufactured goods, the Government encouraged Ugandans to take advantage of the increased

demand and produce more. I am happy that Ugandans responded positively and increased both food and cash crop production leading to bumper harvests. This means that Ugandans increased household food security and exported surplus food production to the regional markets which at the same time increased household incomes.

As a result of increased domestic production coupled with continued responsible management of the economy, inflation has dropped to less than 5 percent. With increased incomes and low inflation, private investors can plan their businesses with certainty and household savings will not be eroded. Another factor which has contributed to price stability in our economy is increased production of manufactured goods such as cement, steel products and beverages.

External Performance and Investment

Our balance of payments have improved from a deficit of 1.3% of GDP in financial year 2008/9 to a surplus of 1.2% of GDP in financial year 2009/10, meaning that our receipts from the rest of the world were higher than what we paid for what we imported. This also means that we are continuing to accumulate international reserves.

Our export receipts from merchandise goods and exports are estimated now at US\$ 3.31 billion, of which coffee exports were US\$ 262 million. The increase in export receipts was largely attributed to service exports which rose by 12.4 per cent during 2009/10. Earnings from service exports amounted to US\$ 991 million, while goods export earnings were US\$ 2,314 million. Remittances from Ugandans abroad amounted to approximately US\$ 850 million in 2009/10. This means that the total foreign exchange receipts are about US\$ 4.2 billion.

The Government has sustained implementation of sound economic policies which have created a conducive environment for private investment, including attracting foreign capital into our country. Owing to these policies, private capital continued to flow into Uganda even at the time of the global financial crisis. This is because Uganda is a good location of doing business, as well as enjoying peace and stability.

In addition to the US\$ 850 million in 2009/10, Foreign Direct Investment also remains high, estimated at US\$ 650 million in the same period this year. These indicators show that the country remains competitive in terms of private sector investment. The business environment will be improved further when the NRM Government completes its current investment programme which is focusing on unlocking the growth potential of the country. As a manifestation of the positive future economic prospects of our country, the recent sovereign rating for Uganda by Fitch, an independent international credit rating agency, confirmed a B plus. Uganda is among a few African countries with such a rating. This is also an indicator of how competitive Uganda is

as a choice for foreign investment, including attracting foreign direct investment.

Fiscal Sustainability

The country is steadily moving away from aid dependency to fiscal sustainability due to our improved domestic revenue mobilization. Our domestically raised revenue for 2009/10 was Ushs 4.2 trillion, more than enough to cover the entire public investment programme of the country. This is, indeed, a remarkable achievement putting in perspective where we started when the entire development budget of our country was financed by donors. With the prospect of large oil revenues, Uganda will soon be free from external influence in the implementation of our investment programs. There are those who write fiction about Uganda's oil, theorizing that it will be a curse. Those kind of people are simply telling lies. The NRM Government has moved to improve the regulatory environment of the sector to ensure that Government achieves maximum benefit from these resources. The NRM plan of development of the petroleum sector will continue along the strategies and actions defined in the National Oil and Gas Policy.

The key features of these strategies are as follows:

- a. The NRM Government will pass a new legislation governing access to oil and gas rights, regulation of exploration and production, refining and gas processing, environmental management as well as the management of petroleum revenues. Furthermore, institutions to effectively take the sector forward like the Petroleum Regulatory Authority to regulate the sector, as well as the National Oil and Gas Company to participate in the business aspects will be put in place.
- b. In the medium term, the NRM Government will develop a refinery in the country on a public-private partnership basis to add value to the oil. This refinery, which will be located in Hoima district, will be developed in a phased manner.
- c. Capacity building in the oil and gas sector will continue with a view of producing the required manpower for the sector.

This will be through the expansion of the Uganda Petroleum Institute at Kigumba to produce initially artisan and technical level personnel for the industry followed by professional levels. Graduates in the petroleum sciences and relevant disciplines will also be produced in courses which have begun at Makerere University and other private universities in the country. These trained Ugandans will take up the over 20,000 jobs directly generated by the oil industry together with the additional 100,000 jobs generated as a result of the multiplier effect.

- d. to ensure an investor-friendly environment to facilitate continued attraction of investments to this sector in exploration, complete appraisal of the discovered oil and gas fields is being done; licensing rounds will be undertaken to facilitate open and competitive licensing for the areas with petroleum potential in the country which are not

yet licensed.

- e. The fourteen oil and one gas discoveries which have been made in the country will continue to be appraised with a view of establishing their extent and production capacities.
- f. Shall invest in the generation of electricity from gas starting with the Nzizi field which has an estimated capacity to generate 50MW-80MW of electricity.
- g. The NRM Government will promote the establishment of energy and oil based industries like iron and steel, plastics, pharmaceuticals and fertilizers, among others. The oil and gas sector will continue to contribute a growing number of employment opportunities and the industrialization agenda.
- h. Promote environmental and social responsibility in the Oil and Gas sector.
- i. A Petroleum Fund will be put in place to ensure that oil revenues are well managed.
- j. Furthermore, the NRM Government will ensure that benefits arising out of oil production like royalties benefit all stakeholders in the country through investment in infrastructure, human resource development and scientific research and development.
- k. Physical planning will be under taken in the oil producing areas as a matter of priority with emphasis on Municipalities and other towns in the region.

Employment and Job Creation

The NRM Government has promoted a private-sector-led economic growth strategy as an engine for development and job creation. Jobs have been created in public works, the informal and formal sectors of the economy, through investment in infrastructure like roads, rail, power dams, power lines extension, water works as well as construction in health and education sectors. In road maintenance, the NRM will promote labor based road gangs to do work on roads.

Furthermore, the NRM investment in agriculture will not only commercialize agriculture but will improve productivity in the sector and create more jobs.

Since the establishment of the Uganda Investment Authority (UIA), Government has created 160,567 jobs through projects licensed by the UIA. NRM Government has also created jobs in the public sector by recruitment of additional teachers, health workers and in the Public Service.

NRM has designed a comprehensive job creation strategy using a multifaceted approach to ensure that all Ugandans, particularly the Youth, are gainfully employed. During the launch of its manifesto, the NRM outlined its employment strategy which I would like to reiterate as follows:

- a. Strengthening Uganda Investment Authority so that it can execute its mandate of attracting and facilitating investors, both local and foreign, as a one stop centre.
- b. Pursuing policies that attract more investors and, therefore, enhance job creation.
- c. Developing serviced Industrial and Business Parks in Arua, Lira, Gulu, Moroto, Tororo, Iganga, Jinja, Luwero, Nakaseke, Nakasongola, Bushenyi, Kabale, Fort Portal, Hoima,

Rakai, Mubende, Mbarara, Masaka, Kasese, Namanve, Mbale and Soroti. The total planned acreage of industrial land over the next 5 years is estimated at about 3,782 acres. The total projected employment created by the Industrial and Business Parks strategy alone is estimated at about 850,950 jobs over the next 5 years.

- d. Micro, Small, Medium sized enterprises play a significant role in the provision of employment opportunities for Ugandans providing jobs to over 2.5 million people.

There are currently about 800,000 MSMEs in Uganda and the sector is growing at a rate of about 20% per year, making it a strategic entry point for massive job creation especially for the youth and women. NRM will address the constraints faced by MSMEs through training in business skills, access to financial services and improving the business environment like giving a time frame through which contract committees in government should evaluate and award contracts. When ministries take long to award contracts, it makes private companies suffer.

- e. Empowering youths to be job creators and not job seekers through the following programs:
 - i. *Youth Enterprise Start-Up Fund*: NRM Government shall establish a Youth Enterprise Capital Fund which will provide the youth entrepreneurs with start-up capital on concessional terms. The fund shall be accessed by youths of all levels of formal education after they have undertaken the relevant business and managerial skills development.
 - ii. *Youth Business Skills Training to be undertaken by Enterprise Uganda*. Enterprise Uganda shall set up five (5) Regional Skills Development Centres to undertake entrepreneurship and business development skills among the youths.
 - iii. *Youth Business Linkage*: Large companies shall be given special incentives when they give businesses to youth-owned enterprises. Furthermore, youth owned enterprises will be given preferential treatment while supplying government departments. This initiative will help the youths penetrate the market and make them competitive and more sustainable in business.
 - iv. *Youth Work Places and Sites Support Program* – aimed at providing sheltered and serviced work places for artisanal groups such as carpenters, metal fabricators and motor vehicle mechanics (garages). These places will be provided with common user tools and equipment.
 - v. *Youth Internship Programs*: The NRM Government shall encourage internships for youths at various tertiary institutions in factories and work places. The main objective of this program is to enable students acquire hands-on experience and make them more relevant to potential employers. Under this program, investors who provide internship to students shall be given special incentives and recognition.

Sector Priorities

The NRM Government will continue to give priority the following critical interventions in 2011 towards sustained socio-economic transformation of Ugandan society, once re-elected with peoples mandate in the 2011 General Election.

1. Physical Infrastructure Development;
2. Human Resources Development;
3. Enhanced Production Capacity in Agriculture and Industry and Application of Science and Technology and Innovation.

These priority interventions aim at decisively addressing binding constraints that were also identified in the 2010 National Development Plan, that face Uganda as it prepares for takeoff.

1. Physical Infrastructure

A. Energy

The NRM Government found power production had fallen from 150MW in 1963, to 60MW in 1986. The NRM Government has been building up the power sector and currently the total capacity is 595MW. This will rise to 875MW in 2012 after commissioning Bujagali (250MW), Mpanga (18MW) this is going to be commissioned in January 2011, Buseruka (9MW) will be commissioned in May 2011, Ishasha (6MW) will be commissioned in March 2011 and Nyagak (5MW) will be commissioned in July 2011. To support power distribution from Nyagak, government has injected US\$ 10 million for the construction of an extensive network covering Nebbi, Pakwach, Zombo, Maracha, Koboko and Yumbe. The construction of 570 MW of Karuma Hydropower Project will also commence in 2011 and will be completed by 2015, while construction of the 700 MW Ayago and 100 MW Isimba will commence in 2014. Other small hydro power plants to be developed will include Muziizi, Kikagati, Nshungyezi, Waki and several others

The NRM Government will also build new transmission lines to evacuate power from the new generation plants and extend the grid to improve power service delivery to different areas of the country and also extend to interconnect with regional neighbors. The National transmission grid will be expanded from the current 1,300 km to 2,750 km over the next five years. The transmission lines to evacuate power from generation plants will include:

- i. 132 KV Nkenda – Mputa – Hoima (254km);
- ii. 400 KV Karuma – Kawanda (264 km);
- iii. 132 KV Karuma – Olwiyo (60km);
- iv. 132 KV Karuma – Lira (80km);
- v. 132 KV Karuma-Gulu (70km);

vi. 132 KV Isimba interconnection (40km).

The NRM Government will also extend the transmission grid to improve power service delivery to different areas of the country. The new transmission lines will be built to improve power delivery are the following:

- i. Kawanda – Masaka (142km);
- ii. Kampala – Entebbe transmission line upgrade;
- iii. Mirama – Kabale;
- iv. Hoima - Kafu;
- v. Lira – Gulu – Nebbi;
- vi. Opuyo – Moroto ;
- vii. Tororo – Opuyo – Lira upgrade;
- viii. Mbarara – Nkenda and
- ix. Lira-Kitgum.

Commencing in 2011, Rural Electrification Schemes will also be further extended on the following lines:-

- i. Sironko-Nakapiripirit-Amudat;
- ii. Katakwi-Moroto;
- iii. Ibanda-Kabujogyera-Kamwengye;
- iv. Kakumiro-Birembo-Nalweyo;
- v. Lwala-Kaberamaido, Dokolo, Amolatar;
- vi. Bukwiri-Kyankwanzi;
- vii. Lira-Aloi;
- viii. Kitgum-Palabek;
- ix. Kayunga-Busana;
- x. Muhanga-Kamwezi;
- xi. Muhanga-Rwamucucu-Kashambya-Rugyeyo/ Kyempene;
- xii. Myanzi-Kiganda-Mubende, etc. etc.

Small to Medium Rural Electrification Schemes will also be built for the Sebei Cooperative Union Factory in Kapchorwa, Lumino – Nalwire-Nambweke Health Centre III in Busia, Bubulo - Matsatsa in Mbale, Mukura - Kamolokima – Olekai in Kumim, Completion of Kikandwa-Mabindi Scheme in Luwero, Bulera - Kyamusisi and many others.

B. *Transport*

The NRM Government will, commencing in 2011, invest substantially, in the road, water, rail and air transport sectors with the ultimate aim of reducing the cost of doing business and making

Uganda the preferred investment destination.

Roads: The NRM Government has continued to develop and maintain National, District, Urban and Community access roads in the country. Many of the roads that the NRM Government had promised to tarmac in the past have been completed and others are at various stages with construction ongoing, while others were designed and are ready for tarmacking as I shall be indicating. With increased revenues, the NRM Government will be able to tarmac even more roads.

Tarmacking of the following roads has been completed:

- i. Kafu-Masindi,
- ii. Busunju-Kiboga-Hoima,
- iii. Karuma-Olwiyo-Pakwach;
- iv. Jinja-Iganga-Bugiri;
- v. Soroti-Dokolo-Lira;
- vi. Kawempe-Kafu, and;
- vii. Kampala Northern bypass;
- viii. Pakwach – Nebbi - Arua.

Starting in 2011, the NRM Government shall undertake the following:

1. Complete upgrading from gravel to tarmac the following new roads:
 - i. Gayaza – Ziobwe – Wobulenzi (66km);
 - ii. Matugga – Semuto – Kapeeka (41km);
 - iii. Kabale – Kisoro – Bunagana/Kyanika (98km);
 - iv. Fort Portal – Bundibugyo – Lamia (104km).
2. Complete the reconstruction/rehabilitation of the following roads:
 - i. Kampala - Masaka – Mbarara - Katuna (416km);
 - ii. Busega – Mityana (57km);
 - iii. Tororo – Mbale – Soroti (152km);
 - iv. Lira – Kamdini – Gulu (128km);
 - v. Mukono – Jinja (52km);
 - vi. Mukono – Kayunga - Njeru (94km);
 - vii. Jinja – Kamuli-Mbulamuti (60km);
 - viii. Kafu – Karuma road (67km);
 - ix. Kampala-Kalerwe (Dualing);
 - x. Kalerwe-Gayaza.
3. Upgrade from gravel to tarmac the following new roads
 - i. Mbarara – Kikagati (75km);

- ii. Gulu – Atiak – Bibia (Sudan border)108km);
 - iii. Vurra – Arua – Koboko – Oraba (92km);
 - iv. Nyakahita – Ibanda – Kamwenge – Fort Portal (208km);
 - v. Mukono – Kyetume - Katosi/ Kisoga – Nyenga (72km);
 - vi. Jinja - Buwenda –Mbulamuti – Kamuli (60 Km);
 - vii. Ntungamo – Kakitumba - Mirama Hills / Ishaka – Kagamba (72km);
 - viii. Rukungiri-Kihihi – Ishasha/Kanungu (74km);
 - ix. Moroto – Nakapiripirit (90km);
 - x. Kapchorwa – Suam (77km);
 - xi. Mpigi – Kabulasoke – Maddu – Sembabule (135km);
 - xii. Hoima – Kaiso – Tonya (85km);
 - xiii. Atiak – Moyo – Afoji (104km);
 - xiv. Namutumba – Butaleja – Lwangoli;
 - xv. Namutumba – Bulange – Bugiri- Muterere;
 - xvi. Mayuge –Mbale – Nakivumbi – Bugiri – Namayingo – Lugala;
 - xvii. Wakitaka – Bugembe – Kakira (15 Km).
4. Construction of the 4 lane Kampala – Entebbe Super Highway (53km) with a spur to Munyonyo, and the Kampala -Jinja Super highway (80 km.)
5. Complete the design and commence works for capacity improvement into multiple lanes of the following roads;
- i. Kampala Northern Bypass (17km);
 - ii. Kibuye – Mpigi (30km).
6. Commence upgrading from gravel to tarmac of the following roads:
- i. Rwenkunyè – Apac – Lira – Kitgum – Musingo (350km);
 - ii. Olwiyo- Gulu- Kitgum (167km);
 - iii. Muyembe-Nakapiripit and Moroto- Kotido (200km);
 - iv. Soroti- Katakwi- Moroto- Lokitanyala (290 km);
 - v. Masaka- Bukakata (36 km);
 - vi. Villa Maria – Sembabule (48 km);
 - vii. Kyenjojo- Hoima-Masindi-Kigumba (238 km);
 - viii. Musita – Lumino – Busia/Majanji (140 km);
 - ix. Tirinyi - Pallisa – Kumi/Pallisa – Mbale (111km);
 - x. Mbale –Bubulo –Magale/Lwakhakha and Bududa circular road (58 km);
 - xi. Namagumba- Budadiri- Nalugugu (30 km);
 - xii. Kamuli- Bukungu (64 Km);
 - xiii. Hoima - Wanseko (111km);
 - xiv. Katine-Kalaki-Lwala-Kaberamaido-Ocero;
 - xv. Kayunga – Galiraya (88 km);

- xvi. Namalu-Nabilatuk-Lokapel (45km);
- xvii. Luwero-Kiwoko-Butalangu;
- xviii. Nebbi-Golli (14.4km);
- xix. Ocoko-Inde (32.8 km);
- xx. Luwero-Ziobwe (36.7km);
- xxi. Mityana-Kanoni (37.2km);
- xxii. Kyegegwa-Kazo (87.0km).

With respect to District and Community Access Roads maintenance, the Central Government took over 10,000 km of roads from districts. The NRM Government has continued with the maintenance of the district roads with the establishment of the Road Fund in 2009 to earmark funds for road maintenance.

In the 2010/11 Budget, the Road Fund Budget amounts to U Shs. 283 billion which is sent directly to districts and urban authorities for road maintenance. In the 2011/13 Budget the Road Fund will receive Shs. 320 billion. Kampala City Council has been allocated 15 billion for this year and will receive 50 billion per year for the next three years for not only routine road maintenance but also road and drainage reconstruction. The NRM Government will also address the challenge of overpricing of road maintenance contracts by re-introducing road gangs and also provide districts with road maintenance equipment. Kampala City Council has already received this road maintenance equipment.

Railway, Water and Air Transport: NRM Government will commence construction of the standard rail gauge from Malaba to Kampala in 2011 and provide ships and ferries on Lake Kyoga, River Nile and improve transport on Lake Victoria, including the Kalangala Islands and facilitate movement and trade with Kenya and Tanzania. The NRM Government will, through a Public Private Partnership arrangement, develop a new cargo terminal at Entebbe International Airport and improve facilities at upcountry aerodromes. This will promote and ease domestic travel and movement of tourists to various tourist attraction sites.

C. Communications Technology:

The NRM Government has significantly transformed the Communications Technology sector with tremendous positive results since the late nineties to date. The liberalization of the telecommunications sector has greatly changed the landscape of communications nationwide. There has been an increase in the telephone subscriber base in the country to about 14 Million from 2.2 Million in 2006.

In terms of ICT service coverage, all districts and major trading centers have voice and data connectivity with the construction of the National Data Transmission Backbone and e-

Government Infrastructure that provides broadband connectivity to over 80 districts and all Government Ministries and Departments. The Data Transmission Backbone also provides cheaper and more efficient fibre-optic connectivity to neighbouring countries and the international Sub-Marine cable system.

Commencing 2011, the NRM Government will commercialize the National data Transmission Backbone Infrastructure to enhance service delivery and also extend to reach all district headquarters. This will enable the promotion of the Business Process Outsourcing industry to stimulate job creation and employment for the youth. In tandem with the development of a critical mass of ICT human skills to compete in the global market, the NRM Government will establish Information Technology parks for promoting ICT software and hardware development industry.

The NRM Government will also modernize the broadcast technology by migration to Digital Television broadcasting and extend Television and Radio signals to all districts.

2. Human Resource Development

A. Education

Since 1997 the NRM Government has aimed at achieving education for all. There is now universal access to Primary, Secondary and Business Technical Vocational and Entrepreneur Training (BTVET). This has led to almost 10 million pupils and students accessing a basic primary, secondary and vocational education compared to only 3 million before.

In addition, the NRM Government liberalised university education which led to the increase in the number of public universities to over 5. This shows that many children, especially from poor families, who could not afford school fees were being left out of the education system, without any hope of ever seeing the inside of a classroom or attaining a university education.

Commencing 2011, NRM Government will continue improving the quality of education and strengthening UPE, USE, Technical/Vocational and Tertiary Education through the following measures:

1. *For Universal Primary Education*

- a. Ensure every class gets a teacher as a minimum; by recruiting an additional 20,000 teachers to add to the 130,000 teachers already in service;

- b. Progressively increase teachers' salaries over the next five years, starting with the 2010/11 Budget in which the starting salary was increased by 30% from 200,000/= to 260,000/= for teachers, while those in the hard-to-reach areas had theirs increased to 338,000/=;
- c. Construct additional classrooms in all primary schools to bring down the pupil: classroom ratio of 65 pupils per class to 54 pupils per class by 2015 and provide instructional materials to achieve a pupil book ratio of 2 pupils for one book;
- d. Strengthen the capacity of District Inspectors of Schools by providing an Inspector for every County, equipped with motorcycles.

2. ***For Universal Secondary Education/Technical and Vocational Education***

- a. Extend the Universal Secondary Education to higher education, i.e. S.5 and S.6, BTVET and Technical Education;
- b. Continue to construct a government seed secondary school in every sub county. A total of 83 seed secondary schools have so far been constructed in the last five years and a further 20 seed schools will be constructed annually, thus bringing the total number of schools to 100 to be constructed in the next five years;
- c. Construct and equip 475 laboratories and 639 libraries in order to enhance the teaching of science;
- d. Construct and rehabilitate Technical and Vocational Schools in order for every district to have a technical/vocational institute.

3. ***With respect to Public Universities***, the NRM Government will increase access to quality university education by admitting a higher number than the 4,000 government-sponsored students annually that it has been supporting for the last ten years. The NRM Government will also increase funding to universities including private universities to carry out research. In addition, Public Universities will be assisted to rehabilitate and develop their infrastructure.

B. Health

The NRM recognizes that a healthy population is both an input as well as a consequence of economic and social development. Therefore, the NRM Government will continue to make all

interventions necessary to provide health for all the people of Uganda. Interventions will include the measures against preventable diseases through immunization, observing good hygiene and nutrition and to provide curative medicine to those who fall sick.

Before NRM came to power, the health infrastructure was poor with only a dispensary at county level. The NRM Government has addressed this problem by constructing and equipping health units at the constituency, sub-county and parish levels. So far there are now 164 constituency-based health centre IVs out of 238 parliamentary constituencies. There are also 853 health centre IIIs and 1,454 health centre IIs serving almost 6,000 parishes countrywide.

This has increased health facilities in addition to the 50 government general hospitals, 13 Regional Referral Hospitals and the 2 National Referral Hospitals at Mulago and Butabika. The following hospitals are undergoing rehabilitation: Nebbi, Apac, Tororo, Bududa, Kambuga, Rushere and Itojo. A further four hospitals are being built in each of the divisions of Kampala City to ensure provision of a higher level of health care within the Capital City.

Thirty-nine (39) health centres have also been rehabilitated and provided with medical equipment. Of these 13 are Health Centre IVs which were provided with ambulances. 8 general hospitals both public and private not for profit hospitals have been provided with ambulances.

These decisive actions by the NRM Government have increased the number of people living within five kilometers of a health facility from 49% in 1999 to 74% to date.

Using immunization and advocacy campaigns, the NRM Government has almost eliminated the child killer diseases and reduced the prevalence of HIV/AIDS. Through aggressive immunization of all children, the NRM Government has sustained the routine coverage of vaccination against polio and measles above 80% and sickness and death from measles mortality has been reduced by 95 since 1986.

Uganda attained a Polio free status in 2006 and has ensured sustainability of this achievement through the years.

Although an outbreak of wild polio virus, imported from Sudan, was reported in 2009, Government quickly responded and successfully contained this outbreak. Furthermore, over 300,000 persons living with HIV/Aids and who require treatment are also receiving Anti-Retroviral treatment, out of an estimate 1.1 million persons in the country; while the incidence of HIV/AIDS is now at 6.4 percent compared to 18 percent in 1986.

These gains will be consolidated by improving on the delivery of health services including equipping all health units, scaling up supply of medicines, provision of houses for health workers, elimination of theft of medicines and improving on welfare of health workers.

To further improve delivery of health services, the National Medical Stores is receiving about

Shs. 200 billion to purchase medicines and other health supplies for distribution to health units in the respective districts. In addition, the embossing of Government purchased medicines to prevent their theft together with the work of the State House Medicines and Health Services Unit has enhanced the oversight of the health system and workers who are involved in the bad practice of drug theft.

3. Enhanced Production Capacity in Agriculture and Industry

A. Agriculture

The NRM Government's goal in agriculture is to transform it from subsistence to commercial agriculture by changing subsistence farmers who constitute 60% (3 million households) of the farming households into commercial farmers.

Furthermore, the NRM Government will ensure food security and invest in research, increased production and productivity, post-harvest management, agribusiness and marketing.

To achieve the goal of commercialized agriculture, NRM Government reformed the NAADS programme in 2008 and had supported a total of 100,000 model farmers by June 2010 with various inputs to catalyze transformation from subsistence to commercial agriculture.

Over the last two years, the NRM Government has introduced agriculture finance together with commercial banks making available Shs. 150 billion to finance agriculture at a low interest rate of 10% per annum for a maximum period of 8 years.

The reformed NAADS will also provide financial support to 100 nucleus farmers per district annually and also support 10 larger and specialized nucleus farmers at the national level through the Commercialization Challenge Fund.

The NRM Government has, through the reformed NAADS since July 2010, also commenced provision of seeds and inputs to 100 food security farmers per parish in different parts of the country but this will be moved to the villages. Over the next few years the target is to reach as many households as possible and alleviate mass poverty, as household food security will be pursued through the Village Farmer Development Fora.

Alternative technologies such as Ox ploughs and oxen have also been distributed to the youth in Teso region. Besides, youth have been assisted in various districts in addition to the 6 model farmers per parish.

As a result of the NRM intervention, many people have responded either through NAADS or learning from the messages NRM has been giving out in respect to transformation from subsistence to commercial farming. There are now living examples of people whose incomes have tremendously increased due to interventions above.

The NRM Government has also commenced recruitment of extension workers to offer quality advisory services to farmers with four staff being employed per sub-county to provide this support to all farmers.

In order to ensure higher farm productivity, the following activities will be carried out:

1. Carry out research in quick-maturing, high-value seeds and drought/pest resistant seeds for each agricultural zone so that the resultant seed varieties shall be multiplied through partnership with the private sector;
2. Mass-multiplication of 7 new coffee wilt resistant high-yielding robusta varieties for distribution to farmers in coffee producing areas;
3. Expansion of the national livestock national breeding programme by the rehabilitation of the Maruzi and Aswa ranches to multiply high quality livestock breeds for distribution to the farmers, especially in northern Uganda. The programme will also produce 30,000 beef heifers-in-calf in partnership with accredited breeders in the country to support the national restocking program. Subsequently, semen production will be increased to 300,000 doses of semen per year. Furthermore, 5,000 dairy heifers-in-calf will be imported to improve dairy production and embryo development. Dairy and beef farmers will also be encouraged to use artificial insemination, plant pasture and prepare hay and silage for the animals;
4. Improve poultry breeding with 25,000 broiler parent stock, 30,000 layer parent stock per year; 50,000 pure Mubende goats, 100,000 Boer crosses and 1,000 nucleus sow breeding herd so that farmers can attain improved productivity through acquisition of quality animals;
5. Scale-up research to develop cassava varieties resistant to cassava diseases, given its importance for food security as well as industrial use.

To ensure value addition to agricultural produce, the NRM Government will provide milk coolers, rice hullers, maize mills, etc, at sub county level, while promoting the use of local materials and byproducts of maize, soya bean, cotton, sunflower, wheat, rice, etc, in the fast growing animal feeds industry.

To support produce marketing, the NRM Government will construct over 44 warehouses and over 190 grain satellite collection centers in grain producing areas; targeting to reach over 52,000 households, 50 percent of which will be women headed households. Most of these facilities will be owned by the private sector. One large plant shall be established to produce fortified foods to improve household nutrition security. As these are put in place the coverage of the Warehouse Receipt System (WRS) will be increased to enable farmers who can use the receipts to acquire credit

With respect to Water for Production, the NRM Government will construct micro water harvesting and irrigation demonstration sites in, at least, 100 sub-counties every year and farmers will be trained and supported to use micro-irrigation using both permanent water sources like streams, rivers and lakes and valley dams/tanks.

Each region of the country will also be provided with a complete set of equipment for construction of valley dams/tanks for livestock and for irrigation water for agricultural production by farmers at a small fee.

The NRM Government shall establish four new medium size irrigation schemes, each with 2,000 hectares for promotion of irrigation: expansion of Kibimba irrigation scheme to support outgrowers, in addition to rehabilitation of the Mubuku, Doho and Olweny schemes. Other irrigation schemes in Igongero swamp in Bugiri/Iganga districts; expansion of Doho irrigation scheme in Butaleja; and development of Namatala swamp in Mbale/Budaka districts will also be undertaken.

A further 23 communal valley tanks will be constructed across the country each with total reservoir capacity of 2.2 million cubic meters to serve 450,000 heads of cattle.

The valley tanks shall be constructed in districts within the cattle corridor including Nakasongola, Luwero, Nakaseke, Kibaale, Kamwenge, Kyenjojo, Masindi, Kiruhura, Kyegegwa, Sembabule, Palisa, Kotido and Moroto.

B. Industrialization, Science and Innovations

Turning to Industrialization, Science and Innovation, the NRM Government will continue to emphasize the addition of value to the vast natural resources that Uganda is blessed with. This will include the industrial processing of agricultural produce, leather processing and the manufacture of textiles, garments, sugar and processing of all commodities which cannot be consumed in raw form. In addition the Government will promote knowledge-based industries

such as ICT, that exploit knowledge in science, technology and innovation, as well as engineering for capital goods, agricultural implements, construction materials, fabrication and *jua kali* operations.

In order to achieve this goal, the NRM Government will enhance Industrial Research and effectively apply science, technology, and innovation in the value addition and industrial processes. The NRM Government has already demonstrated this commitment by the revival and rehabilitation of Uganda Industrial Research Institute (UIRI) through increased funding and procuring the services of competent personnel. UIRI is now able to promote the use of technology and to spearhead the efforts of translating Research and Development (R&D) results into practical products and processes. To date UIRI is capable of the following, among many others:

1. new technologies for soap production;
2. developed machinery for paper production from banana stems and other fibers;
3. fabricated machinery for producing feeds;
4. developed machinery for silk processing;
5. built a variety of looms for weaving;
6. enhanced its capacity to process bamboo into a variety of products;
7. renovated and equipped a vaccine production pilot plant; and
8. acquired modern equipment for ceramics pilot plant.

UIRI has supported the establishment of the following enterprises:

1. Peanut butter production in Lira District;
2. Fruit juice processing in Mpigi District;
3. Meat processing in Busia District;
4. Mushroom processing centre in Kabale District.

In the future, the NRM Government will consolidate the gains made by UIRI and other agencies like National Council for Science and Technology (NCST), to forge links between their enhanced capacities and the needs of the private sector.

It is these innovations that will be translated into industrial processes and products for the benefit of the private sector.

In this respect the NRM Government will, commencing in 2011, fund the commercialization of the prototypes UIRI has developed through direct government intervention in investing in a particular industry and marketing the prototypes to the private sector.

Accountability and Public Service Delivery

Finally, in order to achieve the above sector interventions, the NRM Government will increase accountability in the delivery of public services across the board. Over the last several years the Government has invested a lot in public service delivery in the country and considerable resources have been provided for the improvement of infrastructure and social services such as roads, water and sanitation, health, education and agriculture.

However, efficient service delivery still remains a challenge due to negative attitude, poor work ethics, the lack of patriotism and, in some cases, corruption. This is exemplified in the stealing of drugs in health centers, health worker absenteeism, teacher absenteeism and shoddy road and other civil works construction and maintenance, etc.

The NRM Government, therefore, will not hesitate to deal with those public servants who do not deliver the services expected of them while the resources have been provided. We will also decisively deal with those found to be corrupt and hold all public service managers accountable to the delivery of results. In addition, the necessary reforms of management systems will be undertaken in order to achieve efficient and effective service delivery.

We are moving smoothly towards the February 18th General Elections. Campaigns have been smooth the lies told by opposition candidates notwithstanding. These lies include claims that Museveni has sold Lake Kyoga to foreigners, wants to steal land from the Itesot, Langi, Acholi, etc; has introduced a vaccine that deforms children, etc. I request the police to be active in monitoring this criminality on the part of these political actors. It is illegal to tell lies in elections. It will lead to your disqualification and prosecution. The Police and the Electoral Commission have a duty to ensure discipline in the political process. They should do their duty.

Recently, a lot of lies have been told about the Traditional Leaders' Bill that is now before Parliament. The criminal liars and opportunists say that the Bill intends to dethrone some traditional leaders, to stop citizens from prostrating before kings (*kweyanza*), etc. All these are false and criminal.

The Bill has three aims:

- i) to protect our politics from opportunists who try to involve kings in political competition and arguments contrary to Article 246 of our Constitution;
- ii) protect the kings themselves from the dangers that will, without doubt, arise out of their meddling in politics; and
- iii) provide benefits for kings.

Apparently, there are some provisions that were included that I do not remember to have been part of the Cabinet discussions. One such is the rotating of ceremonial roles among traditional leaders where more than one such leader exists.

In the case of Buganda, the only cultural leader with region wide jurisdiction in cultural matters is HH the Kabaka. The other cultural leaders in the region only operate in parts of the region; not in the whole region. Even in areas like Busoga where there are 11 hereditary chiefs. Only one of them will be elected Kyabazinga at a time. It will, therefore, only be that one that will perform ceremonial functions at the regional level – not the other ten. The other ten will be active, each in his area. The same with Acholi where there are 54 chiefs.

The opportunists stoking these lies should check themselves. They have for too long misused the cultural institution in Buganda. In fact such opportunists are the real danger to the cultural leader. Why do they hide behind cultural leaders to execute personal political ambitions? Otherwise I want to assure Ugandans that this law is not a problem at all to a Constitution compliant cultural leader.

It is, therefore, those who push traditional leaders into politics that are the danger to those cultural leaders. Those who cherish those institutions should isolate those opportunists. In any case, a draft Bill is a draft bill. It will be debated and all legitimate issues will come out and be catered for. Illegitimate aims will be identified and eliminated. It is not an Act of Parliament. It is not law. What is, then, the position of the opportunists and charlatans? Is it that Parliament has no right to receive proposals from the Executive? Is this not, again, an attempt by the opportunists to usurp the role of the Executive and the Legislature? Is it not an attempt to undermine the democracy we shed so much blood and sweat for? If everybody has got a right to present his views to the Parliamentary Committee responsible, what is the hysteria for? I would like to advise the opportunists to check themselves.

The opportunists need to remember one thing when they are talking about the cultural institutions. These cultural institutions had been overthrown on account of cumulative mistakes committed by many of the actors. They were restored solely by the actions of the patriotic forces, led by the NRM, that were able to organize the masses around a patriotic, democratic, non-sectarian platform. This restoration was on the clear understanding that we were acting within the framework of the “New Uganda” – a patriotic, non-sectarian, transformational and Pan-Africanist Ugandan outlook.

The opportunists should, therefore, know that those same patriotic forces will never accept the attempts to re-invent the chieftdom orientation of the past in the name of culture. Culture is compatible with nationalism, patriotism, social-economic transformation, Pan-Africanism and democracy. I have just finished writing a Runyankore-Rukiga Thesaurus, my busy schedule notwithstanding.

One can be a culturalist, traditionalist and progressive at the same time. To continue to put forward positions that are fundamentally not consistent with the philosophy of patriotism that enabled the Resistance Movement to succeed is not acceptable.

We succeeded because we united the people, not because we divided them. The cultural institutions benefited from that unity. That is why they were restored. Those cultural institutions should, therefore, not be used by the opportunists who have never seen the importance of the principled unity of the patriotic forces of Uganda.

Therefore, this Bill does not introduce anything new. It simply repeats what is already in the Constitution. It only gives more details as already pointed above.

Even if there are some provisions in the Bill which were included that a number of people, including myself do not support, it does not justify the sort of hysteria that has been kicked up by the opportunists. This is because there is a simple way of handling this through the Parliamentary Committee which is handling the Bill.

The hysteria generated by the opportunists only shows their bad intentions. It is, therefore, good for everybody, if they could stop this habit of telling lies. These were the same type of lies on the land bill. The land bill has long been passed. Whose land has been grabbed by government as the opportunists were claiming would be the case?

Stop hysteria, discuss issues calmly and honestly.

I wish you all a prosperous 2011 and a happy new year.

December 31, 2010