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Ministry of Finance, Planning &
Economic Development,
P.O. Box, 8147
Kampala, Uganda

BPD 140/172/01

31st March, 2026

All Local Government Accounting Officers

DISSEMINATION OF GRANT AND BUDGET GUIDELINES FOR FY 2026/27 AND SUPPORT TO ALL LOCAL GOVERNMENTS ON FINALISATION OF BUDGET ESTIMATES FOR FY 2026/27

Government is mandated to prepare and disseminate grant and budget guidelines for all grants allocated to Local Governments to facilitate finalization of their budget estimates and workplans.

The above notwithstanding, the Local Government Management of Service Delivery (LGMSD) Performance Assessments (2021–2023) indicate persistent weak compliance with planning and budgeting guidelines by Local Governments, particularly in development grants, and safeguards. Despite slight improvements in 2024 due to enhanced dissemination efforts, compliance remains inconsistent.

Secondly, Section 12(3) of the Public Finance Management Act, Cap 171 requires submission of detailed Budget Estimates to Parliament by **1st April** for approval by **31st May**. However, many Local Governments struggle to meet these timelines due to capacity gaps, misinterpretation of guidelines, and system challenges, which ultimately affects the quality, credibility, and timeliness of their budget submissions.

In this regard, this Ministry has planned for a field visit to all Local Governments from **13th April, – 1st May, 2026**. The main purpose of this visit is to **disseminate the Final Grant and Budgeting Guidelines for all grants allocated to Local Governments by line Ministries, while offering technical support to ensure timely completion and submission of Budget Estimates and Workplans for FY 2026/27.**

This exercise is intended to strengthen adherence to planning and budgeting guidelines, improve budget quality, and promote efficient use of resources while addressing gaps identified in LGMSD assessments. It will also provide technical support to ensure timely finalization and submission

A blue ink signature of the Minister of Finance, Planning and Economic Development.

Mission

"To formulate sound economic policies, maximize revenue mobilization, ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development"

of Budget Estimates, strengthen alignment with national priorities, and ensure compliance with the Public Finance Management Act, Cap 171.

The purpose of this letter therefore, is to notify you as above and request you to prepare for the activity. The Team Leaders will contact you for any further arrangements.



Ramathan Ggoobi

PERMANENT SECRETARY/SECRETARY TO THE TREASURY

Copy to: The Permanent Secretary, Ministry of Local Government
The Secretary, Local Government Finance Commission