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In any correspondence on
this subject please quote No. BPD 86/268/06

THE REPUBLIC OF UGANDA

18th June, 2019

All Accounting Officers (Central and Local Governments)

FINALISATION OF THE BUDGET FOR FY 2019/20.

In line with Section 14(1) of the PFMA 2015, Parliament approved the Budget for FY 2019/20.

The Budget for FY 2019/20 was approved with a number of adjustments arising out of the following:

- i) Corrigenda to the Budget as per the attached; and
- ii) Adjustments on account of the reallocations by Parliament, as per Annex 1 attached.

In order to finalise the detailed Budget Estimates, Workplans, Procurement Plans and Cashflow plans, you are requested to revise your estimates in line with the Corrigenda and Changes by Parliament and submit to this Ministry in the Programme Budgeting System (PBS) for consolidation.

The updated MTEF has been uploaded in the PBS to accommodate the adjustments above.

The purpose of this letter therefore, is to advise all the affected Votes to effect the adjustments as approved by Parliament (Corrigenda and Parliamentary recommendations) and submit the revised estimates to this Ministry by **Wednesday, 26th June 2019** to enable the Ministry finalise the Approved Detailed Budget Estimates Books and Expenditure Limits for Quarter One FY 2019/20.

Keith Muhakanizi

PERMANENT SECRETARY/SECRETARY TO THE TREASURY

Copy to:

All Hon Ministers and Ministers of State
Head of Public Service and Secretary to Cabinet

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"

ANNEX 1 : PROPOSED BUDGET COMMITTEE REALLOCATIONS, FY2019/20

RESOURCES IDENTIFIED FOR REALLOCATIONS

| Vote | MDA | Activity | Recurrent (Shs Bn) | Development (Shs Bn) | Justification |
|---------|------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 001 | Office of the President | Pension for General Civil Service (Item 212102) | 1.85 | 0.00 | Budget for this item in FY2019/20 is Ugx 7,045bn against required Ugx 5.2bn. |
| 010 | Ministry of Agriculture, Animal Industry & Fisheries | Ugx 0.211bn-Special Meals and Drinks; Ugx 0.433bn-Advertising and Public Relations; Ugx 3bn-Consultancy Services- Short & Long term; Ugx 2.144bn-Workshops and Seminars; Ugx 1.729bn-Travel Inland & abroad; Ugx 10bn-Other Structures & Ugx 3.5bn-Transport Equipment | 7.520 | 13.50 | No clear justification for budget increments and therefore increments were identified for reallocations |
| 105 | Law Reform Commission | Printing of 7th Revised Principle Laws | 4.500 | 0.00 | Absence of relevant law |
| 013 | Ministry of Education and Sports | Ugx 0.714bn-Ministerial and Top Management, Ugx 1bn-Support to National Commission for UNESCO Sec. Ugx 0.903bn Human Resource management services; Ugx 1.483bn Ministry Support Services; Ugx 2.9bn Purchase of Motor Vehicles and other Transport equipment; Ugx 2 bn-Karamoja Constituent College of Gulu University; Ugx 2bn-Project 1241 Monitoring and quality assurance | 4.62 | 6.38 | Proposed budget increments not justified given other priority's in the sectors. Hence some budget cuts on the proposed increments was undertaken. |
| 136 | Makerebe University | Output 282 Miscellaneous other Expenses; | 3.37 | 0.00 | Proposed budget increments not justified given other priority's in the sectors. Hence some budget cuts on the proposed increments was undertaken. |
| 139 | Kyambogo University | Funds reduced from increased allocation to Non-wage component due to AIA integration | 3.00 | 0.00 | Non-wage Component received most of the AIA funds without any allocation to development and yet the University has ongoing projects that need funding. |
| 022 | Ministry of Tourism, Wildlife and Antiquities | UWA-Surplus Revenue | 15.00 | 0.00 | Rationalization of tourism revenue to other priority areas in the Sector. Ugx10bn cut from surplus revenue of 30bn registered in FY2017/18 |
| 015 | Min. of trade, Industry and Cooperatives | UDC-Feasibility Studies and Business Plans | 2.00 | 0.00 | Not a priority and there is need for UDC to focus on existing projects |
| 122 | KCCA | Condition grants for maintenance of city roads | 30.56 | 0.00 | Reversal of illegal policy direction and restoring funds to the institution mandated by law to finance road maintenance (Uganda Road Fund) |
| 501-797 | Local Governments (See Annex) | Conditional non wage grant (Uganda Road Fund) | 164.43 | 0.00 | Reversal of illegal policy direction and restoring funds to the institution mandated by law to finance road maintenance (Uganda Road Fund) |
| 113 | Uganda National Road Authority | Output 045251 National Road Maintenance | 312.50 | 0.00 | Reversal of illegal policy direction and restoring funds to the institution mandated by law to finance road maintenance (Uganda Road Fund) |
| 016 | Ministry of Works and Transport | Ugx 34.511bn-Transport Services and Infrastructure Program: Output 040254 development of standard gauge rail infrastructure GOU Debt expenditure item 1512 | 34.51 | 12.00 | To restore Ugx 29.511bn budget cuts made from DUCAN programme. No need for budget (Ugx 50n) to compensation of PABs in an existing railway reserve |
| 023 | Ministry of Science, Technology and Innovation | Ugx 0.293bn-Prog 1849 General Admin& Planning; Ugx 0.5bn Domestic Debt; Ugx 4bn Kira Motors Corp; Ugx 5bn PIBD | 0.30 | 9.50 | The delays on this project and the need to finance other more urgent priorities |
| 008 | Ministry of Finance, Planning and Economic Devt. | Output 140156 Lottery services- Item 263106 Output 141036 Uganda Free Zones- Item 263104 recurrent 145133 contingency transfers | 2.00 3.00 10.00 | 0.00 0.00 | Budget rationalization as some activities overlay into FY2020/21 Proposed budget increments not justified given other priority's in the sectors Reduction from one off allocation of previous year for a capital item Reduction from one off allocation in a previous year for a capital item |
| 110 | Uganda Industrial Research Institute | Domestic Debt | 0.00 | 0.50 | Proposed budget increments not justified given other priority's in the sectors |
| 130 | Treasury Operations | Ugx 60bn-Domestic Areas/Court Awards; Ugx 254.21bn-Bon Capitalization | 344.21 | 0.00 | To rationalise budget increments to court awards and BoU capitalisation |
| 120 | National Citizenship and Immigration Control | Internal Security, Coordination and Advisory Services 2bn-Welfare & Entertainment; 0.295bn Maintenance of Vehicles, 3bn-Painting & Stationery | 8.7 5.30 | | Not a priority Not a priority |
| 309 | National Identification and Registration Authority | 1.22bn Furniture & fittings; 0.43bn-Maintenance of vehicles; 0.15bn-Maintenance of vehicle; 0.405bn-Maintenance Civil; 0.3bn-Travel Abroad; 1bn-Travel Inland; 1.5bn-Painting & Stationery; 1bn-Welfare & Entertainment; 0.7bn-Staff Training | 6.71 | 0.00 | Not a priority |
| 161 | Mulago Hospital Complex | Wages | 6.78 | 0.00 | Wage for Gyn and Obs transferred to Specialised Maternal Neonatal Women Hospital |
| 535 | Wakiso District | Sector Conditional Grant (Wage) | 0.19 | 0.00 | Wage for Bantebe Hospital staff (4 MOSs) withdrawn from Wakiso DLG |
| 752 | Bantebe Municipal Council | Sector Conditional Grant (Wage) | 1.94 | 0.00 | Wage for Bantebe Hospital staff (4 MOSs) withdrawn from Bantebe MC |
| 539 | Moyo District | DRDIP | 6.61 | 0.00 | Moyo is no longer a refugee hosting district who are now in Obongi District |
| 141 | Uganda Revenue Authority | Digital Stamps and e-tax System | 0.92 | 0.00 | The digital stamps project fell short both legally and technically. |
| 145 | Uganda Prisons Service | 0.920bn Special Meals & Drinks shs26 bn from program 01 - electrical power department | 0.92 | 0.00 | Not priority Existing thermal power contracts and the commissioning of Isimba |
| 017 | Ministry of Energy and Mineral Development | Output 034972, program 312101 Non residential buildings | 2 | 2.20 | Figure has been recurring and now increased from 3.4bn to shs 5.6bn. No clear justification for the increment |
| 144 | Uganda Police Force | 1bn-Non-residential Buildings; 2bn-Residential Buildings; 2bn-Fuel | 2 | 3.00 | Not priority |
| | Total | | 973.98 | 194.59 | 1168.574 |

ANNEX 1 : PROPOSED BUDGET COMMITTEE REALLOCATIONS, FY2019/20

| Vote | MDA | Activity | Recurrent (Shs Bn) | Development (Shs Bn) | Justification |
|----------------------------------------------------------|----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| PRIORITISED ALLOCATIONS IN THE BUDGET FOR THE FY 2019/20 | | | | | |
| Vote | MDA | Activity | Recurrent (Shs Bn) | Development (Shs Bn) | Justification |
| 001 | Office of the President | Program 03: Government mobilisation, monitoring and awards | 1.2 | | To address problem of underfunding in this budget |
| 003 | Office of the Prime Minister | Luwero Rwenzori Triangle Cover Parish Community Association and include Busoga Region | | 15.60 | More coverage over five years in the Triangle and piloting project in Busoga. |
| | | Resettlement of Mt. Elgon landslide victims | | 7.00 | To address shortfall in funding this critical item |
| | | Ug 1bn-Buryoro Affairs | 1.00 | 0.00 | To enhance the budget of support to livelihood for Buryoro Affairs |
| 017 | Ministry of Energy and Mineral Development | Geo-physical and Geological surveys in Moroto and Kyoga Basins, refurbishing Laboratory in Pateche, second round competitive bidding licensing, furnishing new office building and data repository, National local content policy formulation and implementation, capacity building and retention initiatives in Directorate of Petroleum, refinery development and promotion of LPG | | 32 | To strengthen the Directorate of Petroleum that coordinates the development and management of Oil and Gas Petroleum sub sector in the Country |
| | | Funding for CDAP interventions for Isimba HPP | | 15.00 | Following the commissioning of the Dam, need for completion of CDAP |
| 123 | Rural Electrification Agency | Subvention to Atomic Energy Council | 5.00 | 3.00 | Strengthening the Council's regulatory capabilities |
| 015 | Ministry of trade, Industry and Cooperatives | To extend power to under served areas | | 17.00 | To enhance national coverage |
| | | Compensation to 3rd parties in North Bukedi Cooperative union | 3.00 | | Properties lost to Government during past wars |
| | | Compensation to Masaka Cooperative Union | 3.00 | | |
| | | Compensation of Busoga Cooperative Union | 2.00 | | |
| 301 | Uganda University | Infrastructure Development | | 4 | To provide for Budget shortfalls to facilitate APPEM activities in Uganda |
| 108 | National Planning Authority | APPEM activities, Budget shortfalls, Wage 0.653bn, Non Wage 3.18bn and 0.45bn development. | | 11.5 | Address critical storage problems associated with examination materials. |
| 128 | UNEP | Construction of storage building at Kyambogo Kampala- Phase 1 & 2 completion | | 32.00 | To restore Genetic Animal and Poultry resources |
| 125 | NAORIC and DB | National Poultry Transformational Project(2bn) and livestock transformational project(2.4bn) | | 10.00 | To provide for funding gap to extend piped water in urban areas |
| 019 | Ministry of Water and Environment | Urban Water and sewerage: 100% service coverage acceleration project-umbrellas | | 20.00 | Address water shortages in rural areas. |
| | | Rural Water Dept code 1347: drilling and installation of boreholes. | | 25.00 | Resources required to provide for development of small irrigation schemes to enhance agricultural production in rural areas |
| | | Water for production Dept: small scale irrigation schemes: JWRFC-North project code 1396:sa:50bn JWRFC-West project code 1398:sa:8bn JWRFC-East project code 1397 | | 2.20 | To restore functionality of valley dams especially in the cattle corridor |
| 104 | Parliamentary Commission | Program 0903: procurement of a new set of equipment for distilling valley dams | 68.52 | | To address critical shortfalls in the budget |
| 016 | Ministry of Works and Transport | To address shortfall in non-wage budget | | 12.40 | Improve rural areas connectivity and low cost sealing of district roads |
| | | Low cost sealing of district roads rehabilitation Code 0307 - 12.4bn | | | Improved accessibility in rural areas |
| | | Interconnectivity roads Code 0307- 30.7bn | | | Control of mud and dust in urban areas and enhance beauty |
| | | Force Account Units Code 0307 - 5.3bn | | | Improved accessibility in rural areas |
| | | Urban roads resurfacing code 0306 - 5.0bn | | | Control of mud and dust in urban areas and enhance beauty |
| | | Bridges and swamp crossings code 0269- 5bn | | | Improved accessibility in rural areas |
| | | Culverts and gabions for convergences code 0269-sh:0 | | | Improved accessibility in rural areas |
| | | Acquisition of new Japanese equipment for 13 new districts- sh:58.9bn | | 130.90 | emergency interventions on the DUCAR network |
| | | Implementation of the new motor vehicle registration system- 20bn | | 20.00 | The new districts should be empowered in maintaining roads in their areas |
| 020 | Ministry of ICT and National Guidance | Construction of a one stop centre building for driving permits project and other activities- 6bn | | 6.00 | This follows the transfer of the function from URA to the Ministry |
| | | Completing UDC revamp programme as a national broadcaster | | 18.00 | The activity is reverting to Government from face technologies. |
| | | Investment in ICT innovation and research | | 5.00 | Replace dilapidated transmission equipment, acquire new technology |
| 001 | Office of the President | Ug 2.057bn-Operational and monitoring of Government Programs | 2.06 | | To enhance innovations and to respond to its ever dynamic needs |
| 159 | External Security Organisation | Foreign intelligence collection and deployment | 1.00 | 0.00 | Facilitation for RDCs in operational and monitoring of Government Programs |
| 121 | Dairy Development Authority | Ug 0.472 - establishment of regional milk laboratories | 0.47 | 0.00 | To enhance foreign security intelligence |
| 303 | National Curriculum Development Centre | NCDC Don't budget | 3.00 | 0.00 | To curb illegal dairy imports and veterinary drugs to manage milk quality |
| 136 | Makerere University | Roll-out of the new curriculum | | 3.37 | For transport equipment for operations, purchase of printing press |
| | | Ug 0.285bn-Rehabilitation and equipping the dental school: Ug 1.56 to Library: Ug 1.5-rehabilitation of toilets in halls of residence | 0.00 | 0.70 | Rehabilitation and equipping the dental school, acquisition of up-to date reading materials and online resources for library. Rehabilitation of toilets |
| 501-797 | Local Governments (See Annex) | Ug 0.7bn-Purchase of Motor cycles for LGs | 0.00 | | Motorcycles for inspectors at the 70 LGs which don't have |
| 013 | Ministry of Education and Sports | Ug 2.4bn-Higher Education Students Financing Board (HESFB): Ug 2bn-Output 54 Monitoring and Quality assurance to NCHB | 4.40 | 0.00 | Funding to the HESFB towards more students accessing the Loan scheme To enable NCHB execute its mandate effectively |

ANNEX 1 : PROPOSED BUDGET COMMITTEE REALLOCATIONS, FY2019/20

| Vote | MDA | Activity | Recurrent (Shs Bn) | Development (Shs Bn) | Justification |
|------|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Construction of additional structures at St. Peter's Kibazi SSS | | 0.60 | To provide for accommodation of students |
| | | National Council of Sports | 8.00 | 0.00 | To create enough training and orientation for players participating in olympics, all africa games and commonwealth games qualifiers |
| | | Boy scouts and girl guides interventions | 1.00 | | Financing an activity previously under gender but transferred to education |
| 149 | Gulu University | Funds for Karompa Constituents College of Gulu University | 2.00 | 0.00 | For effective mgmt. |
| 130 | Treasury Operations | Payment to Ugandan traders under sovereign guarantee provided by South Sudanese Govt | 76.00 | | A decision was made by Parliament to help the Ugandan distressed traders |
| 139 | Kyambogo University | Kyambogo infrastructure projects | 0.00 | 3.00 | Funds to cater for the already ongoing infrastructure projects. |
| 022 | Ministry of Tourism, Wildlife and Antiquities | Ugx 2bn-Renovation of Tourism Sites, Ugx 3.45bn-UWDC; Ugx 1.6bn-Uganda Wildlife Research Training Institute Kasese; Ugx 2.75bn-UHTTI Jinja | 4.15 | 5.65 | Renovation of Tourism Sites, UWDC-to complete floating restaurant & procurement of a boat; Training Institute in Kasese, Hotel and Tourism Training Institute in Jinja |
| 122 | Kampala Capital City Authority | Restoration of ownership of the City Abolator by the Authority | 40.00 | 0.00 | Enhance capacity for NTR collections. |
| 306 | Uganda Export Promotion Board | Strengthen ICT activities | 3.00 | | |
| 118 | Uganda Road Fund | Export Promotion | 2.00 | 0.00 | To Implement Export promotion activities |
| 023 | Ministry of SII | Road Maintenance | 412.45 | 0.00 | restoring funds to the institution mandated by law to finance road maintenance |
| 013 | Ministry of Education and Sports | Commercialisation of scripture technologies and innovation in Uganda | 5.00 | 0.00 | Govt has already invested in research and physical infrastructure. |
| | | Non formal skills training output 070554 | 2.00 | | Provide skills to unemployed youth through short term skills training |
| | | Rollout of teacher effectiveness and learner achievement and integrated inspection system | 4.20 | | Enhance performance in schools |
| | | Establishment of a data frame for statistics on education institutions | 3.00 | | To avail data that would facilitate decision making |
| | | Rehabilitation of dilapidated structures in pr. shs | | 5.00 | Some school structures have become too old to accommodate students |
| 014 | Ministry of Health | To support Uganda Govt efforts to fight disasters through Uganda Redcross Society | 10.00 | | Strengthening the country's efforts to handle disasters |
| | | Rehabilitation of Gomba hospital (3bn first phase) and Buluya HCIII maternity ward (0.15bn) | 2.44 | 3.15 | To improve health service delivery |
| 008 | Ministry of Finance, Planning and Economic Development | National Population Council: PHE approach, Conference and Capacity Building | 0.00 | 0.00 | Implement PHE integrated approach; African Population Scientist Conference |
| | | Microfinance Support Center-Subvention | 3.00 | 0.00 | To enable it meet the operational expenses |
| | | Enterprise Uganda-Outreach | 0.50 | 0.00 | To enable Enterprise Uganda reach out to all regions in the Country |
| 131 | Office of the Auditor General | Management Information System | 0.00 | 5.00 | To enable the Office maintain the Management Information System. |
| 143 | Uganda Bureau of Statistics | Ugx 3.33bn-Business Inquiry Survey; Ugx 2.67bn-Agric & Aquaculture Census | 6.00 | 0.00 | To undertake business inquiry and agricultural surveys |
| 108 | National Planning Authority (APRM) | Support to APRM activities in Uganda | 4.20 | | Integrate CBR plan of Action in NDI3 and POA progress reports |
| 180 | Mulago Specialized Women and Neonatal | Wages | 6.28 | 0.00 | Wage for Gyn and Obs transferred to Specialised Hospital |
| 179 | Eastebe Regional Referral hospital | General staff salaries | 0.19 | 0.00 | Wage for Eastebe Hospital staff (4 MOSG) withdrawn from Wakiso DLG |
| 179 | Eastebe Regional Referral hospital | General staff salaries | 1.94 | 0.00 | Wage for Eastebe Hospital staff (4 MOSG) withdrawn from Eastebe MC |
| 009 | Ministry of Internal Affairs | Community Service Order Management | 4.90 | | To reduce prison congestion and recidivism |
| 309 | National Identification and Registration Authority | Restore and enhance staff capacity | 10.00 | | To recruit more staff and address existing gaps approved by Public Service |
| 145 | Uganda Prisons Service | Construction of Security Prisons | 0.00 | 0.92 | To construct 1 low cost of the 5 low cost security prisons |
| 144 | Uganda Police Force | Payment of Domestic Arrears to Police SACCO | 5.00 | | To cater for Domestic Arrears under the Police SACCO |
| 009 | Ministry of Internal Affairs | Remodification of the Minister's HQ building as well as retrofiting, coordination and monitoring | 2.00 | 6.00 | The existing buildings are too old to continue hosting the Ministry |
| 629 | Obongi district | Refugee and Host Community | 6.61 | 0.00 | Transferred from Moyro to Obongi, the refugee hosting district |
| 177 | Kirunda Referral Hospital | For provision of dialysis services | 3.00 | | Strengthen existing capacity to address growing demand from patients |
| 597 | Kyankwama District Local Govt | Transitional grant to St. Anne High Sch. Waruba for construction of classroom and lab | 0.18 | 0.20 | Address current shortage of classrooms in Kyankwama |
| 133 | Districts of Public prosecutions | Implementation of the revised ODP structure (3.3 bn wage and 1.7bn Non wage) | 5.00 | | 41% of ODP vacancies are filled, a big mismatch compared to Judiciary. |
| 021 | Ministry of EAC Affairs | Sealing up sensitization and awareness EAC market access and opportunities | 2.00 | | Deepen Uganda's participation in EAC trade and investment opportunities |
| | | Coordination and participation in EAC regional meetings | 1.50 | | To attend important meetings under EAC |
| 525 | Kiboga District | Rehabilitation of Kiboga hospital | | 0.58 | Provide for emergency unit, isolation ward, staff houses and tiling |
| | | Payment of Electricity Arrears | 0.13 | | Avert threat of disconnection from power |
| 107 | Uganda AIDS Commission | Enhance advocacy, strategic information and knowledge management in HIV/AIDS response | 2.00 | | Strengthen the campaign against HIV/AIDS |
| 113 | UNRA | Construction of bridge and rehabilitation of UNRA road destroyed by mudslides in Bulambuli | | 2.00 | Bridge in Mararam and rehabilitation of Puyaga- Bulungya road |
| 112 | Directorate of Ethics and Integrity | Mainstreaming national ethical values and formulation of policies, laws and strategies | 2.00 | | To address shortfalls for this critical activity intended to fight corruption |
| 018 | Ministry of Gender, Labour and Social Development | Disability Grant | 2.10 | 0.00 | To cater for people with disability |
| | | Total | 741.92 | 426.665 | 1168.583 |