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THE REPUBLIC OF UGANDA

Ministry of Finance, Planning &
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In any correspondence on
this subject please quote No. MET.50/268/01

8th January, 2020

All Accounting Officers (Central and Local Governments)

THIRD QUARTER EXPENDITURE LIMITS FOR GOVERNMENT OF UGANDA (GOU) WAGE, NON-WAGE RECURRENT AND DEVELOPMENT, EXTERNAL FINANCING AND APPROPRIATION IN AID OF EXPENDITURE FOR JANUARY TO MARCH FY 2019/20.

1. This is to communicate the Expenditure Limits for GoU Wage, Non-Wage Recurrent and Development as well as Appropriation in Aid and External Financing for the period of January-March 2020 for Financial Year 2019/20.
2. The Expenditure Limits are based on the Government Annual Cashflow Plan and revenue performance in the First Half of the financial year as well as the projected revenue performance to the end of the Financial Year 2019/20. You are requested to ensure that all priority expenditures are met within the resources as advised in this circular.
3. **The Third Quarter Expenditure Limits have taken into account the key Government obligations. In addition, we have accorded protection to Salaries, Pension and Gratuity and fully provided for them.**
4. With regard to the Missions Abroad, we have released the balance of their budget to hedge against the exchange rate fluctuations. For Universities, we have released the balance of their Non-Wage Recurrent Budget in line with the semester system while the wage release will be done quarterly.
5. With respect to Appropriation in Aid (AIA) and Local Revenue, releases have been made based on the level of remittances to the Consolidated Fund (CF) over the First Half of the Financial Year. The Votes that did not collect and remit more than 50% of their budget by December 2019 have not been provided with expenditure limits in the Third Quarter.
6. The Expenditure limits under External Financing, have been based on the actual and projected disbursements. I am however, concerned about the slow

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absorption of external funding whose disbursement stood at 23% at half year but absorption falls way below this level.

7. It is the responsibility of the Accounting Officers to ensure timely payments. Accordingly, you are requested to submit your warrants in line with the Budget Execution Circular FY 2019/20.
8. Salaries, pension and gratuity should be paid by the 28th day of every month based on the verification you have undertaken.
9. Payment for Rent and Utilities should take a first call on the Third Quarter allocations to Non-Wage Recurrent of your Votes. Accounting Officers should utilise the pre-payment system to avoid accumulation of Arrears.
10. To facilitate warrant approval, you should submit requests for single warrants by category for each of the categories; Wage, Pension, Gratuity, Non-Wage Recurrent and Development. Expenditure Limits for Appropriation in Aid and External Financing are also included in this Circular. Your submissions should reach this Ministry by **Monday 13th January 2020**. Approval of Warrants will strictly follow the breakdown submitted and endorsed by Accounting Officers.
11. Accounting Officers are reminded to prioritise the expenditure limits to the activities that contribute significantly to the attainment of Vote Outcomes without accumulating arrears. Any warrants that will be found inconsistent with this principle will be rejected.
12. **By copy of this letter, Accountant General is requested to issue Accounting Warrants up to the levels indicated in the Expenditure Limit Schedules attached in Annex 1-4.**



Keith Muhakanizi

PERMANENT SECRETARY/SECRETARY TO THE TREASURY

c.c: The Rt. Hon. Speaker of Parliament
The Rt. Hon. Deputy Speaker of Parliament
The Rt. Hon. Prime Minister
Hon. Minister of Finance, Planning and Economic Development
All Hon Ministers and Ministers of State
Head of Public Service and Secretary to Cabinet
Auditor General
Inspectorate General of Government
All Resident District Commissioners

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All LCV Chairpersons and Mayors
Accountant General
Managing Director Water and Sewerage Corporation
Managing Director, Uganda Telecommunications Limited
Managing Director, Uganda Electricity Distribution Company.

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