

Key highlights of the Budget Execution Circular and Q1 Releases

Brief to DEG Members¹ August, 2021

- a. Projected revenue shortfall of **Shs 2 Trillion** due to Covid-19 impact.
- b. General budget cuts for all GoU (development and recurrent) budgets (see Table 1).
 - 41.0% cut for unprotected votes (60 votes)
 - Overall 1.1% cut of protected votes²
 - Frozen all travel abroad, workshops & seminars.
 - Salaries, Pension and Gratuity are protected from budget cuts.

Table 1: Adjustments on the GoU Budget FY 21/22 for Covid Emergency Funding (Shs Billion)

Category	Budget (Non-Wage & Dev't)	Workshops & Travels	Other Cuts	Total Cut	Share of Budget
Protected Votes					
Health Institutions & Social Protection	1,286.31	5.76	-	5.76	0.45%
Security & Presidency	4,388.81	22.91		22.91	0.52%
Agriculture & Industry	610.99	11.70		11.70	1.92%
Governance, Revenue Collection, & MoFEPD (incl. UDB, Emyooga, UNOC)	1,428.57	43.29			3.03%
Judiciary, Legislature, EC & Missions Abroad	1,337.50	40.75		40.75	3.05%
KCCA & LG Grants	2,014.00	-		-	0.00%
Sub-Total	11,066.19	124.41	-	124.41	1.12%
<i>Non Protected Votes (60 Votes)</i>	<i>6,005.03</i>	<i>79.01</i>	<i>2,396.58</i>	<i>2,475.59</i>	<i>41.23%</i>
Total	17,071.22	203.42	2,396.58	2,600	15.23%

Source: Budget Execution Circular FY 21/22

- c. During Q1 of FY 21/22, GoU releases to MDAs and LGs amounted to **Shs 5,673 billion** which is 25% of the approved budget of **Shs 22,765 billion** (excluding external funding, domestic re-financing and interest payments).
 - **Shs 1,390 billion** (100%) released for wages.
 - **Shs 1,727** (75%) of released for non-wages.
 - **Shs 435.4 billion** (84%) of released for Development (GoU).
 - **Shs 435.4 billion** released for verified arrears.
 - **Shs 371.74** released for Supplementary for Covid-19 (Oxygen - 94.96 Bn, Logistics - 67.56 Bn, Infrastructure (beds, ICU & HDUs) -11.56 Bn, and Staff costs)
 - **Shs 49.59** released for Supplementary for Nurses, Uganda Cancer Institute & Ministry of Defence.

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² Health MDAs; MGLSD, Office of the President; State House; OPM; Ministry of Defence; Ministry of Internal Affairs; Security Agencies; Agriculture MDAs; UIA; Export Promotion Board; Ministry of Public Service; MoFPED; Ministry of Science & Technology; URSB; URA; National Citizenship & Immigration Control; UBOS; UNBS; Judiciary; EC; Parliamentary Commission; and Missions Abroad

- d. Supplementary expenditure for Covid-19 of **Shs 371.74 billion** out of **Shs 600 billion** (approved by Cabinet) to be released in Q1 and the balance of **Shs 228.3 billion** is part of the Contingencies fund to finance the remaining Covid-19 response activities and other emergencies.
- e. During Q1 of FY 21/22, Expenditure Limits for MDAs and LGs amounted to **Shs 8,789.9 billion** which is 23% of the approved budget of **Shs 37,698 billion** (excluding domestic re-financing and interest payments).

Table 2: Q1 Expenditure Limits (Shs billion)

Category	Approved Estimates FY 21/22				FY 21/22 Q1 Limits			
	Wage	Non-Wage	Dev't	Total	Wage	Non-Wage	Dev't	Total
Central Gov't	2,976	22,690	7,311	32,977	744	5,167	1,502	7,413
RRHs	99	101	31	231	25	28	14	67
Missions Abroad	27	163	33	223	13	82	28	123
Local Gov'ts	2,431	1,153	684	4,267	608	351	228	1,187
Total	5,533	24,107	8,059	37,698	1,390	5,628	1,772	8,790

- f. Compared to FY 20/21, there will decline in expenditure limits of about 25%. The most affected will be non-wage and development spending at 33% and 24% respectively.

Table 3: Ratio of approved budget

Category	FY 21/22 (Q1 Expenditure Limits)				FY 20/21 Q1 (Q1 Expenditure Limits)				y/y change
	Wage	Non-Wage	Dev't	Total	Wage	Non-Wage	Dev't	Total	
Central Gov't	25.0%	22.8%	20.5%	22.5%	24.5%	38.6%	26.8%	34.4%	68%
RRHs	25.0%	28.2%	46.0%	29.2%	25.0%	27.9%	40.8%	28.2%	118%
Missions Abroad	50.0%	50.2%	85.1%	55.3%	50.0%	50.0%	50.0%	50.0%	129%
Local Gov'ts	25.0%	30.4%	33.3%	27.8%	25.0%	19.3%	33.3%	24.7%	128%
Total	25.1%	23.3%	22.0%	23.3%	24.9%	37.8%	27.3%	33.4%	74%

g. Policy and administrative measures:

- Suspension of contracting for new programme and projects.
- Quarterly release circular on expenditure limits for all categories of funds to be done by 10th day of the first month of the each quarter.
- Release 100% of the LG Dev't grants by the 3rd quarter to avoid unspent balances at the FY.
- Funds for supply of seeds and planting materials to be released in the first & third quarters