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

8th July, 2022

All Accounting Officers (Central Government and Local Governments)

FIRST QUARTER (JULY TO SEPTEMBER 2022) EXPENDITURE LIMITS FOR GOVERNMENT OF UGANDA (GOU) WAGE, NON-WAGE RECURRENT & DEVELOPMENT AND EXTERNAL FINANCING FOR FY 2022/23

1. This is to communicate the Expenditure Limits for the Wage, Non-Wage Recurrent, Development and External Financing (Central Government & Local Governments) for the period July to September 2022 as attached in **Annexes 1-3**. Please refer to the operational details for the Budget for FY 2022/23 which are contained in the Budget Execution Circular that was earlier issued.
2. The Expenditure Limits are based on the Government Annual Cash Plan taking into account the Government Cash position at the end of the Financial Year 2021/22 and the projected revenue performance in the First Quarter and projections for the rest of the Financial Year 2022/23.
3. The current status and outlook of inflation presented in the June 2022 Monetary Policy Statement by Bank of Uganda indicates the need to stabilize inflation. This requires effective coordination and management of the actions of both monetary and fiscal policies. Therefore, to mitigate the current inflation trend, Government is mindful of its aggregate level of spending and this partly underpins the cash limits issued.
4. In the second half of FY 2021/22, food crop inflation has been a major driver in the rise in inflation due to the dry weather experienced in the country. To mitigate this trend, measures to boost food security are a high priority. The cash limits issued therefore prioritize the need to boost agricultural production. In addition, the expenditure limits have accorded protection to Salaries, Pension and Gratuity and these have been fully provided for based on quarterly projections and submissions received from Accounting Officers.
5. The verified arrears in the approved budget have been fully provided in line with the Government policy to stimulate aggregate demand in the economy. You are requested to ensure that **only** the verified and approved arrears specified in **Annex 1** are paid.

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"

6. We have programmed the release to cover all Local Governments. **However, the Local Governments that have not submitted their budget estimates will not be able to warrant any funds until they have submitted and their budgets uploaded on the Programme Budgeting System and the Integrated Financial Management System.**
7. For Missions Abroad we have provided only 80% of their work-plan requirements. Equally for Universities, we have provided only 80% of the Non-Wage Recurrent budget work-plan requirements.
8. With respect to External Financing, the First Quarter allocations are based on the projected disbursements by the Development Partners. Local revenue disbursements will be handled directly by Accountant General's Office as and when collections have been received.
9. It is the responsibility of the Accounting Officers to ensure timely payments are made accordingly. You should avoid any delays in making payments. In particular, payment of salaries, pension and gratuity should be effected by the 28th day of every month based on the verification you have undertaken. You are requested to submit your warrants in line with the Budget Execution Circular for Financial Year 2022/23.
10. I wish to reiterate that funds will only be released to Votes where the Accounting Officers, I have appointed, have submitted their acceptance letters and their Performance Contracts duly countersigned.
11. To facilitate approval, you should submit single separate warrants for each of the categories; Wage, Pension, Gratuity, Non-Wage Recurrent, Development and External Financing as well as Subventions (where this applies). Your submissions should reach this Ministry **by Wednesday 13th July 2022.** Approval of warrants will strictly follow the breakdown submitted and endorsed by the Accounting Officers.
12. Lastly, Accounting Officers should prioritise funds to the critical activities that contribute significantly to the attainment of Vote Outcomes without accumulating arrears. Warrants will be rigorously scrutinised and rejected if they do not comply with this principle.
13. By copy of this letter, the Accountant General is requested to issue **Accounting Warrants up to the levels indicated in the Expenditure Limits schedule attached in Annexes 1-3.**

Ramathan Ggoobi


PERMANENT SECRETARY/SECRETARY TO THE TREASURY

Cc: The Rt. Hon Speaker of Parliament
Cc: The Rt. Hon Deputy Speaker of Parliament
Cc: The Rt. Hon Prime Minister
Cc: The Hon Minister of Finance, Planning and Economic Development
Cc: All Hon Ministers and Ministers of State
Cc: Auditor General
Cc: Head of Public Service and Secretary to cabinet
Cc: Inspector General of Government
Cc: All Resident District Commissioners
Cc: All LCV Chairpersons and Mayors
Cc: Accountant General
Cc: Managing Director, National Water and Sewerage Corporation
Cc: Managing Director, Uganda Telecommunications Limited
Cc: Managing Director, Uganda Electricity Distribution Company

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