20th October, 2021

All Accounting Officers (Central Government)

COMMUNICATION OF DEVELOPMENT COMMITTEE DECISIONS ON PROJECTS EXITING THE PIP FOR FY 2022/23.

During the month of August, 2021, the Development Committee (DC) held portfolio review meetings for all ongoing projects in the PIP for FY 2021/22.

The DC recommended among others; for the exit of some projects from the PIP, transfer to recurrent budget or downgrade to pipeline. This was on account of expiry of project period, perpetual expenditure which are not fit for development budget and low prioritization of allocations to the projects respectively.

These decisions were communicated to all Accounting Officers through the first Budget Call Circular (1st BCC) issued on 15th September, 2021. In addition, you were requested to submit your appeals by 30th September, 2021 where projects had outstanding civil works, contractual obligations, extension of external financing etc.

Some MDAs have appealed the decisions of the Development Committee to exit their projects from the PIP of FY 2022/23. We have assessed the appeals in light of the following;

i. External financing obligations;
ii. Ongoing contractual obligations;
iii. Project delay due to the COVID-19 pandemic;
iv. Project period in the PIP;
v. Prioritization of funding allocation over time; and
vi. Need for successor project.

Accordingly, we have compiled a matrix detailing the decisions of the DC attached (Annex I). Arising out of these decisions;

i) **53 projects** (attached as Annex II) have been exited from the PIP for FY 2022/23. Accounting Officers of these projects are
advised against allocating any resources to these projects as they finalize their Budget Framework Papers.

ii) **12 projects (attached as annex III)** have been exited with successor projects. Accounting Officers of these projects are urged to fast track the preparation and appraisal of the successor projects to allow seamless continuity of critical interventions.

iii) **10 projects (Attached as Annex IV)** have been transferred to the recurrent budget to enable them continue implementing critical interventions that were observed to be perpetual in nature with a low capital to recurrent ratio.

iv) **03 projects (attached as Annex V)** with low funding profile have been downgraded to the pipeline. The Accounting Officers of the affected projects should ensure that the assets so far created by these projects are well managed in line with the Asset Management Framework of Government.

The purpose of this letter, therefore, is to communicate the DC decisions on all ongoing projects to enable you prepare your Budget Framework Paper (BFP) and budget for FY 2022/23.

Ramathan Ggoobi
PERMANENT SECRETARY/SECRETARY TO THE TREASURY

**Copy:** The Rt. Hon. Prime Minister
The Hon. Minister of Finance, Planning and Economic Development
All Hon. State Ministers of Finance, Planning and Economic Development
The Permanent Secretary, Office of the Prime Minister
The Secretary, Office of the President
The Executive Director, National Planning Authority
The Chairperson, DC Sub Committee

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"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"