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THE REPUBLIC OF UGANDA

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UGANDA

In any correspondence on  
this subject please quote: No. BPD 86/107/01

11<sup>th</sup> August, 2021

All Local Government Accounting Officers

## **UNSPENT BALANCES AT THE END OF FY 2020/21 MEANT TO FUND CONSTRUCTION PROJECTS UNDER THE UGANDA INTER-GOVERNMENTAL FISCAL TRANSFERS (UGIFT) AND UGANDA SUPPORT TO MUNICIPAL INFRASTRUCTURE DEVELOPMENT (USMID) PROGRAMMES**

1. In FY 2020/21, this Ministry released funds for the construction projects under the Uganda Inter-Governmental Fiscal Transfers (UGIFT) and the Uganda Support to Municipal Infrastructure Development (USMID) programmes.
2. However, due to failure to execute the projects timely as was programmed, most beneficiary Local Governments were unable to absorb the released funds and as a result, these funds were returned to the Consolidated Fund at the end of FY 2020/21 in accordance to Section 17 (2) of the Public Finance Management Act 2015.
3. Subsequently, this Ministry has received several letters requesting for re-voting of the above unspent funds to enable the affected Local Governments complete the projects.
4. In regard to this matter, I wish therefore, to advise as follows:
  - a) All affected Local Governments should submit detailed reports on unspent balances for each of the UGIFT and USMID projects; including the budget for each project, the expenditure made by the end of June 2021 and a detailed project status report (with pictorial evidence). **This information should be submitted by 31<sup>st</sup> August, 2021 with clear explanation why the funds were not spent.** Please note that, this Ministry will not consider any

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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"*

submissions that will be received beyond the above stated deadline;  
and

- b) The submitted information on the unspent balances shall be reconciled with existing available information on IFMS and PBS to confirm accuracy. Premised on the findings, a supplementary shall be processed in line with the returns, to fund the completion of any on-going works that were supposed to be done in FY 2020/21.

In conclusion, Local Governments **MUST** adhere to the set completion deadlines for all UGIFT and USMID projects beginning this FY 2021/22 in order to ensure their timely implementation and achievement of related Disbursement Linked Indicators.

Patrick Ocailap

  
**For: PERMANENT SECRETARY/ SECRETARY TO THE TREASURY**

Copy to:

- The Hon. First Lady and Minister of Education and Sports
- The Hon. Minister of Finance, Planning and Economic Development
- The Hon. Minister of Health
- The Hon. Minister of Local Government
- The Auditor General, Office of the Auditor General
- The Permanent Secretary, Ministry of Education and Sports
- The Permanent Secretary, Ministry of Health
- The Permanent Secretary, Ministry of Local Government
- The Permanent Secretary, Ministry of Agriculture, Animal Industry and Fisheries
- The Permanent Secretary, Ministry of Gender, Labour and Social Development
- The Executive Director, NEMA
- The Executive Director, PPDA
- All Resident District Commissioners
- All District Chairpersons
- The Coordinator/USMID