



**POLICY HIGHLIGHTS FOR THE  
PREPARATION OF THE BUDGET FRAMEWORK  
PAPERS FOR FY 2020/2021 AND THE 3<sup>RD</sup>  
FIVE YEAR DDP 2020/21 - 2024/25**

**PRESENTED AT THE NGORA DISTRICT BUDGET CONFERENCE  
FOR FY 2020/2021**

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This presentation is also posted to <https://www.ngora.go.ug>

## **PREAMBLE**

**Members of Parliament;**

**The District Chairman;**

**The Resident District commissioner;**

**The District Speaker;**

**Members of the DEC and Members of Ngora District Council;**

**Political Leaders from Lower Local Governments;**

**Representatives of Civil Society, Private Sector and Development Partners;**

**Colleagues Technical Staff;**

**Ladies and Gentle men**

## **INTRODUCTION**

1. This presentation is based on the 116 page 1<sup>st</sup> Budget Call Circular [with annexes] for FY 2020/2021 which was shared with the District Chairman, the District Speaker, the Resident District Commissioner, all Heads of departments and all sub county chiefs of Ngora District via email on Saturday 21, September 2019 at 1:44p.m.
2. Section 9(1 & 2) of the Public Finance Management Act (PFMA), 2015, requires every Accounting Officer, in consultation with the relevant stakeholders, to prepare a Budget Framework Paper for their vote and submit the same to the Minister by 15<sup>th</sup> November of the Financial Year preceding the financial year to which the Budget Framework paper relates
3. Further in line with the 2018 development planning guidelines, the planning call circular 2019 was issued and requested all MDAs and Local Governments to start preparing the 3<sup>rd</sup> Five-year DDP and submit the same to NPA by April 2020

4. The theme for FY 2020/21 and the medium term is guided by the draft NDP111 which is ***Industrialization for job creation and shared prosperity*** as under NDP11. We will continue to focus on the attainment of a lower middle income status which requires that an average income per Ugandan is raised from the current UDS 825 per year to at least USD 1,039 per year by the end of June 2020.
5. This conference kick starts the budget preparation process and particularly the preparation of the Budget Framework Paper and preliminary budget for FY 2020/2021 and the 3<sup>rd</sup> five-year DDP 2020/21 - 2024/25.

### **ALIGNMENT OF WORKPLANS, BUDGETS AND INDICATORS TO THE 3<sup>RD</sup> FIVE YEAR DDP AND NDP111 OBJECTIVES AND PROGRAMS**

6. FY 2020/21 is the first year of the implementation of the 3<sup>rd</sup> five-year DDP and NDP111 2020/21 - 2024/25. Although we are concurrently crafting the AWP/B 2020/21 together with the DDP111 2020/21 - 2024/25, all our work plans [procurement, recruitment, activities] must be anchored on the five objectives and corresponding sixteen programs in the NDP111 strategic direction to avoid distortions and misalignment during implementation.
7. The NDP111 objectives and strategies are:
  - i. **Enhance value addition in key growth opportunities**
    - a) Promote agro-industrialization
    - b) Increase local manufacturing activity
    - c) Promote mineral-based industrialization
    - d) Harness the tourism potential
    - e) Promote export oriented agricultural industrialization

- ii. **Strengthen private sector capacity to drive growth and create jobs**
    - a) Provide a suitable fiscal, monetary and regulatory environment for the private sector to invest
    - b) Increase local content participation
  - iii. **Consolidate and increase stock and quality of productive infrastructure**
    - a) Institutionalize infrastructure maintenance
    - b) Develop intermodal transport infrastructure
    - c) Increase access to reliable and affordable energy
    - d) Leverage urbanization for socio-economic transformation
  - iv. **Increase productivity, inclusiveness, and wellbeing of population**
    - a) Improve access and quality of social services
    - b) Institutionalize HR planning
    - c) Enhance skills and vocational development
    - d) Increase access to social protection
  - v. **Strengthen the role of the state in development**
    - a) Increase state participation in strategic sectors
    - b) Enhance partnerships with non-state actors for effective service delivery
    - c) Re-engineer the public service to promote investment
    - d) Increase resource mobilization
8. The NDP111 programs are:
- i. **Objective 1:**
    - a) Agro-industrialization;
    - b) Oil, gas and mineral-based industrialization
    - c) Tourism development program;

- d) Environment, climate change and natural resources management;
  - ii. **Objective 2:**
    - a) Private sector development;
  - iii. **Objective 3:**
    - a) Transport interconnectivity;
    - b) Sustainable energy and ICT development;
    - c) Sustainable urban development;
  - iv. **Objective 4:**
    - a) Human capital development and social protection;
    - b) Community mobilization and mind-set change;
    - c) Technology transfer and development;
    - d) Special development program;
  - v. **Objective 5:**
    - a) Governance and security strengthening;
    - b) Public sector transformation; and
    - c) Development plan implementation.
9. Government has guided on the budget strategy for FY 2020/21 as follows:
- i. Agriculture and agro-industrialization;
  - ii. Tourism development;
  - iii. Scientific research and innovation;
  - iv. Improving value addition to tradable minerals and commodities; and
  - v. Enhancing efficiency in public investments, in provision and maintenance of productive and trade infrastructure, provision of health services and skills development programs.
10. All programs, except for general administration, shall fall under an objective as defined in NDP111 strategic direction or core business

function of the vote. Programmes will be responsive to national initiatives, priority goals, and policy while justifying the maintenance of essential government services.

11. All votes will ensure that accountability reports target the achievements of objectives and results [did the vote deliver the services effectively and efficiently] in addition to budget execution [did the vote spend the money received].
12. Given the interconnectivity of the NDP111 programs, it is now more than ever before for the private sector, civil society and Local Governments to work together towards the achievement of their annual and medium term objectives.

## **FINANCING FOR CROSS-SECTORAL THEMATIC POLICY PRIORITIES**

13. The Budget Frame Work Papers and the DDP111 must take into consideration balanced development and responsiveness to: gender, equity, climate change and environment, disability, HIV/AIDS, sanitation, malaria, physical/spatial planning and urbanization, human rights, population issues and nutrition.
14. During this development planning and budgeting process, we must take keen interest in engaging with key cross-sectoral counterparts to ensure that the DDP111, work plans and associated budgets support the effective implementation of thematic cross-sectoral investments in gender, equity, climate change and environment, disability, HIV/AIDS, sanitation, malaria, physical/spatial planning and urbanization, human rights, population issues and nutrition.

## OFF-BUDGET FINANCING

15. Off-budget financing has posed challenges to harmonized budget implementation, monitoring and effective achievement of results. Off-budget support over and above the direct financing appropriated by Parliament will be captured on PBS for credibility, reporting and accountability purposes [**Par 21 and 22 of the 1<sup>st</sup> BCC**].
16. We therefore implore all partners who will extend off-budget support during the next planning period to avail us with the indicative planning figures which we will reflect in the BFWP for FY 2020/21 and the DDP111 2020/21 - 2024/25.

## REMITTANCE OF LOCAL REVENUE TO THE CONSOLIDATED FUND

17. The flow of money from the consolidated fund is triggered by the issuance of a grant of credit by the Auditor General in accordance with Section 31 of the PFMA 2015. A grant of credit is authorized by an Appropriation Act or Supplementary Appropriation Act.
18. In light of the aforesaid and as part of the overall public financial management reforms, government decided to streamline the appropriation of all government resources including local revenue to enhance transparency and accountability but the mandate to project, levy and collect revenue still remains with the local governments.
19. However under this arrangement, all the funds [**collected at the sub county/town council level and at the district level**] are remitted to the consolidated fund but returned to the local governments in its entirety.
20. The budgets for local revenue for FY 2020/2021 will be clearly captured by budget category [recurrent and development] indicating

the entire provision [100%] and will be made indicating the 65% for sub counties; 100% for town council; and 35% for higher local government all of which will be appropriated by Parliament.

21. All locally raised revenue will be remitted to the Consolidated Fund and expenditures of such funds will be done through annual grant of credit; quarterly expenditure limits and warranting.
22. For all revenues in excess of appropriation by Parliament, the respective Local Governments will request for supplementary funding from Parliament through the Hon. Minister of Finance, Planning and Economic Development in accordance with section 25(6) of the PFMA 2015. Thereafter the Minister will request for a Grant of Credit from the Auditor General. This calls for proper estimation of all our expected revenues and integrate them in the BFP to avoid delays in budget execution.

## **FUNDING TO PRIVATE EDUCATION INSTITUTIONS**

23. Since the inception of universal secondary education, government has been supporting selected private secondary schools to deliver on this policy shift.
24. The current academic year ending 2019 will be the last year of government funding to private education institutions. They will therefore not be included in the budget for FY 2020/21 and the medium term.
25. Head teachers of the affected secondary schools [Light College Ngora, Ngora PEAS High School and St. Stephens Akisim] are informed and requested to adjust accordingly.



## **NEWLY CREATED LOWER LOCAL GOVERNMENTS**

26. Government approved the creation of 364 sub counties and 352 town councils. However resources have not yet been secured for their operationalization. Until resources become available, no budgetary provisions will be made in the BFWP 2020/21 for such newly created sub counties and town councils [Agirigiroi, Atoot, Morukakise, Odwarat, Mukura TC and Opot TC].
27. In the same vein, the fiscal year 2020/21 will be a year of general elections. The electoral commission will be creating more administrative units [especially villages and parishes] to facilitate the election process. These will however not be captured in the pbs to avoid budget distortion.

## **FINANCIAL RISK MANAGEMENT STRATEGY**

28. In accordance with section 45(2) of the PFMA 2015 and in line with the Uganda Public Financial Management Reform Strategy of July 2018-June 2023, we will, in the short and medium term, focus on operationalizing the risk management strategy; improving the timelines and quality of reporting; and continuous tracking of implementation of audit recommendations.
29. Development partners with mandate to finance activities related to good governance such as TACC, GIZ, among others are hereby called upon to support the district in this area.

## **CONCLUSION**

30. I take this opportunity to extend my appreciation to your response to our invitation to participate at this conference. I believe that you will offer constructive input to the process of planning for the next five years of Ngora District
31. I wish all of you good engagement in this conference.