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

20<sup>th</sup> October 2021

## **PRESS RELEASE ON QUARTER TWO EXPENDITURE RELEASES FY 2021/22**

1. I wish to welcome the media and other stakeholders to this media briefing on the Quarter Two Expenditure for FY 2021/22. The objective of this briefing is to provide information to the Public on the Second Quarter releases and projected Economic Performance of Financial Year FY 2021/22.

### **A. ECONOMIC PERFORMANCE**

2. On October 7<sup>th</sup> 2021, Uganda Bureau of Statistics released the revised estimates of GDP numbers for FY 2020/21. The numbers show that there has been gradual recovery of the economy. The economy grew by 3.4 percent during FY 2020/21 compared to the growth of 3.0 in FY 2019/20. The size of the economy in nominal terms increased to Ush 147,962 Billion in FY 2020/21 from Ushs 139,689 Billion in FY 2019/20.

3. Performance so far, this financial year indicates that the economy has continued on its recovery path following the partial reopening of the economy as shown by high frequency indicators of economic activity.

4. The Purchaser's Managers Index (PMI) improved to 52.5 in September from 50.2 in August mainly on account of rising new orders and increased output by businesses as normal activity gradually resumed following the lockdown in July 2021. The Composite Index of Economic Activity (CIEA) also increased to 146.41 in August 2021 from 146.40 in July 2021.

A handwritten signature in black ink, consisting of a stylized, cursive name.

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5. In addition, despite economic challenges caused by the covid-19 virus macroeconomic stability has been maintained.
6. Inflation has remained low and stable. Headline and core inflation averaged 2.3% and 3.1% respectively for the last 12 months to September 2021. However, inflation is expected to gradually rise through 2021, but is projected to remain below the 5% target.
7. The exchange rate has remained relatively stable. However, the shilling has been appreciating, averaging 3.530.6/USD in September due to increased foreign exchange inflows.
8. Going forward, Government will continue to provide support to the private sector through interventions like the Small Business Recovery Fund to ensure continued recovery. This Financial year the economy is projected to grow at 3.8% above the outturn of 3.4% registered in FY 2020/21.

## **B. BUDGET PERFORMANCE**

9. The Total Approved Budget for Financial Year 2021/22 is **Ushs 44.779 Trillion** detailed as follows:

• Wage	–	<i>Ushs 5.533 Trillion</i>
• Non-Wage	–	<i>Ushs 8.679 Trillion</i>
• GoU Development	–	<i>Ushs 7.997 Trillion</i>
• External Financing	–	<i>Ushs 6.868 Trillion</i>
• Debt and Treasury Operations	–	<i>Ushs 14.934 Trillion</i>
• Arrears	–	<i>Ushs 0.555 Trillion</i>
• Local Revenue	–	<i>Ushs 0.212 Trillion</i>
<b>Total Budget</b>	<b>-</b>	<b>Ushs 44.779 Trillion</b>

10. However, the Budget for FY 2021/22 has been affected by the effects of the Second Wave of the COVID-19 pandemic and the lockdown measures taken to curb its spread and in order to manage the Second Wave of COVID-19, we have provided **Ushs 600 billion** for the first half of this Financial Year as summarised in Annex 1 attached.




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### C. HALF YEAR RELEASES FOR FY 2021/22

11. The total GOU Budget excluding debt, external financing and AIA amounts to **Ushs 22.76 Trillion**, and to-date **Ushs 12.074 Trillion** has been released which amounts to 53% of the Approved Budget.

**Table 1 below shows a summary of the Half year Release performance:**

Category	Budget	Quarter One	Quarter Two	Half Year	%
Wage	5,533.06	1,425.18	1,469.48	2,894.67	52.3%
Non Wage	8,678.69	2,376.74	2,334.79	4,711.52	54.3%
GOU Devt	7,997.15	2,026.35	1,926.81	3,953.16	49.4%
Arrears	555.44	435.57	80.00	515.57	92.8%
<b>Total GoU</b>	<b>22,764.34</b>	<b>6,263.84</b>	<b>5,811.08</b>	<b>12,074.92</b>	<b>53.0%</b>
Debt	14,933.81	3,526.87	6,132.24	9,659.12	64.7%
Ext. Fin.	6,868.25	2,063.17	1,888.55	3,951.72	57.5%
AIA*	212.38	53.10	53.10	106.19	50.0%
<b>Grand Total</b>	<b>44,778.79</b>	<b>11,906.97</b>	<b>13,884.98</b>	<b>25,791.95</b>	<b>57.6%</b>

### D. HIGHLIGHTS OF SECOND QUARTER RELEASES FOR FY 2021/22

12. In line with the Ministry's commitment to release funds before the 10<sup>th</sup> day of the first month of the quarter, we issued the Quarter Two Expenditure limits on **30<sup>th</sup> September, 2021** to ensure timely execution of Government programs.

13. A total of **Ushs 5,811.08 billion** has been released for Quarter Two expenditure. This represents 25.5% of the approved GOU Budget (excluding External Financing, Appropriation in Aid (AIA) and Public Debt).

14. The release for Quarter Two FY 2021/22 has prioritised expenditure in the following areas: Health and Social Protection, Agriculture and Industry, Governance and URA, as well as Judiciary and Legislation



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and ensure sustainable economic growth and development"

Health Institutions and Social Protection – Ushs 294.69 billion;

15. The funding is mainly to cater for:

- National Medical Stores - **Ushs 120.73 billion** including essential medicines;
- Ministry of Health - **Ushs 50.20 billion;**
- Ministry of Gender, Labour and Social Dev- **Ushs 42.45 billion** including **SAGE Ushs 32.73 billion.**
- Referral Hospitals - **Ushs 34.8 billion.**

Agriculture and Industry– Ushs 184.75 billion;

16. The funding is mainly to cater for:

- MAAIF - **Ushs 36.4 billion;**
- Min.of Trade, Industry and Cooperatives - **Ushs 35.6 billion.**
- NAADs - **Ushs 31.43 billion;**
- Uganda Coffee Development Authority - **Ushs 22.8 billion.**
- NARO - **Ushs 22.1 billion.**
- NAGRIC - **Ushs 19.8 billion.**

Governance, Revenue Collection– Ushs 437.10 billion;

17. The funding is mainly to cater for:

- MoFPED - **Ushs 254.9 billion** including the funding for support to SMEs and capitalisation of UDB.
- URA - **Ushs 82.1 billion;**
- National Citizenship and Immigration Control - **Ushs 28.9 billion;**

Judiciary, Legislature, EC, Missions abroad– Ushs 256.8 billion;

18. The funding is mainly to cater for:

- Parliament - **Ushs 140 billion.**
- Judiciary - **Ushs 74 billion.**
- Electoral Commission - **Ushs 37.4 billion.**

19. Under infrastructure, the key releases were made to UNRA (Ushs 303 billion), Ministry of Energy and Mineral Development (Ushs 68.81 billion), Ministry of Works and Transport (Ushs 43 billion) and Ministry of Water and Environment (Ushs 170 billion) to cater for accumulated certificates.



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## E. CONCLUSION

20. In conclusion, I would like to emphasize the following:

- i) All Accounting Officers must ensure that they pay wages, salaries, pensions and gratuity by the 28<sup>th</sup> of every month.
- ii) Accounting Officers must prioritize payment of service providers on time and avoid accumulation of arrears.
- iii) There should be a display of the payrolls for salaries and monthly pension on Government institutions' notice boards every month.
- iv) Accounting Officers must ensure timely submission of performance reports and accountability.
- v) Clearance of domestic arrears must be prioritized during this quarter.

21. MoFPED remains committed to the timely release of funds and all stakeholders are requested to take note of information printed in the media and on our Ministry Website [www.budget.go.ug](http://www.budget.go.ug).



Ramathan Ggoobi

**PERMANENT SECRETARY/SECRETARY TO THE TREASURY**

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## Annex 1: Supplementary Expenditure for COVID-19

<b>NO</b>	<b>FUNDING CATEGORY</b>	<b>AMOUNT (USHS. BN)</b>
1	Health	206,360,000,000
2	Security	50,000,000,000
3	Relief	53,500,000,000
4	Local Governments	53,740,000,000
5	ICT	8,100,000,000
6	Contingency	228,300,000,000
<b>Total</b>		<b>600,000,000,000</b>

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