

## REPORT OF THE BUDGET COMMITTEE ON

### SUPPLEMENTARY EXPENDITURE SCHEDULE NO.3 2017/18

June, 2018

*[Handwritten signatures]*

Office the Clerk to Parliament

Kampala, Uganda

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## 1.0 INTRODUCTION

Rt. Hon Speaker, Hon. Members,

On 22<sup>nd</sup> May, 2018, the Hon. Minister of Finance, Planning and Economic Development laid before Parliament Supplementary expenditure estimates under schedule No.3, 2017/18 amounting to **UGX 377.247Billion**.

The estimates were referred to the Budget Committee for consideration and report back to the House.

Rt. Hon Speaker, the Budget Committee considered the Supplementary Schedule No.3 of FY 2017/18 and wishes to report to the August House its findings as follows.

## 2.0 METHODOLOGY

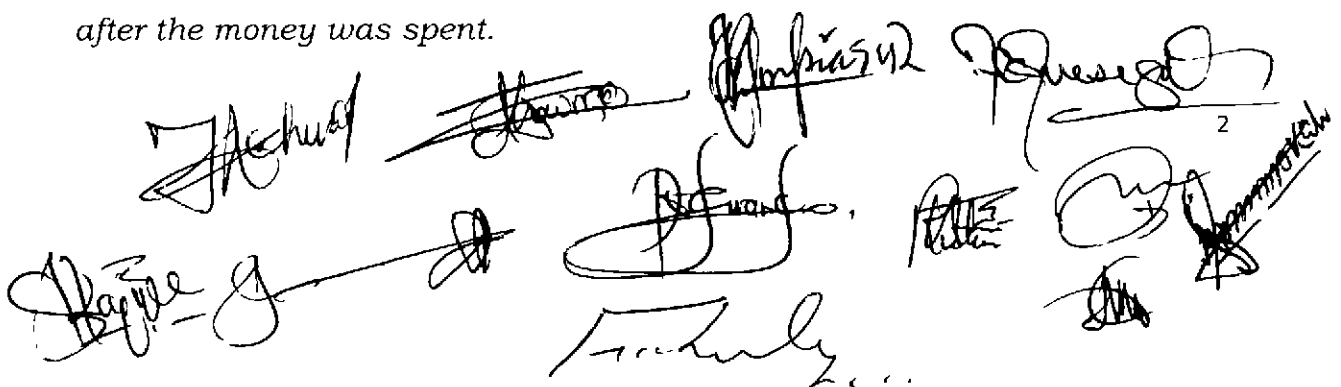
The Committee scrutinized the Supplementary Schedule and held meetings with the Ministry of Defence and Veteran Affairs, The Ministry of Finance, Planning and Economic Development and Ministry of Lands Housing and Urban Development

The meetings formed the basis for the observations and recommendations therein.

## 3.0 LEGAL FRAMEWORK FOR THE SCRUTINY OF THE SUPPLEMENTARY EXPENDITURE

The supplementary estimates were laid in accordance with section 25 of the Public Finance Management (Amendment) Act 2015 which states that:

- 1. The total supplementary expenditure that requires additional resources over and above what is approved by Parliament shall not exceed 3% of the approved budget for the financial year, without approval of parliament.*
- 2. Where funds are expended under subsection (1), supplementary estimates showing the sums spent shall be laid before Parliament within four months after the money was spent.*



The Committee notes that Parliament approved a total budget of **UGX 28,008.5Billion** for FY 2017/18. Further approval was given for a total Supplementary expenditure of **UGX 1,304.008bn**, under Schedule 1 and 2 of the FY 2017/18.

The Supplementary Expenditure schedule 3 is an additional request that requires Parliament prior approval. The schedule is comprised of the following Items:

<b>Vote</b>	<b>Amount (UGX)</b>	<b>Details</b>
004: Ministry of Defence and Veteran Affairs	369,900,061,465	Shortfalls on special meals, fuel for land forces, medical products owed to private Hospitals , classified expenditure and fuel for air force
012: Ministry of Lands, Housing and Urban Development	7,347,253,314	Settlement of Government subsidy to National Housing and Construction Company Limited

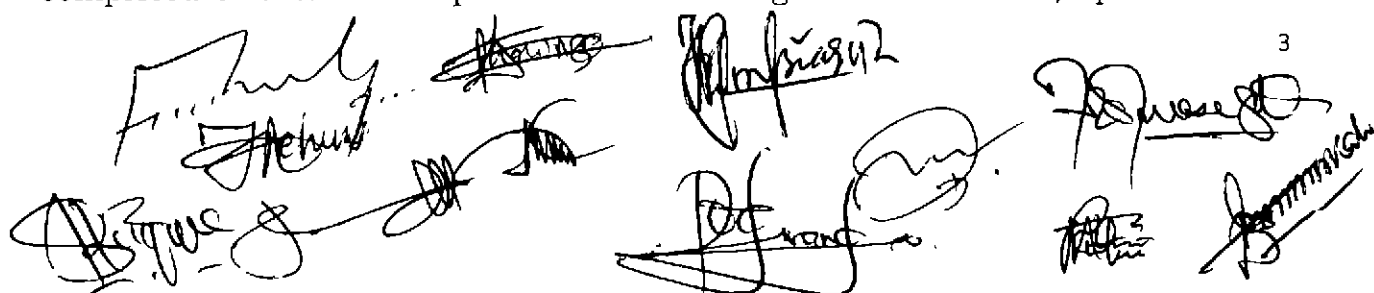
**The Committee was informed by the Ministry of Finance, Planning and Economic Development that the source of funding was from Domestic Borrowing**

#### **4.0 JUSTIFICATIONS OF EXPENDITURE BY VOTE**

##### **a) RECURRENT EXPENDITURE**

##### **004: Ministry of Defence and Veteran Affairs**

The Ministry requested for an additional funding of UGX 369,900,061,465 comprised of classified expenditure amounting UGX 247Billion, special meals



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UGX 60.9Billion, Fuel for both land forces and air force UGX 35.4Billion and clothing and medical expenses of UGX 26.6Billion.

**Vote 012: Ministry of Lands, Housing and Urban Development**

The Ministry requested for UGX 7.3Billion and this had been submitted along with schedule 2 but was not tabled before Parliament and subsequently was not considered during the processing of schedule 2.

The request arose from the sale of Buganda Road Flats under the National Housing and Construction Company where Government was to settle the payment as subsidy to the company.

**The Committee therefore recommends that the Supplementary request No. 3, 2017/18 be approved.**

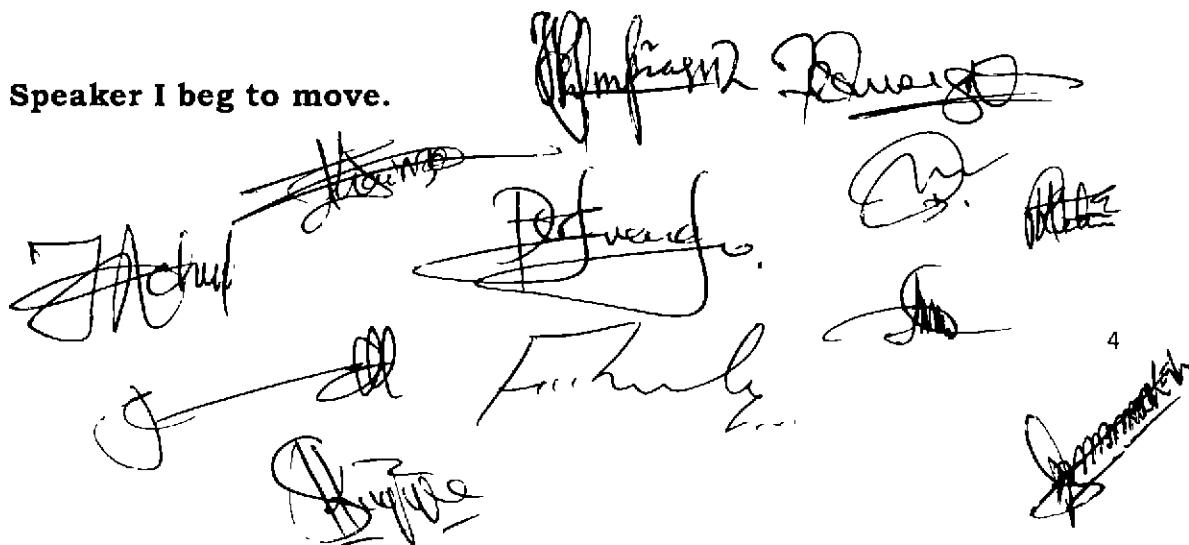
**5.0 Conclusion**

The committee recommends that **UGX 377, 247,314,779** as required under schedule 3 be approved as supplementary expenditure for 2017/18.

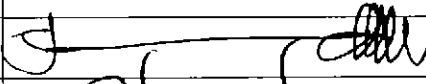
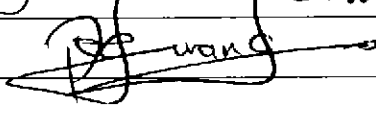
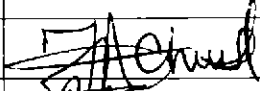

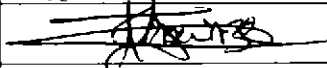
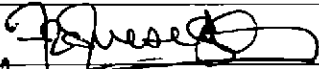
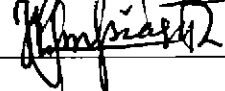
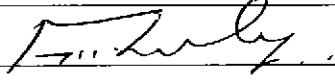


This figure is broken down as follows:

<b>Vote</b>	<b>RECURRENT EXPENDITURE SUPPLEMENTARY AMOUNT (UGX)</b>
004: Ministry of Defence and Veteran Affairs	369,900,061,465
	<b>DEVELOPMENT EXPENDITURE SUPPLEMENTARY AMOUNT (UGX)</b>
012: Ministry of Lands, Housing and Urban Development	7,347,253,314


**Rt. Hon Speaker I beg to move.**

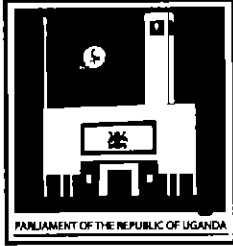


**REPORT OF THE BUDGET COMMITTEE ON THE  
SUPPLEMENTARY EXPENDITURE SCHEDULE NO. 3 FOR FY  
2017/18**

	NAME	SIGNATURE
1.	HON. LUGOLOOBI AMOS C/P	
2.	HON. WAMAKUYU MUDIMI V/CP	
3.	HON. OGWANG PETER	
4.	HON. NANKABIRWA ANN MARIA	
5.	HON. KUMAMA NSAMBA GEORGE	
16.	HON. ACHIA TERENCE NACO	
7.	HON. RUHUNDA ALEX	
8.	HON. KHAINZA JUSTINE	
9.	HON. KOMUHANGI MARGARET	
10.	HON. NSAMBA PATRICK OSHABE	
11.	HON. MWESIGYE FRED	
12.	HON. OPOLOT ISIAGI PATRICK	
13.	HON. ACHIA REMIGIO	
14.	HON. KULAIGYE FLEX (COL)	
15.	HON. NIRINGIYIMANA JAMES RUUGI	
16.	HON. TINKASIIMIRE BARNABAS	
17.	HON. OTHIENO OKOTH RICHARD	
18.	HON. TUMURAMYE GENENSIO	
19.	HON. MASIKA APOLLO	
20.	HON. KANGWAGYE STEPHEN	
21.	HON. ILUKOR CHARLES	
22.	HON. SOYEKWO KENNETH CHEBORION	

*Summarized*

23	HON.MUKASA JULIUS OPONDO	
24	HON.OKWIR SAMUEL	
25	HON. BAGOOLE JOHN NGOBI	
26	HON. ODONGA OTTO	
27	HON CECILIA ATIM OGWAL	
28	HON. MUWANGA KIVUMBI	
29	HON. JOY ONGOM ATIM	
30	HON. CENTENARY FRANCO	
31.	HON. JAMES KAKOOZA	
32	HON. JANE PACUTO AVUR	
33.	HON. STEPHEN MUKITALE	
34.	HON. RONNIE DAVID MUTEBI	
35.	HON. DENIS SABIITI	



# THE PARLIAMENT OF UGANDA

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Telephone 0414-377000/377180/377181/377182 Facsimile: 0414-342364  
Plot Nos. 16 - 18 Parliament Avenue

In any correspondence on  
this subject please quote No

14 June 2018

**Chairperson, Committee on Budget  
Parliament of Uganda  
Kampala**

**RE: MINORITY REPORT ON SUPPLEMENTARY SCHEDULE 3 FOR FY2017/18**

During the meeting of the Committee on Budget held on today 14<sup>th</sup> June 2018, I raised a preliminary objection on Supplementary Schedule 3 for FY2017/18.

It was indicated by the Vice Chairperson that Ministry of Finance, Planning and Economic Development intends to finance the UGX 377.247 billion through domestic borrowing.

Aware that government has already exceeded the limits provided in Section 36(5a) of the Public Finance Management Act (as amended) and further aware that government may borrow to finance budget deficit through issuance of securities as provided in Section 36(5) of the Public Finance Management Act, it was agreed the the Ministry presents a Motion for domestic borrowing before considering the supplementary request. This would ensure that funds are available to finance the supplementary request.

In light of the above, if the Ministry does not present a Motion to borrow before consideration of the report on Supplementary Schedule 3 FY2017/18, this is to give you prior notice that I shall under Rule 202 of the Rules of Procedure present a Minority Report on the supplementary request.

Please avail me with the final copy of the Committee Report to append my views accordingly.

Yours sincerely

  
Muwanga Kivumbi Muhammad (MP)  
**Butambala County**

- c c. Rt. Hon. Speaker of Parliament
- c.c. Rt. Hon. Deputy Speaker of Parliament
- c.c. Leader of the Opposition
- c.c. Government Chief Whip
- c.c. Chief Opposition Whip
- c.c. Clerk to Parliament
- c.c Clerk to Committee on Budget