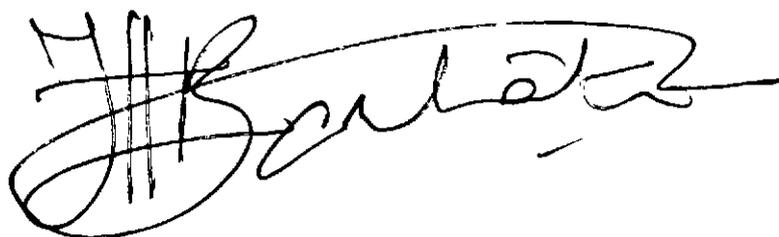
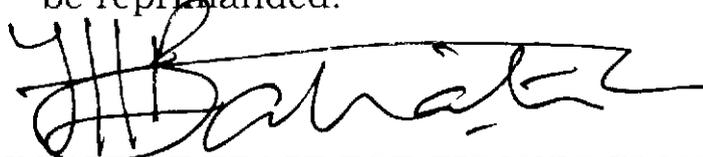


STATEMENT ON IMPENDING INDUSTRIAL ACTION BY LOCAL GOVERNMENT COUNCILS PLENARY SITTING, 13TH AUGUST, 2019

1. Rt. Hon. Speaker and Colleagues, after the enactment of the PFM Act 2015, and in accordance with the of Sec.30 of the Act, effective FY 2016/17, Local Governments (LGs) were requested to deposit their local revenue collections to the Consolidated Fund (CF).
2. Rt. Hon. Speaker, the law provides that, during budget preparation process, LGs submit their local revenue projections along with their estimates to my Ministry for consolidation and submission to Parliament for Appropriation by 1st April of the preceding year. After appropriation of Parliament, for FY 2018/19, the fund was released based on Actual collections and remittances into the CF. This was in some cases on a weekly basis which brought resentments from the Political and Technical leaders in LGs due to delays in accessing the funds.
3. Rt. Hon. Speaker, in circumstances where, there was more collections than appropriated, the Accounting Officer would request, for supplementary funding which would be presented to Parliament for consideration and approval. Accordingly, **Shs2.736 billion** was appropriated as supplementary financing for local revenues under supplementary Schedules 1 and 2. Rt. Hon. Speaker, in case of less collections than appropriated, only the Actual Collections would be available for release to the Local Government.
4. Effective this FY 2019/20, to avoid complaints from Accounting Officers, a decision was taken to advance funds to local governments, at the beginning of the first quarter, equivalent to 25% of their local revenue projections. Where the accounting Officers have been very active, the funds have been accessed.

A handwritten signature in black ink, appearing to be 'J. Banda', written in a cursive style with a large initial 'J' and a long horizontal stroke extending to the right.

5. Rt. Hon. Speaker, in circumstances where more collections will be realised than appropriated in FY 2019/20, The Accounting Officers will in writing submit their requests and I shall prepare and present a supplementary budget of the equivalent (actual collections), to this Parliament to consider. However, in case of collections being less than the funds advanced in the previous quarter, there will no release of the local revenue component in the subsequent quarter, for the respective LGs.
6. Rt. Hon. Speaker, I am now laying the Resolutions of Parliament approving the Supplementary schedule 1 and 2 of local revenues, the Q4 expenditure limits FY 2018/19 (under which these funds were released) and the Quarter One Expenditure Limits FY 2019/20, that demonstrates that 25% of annual Local Revenue projections has been released in advance of the actual collections. Therefore, all local revenue collections remitted to the CF by Local Governments and requested for by Accounting Officers were released to them.
7. Rt. Hon Speaker, let me take this opportunity to make a comment on Pensions and Gratuity processing, payments and accountability. My Ministry has continued to receive appeals from pensioners who have not been paid their pensions and gratuities for a long time, even when my Ministry has released the funds. This is therefore to warn Accounting Officers who are not timely processing Pensions, Gratuities and not accounting for arrears released to them on the pretext that pensioners disappear and yet they are still on their local governments' payrolls, that they will be reprimanded.



MINISTER OF STATE FOR FINANCE PLANNING AND ECONOMIC DEVELOPMENT (PLANNING)

13TH AUGUST 2019