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Please b/u when Parliament resumes.



Ministry of Finance, Planning &  
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 Plot 2-12, Apollo Kaggwa Road  
 P.O. Box 8147  
 Kampala  
 Uganda

12/3/2019

7<sup>th</sup> March, 2019

The Clerk to Parliament,  
 Parliament of Uganda,  
**KAMPALA.**



**RE: DELAY BY GOVERNMENT TO RELEASE FUNDS TO REGIONAL WORK STATIONS TO ENABLE CONSTRUCTION AND REHABILITATION OF ROAD NETWORKS**

I acknowledge receipt of your letter Ref. AB/186/186/01 dated 13<sup>th</sup> February, 2019 in which you indicated that in the 14<sup>th</sup> Sitting of the 3<sup>rd</sup> Meeting of the 3<sup>rd</sup> Session of the 10<sup>th</sup> Parliament on Tuesday 12<sup>th</sup> February, 2019, Hon. William Nzoghu (MP Busongora County) raised concern over the delay by government to release funds to regional work stations to enable construction and rehabilitation of the road network throughout the country.

We wish to update you as follows;

1. The Ministry of Works and Transport was allocated a sum of **Ushs 107.876Bn** for maintenance of road equipment used by District, Urban and Community Access Road (DUCAR) Agencies and rehabilitation of the DUCAR network.
2. To date, **Ushs 82.228Bn** of the above funds have been released to the Ministry of Works and Transport as of the third quarter (Q3) of this FY 2018/19. This represents a 76% release of the Approved Budget Allocation; which is slightly above the 75% pro-rata release in the third quarter. The details are shown in the table below;

Description	Approved Budget	Total Warrants	Total Payments	% Released
Maintenance of Road Equipment	16,564,873,500	13,285,655,678	12,786,285,816	80%
Rehabilitation of the DUCAR Network	91,311,269,496	68,942,146,220	37,781,536,963	76%
<b>Total</b>	<b>107,876,142,996</b>	<b>82,227,801,898</b>	<b>50,567,822,779</b>	<b>76%</b>

3. Under the Road Fund, a sum of **Ushs 527.297Bn** was allocated in the budget for FY 2018/19 for routine and periodic maintenance of public roads in line with the URF Act, 2008. To date, 75% of these funds have been released to the Road Fund as shown below;

**Mission**

*"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"*

Approved Budget	Total Warrants	Total Payments	% Released
527,297,273,149	395,642,347,374	393,213,557,542	75%

4. The First and Second Quarter Expenditure Limits were issued within the first week of the Quarter; while the Third Quarter Expenditure Limits were issued well in advance, on the 17<sup>th</sup> of December, 2018 as shown in the table below;

Detail	Date
Q1 Expenditure Limits	Thursday, July 5, 2018
Q2 Expenditure Limits	Tuesday, October 2, 2018
Q3 Expenditure Limits	Monday, December 17, 2018

However, it is important to note that while this Ministry releases funds to the Road Fund on time, there have been delays by the Road Fund to release funds to the Designated Agencies resulting in delays in the implementation of works. To address the above challenge, the funds for road maintenance have been budgeted under the respective Designated Agencies starting FY 2019/20 and this Ministry will release the funds directly to the Designated Agencies, on advise of the Uganda Road Fund.

The purpose of this letter therefore is twofold;

1. To provide information on the budget performance of the Ministry of Works and Transport and the Uganda Road Fund.
2. Inform you of the decision taken by this Ministry to address delays by the Uganda Road Fund in releasing funds to Designated Agencies.

Patrick Ocaillap

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

Copy: The Rt. Hon. Speaker  
The Rt. Hon. Deputy Speaker  
The Rt. Hon. Prime Minister/ Leader of Government Business  
The Hon. Minister of Finance, Planning and Economic Development  
The Hon. Leader of the Opposition in Parliament  
The Hon. Government Chief Whip  
The Hon. Chief Opposition Whip

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