

PARLIAMENT OF UGANDA

THE REPORT OF THE COMMITTEE ON BUDGET ON THE SUPPLEMENTARY APPROPRIATION (NO. 4) BILL, 2021

**OFFICE OF THE CLERK
PARLIAMENT BUILDINGS
KAMPALA
UGANDA**

March, 2022

Page 1 of 8

[Handwritten signatures and initials]

1.0 INTRODUCTION

Rt. Hon. Speaker and Members, during the implementation of the Budget for the FY 2020/21, Government sought additional resources and re-allocations to meet its expenditure requirements. The requests were laid before Parliament in five separate Supplementary Schedules No.1,2,3,4 and 5 including addenda thereto in accordance with the provisions of Article 156 (2) of the Constitution of the Republic of Uganda , and Section 25 of the Public Finance Management Act, 2015, as amended .

Subsequently, in accordance with Article 156(3) of the Constitution of Uganda, 1995 the Supplementary Appropriation (No.4) Bill, 2021 was presented to Parliament on 27th January, 2022 with the corresponding Certificate of Financial Implications and referred to the Committee on Budget for scrutiny.

1.2 OBJECT OF THE BILL

The object of the Bill is to provide for supplementary appropriation out of the Consolidated Fund in accordance with article 156 (3) of the Constitution and section 25 of the Public Finance Management Act 2015, of a sum of **four trillion, Seven hundred sixty eight billion, six hundred forty million, twelve thousand shillings only to meet additional expenditure** for the Financial Year 2020/2021.

2.0 BACKGROUND

a) On 1st October 2020, the Minister of Finance, Planning and Economic Development laid before Parliament supplementary expenditure estimates under Schedules No.1 and 2 amounting to **UGX 3,426bn of which UGX 1,363 billion** was **3%** of the approved budget of **UGX 45.49 trillion** and **UGX 2,063 billion** over and above the 3% legal limit respectively.

b) On 6th October 2020 an addendum to schedule 2 amounting to **UGX 389.367 billion** was also laid. Schedules 1 & 2 and addendum to schedule 2 were approved by Parliament under a resolution dated 20th October 2020.

c) On 20th October 2020, Government through Minister of Finance, Planning and Economic Development laid before Parliament supplementary expenditure estimates under Schedule No.3 amounting to **UGX 353.87 billion** and on 18th November 2020 addendum 1 and 2 to Supplementary Schedule 3 amounting to **UGX 48.67 billion and UGX 5.64 billion** respectively were laid before Parliament. Schedule 3 and the addenda thereto, were approved by Parliament on 19th November 2020 and a resolution dated 20th November 2020 was issued.

d) On 18th December 2020 Schedule 4 amounting to **UGX 94.32 billion** was laid.

e) On 2nd February 2021, Government laid addenda 1 and 2 to Schedule 4 for the FY 2020/21 amounting to **UGX. 111.477 billion** and **UGX 86.597 billion** respectively. Schedule 4 and addenda 1 & 2 to schedule 4 were approved by Parliament on 2nd March, 2022 and a resolution dated 3rd March 2021 was issued.

f) On 11th March 2021 Hon. Minister of Finance, Planning and Economic Development laid before Parliament Supplementary Schedule No.5 amounting to **UGX. 481 billion**.

g) On 13th April 2021, the Hon Minister again laid before Parliament an addendum to Supplementary Expenditure schedule No. 5 amounting to **UGX 214.538 billion**. Schedule 5 and the addendum were approved on 11 May 2021 and a resolution issued.

3.0

METHODOLOGY

a) The Committee examined the Supplementary Appropriations (No. 4) Bill, 2021 against Resolutions of Parliament on the Supplementary Expenditure Schedules 1, 2, 3, 4 and 5 for the FY2020/21 (inclusive of Addenda), the Hansard of 20th October

2020, 19th November 2020, 2nd March 2021, 11th May 2021 and the Budget Committee Reports that were presented to the House on the Supplementary Expenditure Schedules No.1&2, No. 3, No.4 & No.5 for the FY2020/21.

b) The Committee held interactive meetings with the Hon. Minister of Finance, Planning and Economic Development and the Hon. Attorney General.

4.0 ASSESSMENT FINDINGS

The Committee observed that a total UGX 4,768,640,012,000 was captured in the Supplementary Appropriation Bill NO.4, 2021 of which UGX 2,306,777,984,000 was recurrent expenditure and UGX 2,461,862,028,000 was Development Expenditure. On the other hand Parliament Resolutions on supplementary expenditure for the FY2020/21 totaled to UGX 4,773,935,049,000 of which UGX 2,294,401,511 is recurrent and UGX 2,479,533,538 is development expenditure. This resulted into an overall excess of UGX 5,295,037,000 when compared to amount captured in the Bill as highlighted in table 1 below.

Table 1: Summary of Supplementary Appropriation Bill and Parliamentary Resolutions Estimates

Category	Parliament Resolutions UGX '000	Appropriation Bill No.4 UGX '000	Variance UGX '000
Recurrent Expenditure	2,294,401,511	2,306,777,984	12,376,473
Development	2,479,533,538	2,461,862,028	-17,671,510
Total	4,773,935,049	4,768,640,012	-5,295,037

Source: Supplementary Appropriation. Bill No.4, 2021, Parliament Resolutions & Budget Committee Computations

The variance between the Supplementary Appropriation Bill No.4, 2021 and Parliament's Resolutions on supplementary expenditure for FY 2020/21 as detailed below.

Page 4 of 8

4.1 Expenditure over and above expenditure approved by Parliament

The Committee noted situations where Government had proposed appropriations in excess of the resolutions by Parliament. A total of UGX 55.618 million had been spent over and above the amount approved by Parliament as detailed in table 2.

Table 2: Supplementary Expenditure (as per the Bill) in excess of Parliamentary Resolutions and above 3% legal Requirement

Vote	Vote Name	Parliament's Resolutions (UGX 000)	Supp. Approp. Bill No.4 (UGX 000)	Variance (UGX 000)
	Recurrent			
014	Min. of Health	178,072,140	183,072,140	5,000,000
101	Judiciary	59,662,108	109,662,108	50,000,000
122	KCCA	5,503,190	5,543,190	40,000
	Sub Total	243,237,438	298,277,438	55,040,000
	Development			
579	Bududa District	121,123	699,551	578,428
	Sub Total	121,123	699,551	578,428
	Grand total	243,358,561	298,976,989	55,618,428

Source: Supplementary Bill No.4, 2021, Parliament's Resolutions, Committee Computations

4.2 Expenditure under/below expenditure approved by Parliament

The Committee noted that proposed supplementary appropriations for the following votes detailed in table 3 below were lower than the expenditure approved by Parliament for the FY 2020/21. This implies that MOFPED had released less funds than approved hence affecting service delivery for the affected votes

AK

Table 3: Votes with Expenditure lower than amounts in Parliamentary Resolutions

Vote	Vote Name	Parliament's Resolutions (UGX '000)	Appropriation Bill No.4 (UGX '000)	Variance (UGX '000)
	Recurrent			
015	Ministry of Trade, Indust. and Coop.	150,521,128	150,321,128	-200,000
102	Electoral Commission	50,000,000	-	-50,000,000
620	Rukiga District	109,533	89,533	-20,000
627	Kapelebyong District	602,962	582,962	-20,000
		201,233,623	150,993,623	-50,240,000
	Development			
014	Ministry of Health	55,700,000	50,700,000	- 5,000,000
114	Uganda Cancer Institute	1,934,906	1,279,869	-655,037
156	Uganda Land Commission	12,108,124	10,168,124	-1,940,000
562	Kiruhura District	1,461,446	359,956	- 1,101,490
564	Amolatar District	362,008	-	- 362,008
571	Budaka District	1,338,075	759,646	-578,429
	Sub -Total	72,904,559	63,267,595	-9,636,964
	Grand- Total	274,138,182	214,261,218	- 59,876,964

Source: Supplementary Bill No.4, 2021, Parliament's Resolutions, Committee Computations

The Minister of Finance explained to the Committee that Government runs a cash budget and the underperformance was explained by low collections due to the effects of COVID-19 Pandemic. The committee noted that the appropriations being of historical nature, there was no need for amendments.

4.3 Expenditure reclassified from Development to Recurrent

Committee observed that expenditures under the following votes have been reclassified as recurrent in the Appropriation Bill as opposed to development as resolved by Parliament.

Table4: Expenditures reclassified from Development to Recurrent

Vote	Vote Name	Development (UGX '000)	Recurrent (UGX '000)
002	State House	(2,270,000)	2,270,000
012	Ministry of Lands, Housing & Urban Development	(7,646,500)	7,646,500
522	Katakwi District	(39,990)	39,990
535	Mayuge District	(40,000)	40,000
603	Ngora District	(39,990)	39,990
626	Kwania District	(19,990)	19,990
631	Rwampara District	(19,990)	19,990
	Total	(10,076,460)	10,076,460

Source: Supplementary Bill No.4, 2021, Parliament's Resolutions & Committee Computations

The Committee noted that the interchanged classification emanated from data captured in the supplementary schedules laid before Parliament and the Parliamentary resolutions thereto. The Committee noted that interchanges should ideally be corrected by an addendum to Parliamentary Resolutions. What is important to note is that the interchanges had zero net effect according to the Minister of Finance, Planning and Economic Development.

The Committee recommends that the interchange classification as presented in the Bill be approved. Going forward, any interchange classification should be corrected with an addendum.

5.0 CONCLUSION

The Committee noted that there are inconsistencies in the approvals made by Parliament as per the Resolutions against the estimates provided in the Supplementary Appropriation (No. 4) Bill, 2021 tabled. However, the explanations given by the Minister of Finance, Planning and Economic Development should suffice given the historical nature of the approvals involved in the passing of the Bill.

The Committee therefore recommends that the Bill be passed into law with the proposed amendments.

ANNEX 1: PROPOSEXD AMENDMENTS

1. Delete **“Vote 101: Judiciary under Recurrent estimates UGX 109,662,108,000”** wherever it appears in the Bill.

Justification

Statutory Vote has a direct Charge on the Consolidated Fund

2- Schedule

(a) Under Recurrent expenditure;

(i) Vote 114 – Ministry of Health, replace **“183,072,140”** with **“178,072,140”**

(ii) Vote 122 – Kampala Capital City Authority, replace **“5,543,190”** with **“5,503,190”**.

(b) Under development expenditure; Vote 579 – Bududa District, replace **“699,551”** with **“121,123”**

Justification

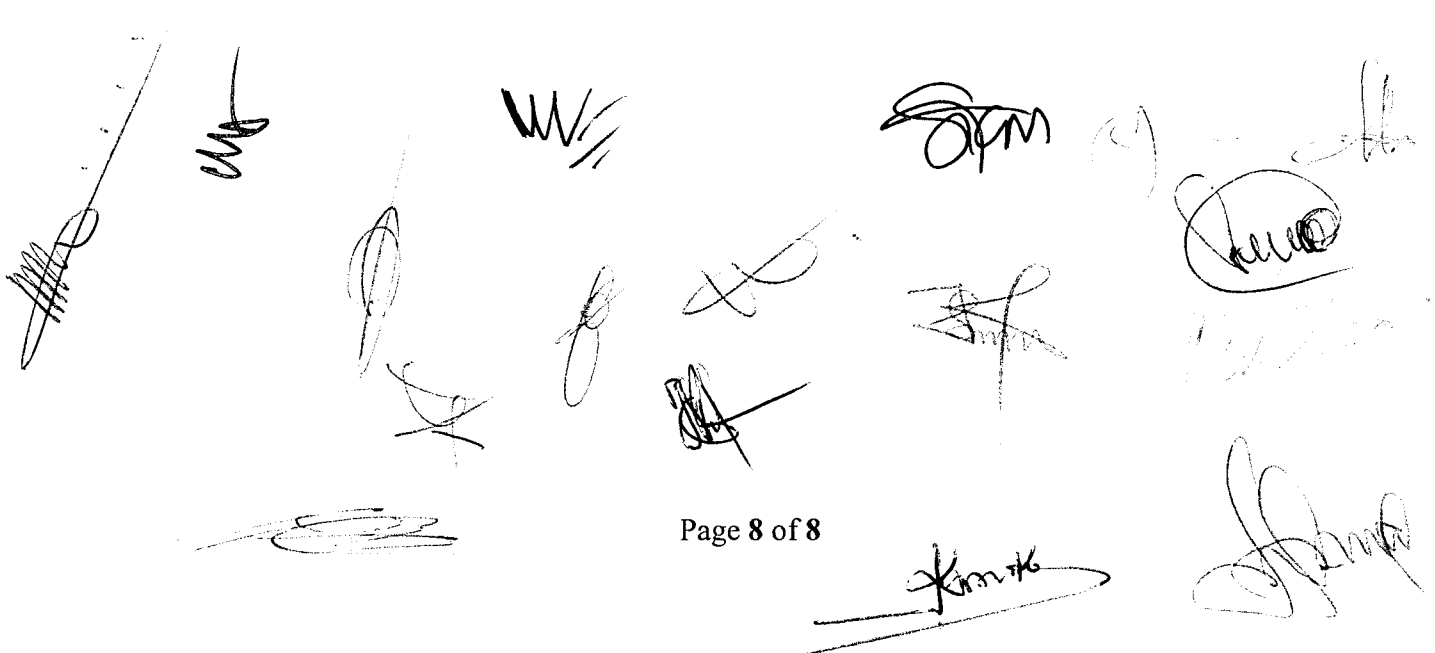
To harmonise the amounts as approved by Parliament

3- Amend the long tittle of the Bill to read as follows:

“.....a sum of *Four trillion, six hundred fifty three billion, three hundred fifty nine million, four hundred seventy six thousand shillings only to meet additional expenditure for the Financial Year 2020/21*”

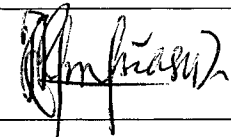
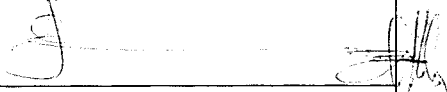
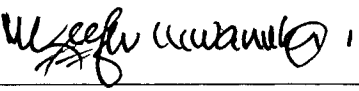


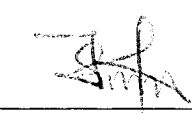
Justification

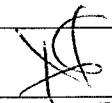



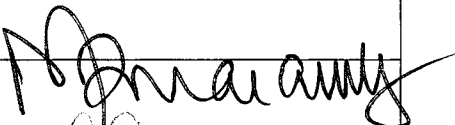
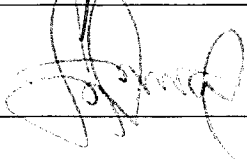
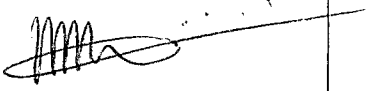

Vote 101- Judiciary is statutory and to harmonise the amounts as approved by Parliament.





Page 8 of 8

**SIGNATURE LIST OF THE COMMITTEE ON BUDGET ON THE
SUPPLEMENTARY APPROPRIATION (NO. 4) BILL, 2021**

Sr. No.	NAME	CONSTITUENCY	SIGNATURE
01	Hon. Opolot Parick Isiagi	Chairman	
02	Hon. Wamakuyu Ignatius Mudimi	Deputy Chairman	
03	Hon. Dr. Keefa Kiwanuka	Member	
04	Hon. Namukuta Brenda	Member	
05	Hon. Magogo Moses	Member	
06	Hon. Kaberuka Ruugi James	Member	
07	Hon. Katalihwa Donald	Member	
08	Hon. Mutono Patrick Lodoi	Member	
09	Hon. Lokii John Baptist	Member	
10	Hon. Akamba Paul	Member	
11	Hon. Mwine Mpaka	Member	
12	Hon. Namuju Cissy Dionizia	Member	
13	Hon. Ssemwanga Gyaviira	Member	
14	Hon. Kateshumbwa Dickson	Member	

15	Hon. Nayebale Sylvia	Member	
16	Hon. Aleper Moses	Member	
17	Hon. Katusiime Annet Mugisha	Member	
18	Hon. Atim Agnes Apea	Member	
19	Hon. Mbabazi Pascal	Member	
20	Hon. Osoru Mourine	Member	
21	Hon. Kankunda Amos Kibwika	Member	
22	Hon. Tinkasiimire Barnabas	Member	
23	Hon. Yeri Ofwono Apollo	Member	
24	Hon. Ndamira Atwakire Catherine	Member	
25	Hon. Kabanda David	Member	
26	Hon. Omara Paul	Member	
27	Hon. Niwagaba Wilfred	Member	
28	Hon. Nakato Mary Annet	Member	
29	Hon. Nyangweso Dennis	Member	
30	Hon. Aciro Paska Menya	Member	
31	Hon. Musherure Nayebare Kutesa Shartsi	Member	

32	Hon. Akora Maxwell Ebong Patrick	Member	
33	Hon. Bayigga Michael Philip	Member	
34	Hon. Muwanga Kivumbi Muhammad	Member	
35	Hon. Nambeshe John Baptist	Member	
36	Hon. Ssewanyana Allan	Member	
37	Hon. Nsamba Patrick Oshabe	Member	
38	Hon. Namugga Gorreth	Member	
39	Hon. Adeke Anna Ebaju	Member	
40	Hon. Akol Anthony	Member	
41	Hon. Ssemujju Ibrahim Nganda	Member	
42	Hon. Gen. Mbadi Mbasu Wilson	Member	
43	Hon. Prof. Elijah Dickens Mushemeza	Member	



PARLIAMENT OF UGANDA

A MINORITY REPORT ON SUPPLEMENTARY APPROPRIATION (NO. 4) BILL, 2021

to
99
10/06/2021

[Signature]

MARCH 2022

1.0 INTRODUCTION

The Supplementary Appropriation (No.4) Bill, 2021 was laid on 27th January 2022 and subsequently referred to the Committee on Budget for scrutiny.

Pursuant to Rule 205 of the Rules of Procedure of the Parliament of Uganda, we hereby present a dissenting opinion from the opinion of majority of the Committee.

While the majority report recommends approval of the schedule of the Bill with selective amendments, this minority report recommend comprehensive amendments. This is premised on the fact that the Rules of Procedure set no limit regarding the number of amendments that can be made in a Bill.

2.0 AREA OF DISSENT

We dissented with the majority report based on noncompliance and inconsistency of the Bill with the Constitution, Public Finance Management Act and Public Finance Management Regulations.

Areas of dissent include the following:

- a) Alignment of the Bill to Budget Releases
- b) Selective Amendments

3.0 DISSENTING OBSERVATIONS

3.1 Alignment of the Bill to Budget Releases

Based on the proposed amendments in the majority report, it is deduced that it concurred with the submission of the Minister for Finance that the estimates in the Bill are consistent with budget releases for FY2020/21. This is unconstitutional and illegal for it contravenes Article 156(3) of the Constitution that commands that a Supplementary Appropriation Bill should only contain **SUMS SO APPROVED** by Parliament **NOT BUDGET RELEASES**.

Article 156(2) and (3) of the Constitution states that,

“(2) If in respect of any financial year it is found—

(a) that the amount appropriated for any purpose under the Appropriation Act is insufficient or that a need has arisen for expenditure for a purpose for which no amount has been appropriated by that Act; or

(b) that any monies have been expended for any purpose in excess of the amount appropriated for that purpose or for a purpose for which no amount has been appropriated by that Act,

a supplementary estimate showing the sums required or spent **shall be laid down before Parliament** and in the case of excess expenditure, within four months after the money is spent.

(3) Where, in respect of any financial year, **a supplementary estimate or supplementary estimates have been approved by Parliament** in accordance with clause (2) of this Article, a Supplementary Appropriation Bill shall be introduced into Parliament in the financial year next following that financial year to which the estimates relate, providing for the **appropriation of the sums so approved** for the purposes specified in those estimates".

Secondly, relying on budget releases and not on the resolutions of Parliament to inform the supplementary estimates in the Bill violates Rule 222 of the Rules of Procedure.

Rule 222 of the Rules of Procedure stipulates that,

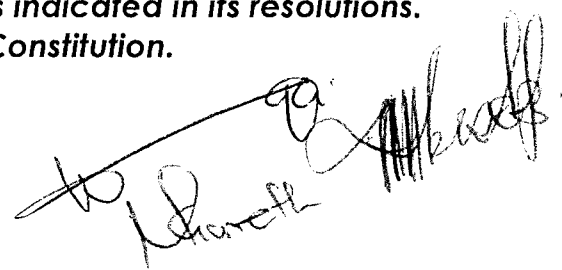
- (1) **It is out of order to attempt to reconsider a specific question upon which the House has come to a conclusion** during the current Session.
- (2) Notwithstanding sub rule (1), **the House may reconsider its decision upon a substantive Motion for the reconsideration**, moved under notice of not less than fourteen days.

It should be noted that no substantive motion has ever been presented to amend the resolutions of Parliament to align them to budget releases.

Thirdly, releases of approved budget are reported in the fiscal performance report as per Section 18(2)(b) of the Public Finance Management Act. Hence the Supplementary Appropriation Bill cannot equate to a Report on Fiscal Performance.

Recommendation

The inconsistent votes and their accompanying estimates in the Bill are amended by deletion or correction, as the case may be, to match the supplementary expenditure estimates SO APPROVED by Parliament as indicated in its resolutions. This will ensure compliance with Article 156(3) of the Constitution.



Parliament adopts the proposed amendments made in this minority report.

3.2 Selective Amendments

While the findings in the majority report acknowledges numerous inconsistencies in the Bill, selective amendments are made. For instance, the majority report proposes amendments under recurrent expenditures for only vote 014 and 122, yet there are several others with inconsistencies such as Vote 015, 102, 620 and 627.

Under development expenditures, the majority report proposes amendments for only Vote 579, yet there are several others with inconsistencies such as Vote 002, 012, 014, 114, 156, 522, 535, 562, 563, 564, 566, 571, 603, 626 and 631.

It is troubling to note that the majority report recommends approval of the Bill without addressing all the inconsistencies. This violates Article 156(3) of the Constitution.

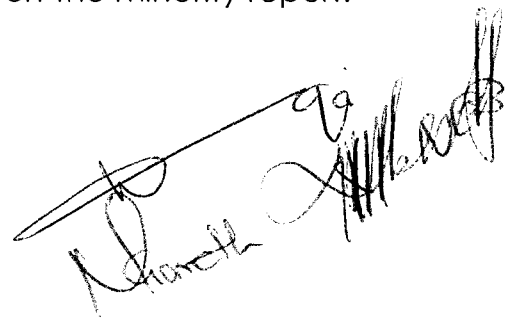
Recommendation

The Bill should be amended to contain only supplementary expenditure estimates SO APPROVED by Parliament as indicated in its resolutions. This will ensure compliance with Article 156(3) of the Constitution.

4.0 CONCLUSION

Rt. Hon. Speaker and Members, we implore you to support the Minority report.

WE BEG TO SUBMIT.

A handwritten signature in black ink, appearing to read 'N. M. M.', is written over a large, diagonal scribble. The scribble consists of several overlapping, dark lines that obscure the text underneath. The signature is located in the lower right quadrant of the page.

PROPOSED AMENDMENTS

1. UNDER THE SCHEDULE – RECURRENT EXPENDITURES

a) Replace in the Bill, the estimates of the votes listed here below with the following:

Vote No		Shs '000
015	Ministry of Trade, Industry and Coop.	150,521,128
102	Electoral Commission	50,000,000
620	Rukiga District	109,533
627	Kapelebyong District	602,962

Justification

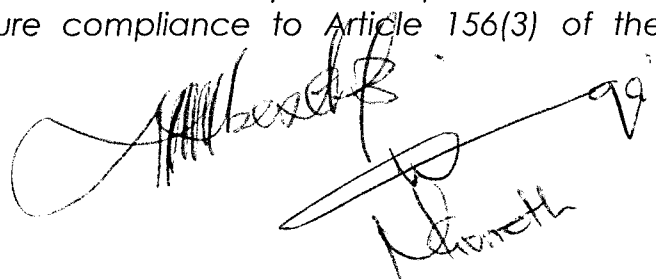
To ensure consistency with the resolutions of Parliament as SO APPROVED supplementary expenditure estimates in compliance with Article 156(3) of the Constitution.

b) Delete from the Bill the following votes and their corresponding estimates from recurrent expenditures:

Vote No		Shs '000
002	State House	2,270,000
012	Ministry of Lands, Housing & Urban Development	7,646,500
522	Katakwi District	39,990
535	Mayuge District	40,000
603	Ngora District	39,990
626	Kwania District	19,990
631	Rwampara District	19,990

Justification

The estimates were approved by Parliament as development expenditures and recurrent expenditures. This will ensure compliance to Article 156(3) of the Constitution.



2. UNDER THE SCHEDULE – DEVELOPMENT EXPENDITURES

a) Replace in the Bill, the development expenditure estimates of the votes listed here below with the following:

Vote No		Shs '000
002	State House	2,270,000
012	Ministry of Lands, Housing & Urban Development	7,646,500
014	Ministry of Health	55,700,000
114	Uganda Cancer Institute	1,934,906
156	Uganda Land Commission	12,108,124
522	Katakwi District	39,990
535	Mayuge District	40,000
562	Kiruhura District	1,461,446
563	Koboko District	1216.911
564	Amolatar District	362,008
566	Manafwa District	210522
571	Budaka District	1,338,075
603	Ngora District	39,990
626	Kwania District	19,990
631	Rwampara District	19,990

Justification

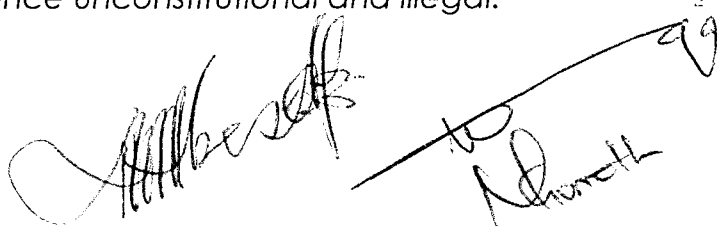
To ensure consistency with the resolutions of Parliament as SO APPROVED supplementary expenditure estimates in compliance with Article 156(3) of the Constitution.

a) Delete from the Bill, the following votes and their corresponding expenditure estimates:

Vote No		Shs '000
565	Amuria District	1217

Justification

The expenditures estimates were not approved by Parliament and contravene Article 156(3) of the Constitution. Hence unconstitutional and illegal.

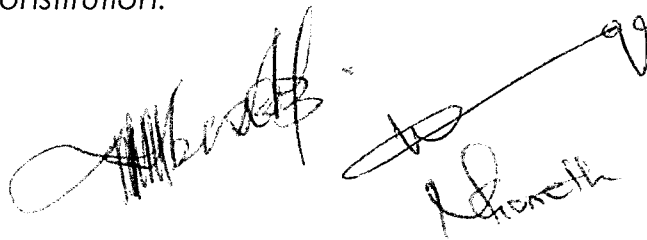
Handwritten signatures and initials in black ink, including a large signature on the left and initials 'AD' and 'ag' on the right.

3. STATUTORY EXPENDITURES

- a) Under recurrent, Vote 101 – Judiciary, replace “109,662,108” with “59,662,108”

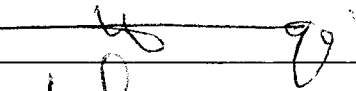
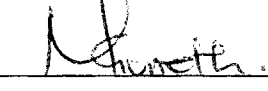
Justification

To ensure consistency with the resolutions of Parliament and comply with Article 156(3) of the Constitution.



Two handwritten signatures are present. The signature on the left is a stylized, cursive name that appears to be 'M. B. ...'. The signature on the right is a long, sweeping line that ends in a small loop, with the name 'R. Honeth' written below it in a cursive script.

MEMBERS ON THE COMMITTEE ON BUDGET WHO SIGNED THE MINORITY REPORT ON SUPPLEMENTARY APPROPRIATION (NO. 4) BILL, 2021

S/N	NAME	Signature
1.	Mawanga Kumbo Mohamed	
2.	MAMUSSA GORRETH	
3.	Nombeshe John Baptist	