



THE REPUBLIC OF UGANDA

**ARUA DISTRICT LOCAL GOVERNMENT**

**BUDGET SPEECH FOR THE FINANCIAL YEAR 2006/07**

**ENDING 30<sup>TH</sup> JUNE 2007**

Honorable Speaker

Honorable members of Arua District Council

The Resident District Commissioner-Arua District

Honorable members of Parliament

The Chief Administrative Offices-Arua District

The Council Public Servants

Members of Boards and Commissions

The representatives/Coordinators of Non-Governmental Organizations/Community Based Organizations

The LC 111 Chairpersons and Distinguished invited guests

My dear Elders of Arua District

Ladies and Gentlemen

1. I beg to move that the Arua District Council resolves itself into a committee of supply for the consideration and approval of:
  - (i) The Revised Revenue and Expenditure Estimates for the financial year of 2005/2006; and**
  - (ii) The Budgetary Proposals for the Estimates of Revenue and Expenditure for the financial year 2006/2007.**
  
2. Honorable Speaker and Honorable members of Council, Section 83, sub-section 4 of the Local Governments Act 1997 (as amended in 2001) provides that the Chairperson of the Local Government should cause to be prepared and laid before the council estimates of revenue and expenditure of the next ensuing year.  
I am accordingly performing this duty on behalf of the chairperson of the district council.

## **INTRODUCTION**

Allow me to start by congratulating His Excellency the President of the Republic of Uganda Yoweri Kaguta Museveni for his colourful victory in the just concluded multi-party elections Uganda has ever had over 20 years.

I also congratulate the entire Cabinet and the honorable members of the Eighth Parliament for similar victory in the elections.

Madam Speaker, I equally congratulate the honorable members of Arua District Council for successfully being elected in to leadership position of Arua District and to welcome them from their respective Constituencies to the 6<sup>th</sup> council of the Arua District Council.

To all our development partners, in particular, the Central Government, the Donor Community, Community Based Organizations, the Business Community and all people of good-will, I have no suitable words to thank you for your contribution in developing this District. I can only say that your contributions are commented and appreciated.

Honorable Speaker and the August house, sector 78 (1) of the Local Government Act 1997 provides that;

- (1) "Local Government shall have the right and obligation to formulate, approve, and execute their budgets and plans provided the budget shall be balanced"
- (2) "Local Governments shall always accord National Priority Programme Areas preferential budget outlays"  
Therefore the budget I am going to present to you is in line with these legal requirement and other existing regulations in place.

## **OBJECTIVES OF 2006/07 BUDGET**

1 Hon. Speaker, the budget I am presenting this morning is a statement of the revenues that the District Council expects to collect during financial year 2006/2007 and how it plans to appropriate these revenues to pursue its development objectives.  
It offers a comprehensive report on the Council achievements in Financial Year 2005/2006 in the background to the budget.

2 The main focus of this year's budget is poverty reduction and creating opportunities for the households and communities to increase their incomes.

This shall be realized among other strategies through promoting and sustaining good governance, improving access to basic public goods and services, promoting agricultural production and productivity, promoting food security, reducing the incidences of environmental degeneration, fighting HIV/AIDS through intensification of public awareness programmes, enhancing sustainable use of the available natural and human resources, promoting preventive health care programmes, ensuring security and peace in our district, region and nation as a whole.

Honorable members, these issues are serious development challenges this district and indeed the nation is facing. The implication of this situation is that a greater proportion of resources should be allocated to increase intervention levels in these areas.

Madam Speaker, permit me to inform the honourable house that despite the above challenges/constraints, Arua District has recorded positive trend in the provision of public goods and social services over the last five (5) years. These achievements, however, should not make us complacent as large proportion of our people still live below poverty line. This Council should not accept this as a meaningful way of life for our people in this era.

Honourable Speaker, we realize that this year's budget making process has been short for the members of this council, nonetheless, the standing committees have had opportunity to build consensus on the major priorities of their sectors for the medium term and beyond. The basis of this consensus is the Three Year Rolling District Development Plan and the Annual Work Plan that were approved by the honourable councilors in yesterday's session. Madam Speaker, in order to achieve the strategic development objectives contained in the District Development Plan, it will be absolutely necessary for the Council to embrace and adhere to

the principles of good governance and human development in terms of capacity building of the Councilors civil society organizations, the private sector and the Civil Servants. This is important because the depth and breath of knowledge and skills necessary for good corporate governance is considerable and needs to be regularly evaluated and updated through training sessions.

## **REVENUE PERFORMANCE FOR 2005/06**

Honourable Speaker, permit me now to report on the revenue performance for the fiscal year ending 30<sup>th</sup> June 2006.

During the year under review, the total revenue out turn is

**Shs. 31,754,120,200/=** out of the budgeted amount of Shs. **34,518,742,000/=** thus representing 92% performance. The break down of the Revenue out turn for financial year 2005/06 is as below:

Local Revenue	=	Shs. 525,166,519/=
Central Gov't Transfers	=	Shs. 26,380,413,557/=
NGO/Donor Funding	=	Shs. 777,411,161/=
Below the line (Deposits)	=	Shs. 590,991,161/=
NUSAF	=	Shs. 3,480,137,802/=

**Note that the cumulative funds received under NUSAF since the programme started in February 2004 is shs 6,790,048,729/=**

For details, honorable members are requested to refer to  
Appendix 1 – Summary of receipts for 2005/2006 and  
Appendix 2 – Summary of Central Government Transfers for 2005/06.

The analysis of the revenue out turn indicates that Central Government Transfers accounted for 83.6% of the total revenue receipts. The Donor/NGO funding which provided 14% of the resources follows this. Local Revenue receipts accounted for only 2.4%. The implication of these percentage performances is that Arua

District Council depended 98% on funding from external sources. This is very appalling situation in the decentralization context. Such dependency syndrome undermines council's discretionary powers to allocate resources according to its local needs and further erodes its autonomy as a decentralized local authority.

Madam Speaker and Dear Honourable members, during the year under review, the Council expected to collect from own sources Shs. **397,581,398/=** compared to an amount of **Shs. 525,166,519/=** actually collected, thus representing over 132% collection. The over performance in local revenue collection was due to the payment of arrears of Tobacco Haulage Fees and Produce Ordinance Fees by the Tobacco Companies British American Tobacco Uganda, Continental, Leaf Tobacco Company) operating in Arua District during the last 4 years.

Receipts from Graduated Tax compensation for the loss of revenue from the suspension of Graduated Tax amounted to **Shs. 635,873,206/=** representing 55% of the actual disbursements. The short fall in revenue receipts under donor funding is due to low level of disbursements under North-Western Agricultural Development Project, NUSAF, and Ministry of Education Text Book Project. About 71% of the donor receipts was under NUSAF.

Honourable Speaker and the august house, the poor performance of own source revenue is attributed to the following internal factors at play:

- The large size of the informal sector, characterized by subsistence Agriculture with very low returns inhibits the growth and expansion of the own source revenue base, leading to low yields of revenue.
- There is absence of very strong and vibrant private sector activities that could enhance the revenue base of the District.
- The parallel establishment of informal markets tremendously affects revenue potential of formal markets as charges from the informal markets are set deliberately low to discourage people from attending formal markets.

- Low reserve prices for markets provide ample opportunities for serious revenue leakages.
- There is inadequate identification, classification and registration of businesses by Sub County Councils, resulting into inadequate data that can be used in monitoring compliance and enforcing collection.

### **EXPENDITURE PERFORMANCE FOR THE FISCAL YEAR 2005/06.**

Honorable Speaker, during the year under review, the overall expenditure out turn was Shs. **29,870,120,200/=** as compared to the budget forecast of Shs **34,518,742,000/=** This represented 86% expenditure out turns. By end of June 2006 I expect the expenditure out turn to be over 93%.

#### **The break down of the expenditure out turn is as follows:**

1. Health Services Sector	=	Shs. 1,504,821,320/=
2. Education Sector	=	Shs. 2,013,401,712/=
3. Production Sector	=	Shs. 282,027,975/=
4. Community Services	=	Shs. 102,180,381/=
5. Finance & Planning	=	Shs. 307,803,481/=
6. Statutory Bodies	=	Shs. 351,271,257/=
7. District Salaries	=	Shs. 16,487,274,109/=
8. Works, Technical Services/Works	=	Shs. 1,061,320,034=
9. Administration	=	Shs. 141,423,558/=
10. Koboko Town Council	=	Shs. 67,983,067/=
11. Arua School of Nursing	=	Shs. 201,257,748/=
12. Local Government Dev't Prog.	=	Shs. 1,560,985,000/=
13. National Agricultural Adv. Services	=	Shs. 1,254,320,000/=
14. UNICEF	=	Shs. 66,895,761/=
15. Ocoko Vocational Training	=	Shs. 3,000,000/=

16. NECDP (LGDP)	=	Shs.	120,698,561/=
17. Sub County G. Tax compensation		Shs.	284,159,752/=
18. Arua Technical Institute Ragem=		Shs.	326,039,600/=
19. Natural Resources	=	shs.	194,270,000/=
20. Council Complex Account	=	Shs.	171,163,971/=
21. NUSAF	=	shS.	3,361,727,529/=
Bank charges	=	Shs.	6,095,384/=
<b>Total</b>		<b>Shs.</b>	<b>29,870,120,200/=</b>

## **BUDGET ACHIEVEMENTS FOR THE FINANCIAL YEARS 2005/2006**

Honourable Speaker, it is now my honour and pleasure to report on the achievements of 2005/2006 financial year budget.

Honourable members, due to limitations imposed by time, it was felt that this particular section of the budget be circulated to you well in advance. This was accordingly done to enable you acquaint yourself with those sectoral achievements. With this background, I beg to refer honourable members to the sector reports in the Background to the Budget available with you for the review of significant and major capital developments, and other pertinent issues that affected budget implication.

Madam Speaker, the success we have recorded during the year under review has been attributed to improved budget management and discipline resulting from sustained monitoring of the implementation of Council programmes.

In summary, the district Council managed to implement most of its plans in the DDP except for activities whose funding performed below average e.g. School construction.

Honourable Speaker and the august house, I wish to note and bring to the attention of the Council that the following areas require special Council intervention in the medium term.



- Capacity building issues.
- Poor performance particularly in secondary schools as manifested by the recent intake into universities.
- Housing infrastructure in primary schools.
- Staff housing in health institutions
- Council complex construction.
- Construction of bridges on the trunk roads along Arua – Koboko and Arua – Yumbe roads.
- Gazeting and development of rural growth centers into town councils.
- Increased prevalence of malaria causing high mortality rates among the population.
- Infrastructural development in Arua Referral Hospital e.g. male ward construction.
- Sewage and garbage disposal in Arua Municipality
- Alternative energy for domestic use in the face of environmental degradation.
- Household incomes and HIV/AIDS.
- Own Source Revenue Enhancement and mobilization

However, due to insufficient local revenue, the Council was unable to pay over Shs. 140,000,000/= in salary arrears, lump sum gratuity, pensions.

Honourable Speaker, kindly permit me to close my remarks on expenditure performance by noting the few budgetary developments and inadequacies that have taken place during the year and which require urgent attention.

- ❑ Delayed submission of accountabilities for conditional grants to sector ministries by some few sector heads.
- ❑ Spending of revenues at source by Sub County Councils.
- ❑ The culture of commitment control has not taken strong root in expenditure control system, hence causing accumulated financial commitments and obligations at the end of the financial year.

- ❑ The capacity for budget planning and implementation has remained weak in many sectors. Unit costs of inputs are not seriously scrutinized. This can create opportunities for corrupt practices.
- ❑ Construction of bridges has remained a big problem for the District. Un planned expenditures emerged during construction and normally require additional resources.
- ❑ Budget implementation has been damaged by lack of budget discipline in some sectors, causing numerous audit queries.
- ❑ Because some sectors take on too many activities or create un necessarily too many commitments in the hope of obtaining more funding, little is realized in terms of expenditure impact and quality of public goods and services.
- ❑ Litigation costs have seriously diverted resources from their intended purposes, thus affecting genuine expenditure e.g. construction of Council complex and UPE Capitation.
- ❑ Behavioral problems with some heads of departments in the planning and budgeting process.

## **BUDGET PROPOSALS FOR THE FISCAL YEAR 2006/2007**

Honourable Speaker and the august house, having exhaustively highlighted the sectoral achievements during the year under review, permit me now to present to you the summary of revenue and expenditure proposals for the year 2006/2007.

### **REVENUE PROPOSALS FOR 2006/2007**

Honourable Speaker, for the financial year beginning 1<sup>st</sup> July 2006 and ending June 2007, I propose to raise a total of Shs. **25,150,205,617/=** from all sources of revenue available to the District Council, namely, Central

Government Transfers, Local Revenue and Donor/NGO funds. The contribution of each revenue source to the overall proposed revenue estimates is as follows:

### **Central Government Transfers:**

Honourable Councilors, the Central Government is one of the major sources of revenue for the district and Urban Councils. For this reason, I expect to raise from this source a total of Shs. **17,555,323,892/=**, representing 70% of the total resource envelope available to the district for implementing the programmes.

The detail of the Central Government Transfers is shown in Appendix 1 attached.

### **Donor Funds:**

Honourable Speaker, the District enjoys very healthy and commendable relationship with some donors. In particular, I wish to sincerely register my appreciation to our stakeholders such as United Nations High Commissioner for Refugees, which committed substantial resources in promoting health, education and other services in the refugee settlements, etc. In similar spirit, I wish to thank UPHOLD, AIM – DHAC, NFS, GOPA, SHSSP, and all other organizations involved in HIV/AIDS control in this district.

Given this background and the commitment of this NGOs/Donors to continue serving the people of Arua, I propose to raise a total of Shs. **7,344,881,725/=** from these stakeholders. This represents 29% of the budget estimates for 2006/2007 financial years. (See Appendix 1 for details).

Honourable Speaker, permit me to inform the honourable Councilors that due to insufficient information to the District about the budget support from other donors/NGOs such as World Food Programme, GTZ, MSF, CUUAM, Arua Diocese, Madi and West Nile Diocese, CARE etc, it has not been possible to incorporate their Budget figures in the Council budget.

### **Local Revenue:**

Honourable Speaker and honourable Councilors, local discretion depends on the ability of local governments to generate adequate resources from own sources to meet priority needs. From this viewpoint, I propose to raise total amount of Shs. **250,000,000/=** from own source revenues. This shall represent 1% of the total budget estimates for 2006/2007 financial year. This is indeed a very disturbing contribution to the overall budget and indeed undermines the very essence of decentralization and local autonomy. Therefore innovative and dynamic practices are required to widen the revenue base in the medium and efficiently collect it. (Please refer to Appendix 1 for details)

### **PROPOSED EXPENDITURE FOR 2006/2007 FINANCIAL YEAR**

Honorable Speaker, allow me to expeditiously move to my expenditure proposals for the fiscal year 2006/2007.

Honourable Councilors, the commitment of His Excellency the President of the Republic of Uganda and indeed the entire Government is to eradicate poverty in Uganda. This is manifested by the existence of PEAP framework as a tool to fight poverty. In the same spirit, this Council shall accord preferential expenditure outlay to priority programme areas of Health, Primary Education, Agricultural Production and Productivity, Feed Road maintenance, and Rural Water.

With this background in mind, Hon. Speaker, I propose to spend a total of Sh.s **25,150,205,617/=** for the implementation of the 2006/2007 Arua District Council Annual Work Plan this august house approved in yesterday's session.

Madam Speaker, the wage bill for all categories of employees is estimated at Shs. **11,282,289,892/=**, representing 45% of the estimated budget for Arua District, while the non wage is estimated at Shs. **13,867,915,725/=**. This implies that only 55% of the total budget will be spent on implementation of programmes indicated in the Work Plan (see breakdown of development budget, Donor Funds, Conditional Grants). Co – financing of Central Government Programme such as LGDP II, NorthWestern Small Holders Agricultural Development Project, NAADS, UNICEF is estimated at Shs. **58,788,600/=**, representing 0.2% of the total budget.

Honourable Speaker, a total of Shs. **563,261,400/=** will be retained by

Sub County Councils as 65% of the locally collected revenue.

Madam Speaker, realizing that the District Council plays enormous role in formulating policies and mobilizing the population of Arua District to participate in development activities, I propose to pay the honourable Councilors mobilization allowance of Shs. 300,000/= per month.

Shs. 20,000/= as sitting allowance. The Council allowance is estimated at Shs. **111,600,000/=** Inclusive of standing committee chairpersons administrative costs. District Executive Committee and Speaker shall be paid as per the statutory instrument signed by the MoLG. The Deputy Speaker shall be paid Shs. 355,000/= per month. Emoluments to LC III Chairpersons is estimated at Shs. **54,000,000/=** at a rate of shs 300,000/= per month as per the statutory instruments. This will leave the Council only with an estimated amount of Shs. **213,838,600/=** to meet other recurrent cost obligation. The breakdown of the expenditure allocations per sector and for operations and administration is shown on appendix 11 on page 19 of this speech.

Honourable Speaker, expenditure outlay on sub – projects under NUSAF is estimated at Shs. **6,800,000,000/=**, representing 26%, while an estimated amount of Shs. **544,811,725/=** shall be budget support from other donor/NGOs. This amount shall be spent in health, education, community services and production as per the annual work plan.

Honourable Speaker, critical analysis of the budget indicates that an estimated amount of **Shs. 9,700,301,892/=**, representing 38.0% of the total budget of Arua District shall be spent in the Education sector. This amount shall cover UPE, secondary schools capital grant and primary, secondary, and tertiary schools salaries. In comparison, a total of Shs. **1,505,490,000/=** representing only 6% of the budget will be spent in health sector. This figure excludes budget support by donors.

Honorable Councilors, out of the non – wage recurrent budget support of Shs. **13,867,915,725000/=**, equalization grant amounting to Shs. 142,706,000/= is available to the Council. This shall be spent in PAF areas according to the approved work plan for 2006/2007.

Honourable Speaker, Expenditure of statutory bodies i.e. Boards and Commissions shall be met 100% out of PAF conditional Grant and is estimated at Shs. **92,996,000/=**, while a total of Shs. **55,811,000/=** is ear marked for PAF monitoring and accountability.

In view of the anticipated low revenue collection from own sources, budget cuts, delayed disbursement of Graduated Tax compensation Grant, the Council will need to lobby other development partners for financial assistance for interventions with little or no budget support. Such intervention areas include but not limited to the construction of Council complex. Inzikuru Stadium; promotion of women empowerment, youth, traditional and cultural activities and construction of a Remand Home.

Honorable Speaker, the physical condition of the two office blocks in the Council yard are very appalling and portrays neglect of physical infrastructure. I propose to start construction of council complex this fiscal year To realize the above budget proposals, I propose to institute tough fiscal measures, strict budget discipline, internal control measures and to build the capacity of Councilors to closely follow the implementation of the approved work plan in their respective sectors. Honourable Speaker, the issue at hand will not be how much fund is available but how vote controllers will effectively manage and optimized the use of the available resources.

Top priority and emphasis will be put on the quarterly report submission to the Council on activity implementation so that the performance of the respective sectors can be properly assessed.

*N.B. Madam Speaker, the proposed budget for the new Maracha /Terego District is attached on appendix three for visual guidance and information to all the honorable members of the greater Arua District. **(FIO) For information only.***

**BUDGET IMPLEMENTATION POLICIES/MEASURES:**

Honourable Speaker, I propose to put in place the following measures to strengthen budget discipline; revenue mobilization; and delivery of public goods and services in the medium term.

1. Commitments in area of procurement of goods and services are with immediate effect prohibited if a vote controller has no funds to retire the commitments. Vote controllers with their respective standing committees are with immediate effect prohibited from procuring any good or service unless funds are available to pay the supplier or contractors. The Chief Administrative Officer is directed to take stern action against any vote controller who contravenes this measure.
2. All contracts and procurements under development or recurrent budgets must make adequate provision for government taxes. However, taxes on donor-funded projects shall be submitted to the Ministry of Local Government.
3. Sectors receiving conditional grants shall be allowed to use upto 5% of their allocation for monitoring and supervision provided a sound justification for additional resources, over and above the PAF monitoring allocation for supervision under the sectors is given.
4. Given the difficulties of sharing local revenue with Sub County Councils in accordance the law, tenderers for the collection of market dues and property rates shall directly remit 35% of the revenue including 18% VAT to the District, while 65% of the revenue shall be paid to the Sub County Councils. All contractors will pay 1% royalty fees on all contract awards to the district council.
5. To ensure value for money, boards and commissions shall present their activity report on quarterly basis to the District Executive Committee for the purposes of monitoring their performance and offering necessary guidance with copies to the relevant authorities.
6. Intensify the mobilization of the community to protect the environment through strengthening the capacity of environment committees, promote the protection of ecologically sensitive areas, and enforce environmental laws, regulations and byelaws through the newly created Natural Resource

Directorate. The directorate is accordingly given mandate to research on alternative source of energy for domestic use.

7. Due to liquidity problems, all markets with rental value of up to Shs. 500,000/= per month will be paid upfront on quarterly basis.
8. Given the narrow revenue base of the District, subsistence allowance for travels outside the district shall be limited to availability of resources. The vote controllers and the Internal Audit department is to strictly take note of this and act according during recommendation and pre audit respectively.
9. To avoid sub – standard repair of district vehicles and motorcycles and ensure value for money, the Contracts committee shall through in-depth analysis of competency and financial capacity procure the services of a trust worthy garage to handle all repairs. The mechanical sector shall limit their interventions only to preliminary assessment of the mechanical condition of the vehicles and motorcycles. The Accounting officers should note this very carefully.
10. Sectoral standing committees shall be facilitated at least once in every quarter to monitor the implementation of programmes in Sub Counties. A comprehensive field report for findings shall be produced and tabled before the Council by the respective Chairpersons of the committee. Availability of reports of the previous quarter shall be a prerequisite for disbursement of additional funds to the sector for monitoring in the preceding quarter.

#### **MEDIUM TERM STRATEGY – 2006/07 – 2009/10**

Honourable Speaker, permit me to conclude my presentation of the budget by proposing the following strategies:

1. On infrastructural development, I propose to adopt and uphold the development initiatives of MAYAN Districts.



2. Carry out continuous survey on non – tax sources of revenue and implement the property rates Act.
3. Due to shortage of housing accommodation in primary schools, I propose to use greater proportion of the LGDP II funds allocated to Education sector for the construction of teachers' houses in hard to reach areas of Madi Okollo County; strengthen Food for Education and Food for Work programmes in conjunction with WFP.
4. HIV/AIDS is a big challenge in our communities however; another similar challenge is to ensure proper management of funds under the project. The Health committee, the District Executive Committee and the Chief Administrative Officer, shall do this through close monitoring and guidance.
5. On PEAP, refine the inter - sectoral linkages to achieve the desired out comes and lay strategies to curb misuse of public resources and abuse of public assets.
6. Support the efforts of Sub County Councils to manage redundancies among the Sub County staff so that work hours are used productively.
7. Immediately abolish all un – gazetted markets and codify the existing prescribed markets.

Honourable Speaker and Honourable Councilors, with all these measures, policies, strategies, and above all your support and cooperation, the sky shall be the limit. I am highly optimistic that this budget shall be achievable given that all proposed Central Government Transfers shall be disbursed 100% to the district and Local revenue target achieved.

Honourable Speaker, I would sincerely once again like to take this opportunity to thank all those who cooperated with us to make the budgeting process a success. In particular, I wish to register my appreciation to the Honourable Councilors both at the District and Sub County levels, the civil servants, donors, NGOs, religious leaders, elders, members of parliament, invited guests and the press.

Honourable Speaker, I am particularly grateful to the New Vision, the Daily Monitor, Arua One FM, Radio Pacis, Nile fm ,Koboko FM for publicizing our developments, mobilizing and sensitizing the community on development issues.

I trust that all our stakeholders and people of goodwill will participate actively to achieve the objectives of this budget. I look forward for greater prosperity of this district, the region and the entire country. I wish honourable members of this august house the best of luck in their political endeavours.

Lastly, in a special way, I wish to most sincerely congratulate the Speaker for exhibiting high degree of competency in steering today's session.

I commend this budget to the august house for discussion and approval.

Honourable Speaker, I beg to move

***"FOR GOD AND MY COUNTRY"***

Andama Richard Ferua.  
SECRETARY FOR FINANCE AND PLANNING  
**ARUA DISTRICT COUNCIL**

## APPENDIX I

### ARUA DISTRICT LOCAL GOVERNMENT

#### FINANCIAL YEAR 2006/2007

#### BUDGET PROPOSALS

Revenue	FY 2006/2007
Local Revenue	250,000,000/=
Donor Funds	7,344,881,725/=
Central Government Transfers (Unconditional)	1,259,644,000/=
Equalization Grant	142,706,000/=
G. Tax Compensation	616,556,000/=
Development Budget	3,425,196,000/=
Central Government Transfer (Conditional)	12,111,221,892/=
<b>TOTAL</b>	<b>25,150,205,617/=</b>

#### *Breakdown:*

Wages	11,282,289,892/=
Non wage	13,867,915,725/=
<b>TOTAL</b>	<b>25,150,205,017/=</b>

## DEVELOPMENT BUDGET (CENTRAL GOVERNMENT)

Rural Water	700,450,000/=
LGDP II	1,060,484,000/=
SFG	642,173,000/=
NAADS	1,022,090,000/=
<b>TOTAL</b>	<b>3,425,197,000/=</b>

## DONOR FUNDS

NUSAF
UNICEF
SRS (Health)
SRS (Community Development)
SRS (Education)
UNICEF
UPHOLD
NWSHAP
<b>TOTAL</b>

## PROPOSED BUDGET

6,800,000/=
-
81,853,437/=
96,128,041/=
73,000,000/=
177,745,000/=
77,976,500/=
38,178,747/=
<b>7,344,881,725/=</b>

## CONDITIONAL GOVERNMENT TRANSFERS

<b>Conditional</b>	<b>FY 2006/2007</b>
CAO's salary	34,522,000/=
Environment/Natural Resources (NW)	3,020,000/=
PHC (Wages)	1,065,465,000/=
NGO Hospitals	431,714,000/=
NGO wage subvention	8,311,000/=
Universal Primary Education	608,731,000/=
Primary Salaries	6,113,214,000/=
Tertiary Salary	334,933,977/=
Health Training School	195,188,000/=
District Roads	150,644,000/=
Secondary Teachers salary	2,448,234,915/=
Capital Grant (Secondary schools)	-
Agricultural Extension (N/W)	29,052,000/=
PMA	144,035,000/=
FAL	27,382,000/=
PAF (M/A)	55,811,000/=
Boards/Commissions	92,996,000/=
DSC Salary	12,000,000/=
Community Development (N/W)	7,251,000/=
Community Development (Wages)	17,609,000/=
Women/Youth/Disables	20,369,000/=
PHC (Non wage)	310,739,000/=
<b>TOTAL</b>	<b>12,111,221,892/=</b>
Start Up costs	-
Urban Graduated Tax	-
Urban unconditional grant	-

District Hospitals	-
<b>LOCAL FUNDS</b>	<b>FY 2006/2007</b>
Tender fees	10,001,880/=
Business License	10,204,000/=
Departmental Revenue	7,250,500/=
Market Dues	95,432,950/=
Haulage Fees/Transportation fees	41,436,500/=
Fish/Produce License	7,450,600/=
Birth/Registration	5,250,000/=
Sale of Government Assets	31,450,570/=
Rent/Rates	17,450,000/=
Royalties	24,073,000/=
<b>TOTAL</b>	<b>250,000,000/=</b>

**APPENDIX II****EXPENDITURE ALLOCATION (LOCAL FUNDS, UNCONDITIONAL, G. TAX COMPENSATION)**

<b>Item/Programme</b>	<b>Proposed budget FY 2006/07</b>
1. Decentralized salary	1,248,000,000/=
2. 65% Remittance	527,261,400/=
3. Council Allowance/Emoluments	111,600,000/=
4. Co – financing	58,788,600/=
5. LC III Chairpersons salary	54,000,000/=
6. Finance (Accountable stationery)	17,000,000/=
7. Finance/Planning	15,550,000/=
8. Management/Support Services	16,500,000/=
9. Disaster/Emergency Fund	5,000,000/=
10. Education & Sports	7,000,000/=
11. Health and PHC	4,500,000/=
12. Works/Roads/Water/TSVs	4,000,000/=
13. Natural Resources	3,500,000/=
14. Community Development	3,500,000/=
15. Production & Marketing	4,500,000/=
16. LC V Chairman/Speaker's office	20,000,000/=
<b><u>SUB TOTAL</u></b>	<b><u>2 126,200,000/=</u></b>

## Expenditure:

### Central Government Transfers

<b>Programme</b>	<b>Proposed Budget</b>
CAO's salary	34,522,000/=
Environment/Natural Resources	3,020,000/=
PHC wages	1,065,465,000/=
NGO Hospitals	431,714,000/=
NGO wage subvention	8,311,000/=
UPE	608,731,000/=
Primary Teachers salary	6,113,214,000/=
Health Training School	195,188,000/=
District Roads	150,644,000/=
Secondary Teachers salary	2,448,234,915/=
Agricultural Extension	29,052,000/=
PMA	144,035,000/=
FAL	27,382,000/=
PAF Monitoring	55,811,000/=
Boards/Commissions	92,966,000/=
DSC	12,000,000/=
C.D.A. (N.W)	7,251,000/=
C.D.O (Salary	17,609,000/=
Women, Youth, Disables	20,369,000/=
Rural Water	700,450,000/=
SFG	642,173,000/=
LGDP II	1,060,484,000/=
NAADS	1,022,090,000/=
<b>SUB TOTAL</b>	<b>14,890,745,915/=</b>



<b>DONOR FUNDS</b>	<b>EXPENDITURE</b>
<b>Programme</b>	<b>2006/2007</b>
NUSAF	6,800,000,000/=
Others as per revenue	544,881,725/=
<b>SUB TOTAL</b>	<b>7,344,881,725/=</b>
Equalization/65% Remittance	788,377,977/=
<b>GRAND TOTAL</b>	<b>25,150,205,617/=</b>

### APPENDIX III

#### MARACHA – TEREKO – VOTE 577

##### Development Conditional Grants 2006/07

1. Rural Water	=	Shs. 575,694,000/=
2. LGDP	=	Shs. 683,705,000/=
3. PHC Development	=	Shs. –
4. SFG	=	Shs. 702,864,000/=
5. NAADS	=	Shs. 518,204,000/=
<b>TOTAL</b>		<b>2,480,466,000/=</b>

##### Non – Wage Recurrent IPF 2006/2007

1. District Unconditional Grant	=	Shs. 1,002,552,000/=
2. Urban unconditional Grant		Shs. 112,302,000/=
3. Start up costs	=	Shs. 125,000,000/=
4. CAO's Salary	=	Shs. 34,522,000/=
5. District G. Tax Compensation	=	Shs. 72,231,000/=
6. Urban G. Tax Compensation	=	Shs. 9,234,000/=
7. Environment Natural Resource Non wage	=	Shs. 3,030,000/=
8. District Equalization	=	Shs. 113,477,000/=
9. Urban Equalization	=	Shs. –
10. PHC Wage (PAF)	=	Shs. –
11. PHC No – wage (PAF)	=	Shs. 259,219,000/=
12. NGO PHC (PAF)	=	Shs. 398,497,000/=
13. NGO Wage Subvention	=	Shs. –
14. District Hospital	=	Shs. –
15. UPE Capitation	=	Shs. 480,422,000/=
16. Primary Salary	=	Shs. –
17. Tertiary Salary	=	Shs. –
18. Health Training	=	Shs. –
19. District Roads	=	Shs. 193,509,000/=
20. Urban Roads	=	Shs. 10,152,000/=
21. Regional Workshops	=	Shs. –
22. Agricultural Extension (Non – wage)	=	Shs. 23,723,000/=
23. Agriculture Wage	=	Shs. –
24. Agriculture Development	=	Shs. –
25. PMA NSCG	=	Shs. 96,805,000/=
26. FAL	=	Shs. 15,775,000/=
27. Urban Water	=	Shs. –
28. PAF Monitoring & Accountability	=	Shs. 34,403,000/=
29. IFMS Operational	=	Shs. –
30. Boards and Commissions	=	Shs. 78,805,000/=

31. DSC, C/M Salary	=	Shs. 12,000,000/=
32. CDA Non – wage	=	Shs. 5,639,000/=
33. NAD Support	=	Shs. –
34. CDA Salary	=	Shs. –
35. Public Libraries	=	Shs. –
36. Women, youth, Disability	=	Shs. 16,378,000/=
<b>TOTAL</b>		<b>SHS. 3,404,602,000/=</b>

Break down for Women, Youth, Disability

- NCD = Shs. 3,567,076/=
- NYC = Shs. 4,982,602/=
- NWC = Shs. 7,789,258/=

**NUSAF/OTHER DONOR FUNDS STILL TO BE COORDINATED UNDER THE GREATER ARUA DISTRICT.**

*JUSTICE, PEACE AND PRUDENCE.*