



Civil Society Budget Advocacy Group



# **GOVERNANCE & ACCOUNTABILITY**

## **POSITION PAPER**

### **FY 2017/18**

**BUNYORO SUB-REGION**

**MAY 2017**



This position paper was developed by a cohort of CSOs in Bunyoro Sub-region including: ACTION AID-Masindi, Recreation for Development and Peace (RDP), World voices-Kibaale, Kibaale District Civil Society Organisation Network, Kakindo Orphans Care, Wanseko Business community, Hoima District Older Persons Association (HODPA), Mid-western Region Anti-Corruption Coalition (MIRAC), Hoima Union of Disabled Persons (HUDIP) and Aspire Transformation Agency

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# 1.0 INTRODUCTION

Civil Society Budget Advocacy Group (CSBAG) is a coalition formed in 2004 to bring together civil society actors at national and district Levels to influence Government decisions on resources mobilization and utilization for equitable, gender responsive and sustainable development. CSBAG has overtime worked in collaboration with CSOs across the country to ensure that budgets and policies respond to the citizens' needs. This CSO position paper focuses on Bunyoro Sub-region Local Government Governance and Accountability concerns for FY 2017/18.

CSOs across the country to ensure that budgets and policies respond to the citizens' needs.

## 2.0 BUNYORO CSO CONCERNS FOR FY 2017/18

### 2.1 Cross Cutting Local Government Concerns

#### 2.1.1 Limited Capacity for Effective Revenue Generation and Management:

Various districts still lack capacity to effectively generate revenue. This has resulted into under assessment and collection of revenues from various sources for example royalties and market dues. Various districts also lack effective databases that affect effective revenue mobilization, administration and collection by Local Governments. For instance, Masindi district has not updated its business register for the last two FYs implying several revenue sources that could have been collected are left untapped. As such the district is losing a lot of revenue. This is also a common among other districts in the region.

#### Recommendation:

Local governments ought to keep updated records of the taxable properties in their areas of jurisdiction. In addition, this problem can be further addressed by continuous capacity building and support to local government staff on good practices in revenue mobilisation, collection, monitoring and accountability.

#### 2.1.2 Limited Staffing

Majority of Local Governments are operating below 65% of the approved staff structures as a result of the ban instituted by Ministry of Finance Planning and Economic Development (MoFPED) and Ministry of Public Service (MoPS) on staff recruitment. Local Governments are required, based on the availed wage ceiling, to recruit staff who are critical in the normal running of the district and also on replacement basis. This therefore affects effective service delivery in all departments. For instance, Hoima Municipality is operating at 39% staffing level, while Hoima district Local Government is operating at 69% of the approved staff structure.

Besides, Masindi district with 69 Government aided and 41 private primary schools has only one Inspector of Schools and an assistant who are in charge of monitoring all these learning centres. Whereas in Masindi Municipality, there are 29 Government aided and 50 private primary schools with only one Inspector of Schools. Furthermore, Masindi Hospital has only three doctors out of the recommended seven doctors. Across all districts, there is only one agriculture officer and one procurement officer at sub-county level which are inadequate to meet the various needs of the districts. Besides, Kagadi Town Council and Kibaale Town Council, have only one law enforcement officer each out of the required number of seven while Kakumiro Town Council just has an assistant law enforcement officer which constrains law enforcement.

### Recommendations:

There is need for MoFPED and MoPS to prioritize recruitment of staff in Higher Local Governments which are operating below 65% of the approved staff structure in Sub-region.

Furthermore, there is need to stop the creation of new districts as these staff can be used to fill the staff gaps in the existing districts. However, should there be a need for a new district, UGX 59 billion should be added to the resource envelop of the Local Governments to cater for the same.

### 2.1.3 System Failure of the Integrated Financial Management System (IFMS)

Failure of Integrated Financial Management System (IFMS) sites and network especially at the end of Financial Year(s) which affects processing of funds on time, hence affecting service delivery. As such funds are declared unutilised and thus returned to the Treasury even in instances where the procurement process has been completed and in some cases services provided.

### Recommendation:

We recommend that Government procures several telecommunication service providers so that in case one service provider is off, districts can switch to the other just like what happens with commercial banks.

### 2.1.4 Limitations in the Public Finance Management (2015) Act (as amended)

The Act does not recognize the power of Councils

as enshrined in the Constitution and the Local Governments (1997) Act, Cap 243. This renders the Councils ineffective since the powers to appropriate and approve supplementary budgets are not provided for in the Act. Further, issues of opening bank accounts, appointment of Boards of Survey, approvals of virements, reallocations, among others are vested in the Central Government (MoFPED). This makes it difficult for the Local Governments to operate since lower service delivery units like schools, health units and Sub-counties have to seek authority from the Accountant General to do any of the above.

### Recommendation:

A number of provisions in the PFMA 2015 need amendments to be in line with the constitutional mandate of Local Governments and devolution of power.

### 2.1.5 Unfair Appropriation Oil Revenues (loyalties) among Districts in the Sub-region

The effects of oil activities are currently spilling over to other districts, for example, all people relocated from oil rich grounds shifted to the districts of Kibaale, Kiryandongo, Masindi, Kagadi and Kakumiro increasing population pressure and the associated effects. However, it is highly unlikely that these neighbouring districts will benefit from the loyalties allocated to Local Governments in the Sub-region.

### Recommendation:

There is need for sharing of oil revenues (loyalties) across all districts in the Albertine region other than the districts of Buliisa and Hoima districts given the spill-over effects of oil drilling.

### 2.1.6 Limited Facilitation for Revenue Mobilization at District Level:

All districts have a revenue enhancement plan, to which financial and non-financial resources should be allocated for its implementation.

However, due to limited capacity in all Local Governments to collect this revenue, there is limited local revenue generation. This has negatively affected financing of council activities given the fact that they entirely depend on locally collected revenue. In fact, all districts in Bunyoro Sub-region lack adequate revenue

mobilization logistics including among others; vehicles, fuel, motorcycles, and computers.

### Recommendations:

There is need to increase allocation of non-wage unconditional grant to Local Governments to support the implementation of revenue enhancement plans most especially procurement of associated logistics like vehicles, motorcycles, development of revenue infrastructure like markets. This will augment the inadequate locally generated revenue collected by Local Governments.

In addition, the Revenue Enhancement Plans should also indicate how Local Governments intend to finance them. Any good plan must have a financing framework. This will compel Local Governments to be innovative and thus enhance resource mobilization.

#### 2.1.7 Absence of Autonomy to Control the Locally Generated Revenue

Local Governments that are on Integrated Financial Management System are required to submit/bank their locally generated revenue so that it can be spent through the Treasury Single Account (TSA) after release by MoFPED. The challenge that has been witnessed by Local Governments is that this money is not always released as deposited and by the end of the FY. The unspent locally generated revenue is repaid to Consolidated Fund together with other Central Government transfers (grants). This affects the planning, budgeting and management of local revenue by Local Governments and in essence, it disempowers Local Governments.

### Recommendation:

Local Revenue should be submitted to Consolidated Fund; however, these funds should be released to Local Governments without conditions for use as they were previously appropriated

## 3.0 PROCUREMENT ISSUES

### 3.1.1 Limited enforcement of local content issues

As a result of limited staffing capacity in the procurement department, the district procurement offices are unable to enforce the procurement law that provides for 30% local content in all construction under the preference scheme. This has resulted into non-inclusion of local materials which are readily available in Uganda and particularly in the Sub-region into the construction and other contract works especially the ongoing oil related projects.

### Recommendation:

MoFPED should devise means of supporting service delivery institutions on enforcing and monitoring the implementation of local content strategy especially with the aim of benefiting communities where the projects are being implemented.

### 3.1.2 Lengthy Procurement Processes

There are bureaucratic tendencies and many power centres in the procurement process that facilitate corruption and frustrate investment. The current PPDA law which is under review, has very long statutory periods and so many power centres like procurement and disposal units, evaluation committees, contracts committees, Accounting Officers and PPDA. In case of any procurement review, it takes a longer time to conclude and have the works executed.

### Recommendation:

We recommend a reduction in the statutory periods by at least half of what is currently in the law. We also recommend removal of some of the power centres such as the contracts committee and/or the Accounting Officer.

## 4.0 ACCOUNTABILITY CONCERNS RAISED IN THE AUDITOR GENERAL REPORT FY 2015/16

### 4.1. Accumulation of Salary Arrears

Section 25 (B-a) of the Public Service Standing Orders (2010) states that Salary arrears that accrue to a Public Officer within a FY shall be paid through the payroll within the same financial year. However, it was observed that there were salary arrears amounting to UGX. 87.3m at year end in Masindi and UGX 12.8m in Kibaale district. Delays to pay salary demotivates staff and adversely affects service delivery.

#### Recommendation:

Accounting Officers should be held personally responsible for not implementing the requirement in the public service standing order.

## 5.0 SERVICE DELIVERY CONCERNS

### 5.1 Limited Oversight Capacity of Management Committees

There is currently limited capacity of Health Centres and School Management Committees to effectively oversee service delivery. There has been limited orientation of these committees about their required duties, and thus has rendered them ineffective. Furthermore, the absence of clearly defined qualifications of Committee members affects their efficiency and effectiveness.

#### Recommendation:

Adequate financing should be provided to enhance capacity of these oversight committees. Besides, Government should clearly define the qualifications of these oversight committee members to ensure and promote efficiency and effectiveness in their work.

## 5.2 HEALTH SECTOR CONCERNS

### 5.2.1 Sale of Government Drugs

This is done at the expense of communities and citizens, for example, in Kagadi district, medical workers established a canteen at Kagadi Hospital and have been selling drugs to citizens. This contravenes the free access to health care policy of Government.

#### Recommendation:

There is need for Government to ban establishment of private clinic in premises of public health facilities to reduce the instance of drug theft in health centres. Besides, the Ministry of Health in conjunction with the State House Drug Monitoring Unit should establish a toll free helpline for the public to report drug theft and healthcare staff absenteeism.

### 5.2.2 High Staff Absenteeism

This has increased due to limited financing for monitoring and support supervision in health sectors. Some health centres IIs are closed on the weekends. Examples of such health centres in the region include Kibeire HC II, Bulindi Parish, Kyabigambire Sub-county, Hoima District; Kitanyata HC II, Pakanyi Sub-county, Masindi District; and Kigwera HC II, Kigwera Sub-county, Buliisa District. Besides, Masindi hospital has 14 midwives on the payroll, however, about only 4 midwives are actually deployed daily, which is a hindrance to health care in light of high delivery rates. This absenteeism translates into substandard service delivery.

#### Recommendation:

There is need for increased financing for monitoring, support supervision and inspection of health centres by the district monitoring team to eliminate these instances.

### 5.2.3 Limited Capacity of Health Centres to Meet the Catchment Population Needs

Health centres across the region have limited facilities to meet the required health care services. For example, Masindi hospital has only two maternity beds yet the hospital has 15-20 deliveries daily. This is inadequate to meet the ever increasing need for healthcare services. There is also absence of mosquito nets at hospitals which affecting patients especially women and children.

#### Recommendations:

Health centres require additional financing to provide the required logistics including among others mosquito nets and beds.

Service delivery centres meeting larger catchment populations should have resource allocation based on their carrying capacity other than the grade of the health facility.

## 5.3 EDUCATION SECTOR CONCERNS

### 5.3.1 Inadequate Capitation Grant for Pupils

Schools are provided with UGX. 10,000 as Universal Primary Education (UPE) Capitation Grant annually. For example, at Kitonozi primary school, Bwijanga Sub-county, Masindi district received UGX. 1.2 million to cater for 400 pupils for Term I, 2017, translating to UGX. 3000 per pupil. This is inadequate to effectively provide service delivery in schools.

#### Recommendation:

Aware of the Government revenue mobilisation challenges, we recommend an increase the UPE Capitation Grant to UGX. 15,000 which is even far less than the requirement to train a Ugandan child for 1 year.

### 5.3.2 Inadequate Financing for Water and Sanitation in Schools

There are a number of schools within the region that lack clean and safe water sources for pupils. As such pupils have to move more than 3 KM in search for clean and safe water. This reduces the contact hours between pupils and teachers resulting into poor performance in Primary Leaving Examinations (PLE). For example, in Buliisa district, a water stressed area, pupils from Kakora Primary School move up to two miles to access water.

Furthermore, regarding sanitation in schools, we continue to witness instances where the pupil latrine stance ratio is far above the required standard. For instance, Rwempisi Primary School, Budongo Sub-county, Masindi has a population of over 600 pupils sharing one 5 stance pit latrine and this is a similar scenario in Miduma Primary School, Kimengo Sub-county, Masindi district which has 300 pupils with one 5 stance pit latrine. These contravene the required standard of 1 stance to 45 pupils and as such it has translated in increasing susceptibility to diseases.



## Recommendation:

We recommend increment in financial allocation to SFG (development component) to address the water and sanitation problems in schools.

### 5.3.3 Dilapidated Infrastructures in Schools

Pupils continue to study under unfavorable conditions that affect their learning, yet they are supposed to compete with other pupils studying under favorable conditions during national examinations. This defies the spirit of equity as stipulated in the PFM Act, 2015. For instance, pupils at Kabango Primary School, Kabwoya Sub-county, Hoima district study in two grass thatched classrooms while at Kakora Primary School, Buliisa Sub-county, Buliisa district which is running from P.1 to P.6 has only four classrooms and the rest of the pupils study under tree shades.

## Recommendation:

Governments should prioritise infrastructural development in primary schools which is a decentralized function. As such, districts should have increased allocation on the development budget to cater for this.

## 5.4 AGRICULTURE SECTOR CONCERNS

### 5.4.1 Pest Prevalence in the Region

Fall worm infestation in the region has destroyed numerous hectares of maize which is a staple food crop in the Sub-region. A number of villages have been affected including among others Kiruli, Alimugonza and Kyakamesse in Pakanyi Sub-county, Masindi district and Kibeire, Kasilina and Nyakaihura in Buraru parish, Kyabigambire Sub-county, Hoima district.

## Recommendation:

Government should fast track the process of having the fall worm infestation addressed to avert food insecurity both in the short and long run.

## 5.5 LAND CONCERNS IN BUNYORO SUB-REGION

With the discovery of oil in the region, there has been an influx of people in anticipation for oil bonanza in form of jobs and other opportunities thus leading to land issues.

### 5.5.1 Displacement of Indigenous People

Displacement of people in Bunyoro has been majorly due to discovery of oil and oil related activities like establishment of oil refinery, and construction of roads more especially in Kabaale parish, Buseruka Sub-county, Hoima district. Also, the establishment of sugar cane plantations and sugar factory in Kiswaza Village in Kiziranfumbi Sub-County, Hoima district resulted in many displacements. For example, 4633 people were displaced in Hoima district and they are living as Internally Displaced Persons (IDPs) as per 2016 research report on Land and Natural Resources in Bunyoro Sub-region by Civic Response on Environment and Development (CRED).

Generally, Hoima and Buliisa have had more displacements than other districts in the region since people have been displaced from their land to pave way for oil production and plantation agriculture with minimal and sometimes no compensation especially in Kiswaza Village in Kiziranfumbi Sub-county, Hoima district. In Ngwendo Sub-county in Kasinyi parish, Buliisa, communities will have to be displaced in order to create room for the central processing facility that will process crude oil from Buliisa to Tanga, Tanzania. This will result in loss of livelihood and homes, and food insecurity. Key hot spot areas of land grabbing in Bunyoro region among others include; Mpefu for Kibaale district, Rwamutonga in Bugambe Sub-county, Hoima district and Bugana parish in Buliisa district.

Domestic violence (family disputes) in terms of feuding in families over land rights have also arisen. With oil discovery, the value of land has gone high and family members now want to have rights over land. As a result, there has been gender based violence, with men selling land without knowledge of their spouses.

## Recommendations:

Creation and implementation of a comprehensive resettlement schemes for the displaced households;

Timely compensation to families that have lost their land to enable quick resettlement;

Objective valuation of the lost land by Government and Private valuers to protect the indigenous groups;

Establishment of Bunyoro Land board for the region to manage land conflicts and further establish the Bunyoro based land acquisition guide lines; and

Community sensitization on land concerns.

### 5.5.2 Lack of Land Titles among most Land Owners in the Region

According to the research report on Land and Natural Resources in Bunyoro Sub-region by Civic Response on Environment and Development (CRED) in Partnership with NAVODA 2016, over 82% of the population in Bunyoro do not own land titles. The major factor contributing to this scenario is the high bureaucracy involved in the process of getting land titles, amidst lack of transparency among the land boards and Area Land Committees. This has made the local people to lose interest in getting land titles. Besides, in some districts like Masindi, the land board has been defunct for many years. Furthermore, absence of adequate information on the value of land titles and lack of enough money to process the land titles have also been other hindering factors in the attainment of land titles by the local populace in Bunyoro-sub region.

## Recommendations:

Educate the community about land rights and ownership;

Quicken the process of identifying and buying out absentee landlords;

Enhance capacity of the defunct Land Boards and Area Land Committees; and

Implement the recommendations of the survey conducted CRED 2015 on securing communal Land and resource rights in the Albertine region.

## 6.0 CONCLUSION

We as CSOs in Bunyoro Sub-region strongly believe that the above recommendations if considered and implemented by Government and respective Local Government will go a long way in improving service delivery in the region. We acknowledge the fact that it could be impossible or extremely difficult to implement the entire package in a single FY,

However, we shall be grateful if Central Government and Local Governments show commitment towards implementation of these policy options with a defined time frame as we strive to achieve a people centred budget that dignifies humanity.

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## **VISION:**

A Uganda with a people centered budget that dignifies humanity.

## **MISSION:**

CSBAG works towards ensuring that budgets at local and national levels are participatory, pro-people and address the needs and aspirations of all Ugandans especially the poor and voiceless.



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