



CSBAG BUDGET NEWS BRIEF



268th EDITION | 5th June – 10th June 2017

Advocating for a People Centered Budget that Dignifies Humanity



2017/18 budget: how Ugandans in the lower rungs will benefit

Last week the Minister for Finance read the National Budget Speech 2017/18. In this week's Edition, we share highlights on what the ordinary citizens should look out for in this budget.

The Shs 29 trillion 2017/18 budget allocated the lion's share to the Works Ministry which took up Shs 4.5 trillion (20 percent) of the budget with Shs 3.4 trillion allocated to the Uganda National Roads Authority (UNRA) to handle national road works.

Aside from grandiose expenditures like domestic debt refinancing which was allocated Shs 4.99 trillion, allocation of Shs 300 billion to settle domestic arrears and reduction of domestic borrowing from 2% of GDP to 1% of GDP in the short to medium term, it is pertinent to ask how the budget will impact the common man.



Finance Minister, Hon. Matia Kasaija before delivering the Budget Speech last week at the Kampala Serena Hotel.

CITIZENS' REACTIONS TO THE BUDGET

"Me I gave up on things to do with the national budget, because at the end of the day, there is nothing that we benefit as local people. Every time the budget is read, prices go up and they never stabilize". **Sarah Nakidde 21, Beautician, Wandegeya**

"It is very unfortunate that the government decided to raise prices for local beers; this is going to affect us and render many of our young brothers and sisters jobless. They should have done this on imported beers but not the ones locally made". **Makanga Farouk 40, Beer dealer, Gayaza**

The Sh860bn allocation is not enough. We are playing with the backbone of the economy," said Geresom Mukasa a farmer who was speaking at a Budget dialogue hosted by the Participatory Ecological Land Use Management (PELUM) Uganda at Hotel Africana last week. **Kintu Michael 60, Kiwenda**

This is the usual budget that has been read time and again, because for years ago infrastructure has been at fore front yet poor roads are still in existence due to poor implementation of by Government officials. I was expecting practical strategies to improve on delayed and poor implementation. **Azaria Bamanyisa, Masheruka, Sheema**

I am not impressed with how Health workers were described as "lazy workers" yet they struggle to perform even with hard conditions. She was expecting an appreciation and a good increase of Health workers. **Winnie Kyomuhangi, Nurse,**

UPCOMING CSO EVENTS

Event: **Regional Budget Dialogues**

Date: **12th – 15th June 2017**

Convener: **CSBAG**

Audience: **CSOs from Ankole, Kigezi, Tooro, BUnyoro, Teso, Busoga, Bugisu, Sebei, Lango, Acholi, West Nile and Karamoja**

OUR WORK IN PICTURES



CSBAG Budget Policy Specialist, David Walakira (4th Right) during a panel to analyse the National Budget Speech hosted by NTV Uganda on 8th January 2017. | © CSBAG2017



CSBAG Budget Policy Specialist, Sophie Nampewo (middle) during a panel to analyse the National Budget Speech hosted by The New Vision on 8th January 2017. | © CSBAG2017



CSBAG Budget Policy Specialist, John Mark Agong (3rd Right) during a panel to analyse the National Budget Speech hosted by PELUM Uganda on 8th January 2017. | © CSBAG2017

AGRICULTURE

Shs 14.6 billion will finance pilot fertilizer application for areas that have been hit by drought and food shortages will benefit from a pilot fertilizer-provision that targets 10,000 farming households.

Shs 23 billion was allocated for recruitment of Agricultural extension workers, bringing extension staffing levels to 78%.

A further Shs 39.6 billion will be released to increase the effectiveness of agricultural extension for improved delivery of the Operation Wealth Creation programme.

Farmers will benefit from Shs 297.6 billion that has also been allocated to fund distribution of planting and stocking materials.

Solar-powered water irrigation systems will be established in all 9 (9) Zonal Agricultural Research and Development Institutes as a pilot before replicating and rolling out across the entire country.

To tackle the problem of rain-fed farming, irrigation schemes to be established include Mubuku II (480 hectares) in Kasese, Doho II (1,178 hectares) in Butaleja, Wadelai (1,000 hectares) in Nebbi, Tochi (500 hectares) in Oyam and Ngenge (880 hectares) in Kween.

Shs 53 billion will be released next year for purchase and distribution of coffee seedlings. These interventions are projected to triple the national average coffee yields from the 600 kilograms per hectare today, to about 2,100 kgs per hectare.

Coffee exports will consequently rise to about 9- 12 million 60-kg bags by 2020, more than doubling Uganda's earnings from coffee export to at least US\$ 1 billion from the current US\$ 400 million.

WATER AND ENVIRONMENT

Of the Shs 632 billion that was allocated to the Water and Environment sector, Shs 23 billion will be used to construct 520 valley tanks to increase availability of water for agricultural production at farm level

TAX MEASURES

Deductions for accelerated depreciation have been introduced as an incentive for businesses to invest upcountry.

Value Added Tax on crop extension services, animal feeds and premixes, deep cycle batteries and composite lanterns, irrigation works, sprinklers and ready to use drip lines scrapped

Value Added Tax on sanitary pads scrapped, irrigation equipment, locally manufactured furniture, Bujagali power project, solar batteries and lanterns

EDUCATION

12 seed secondary schools will be established in sub-counties which lack these schools at a cost of Shs 8.58 billion.

Rehabilitation of dilapidated primary schools and traditional secondary schools at a cost of Shs. 15.23 billion

Installation of lightening arrestors for 140 schools in the most lightening prone districts in Mubende, Ssembabule, Bushenyi, Lwengo, Bukomansimbi and Lyantonde

HEALTH

For health, mass distribution of 24 million of Long Lasting Insecticide Treated Nets (LLINs) was undertaken reducing Malaria prevalence from 42% to 19%.

RESOURCE ENVELOPE

The Sh29 trillion budget for the financial year 2017/18, approved by parliament last week, has a 10% increment, compared to the current 2016/17 financial year.

In the new budget, domestic borrowing, will increase by 175.7%, whereas, the budget support, will instead, decline by 96.2%. However, external financing of the budget, will increase, by 8.5% compared to the one for 2016/17 financial year.

Out of the Sh29 trillion budget, Sh7 trillion will go towards recurrent budget expenditure, Sh11.4 trillion towards the development budget and Sh9.9 trillion towards statutory expenditure.

BUDGET EFFICIENCY MEASURERS

Amendment of the PPDA ACT, 2013

Disciplinary action against Accounting Officers who either intentionally or out of negligence delay procurement processes

Enforce implementation of sector strategic plan. Quarterly releases shall be linked to these plans

Enhance accountability for results by accounting officers in their performance contracts

Adequate preparation and appraisal of projects before funds are allocated