



# CSBAG BUDGET NEWS BRIEF



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Advocating for a People Centered Budget that Dignifies Humanity



## Budget report for 2016/17 highlights hindrances to service delivery

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"This performance was mainly affected by subdued economic activity, which impacted negatively on both domestic and customs taxes"  
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The annual budget performance report for the financial year 2016/17 has highlighted low absorption and late release of funds as some of the challenges that affected service delivery and timely implementation of the budget. Tabled before parliament on Tuesday last week, the annual budget performance report provides an assessment of budget execution, during the FY 2016/2017. It illustrates performance of resources and expenditures and provides vote level physical achievements across Government. The Fiscal policy for FY 2016/17 focused on supporting the maintenance of macroeconomic stability, stimulating economic growth and reducing Uganda's infrastructure deficit while keeping the country's debt at sustainable levels. According to the report, to support the budget, Government continued with the target of an annual increase in the tax-to GDP ratio of 0.5 percentage points.



Finance Minister Matia Kasajja holding the ceremonial National Budget briefcase at a past Budget reading day. The 2016/17 Budget Performance report was tabled last week in Parliament by David Bahati, the state minister of Finance in charge of planning. | @CSBAG2017

According to the report, at an aggregate level, Sh12, 085.162b, was released by the end of the financial year, equating to 103.6% of the approved budget. It stated that aggregate absorption, was 99.1% which represents strong budget execution at the end of the financial year and an improvement from 98.6% in financial year 2015/16.

### Sectoral performance

According to the report compiled by the ministry of finance planning and economic development, external financing performed poorly at 52.9% and appropriation in aid (AIA) at 84.2%. Energy and water sectors had the lowest releases at 58.4% and 59.9% respectively. According to the report, in line with section 18 (1) (d) of the public finance management (PFM) Act 2015, FY 2016/17, the contingency fund was not allocated any funds. In the Agricultural sector, the approved budget for the sector in FY2016/17 was Sh854.467b, including arrears and appropriation in aid (AIA). This comprised wage Sh72.7b, non-wage sh136.9b development Sh391.9b, development (external financing). This comprised wage Sh72.7b, non-wage sh136.9b development Sh391.9b, development (external financing) Sh221.7b, aid in appropriation Sh30.38b and arrears Sh0.657b.

By the end of the FY 2016/17, according to the report, the total budget released was sh 723.2b, which is 84.6% of the approved total sector budget and total budget spent was 712.7b which is 98.5% of the total budget released. The report highlights low absorption of funds and partial implementation of programs, due to delayed releases and disbursements. In regard to Health, according to the report, by the end of June 2017, 79.8% (Sh1,479.595b) of the approved budget had been released, out of which 78.5% (Sh1,454.982bn) was spent, translating into an unspent balance of Sh 24.6bn.

According to the report, many projects under the education sector didn't absorb the funds. By June 2017, the total disbursement level of the Uganda teacher and school effectiveness (project 1296), stood at 38% while expenditure was at 27%. Amos Lugolobi, the chairperson Parliament's Budget committee said the committee would scrutinize the report and give its recommendations. "I cannot comment about the report, now it has just been tabled and we need time to study it," he said. The report was tabled before parliament on Tuesday last week, by state minister for finance in charge of planning, Hon. David Bahati.

## UPCOMING CSO EVENTS

Event: Launch of the 10<sup>th</sup> Uganda Economic Update  
Date: 5<sup>th</sup> December 2017  
Venue: Kitante Hill school, Kampala  
Time: 8:30am

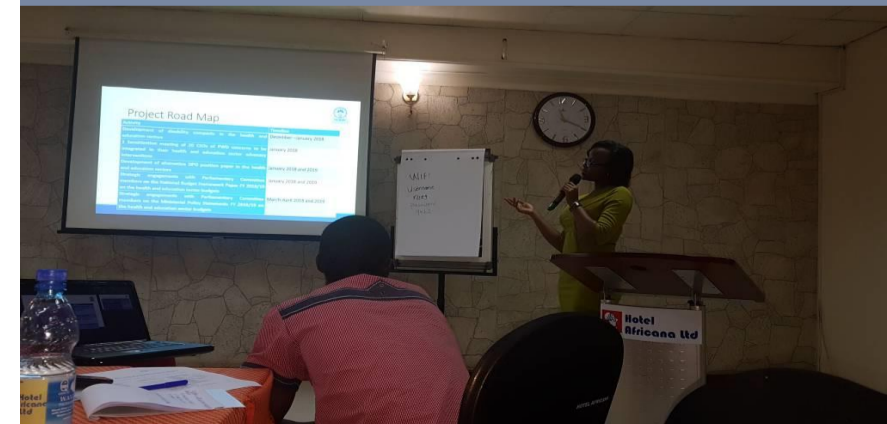
## OUR WORK IN PICTURES



CSBAG Budget Policy Specialist John Mark Agong speaks to participants about progress On Budget reforms.in Mbale last week.



Some of the participants in a group picture at the end of the High Policy dialogue on Gender Based Violence that was held at Protea Hotel in Kampala last week. | @CSBAG2017



Ms Lydia Kobusinge presenting the National Union of Disabled People (NUDIPU) project roadmap last week at Hotel Africana.