



# **WHAT MPS SHOULD CONSIDER WHEN DEBATING THE SOCIAL DEVELOPMENT SECTOR BUDGET FY 2019/20**

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*CSO Social Development Sector Position Paper on the Uganda  
National Budget Framework Paper FY 2019/20*



Developed by the Civil Society Budget Advocacy Group and Presented to the Social Development Committee of Parliament by CSOs.

January 2019

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## **1. Introduction**

This paper presents the issues, concerns and key recommendations for the vulnerable categories. It also includes specific gender concerns that should be incorporated into the national budget priorities for the next national budget for FY 2019/20.

### **1.1 About CSBAG**

The Civil Society Budget Advocacy Group (CSBAG) is a coalition of more than 100 civil society organizations (CSOs) and individuals jointly formed in 2004 by Uganda Debt Network, Forum for Women in Democracy (FOWODE), Uganda National NGO Forum and OXFAM GB in Uganda. CSBAG brings together CSOs at national and district levels to influence government decisions on resource mobilization and utilization for equitable and sustainable development. CSBAG members are committed to working together and to providing collaborative support to civil society budget work in Uganda.

### **1.2 Acknowledgement**

CSBAG would like to appreciate Federation of Uganda Women Lawyers (FIDA), Coalition on Girls' Empowerment (COGE), African Youth Development Link (AYDL) and JENGA AFRIKA among others who participated in the development of this position paper.

## **1.3 The Social Development Sector**

The Social Development Sector contributes to all NDP II objectives and strategies through the following strategic objectives; *Promote decent employment opportunities and labour productivity, enhance effective participation of communities in the development process, improve capacity of youth to harness their potential and increase self -employment, productivity and competitiveness.* This sector focuses on social protection of vulnerable persons for example women, children, the elderly, PWDs and those in areas of conflict and prone to violence. The Sector interventions, matches with the entire National Development Plan's proposed strategies save for "ensuring Macroeconomic stability with fiscal expansion for Front loading infrastructure investments.

The sustainable Development Goals (SDGs) were approved by the UN General Assembly majority of whose targets were already incorporated into the NDP II. This has 3 main targets on social protection 1.3, 5.4 and 10.4 (Poverty, inequality, gender) plus target 3.8 on universal health coverage as well as Sustainable Development Goals (SDGs) 8 on decent work.

The Social Development sector is comprised of state and non-state actors. It has 4 (four) core program areas namely; Community Mobilization and Empowerment, Mainstreaming Gender and Rights, Promotion of Labour Productivity and

Employment, and Social Protection for Vulnerable Groups.

### 1.3.1 Sector mandate

The role of the social development sector is to improve standards of living, equity, and social cohesion. It focuses on empowerment of communities to harness their potential through skills development, increased labour productivity, and cultural growth. The sectors empowerment efforts target women, youth, children, Persons with Disabilities (PWDs) and other vulnerable.

## 2. REVIEW OF BUDGET STRATEGY FOR SECTOR INTERVENTIONS/ALIGNMENT OF SECTOR TO NDP II

Under its Medium-Term Macroeconomic Outlook and Indicative Revenue Framework, the BFP aims to improve Social Development Services. In this case, the government of Uganda will prioritise adequate training and provision of operational support for community development workers, especially with regard to social welfare and this will play a pivotal role in community mobilization efforts to support service delivery and strengthen the case referral process for the safety and protection of our communities among others.

### Inter-sectoral Allocations

SECTOR ALLOCATIONS	2018/19	%	2019/20	%
Works and Transport	4,786.6	19.1%	5,316.9	20.8%
Interest Payments	2,514.1	10.0%	2,913.6	11.4%
Education	2,781.1	11.1%	2,685.4	10.5%
Energy and Mineral Development	2,438.2	9.7%	2,662.9	10.4%
Public Sector Management	1,577.7	6.3%	1,615.8	6.3%
Public Administration	624.1	2.5%	746.4	2.9%
Social Development	214.7	0.9%	162.8	0.6%
<b>Sector Sub-total</b>	<b>25,093.23</b>	<b>100.0%</b>	<b>25,544.61</b>	<b>100.0%</b>
<b>TOTAL BUDGET</b>	<b>32,702.82</b>		<b>34,304.70</b>	

The Social Development Sector this year has got a budget cut of UGX 51.9 Bn down from UGX 214.7 in 2018/19 to UGX 162.8 for the FY 2019/20 amounting to 0.6% of the total budget down from 0.9% of the Budget in 2018/19.

**Table 1: Intra-sectoral analysis**

	2017/18	2018/19		2019/20
	Outturn	Approved Budget	Spent by end of Sept	Proposed Budget
Recurrent wage	6.460	7.020	1.660	7.020
Non Wage	65.000	74.139	14.377	83.548
Devt. GoU	92.226	114.264	20.082	42.344
Ext. Fin	0.000	19.288	0.000	29.851
<b>GoU Total</b>	<b>163.686</b>	<b>195.422</b>	<b>36.119</b>	<b>132.912</b>
<b>Total GoU+Ext Fin (MTEF)</b>	<b>163.686</b>	<b>214.711</b>	<b>36.119</b>	<b>162.763</b>
A.I.A Total	0.548	2.351	0.021	2.962
<b>Grand Total</b>	<b>164.233</b>	<b>217.062</b>	<b>36.140</b>	<b>165.725</b>

Programs	2017/18	2018/19		2019/20
	outturn	Approved Budget	Spent by end of Sept	
<b>Vote:</b> 018 Ministry of Gender, Labour and Social Development	143.343	192.789	32.090	141.867
<b>Vote:</b> 122 Kampala Capital City Authority	1.553	1.547	0.131	1.547
<b>Vote:</b> 124 Equal Opportunities Commission		12.735		11.708
<b>Vote</b> : 500 501-850 Local Governments	11.460	7.640	1.910	7.640
<b>Total for the Sector</b>	<b>163.686</b>	<b>214.711</b>	<b>36.119</b>	<b>162.763</b>

Despite overall cuts to the sector, most resources are remaining at the centre with MLGSD retaining the lion's share of UGX 141.867 Bn while the LGs combined are

taking only UGX 7.640 Bn for FY 2019/20. The Equal Opportunities Commission has also got a budget cut of UGX 1.027 Bn.

**Compliance of the Sector BFP with Gender and Equity FYs 2019/20**

S/N	Sector	2016/2017	2017/2018	2018/2019	2019/2020
15	Social Development	94%	88%	90%	88%

The Sector’s performance on the CGE has been receding over time for the last four assessments from 94% in 2016/17 to 88% in 2017/18, 90% in 2018/19 and now 88% again in 2019/20. It should be noted that Gender being the basic mandate of this sector, it is not surprising that they have been scoring highest overtime but it raises concern when we seek a recession.

**3. OUTSTANDING SECTOR ISSUES, CONCERNS AND KEY RECOMMENDATIONS**

**ISSUE I: Drastic Reduction in the Budget for Youth Livelihoods Programme (YLP)**

The ministry of gender, labour and social development was proved to be one of the best performing ministries in 2017 largely on account of the Youth Livelihood Programme (YLP) which had broadened beneficiary earnings with improved incomes from projects funded under the ministry<sup>1</sup>. The YLP has been a key programme for financing youth initiatives. The targeted groups (18-30

years of age) included drop-outs from schools and training institutions; youth who have not had the opportunity to attend formal education; single parent youth; youth with disability; youth Living with HIV/AIDS; Youth who have completed secondary school or tertiary institutions (including University) but remain unemployed. Cabinet and Parliament approved a budget of UGX 265 Billion for the first 5 years of implementation 2013-14 to 2017-18. The project being on course was allocated 65.65 Bn for the FY 2018/19.

**Concern**

This being a five-year program that was set to lapse in 2017/18, government still went ahead and budgeted for it in 2018/19 FY. It means, government had found this program valuable in addressing the needs of the youth. In the 2019/20 however, we see a huge cut in the budget of the YLP of UGX 61.05 Bn<sup>2</sup>. This is a reduction from 65.65 Bn for FY 2018/19 to now only UGX 4.62 Bn for FY 2019/20. This is a 93% cut. Neither the NBFP nor the Budget Strategy for 2019/20 indicates whether the YLP programme has been scrapped.

On the other hand, we have noticed a huge rise in the Budget for Public Administration under the State House Vote 002 11, under the Logistical and Administrative Support to the Presidency. In 2018/19, this Vote was allocated UGX 274.052 bn and in 2019/20,

<sup>1</sup> Annual Sector Performance Report 2017/17

<sup>2</sup> See Vote 018, Project 1366 in the NBFP 2019/20

it is proposed to be allocated UGX 401bn. This drastic policy change on running programs is very worrisome of the trend in the management of public programs.

**Recommendation(s):**

This proposal should be reversed so that YLP is adequately financed and managed by technical people with required competencies at the mother ministry.

**ISSUE II: Conflicting Financing Strategy for Youth Programs**

The government of Uganda is giving support to different Youth Programs to include the Youth Livelihoods Programme (YLP), Uganda Women Entrepreneurs Programme (UWEP), Youth Venture Capital Fund (YVCF) under the Ministry of Gender Labour and Social Development (MGLSD). These are loan revolving funds. We however also have a programme under the OPM under NUSAF III with a component for youth which gives grants to youth for livelihoods.

**Concern:**

The above programs target youth in the same catchment areas and while some are loans, the OPM NUSAF programme is a grant. This is likely going to create confusion in the minds of the beneficiaries and may adversely impact on the outcomes. especially for loans which have to be repaid under YLP and UWEP revolving fund programs, such as Green Jobs for Youths etc., Skilling Uganda in the ministry of Education; SONGHAI

promoting model farming; with the youth wondering why some should pay back and others not. This is also exacerbated by parallel youth support programs under the Office of the President like the most recent Ghetto Youth Presidential Initiative reported in the media. This policy contradiction affects proper planning and budgeting in a way that leads to transformation.

**Recommendation(s):**

Have a sector wide coordinated mechanism for youth programs housed in the ministry of Gender under whose Mandate the Youth fall, with a clear financing strategy separating grants from loans.

**ISSUE III: Conflicting mechanisms and Financing for the Mobilisation Function at the Local Government Level**

The mobilization function is a key factor in the effective service delivery at the local government level. As such, a number of sectors have got specific mechanisms on how this should happen. For example, the MoGLSD has got Community Development Workers at Sub-County Level, while the Ministry of Health had VHTs who are being graduated into CHEWS. The Water Sector also has mobilisers for WASH among others. (Pick the Mobilization budget vs other allocations with and other sectors)

**Concern:**

Despite this, mobilisation is one of the least funded intervention in most of these sector budgets. For example, in the NBF 2019/20



for Social Development Sector, Mobilisation is allocated only Shs.4.567 bn (Vote 018, Prog 01), while Community mobilization and empowerment under Local Government is allocated 7.6 bn for all the local government administrative units (Vote 500, 501-850). While government mobilization, monitoring and awards under Vote 001 is allocated Shs. 13.628 bn. Inadequate mobilization funding is, perhaps, why most government programmes and initiatives often fail. Citizens are never aware of them. More still, resources for mobilisation are scattered in different sectors.

#### **Recommendation(s):**

- a. Funds meant for community mobilization in all sectors should be directed to the Community Based Services Departments in the Local Governments where the mandate of mobilization lies.
- b. Adequate Financing should be allocated for mobilization, empowerment and monitoring at local government levels especially at sub county levels.

#### **ISSUE IV: Budget cuts for Social Protection Programs, Gender and age revision for SAGE**

Social protection for vulnerable groups (sub Vote 4 of Vote 018) has had a massive

reduction from Shs. 107 bn to 46bn, a reduction of about 57%. As for Gender equality and women empowerment, a reduction from 2018/19 allocation of Shs. 40.241 bn to 29.642 bn representing a 27% cut (Vote 018 program 02) p.99. Under its Medium Term Macroeconomic Outlook and Indicative Revenue Framework, in FY 2019/20, the government of Uganda plans to continue the implementation of the Social Assistance Grant for the Elderly (SAGE) for persons 80 years old and above, and rolling out the scheme countrywide. It says those already on the scheme irrespective of the eligibility age shall be maintained on the scheme<sup>3</sup>.

It was noted that the Social Development Sector performed poorly in the areas of reduction in inequalities and discrimination among marginalized groups<sup>4</sup>. In compliance to gender and equity and access to social services for marginalized groups.

#### **Concern:**

The government intends to roll out the SAGE program country wide, raising the age to 80 years and above will achieve very little positive results since a very small percentage of the population are 80 years and above. Uganda's Population by 2018 estimates is around 45,003,958<sup>5</sup>, up significantly from 2014's estimate of 34,634,650<sup>6</sup> at an average annual growth rate of 3.25%. Out of this, the

<sup>3</sup> UNBFP 2019/20, p. XXX

<sup>4</sup> Government APR 2017/18

<sup>5</sup> <http://www.worldometers.info/world-population/uganda-population/>

<sup>6</sup> Uganda Census Report 2014

population of Ugandans living above 65 years is 2.2% (987,379). Those above 80 years are nearly less than 0.4% of the population. Uganda's retirement age is 60 in public service and 55 years in the formal private sector. Life expectancy for Uganda is 63.7 years<sup>7</sup>. With this new plan, it means that the category of Ugandans who will have long retired 55 – 79 years will be left out of this social protection program and yet this age bracket is the most vulnerable in terms of low incomes, unemployment and ill health with a high dependency burden. Besides, the other issues is the lack of a sustainable framework with local financing as most of the funds are external (DFID and others). Equally worrying is the criteria for selecting beneficiaries of the grant is age-based (oldest 100 per sub-county) and does not take into consideration the varying levels of vulnerability among the older persons - especially the chronically poor, gender, disability and those with terminal illnesses among others<sup>8</sup>.

**Recommendation(s):**

1. Government should review its plans for SAGE to retain the 65 years and above in order to cover more vulnerable people in this category given that they are the most vulnerable.
2. Maintain the level of funding for the social protection as it were in 2018/19 budgets.

<sup>7</sup> UBOS, Uganda Population Census, 2014.

3. The SAGE program should be scaled up in all the districts of the country

**ISSUE V: Unclear Reflection of the EOC role in the National Budget Calendar**

According to the 2017/18 assessment report of the MPS of the government of Uganda, it was indicated as one of the challenges the unclear indication of the EOC role in the budget cycle especially before the assessments of the NBFP and the MPS of sectors.

**Concern:**

The NBFP is supposed to be submitted to Parliament by 15th November while the MPS by 15th March of every financial year. However, when the EOC is not given a clear timeline on the budget calendar, it makes its work unscheduled and unclear especially that some sectors and votes bring their BFPs and MPS late for assessment.

**Recommendation(s):**

- a. Designate a clear timeline for the EOC on the Budget Calendar within the Framework of the Public Finance Management Act 2015 as amended.
- b. Further training of MDAs and Local governments on gender & equity compliance, to help expedite the process of assessment.

**ISSUE VI: Huge Disparities in the Payment of Government Civil Servants and the planned Restructuring**

<sup>8</sup> Annual report on the State of Equal Opportunities in Uganda, 2016/17



According to the EOC report 2017 on discrepancies in salaries of public servants, there is a revelation of gross disparities between different public service posts and those of statutory agencies or even within these agencies themselves. For example, the highest paid civil servant is the bank of Uganda governor with UGX 53,300,000 per month while the Head of Public Service earns UGX 4,952,059 per month. Observations reveal that some top officials earn three-to-twenty-two times more than their counterparts in other public institutions. For example, Solicitor General earns about 9 per cent of the salary for Commissioner General in URA or 7 percent of what is earned by the Governor of the Central Bank.

Government also plans to restructure government MDAs to create efficiency. The government says rationalizing of agencies, commission and authorities will harmonise wages and eliminate functional overlaps in government institutions

**Concern:**

Discrepancy in pay of public servants who have similar qualifications and or similar public service pay scales is a source of demotivation and the cause of poor performance in service delivery.

Also there is concern that some specific Departments and Agencies such as the EOC who have had a leading role in ensuring

gender and equity compliance might lose its clout in the process. It is also not clear what the new payment structure will be given the current disparities.

BFP is silent on this...

**Recommendation(s):**

- a. Designate EOC in conjunction with ministry of public service to carry out the salary review.
- b. There is need to take back agencies of government and other para-statal under the control of public service.
- c. Expedite the institution of salary review commission
- d. Government should come out with a clear restructuring plan that does not compromise the mandate and pay structure of current key agencies such as the UBTS, EOC, URSB, NEMA.

**ISSUE VII: Diminished funding and Role of Functional Adult Literacy (FAL)**

FAL was removed from the centre but left at LGs and funding is small. Over time, it has been replaced with the Integrated Community Learning for Wealth Creation and is funded by DVV (German donor.)<sup>9</sup>. It is only in four districts<sup>10</sup>. The facilitators are paid, equipping community learning centres with common user equipment and basic literacy and numeracy.

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<sup>9</sup> Refer to prog in the BFP

<sup>10</sup> Namayingo, Iganga, Mpigi and Nwoya.

**Recommendation(s):**

Review the FAL Strategy in view of integration with other new and upcoming literacy and numeracy programmes as well as scale up to cover up to at least 50% more districts in the country.

**4. CONCLUSION**

The government in the NBFP 2019/20 correctly notes that The Social Development Sector is pivotal in reducing poverty and plays the necessary conducive environment for the other sectors to effectively deliver services to all sections of the population. It also notes that the key role of the sector is to promote the rights of the vulnerable and marginalized groups and catalyze them to appreciate, demand and uptake social services. However, this correct analysis is not supported by some government policy propositions and budget resource allocations.

There is a real risk of achieving good macroeconomic indicators but which is not reflected in the real lives of people because the very fabric of our society; the vulnerable people, are not being given due priority.

**References:**

1. *GAPR 2018*
2. *Social Development Sector Performance Report 2018*
3. *National Budget Framework Paper 2019/20*
4. *YLP Evaluation Report 2017*

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**FOR MORE INFORMATION**

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