



CSBAG BUDGET NEWS BRIEF



240TH EDITION | 30TH JANUARY -5TH FEBRUARY 2017

Advocating for a People Centered Budget that Dignifies Humanity



A closer look at Parliament report on the NBFPFY2017/18

UPCOMING CSO EVENTS

Event: Inter-ministerial budget consultations FY 2017/18

Date: 6th -15th February 2017

Venue: Ministry of Finance Planning and Economic Development offices

Convener: Ministry of Finance Planning and Economic Development

Download: [Inter-ministerial budget consultations FY 2017/18 timetable schedule](#)

UNDERSTANDING THE NBF FY 2017/18

3. Top 3 funded sectors in FY 2017/18



Works and Transport sector
UGX 4,867.5bn.



Energy and Mineral Development sector
UGX 2,999.6bn



Education
UGX 2,370bn

4. Bottom 3 funded sectors in FY 2017/18



Social Development sector
UGX172.7bn



Trade and industry
UGX 100.3bn



ICT and national Guidance and Tourism
UGX 89.9bn

5. How much will govt spend on each citizen?

Government will spend UGX 569,237 on each of the 34.6 million Ugandans (2014 Census report) in the Financial year 2017/18. Every citizen will benefit most from roads, energy and least in ICT and Tourism.



"This Week, Parliament Budget Committee tabled its report on the National Budget Framework Paper FY2017/18 with key recommendations deemed to make the 30trillion budget closer to meeting the key demands in Uganda. A snapshot of the Budget Committee recommendation is what forms this Week's Edition".



Members of Parliament during the plenary discussions at Parliament of Uganda. Photo credit to Parliament of Uganda

services which is responsible for quality assurance. It also called for expediting the implementation of the National Agriculture Extension Policy which requires 39bn if Uganda is to have 2 extension workers per sub county.

Funds for agriculture research had been reduced by 37% and to this a recommendation was made for the 10bn of hoes to be reallocated to research instead

Other recommendations include, an additional funding of 14 billion shillings is required for operational funds for LGs to implement the single spine system. Also, that Government puts up regional silos and other storage facilities to fight food insecurity and speculative trading.

Justice, law and order

MoJCA should prioritize payment of shs 5.6 billion to victims of human rights abuse by government agencies in the next financial year.

Committee also noted that 0.2bn is required by LDC to redevelop and allow the increase in the number of students at the Law Development Centre to match with available facilities at this Centre

PPDA

With the project cut PPDA audit is expected to reduce from 129 to about 70 units. The committee recommended that at least additional 0.119bn be provided to PPDA to maintain the audit to at least 120 entities

Revenue Policy measures

To realize the projected 15.2% of the Tax to GDP Ratio, and closer to achieving the 25% target of the East African Community Monetary Union Protocol, the Committee recommends that Government reviews tax exemptions and continue to improve tax administration.

Financing to Local Governments

For successful implementation of the fiscal decentralization strategy, the committee called for increased allocation to Local Government to atleast a tune of 38% of the total national budget.

Wasteful expenditures

The committee disagreed with proposal of giving UBC 20bn and suggestion as made for the entity to first deal with its managerial issues. In the CSO perspective, this money should be added to recapitalizing UDB if it's to have impact on reviving the private sector investment.

Social development

In respect to the Social Development Sector, the Committee noted that roll out of the Uganda women entrepreneurship program (UWEP) had not been mentioned in the BFP yet it is a critical strategy for women's economic empowerment. It was proposed to allocate UGX 9.0 billion for this program.

UGX 5bn should be provided to EOC to roll out gender and Equity assessments as per the PFMA, 2015.

Part of the livelihood funding, at least 15 billion should be provided for skills training since it provides the youth with practical experience to enable them start jobs. Funds channeled towards loans to the youth livelihood should be closely monitored if payments are to be effected.

An additional 451.247bn be allocated to the sector. Committee also, encouraged the sector to attract funding through the Public Private Partnerships for water projects

Other recommendations made include, Government expediting renegotiations with Bujagali Energy Limited to exhaust all options available to lower the tariff and address the high cost of electricity. Rural Electrification access project should be prioritized by the sector in FY 2017/18

The wage bill ceilings for votes under this sector be increased to enable the sector recruit and fill the approved staff structures

Health Sector

Under the Health Sector, the Committee recommended that Shs. 164.6bn and 247bn should be allocated for the rehabilitation of HCIIIs and HCIVs in 29 sub counties and construction of 93 HCIIIs in sub counties that currently do not have health center.

Ministry of Health has a wage shortfall of 34.5bn and the Committee recommended for this fund to be provided bringing staffing levels to about 72% to improve health service delivery in general hospitals.

The Committee recommended for the operationalization of the HIV and AIDS Trust Fund specifically to be allocated UGX 151bn to procure adequate ARVs in FY 2017/18, then UGX 49bn to carry out testing, vaccination and treatment in the 20 most affected districts as well as the UGX 5 billion to kick start the National Health Insurance Scheme.

Youth Employment

An additional UGX 15bn be allocated to provide more bursaries to students aspiring for vocational and technical schools

NDP II Compliance

The committee requests when presenting Sector Ministerial Policy Statements, Sectors besides the narration on sector contribution to NDP II, all sectors should provide progress against their respectful indicators as outline in the NDP II.

Agriculture sector

The committee challenges the UGX 27.53bn allocation for NAADS given the poor administration and the 53% low survival rate. There is need to reallocate some of this money to extension services which is responsible for quality assurance. It is also called for expediting the implementation of the National Agriculture Extension Policy which requires 39bn if Uganda is to have 2 extension workers per sub county.

Introduction

Parliament faces a tough job as it prepares to pass the 30 trillion budget for the financial year 2017/18. Hard decisions must be made on the budget amidst the impending budget cuts in key social sectors, projected rise in net domestic borrowing from 5,323.3 bn to 7,735.50bn, poor public funding absorption among other challenges.

Furthermore, Parliament will be required to reach a win-win situation for the tax payer who wants quick gains from the National budget, like access to health workers, availability of drugs in health centres, availability of teachers, access to water and extension services. While on the other hand, Government wants the 30 trillion budget to fund its priorities which includes among other things buying hoes worth UGX 10bn, bailing out UBC at 20bn, continue high investments in infrastructure development which includes roads, railways, oil refinery among others.

Key recommendations have been made by Parliament in this direction and should Sectors adopt the budget committee report recommendations, here are some of the changes we should expect to see in the final budget for FY 2017/18;

Works and Transport interventions.

The Budget committee noted that UNRA is set to receive UGX 1, 22.63bn which is excessive given UNRA's absorption capacity; other issues noted included the lack of feasibility studies. There were also issues of exorbitant costs that Committee requests UNRA to clarify on. A case in point is Wanseko Road which costs 5,934bn per kilometer unit cost.

In addition, the Committee requested UNRA to present separate projects for each road to enable effective monitoring and accountability for the resources allocated.

The committee cautioned UNRA against exciting citizens by indicating road projects which never get worked on. worst of all Government doesn't provide any explanation. For example, Mukono-Namugongo-Kira-Kasangati-Matugga-Wakiso-Mpigi Road

Contrary to Sec 29 (1) of the PFMA, 2015 Non-Tax Revenue worth 3.25bn was budgeted and 3bn utilized at source, without Parliament Authorization and as such the committee requested Works to follow the procedure.

Water and Environment

An observation was made on the scattered allocations for irrigation between agriculture and water sector. A recommendation was made to pull these resources under one body for effective coordination and management of irrigation funds and approval of the National Irrigation Policy. The committee also lobbied for additional funding for NEMA to allow the Authority deliver on its mandate of restoring and conserving of water resources.