

CSOs task Govt on South Sudan traders, supplementary budgets



CSBAG's Executive Director Julius Mukunda (R) handing over the CSO Budget monitoring report for Quarter 4 of FY2018/19 to the Permanent Secretary and Secretary to the Treasury, Keith Muhakanizi (L) while Godfrey Semugoma- Director Financial Management and Technical Advisory Services at Ministry of Finance looks on 25th July 2019. © CSBAG 2019

Civil Society Organizations (CSOs) have tasked Government over South Sudan claimants' compensation and the unprecedented supplementary budget practices saying the latter has been abused. Under their umbrella organization, Civil Society Budget Advocacy Group (CSBAG), CSOs cautioned Government against paying ghost traders as it moves to compensate traders who supplied South Sudan before the civil conflict.

The Civil Society raised their concerns during the quarterly release joint press briefing by CSOs and Ministry of Finance, Planning and Economic Development (MoFPED) officials at the Finance Ministry headquarters in Kampala on Thursday 25th July 2019.

"We would like you to update us on the verification exercise of South Sudan traders' compensation," Julius Mukunda the Executive Director of CSBAG) asked the MoFPED officials.

The South Sudan claimants' compensation has caused controversy with Parliament insisting that the Government goes ahead and pays the former on the basis that the August House appropriates money while the Finance Ministry wants to ascertain true claimants before effecting payment. This prompted CSOs to issue a press statement recently cautioning Government against misappropriation of taxpayers' money by paying ghost claimants.

Regarding supplementary budgets, Mukunda told the audience that the practice was unbecoming and needs to be tamed to avoid budget cuts and interference with sectors programming.

"We appreciate that supplementary budgets are part of economic performance but we are concerned that we are abusing them by including expenses that don't qualify," Mukunda informed Finance Ministry officials, members of civil society and journalists. He specifically questioned the UGX 33.87bn that was approved for salary enhancement for various universities

The Executive Director proposed that the Public Finance Management Act, 2015 (PFMA) guidance on supplementary budgets should be adhered to- i.e. supplementary budgets must be un-absorbable, unavoidable, and unforeseeable.

CSOs also at this meeting submitted the CSO budget performance monitoring report of Quarter 4 FY 2018/19, which revealed that 95% of the UPE schools monitored had received money on time from Ministry of Finance for Term I and II. This was contrary to some of the findings of the health sector where in districts like Budaka and Pader, some of the health centres monitored alleged they had not received funds from their Local Governments which was in contrast of the PFM reform of directly sending funds to the service centre rather than through Local Governments.

Other findings on inadequate infrastructure, under staffing in Local Governments, and inadequate Capitation Grant were also discussed at this press conference.

Siragi Magara the CSBAG Budget Policy Specialist added that while monitoring in Bunyoro region especially in districts of Kibaale and Kakumiro, an increase in malaria cases was observed. He said the malaria cases had risen from 30 to 900 and this is worrying because the districts had not budgeted for it which calls for further Government investigation on this matter and adequately addressing this challenge.

Arthur Bainomugisha, the Executive Director of Advocates Coalition for Development and Environment (ACODE), observed that most districts are complaining about budget systems failures, understaffing levels and returning of money to the Consolidated Fund. He proposed that there is need to make the Budget more predictable.

The Permanent Secretary/ Secretary to the Treasury, Keith Muhakanizi, while presenting details on the quarterly releases, told the audience that the economy is expected to grow by 6.3% of the GDP. He revealed that US\$ 5,743bn has been released for Quarter I expenditures of FY2019/20, which represents 28.7% of the approved Budget.

He urged the Accounting Officers to give priority to domestic arrears clearance and ensuring timely submission of reports and accountability.

Responding to CSOs concerns, Muhakanizi said Ministry of Finance will compensate the South Sudan claimants, however, his Ministry is responsible for ensuring that the right claimants are paid. "I will implement Government policy. I will pay South Sudan claimants but it is also my duty to satisfy myself to pay the right people. It's not the duty of Parliament to verify," Muhakanizi said.

On supplementary budgets, Muhakanizi agreed with CSOs' concerns saying it is indiscipline on the side of those who request for them other than emergencies. He also backed the Civil Society on adhering to PFMA while requesting supplementary budgets.

Summary of Quarter I FY 2019/20 releases	
Item	Ushs (Bn)
Wage	1,183
UNRA- Obligation on ongoing construction QTR I	585
Statutory Obligations	284
Domestic Arrears	250
National Airlines (Purchase of the next 2 fleet of Bombardiers	445
LG Grants	310
Uganda Police (Contractual Obligations and Operations)	181
Water and Environment Capital Expenditure	86
National Medical Stores	128
Energy Capital Expenditure	62
Road Fund	109
Missions	76 (50%)
Local Government releases	962 (Development Budget 33%)