

CSBAG BUDGET NEWS



Parliament urged to strengthen oversight for public projects



Kampala Flyover Project. Photo: PPU

During CSBAG's organized online engagement last week that focused on discussing the performance of public projects in Uganda, a rich panel of experts, including Mr. Julius Mukunda and Mr. Robert Ndugwa Migadde, shared valuable insights around public finance management. Uganda's development projects continue to face a major hurdle counterpart funding challenges. Despite warnings from the International Monetary Fund (IMF) in 2016 and 2022, the country is still struggling to provide necessary funds to match donor investments.

The consequences are dire: in the FY2023/2024, over UGX 282.34 billion in counterpart funding was not provided for 31 projects, leading to underperformance. The Uganda Digital Acceleration project, set to end in less than 1.5 years, is a prime example, with UGX 14.5 billion in counterpart funding just 2% of the total budget still outstanding, casting uncertainty over its success. Furthermore, some projects have exceeded their stipulated counterpart funding amounts, putting public resources at risk. The root of the problem lies in inadequate planning and budgeting by implementing agencies, which fails to allocate sufficient counterpart funding for projects.

Julius Mukunda, Executive Director of CSBAG, emphasizes that public investment management involves planning, designing, budgeting, and monitoring project implementation.

However, he notes that Uganda's public investment management faces several challenges. Mukunda criticizes the current system, where "the same fellow who has budgeted for a project is the same fellow defending it in Parliament and giving numbers on its performance." This, he says, results in policymakers having "very little knowledge in terms of what is taking place on the ground."

Uganda's public investment management system is facing numerous challenges, including low execution rates, lengthy implementation delays, and cost overruns.

Robert Ndugwa Migadde, a member of parliament from Buvuma Island County and a member of the National Resistance Movement (NRM), serves as the Vice Chairperson of the National Economy Committee. "Migadde emphasized the need to build capacity among local populations, politicians, and government officials to effectively manage public projects. He noted that ministers and permanent secretaries often have limited knowledge about projects under their supervision.

"If you went to any ministry and asked the minister about a loan or a project, and looked at the knowledge gap, you may find that even the political head of the ministry may only know 30% about the project."

The lack of capacity and inadequate oversight mechanisms hinders parliament's ability to effectively monitor project implementation. Migadde cited instances where projects were reported to be 90% complete, only to find that the actual progress was much lower. He also noted that his committee has observed continuous requests by the government for additional funding on projects that were already approved with a specific amount of money.

To address these challenges, Migadde's committee has established certain checks and balances, including requiring presidential clearance and a letter of compliance with the National Development Plan (NDP) from the National Planning Authority.

However, Migadde acknowledged that there are still challenges in monitoring and evaluating these projects. "There is a need for community awareness and involvement in these projects, as well as a whistleblower mechanism to report any irregularities."

Migadde also emphasized the importance of having specialists in parliamentary committees to ascertain the accuracy of project reports.

"We have economists and researchers, but we need people who can dig deeper and establish the facts," he said. The legislator called for the need of collaborative efforts to address the challenges facing Uganda's public investment management system. "We need to work together to build capacity, strengthen institutions, and promote transparency and accountability," he said.

Mukunda emphasizes the importance of effective project management, stating that "if you have a road to build, you need to have a plan on how you are going to build it." He commends the role of Members of Parliament in scrutinizing public projects and expresses gratitude for their efforts.

Poor planning is a major issue, with Mukunda noting that changing project scope is often a result of "sheer incompetence and poor planning." He cites the example of the Kyaliwajjala Road project, where debates about which facilities to remove are happening after the project has started.

Mukunda also highlights the importance of budgeting, stating that "budgeting for these projects is very important if we are to deal with the challenges of completing these projects." He notes that contractors have stopped implementing projects due to non-payment by the government.

Additionally, Mukunda emphasizes the need for capacity building, stating that "we lack capacity to design complex projects." He notes that capacity building should not only be in ministries and agencies but also in Parliament.

Mukunda also touches on the issue of debt, warning that poor planning can lead to debt. He states that "we need to ensure that we are not strapped in a debt due to our poor planning." Furthermore, he notes that "more than 42% of the entire budget is on debt servicing," leaving limited funds for other essential public services.

Mukunda criticizes "desktop projects" designed without proper consultation or research and "political projects" driven by political interests rather than sound business cases. He cites examples of projects that are unlikely to be viable, such as the proposed Kanungu International Airport.

CSBAG IN THE NEWS

1. UPPA, CSBAG partner to train journalists on budget reporting, [Read more here.](#)
2. CSO analysis of Uganda's buyout of UMEME, [Read more here.](#)
3. The CUSP Bulletin, [Read more here.](#)



#UGBUDGET25

Last week, through our budget literacy efforts, we held a technical talk with UPPA members to enhance their reporting on budget and public finance management issues. This is one way to empower journalists simplify budget information to the citizens of Uganda.

Construction of Kitumbezi multipurpose dam and development of Igogero-Naigombwa Irrigation Scheme in Bugiri and Bugweri Districts respectively. The project was appraised to cost UGX.100.3 Bn and government was to acquire unencumbered land through compensation at UGX.28.987 Bn. Equipment worth UGX.0.758 Bn procured on the premise that the dam and irrigation scheme would be completed, and the equipment deployed lies idle in the yard of MAAIF.

Source: OAG REPORT 2024

