



CSBAG BUDGET NEWS BRIEF



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Advocating for a People Centered Budget that Dignifies Humanity



Dealing with the supplementary expenditure dilemma

"Given the current state within which our budget is governed, you don't want a contingency fund because you need to keep meat away from hyenas"



Finance Minister, Matia Kasaija before reading the FY2017/18 Budget in June this year. CSOs and economists argue that supplementary budgets are often subject to abuse. I @CSBAG2017

Had the original Section 25 stood the test of time, it would have averted a situation where the supplementary expenditure of a previous Financial Year drags up to 2017.

The chairperson of Parliament's Budget Committee Amos Lugoloobi (NRM, Ntenjeru North) blamed this on the failure to provide for the Contingency Fund as required by the Public Finance Management Act and "indiscipline" from the spending agencies abetted by the Finance Ministry.

No money in the Fund

Section 26 of the Public Finance Management Act establishes the Contingency Fund and requires Parliament to appropriate for it every Financial Year. Section 26(1) states that "There is established a Contingencies Fund which shall, every financial year, be replenished with an amount equivalent to three and a half per cent of the appropriated annual budget of Government of the previous financial year."

"We proposed in the Public Finance Management Act that we create what we call a contingency fund and the first time that law was passed, I put money, about 70 billion, but Parliament did not appropriate it," said Mr Kasaija. He now says, "because of pressures I have got, new roads, oil roads, hunger, I can't find money to put in that fund."

This view is opposed by Mr Julius Mukunda, the coordinator of Civil Society Budget Advocacy Group, who says MPs cannot be trusted with the contingency fund without sufficient system checks to curb abuse. "The current state within which our budget is governed, you don't want a contingency because you need to keep meat away from hyenas. They will allocate that money amongst themselves," he says.

Subject to abuse

Economist Ramathan Ggoobi, a lecturer at Makerere University, says the supplementaries would not be a bad idea. The problem, he says, is that they are subject to abuse "in countries like ours with governance challenges." "The world over, countries have supplementary provisions in their budgets because you can't be perfect in budgeting for the future because right now they are finalising the budget process for 2018/2019. Imagine planning now for things to happen in 2019," said Mr Ggoobi. He, however, adds that "the problem is that in countries with governance challenges like ours, such arrangements can easily be abused." Mr Ggoobi says the way to go is to define what exactly supplementary expenditure should be used for. Matters like wages, he said, which can be foreseen, should never call for supplementary expenditure.

Upstaging parliament

Mr Kasaija says the view that supplementaries affect the funding to other agencies is unschooled because that is not what happens. "When we are approving a supplementary, we are not encroaching on any budget item," he said. Mr Mukunda says that ministries, government agencies and departments use supplementaries to avoid budgeting for their sectors beforehand, choosing to upstage Parliament with a request so central to their priorities it cannot be turned down. This, argues Mr Mukunda, sets up the approved funds for abuse. **Excerpts of this article are taken from an article written by Ibrahim A. Manzil of the Daily Monitor Newspaper.**

OUR WORK IN PICTURES



CSBAG Executive Director, Julius Mukunda (middle) delivers the Budget monitoring report for Quarter Two 2016/17. Left is CSBAG Programme Manager, Carol Namagembe and on the right, is Keith Muhakanizi, Finance ministry Permanent Secretary and Secretary to the Treasury.



Joel Cox Ojuko of the Equal Opportunities Commission (EOC), making closing remarks after a gender and equity training in Kampala last week. He applauded CSBAG for promoting gender and equity budgeting in Uganda.



Participants at the National Policy Dialogue organized by the Uganda Women's Network (UWONET) on women's land and property rights and violence against women and girls. I @CSBAG2017