

Economists warns Government on Budget policy reforms



Ms. Sandra Kyomukama expressing her need for prioritization of agriculture sector in the National Budget FY2016/17 during the Post Budget Dialogue at UMA conference hall.

“Economists this morning warned Government on budget efficiency if Government is to attain budget efficiency in the financial year 2016/17.” This was during the CSO post budget dialogue that was held this morning on 16th June 2016 for citizens to discuss the Ug.26.3 trillion budget for the next financial year

One of the Speakers Dr. Fred Muhumuza a Development Economist noted that out of the UGX26.3 trillion budget for the FY2015/2016 only UGX18, 407.7 billion is available to ministries, Departments, and Agencies (MDAs) for service delivery.

The development economist told a fully packed hall of academicians, MPs, members of civil society, district coordinators, farmers and students of higher learning and the media that the remaining balance is to service domestic and external debts. He said UGX4, 977.7 billion is for domestic debt refinancing while UGX169.18 billion for external debt repayments at UGX2, 022.9 billion for interest payments. Muhumuza raised a concern that the next budget will fall victim to lack of prioritization of priority areas which are critical for the realization of effective service delivery. He argued that there is a danger that the FY 2016/17 budget will not improve the quality of education as it may continue pursuing quantitative indicators.

To address the concerns raised the expert implored Government to consider policy and institutional reforms for better service delivery. “Uganda urgently requires policy, institutional and budget reforms for effective service delivery and welfare improvement,” Muhumuza said. He said a key area of policy reform requires the harmonization of short-term budget options and medium to long-term macroeconomic objective. The expert also expressed concern of the current debt trend which is a threat in derailing the economy if not checked. He emphasized that a high level of governance and accountability as key to any positive future aspirations. “A high level of political focus and commitment towards the economy is needed for realization of middle income status by 2030,” he said.

In his remarks the director of Budget in the Ministry of Finance, Planning and Economic Development (MOFPED) Mr. Kenneth Mugambe underscored the need of enhanced collaboration between Government and CSOs to implement the budget for effective service delivery. “The execution of the budget will depend on how issues are tackled and enhanced collaboration between Government and Civil Society,” Mugambe said. Mugambe outlined the measures Government is taking to ensure strict implementation of the budget as adherence to Public Finance Management Act, transparency, public investment management, inspection and supervision and integration of e-government among others. The budget director urged CSOs to acquaint themselves with strategic result matrix.

On his part Julius Mukunda the coordinator of Civil Society Budget Advocacy Group (CSBAG) called for tackling corruption and expanding revenue base if effective service delivery is to be achieved. He also warned on the rising debt that would render Uganda to Highly indebted Poor Countries (HIPC). “We don’t want to see a situation where we are mortgaging our grandchildren,” Mukunda told the audience

In a panel discussion, Mr. Godfrey Ssali a policy analyst and advocacy officer of Uganda Manufacturers Association underscored the need to recapitalize Uganda Development Bank (UDB) and East African Development Bank so as to enable private companies to access funds for industrialization rather than from commercial banks.

Another panelist Dr. Asuman Gulooba the head of research and innovation at National Planning Authority (NPA) pointed out there is need for MDAs to align their strategic plans to National Development Plan II (NDPII) so as to achieve improved service delivery.

The participants also voiced their concerns among them reinstating cooperative banks, broadening the tax revenue, and engaging in commercial agriculture among others. Like Ms. Kyomukama Sandra, a farmer from Kabale District stated that the NAADS funds do not reach every farmer which has limited every farmer to engage in commercial agriculture. Mr Agabri Francis from Bugiri District stressed that they need to access agriculture credit financing.