

Finance ministry asks CSOs to support reforms for better service delivery



Finance Ministry official, Stephen Odhiambo speaks to CSO members as CSBAG Executive Director Julius Mukunda looks on at Hotel Africana today. Inset are some of the CSO members. |@CSBAG2017

“Civil Society Organizations should continue supporting our reform agenda to serve the people better ...”

The ministry of finance, planning and economic development has called upon civil society organizations to support budget and financial management system reforms to improve service delivery in the country.

Stephen Odhiambo, a Finance ministry official emphasized that budget reforms are necessary for planning and controlling the finances budgeted for each national budget fiscal year. “The CSOs should continue supporting our

reform agenda to serve the people better,” Odhiambo said. He pointed out reforms such as the Treasury Single Account (TSA), e-cash and automated operation mechanisms, which are crucial for ensuring efficiency that would enhance service delivery across the country. The Finance ministry official was addressing members of civil society from different parts of the country at Hotel Africana in Kampala on Monday November 13, 2017.

The review meeting on CSO budget advocacy work was organized by Civil Society Budget Advocacy Group (CSBAG) aimed at equipping participants with knowledge on advocacy work and acquaint themselves with the budget process. In his key note address, Odhiambo explained that TSA has brought efficiency on how finances are being disbursed to different government agencies accounts across the country in enhancing service delivery. He told the CSOs that the TSA is an operational framework designed to manage bank accounts and if the money is not paid out it is returned. He added that it also helps to monitor how much cash is available on daily basis.

But his explanation about the TSA did not go well with some participants who complained that despite the automated financial management systems being in place, some districts experience delays of quarterly releases. The CSOs also raised concerns about the persistent supplementary budgets.

Expenditure concerns

The CSBAG executive director, Julius Mukunda tasked the finance ministry official to explain how the returned money from some government agencies is spent. He also raised concerns about the half billion shillings required in setting up new districts and salary disparity among the civil servants. Responding to the CSOs concerns, Odhiambo told them that supplementary budgets are unavoidable, especially in cases of emergencies such as disaster. On delayed quarterly and salary releases, Mr Odhiambo informed the audience that some accounting officers are to blame for their inefficiency otherwise, government releases funds on a timely basis; with exception if the designated accounts are wrong.

Regarding salary disparities he said the salary review commission is undertaking reviews and a report is expected by the end of November. Presenting a paper titled “Understanding CSO compliance with Anti-Money Laundering Act” Paul Lakidi an official from the Financial Intelligent Authority, implored the civil society to register with the Authority to avoid being used to finance terrorism. Lakidi also informed the participants that they need to study crime statistics and formulated policies that would enable them to fight money laundering.

Unlikely middle-income

In his remarks the William Lubowa, the principal economist at Parliamentary Budget Office, expressed concern that Uganda is not likely to attain the middle-income status by 2020 due to the declining trend of economic growth. He explained that by 2010-2011 the economy was growing by 9.4% compared to 3.9% by the end June 2017. He pointed out that in order to achieve the middle-income status of \$1036 per annum the capita, GDP must grow by 26% and resources should be channeled to support agriculture and industry sectors. On his part, Alfred Muban the head of tax education at the Uganda Revenue Authority (URA) decried the slow growth of domestic revenue. Muban informed the audience about the poor tax payment culture among the citizens, which needs to be addressed. Other challenges are tax regimes are complex and informal sector are evading taxes.

Call to monitor Government projects

In his remarks Ronald Kaggwa, head production, trade and planning at National Planning Authority (NPA) recognized that CSOs play a critical role in holding Government accountable. He appealed to them to also monitor Government projects, which have stalled and mobilize resources to implement NDP II. Kaggwa also expressed concern about the increasing levels of poverty, which is at 27% from 19% in 2012. He said this will hinder the achievement of middle-income status by 2020. In his concluding remarks, David Walakira a Budget Policy Specialist with CSBAG reminded the CSOs that the CSBAG approach on budget process is participatory and provides alternative views. However, he highlighted challenges encountered such as shrinking civic space and political interference in budgeting process. Walakira emphasized that the CSOs should continue playing a critical role in influencing the budget process for the good of citizens.