

Districts warned against diverting funds to clear presidential pledges



Participants at the Local Government Budget Consultative meeting at the Mbale Resort Hotel today. Inset on the right is State Minister for Finance Gabriel Ajedra chatting with Ishmael Magona of the Finance Ministry and district leaders after today's meeting. | @CSBAG2017

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The Ministry of Finance planning and economic development, has ordered districts to stop diverting funds meant for social service delivery to clear presidential pledges in local governments.

This follows a report by the Civil Society organizations (CSOs) under their body, the Civil Society Budget Group (CSBAG) indicating how some districts such as Soroti, Katakwi among other districts had diverted hundreds of millions of shillings meant for education, to clear presidential pledges.

“You are not allowed to divert funds. Plans for this money, must be budgeted for and approved by parliament,” Gabriel Ajedra, the state minister for finance in charge of general duties said. According to Ajedra, local governments, have to receive funds for presidential pledges through respective ministries such as the works and transport, the education and health ministries among other sectors upon approval by parliament, adding that no district is allowed to use money meant for other projects to clear presidential pledges.

He further explained that “when that president for example promises a school item, the ministry of education, is supposed to pick it up and ensure that the pledge is budgeted for accordingly. Then this money is given to the local government”.

Diversions of funds

In their presentation, CSBAG noted that in the past three financial years, (2014 to 2017), the education sector budget of Katakwi district amounting to Sh450m, was diverted to clear the presidential pledge for three school buses of Usuk SS, Katakwi High School and Toroma SS, amidst high demands for classrooms, teacher houses, latrines and other infrastructural development in the schools in Katakwi district.

Delivering the CSO perspective paper on the performance for the FY 2016/17 at Mbale resort Hotel, during the FY 2018/19 budget consultative workshop for district leaders, the CSOs also pointed out Soroti district which had planned to spend Sh100m on a number of projects aimed at promoting the realization of minimum services standards in schools, but only for the money to be diverted for fulfillment of a presidential pledge.

“The district got instructions that the funds were meant for the fulfillment of a presidential pledge to St. Mary's Girls SS Madera to construct a dormitory. The district had no option but to halt the contracts and remit the funds to Madera,” Lucas Chelangat, a CSBAG member said while delivering the presentation on Monday.

Reacting to CSBAG's presentation, different stakeholders at the meeting questioned the procedure the district use in diverting the funds saying it was unlawful. Jacob Opolot, the vice chairperson Parliament's committee on education, said it is a mistake for districts to divert funds meant for service delivery to the fulfillment of presidential pledges. “Under what provision, do districts do this? Districts diverting resources to meet presidential pledges should be stopped. Money is allocated for education and then it is diverted for presidential pledges, this is uncalled for,” Opolot said.

Accusing RDCs

Opolot accused Residential district commissioners (RDCs) whom he said misguide the district and divert funds meant for service delivery into fulfillment of presidential pledges. In his response however, Kennedy Adhola, the RDC Kween district said there are instructions from President Museveni that once a pledge is made, it is incumbent upon district leaders to make sure that its clearance is incorporated into their budgets for clearance.

Just like minister Ajedra, Ishmael Magona, a senior official in the ministry of finance insisted that local governments desist from diverting funds if not approved by Parliament to finance presidential pledges. At the meeting, the CSOs cited sectors such as the transport; health, education and the agricultural sectors which they said need more funding as the government prepares the FY2018/19 budget. “As CSOs, we think the budget for these sectors is still very low and much as it is still small, it is being abused,” Chelangat said.

The CSOs urged the government to consider increased monitoring of public works to avoid abuse. They also appealed to the government to ensure routine maintenance of works such as the road works. In their position paper, the CSOs recommended that local governments conduct a comprehensive assessment of local revenue sources and their potential so that they can have a district revenue data base.

“Tax education is also very crucial for the citizens to appreciate tax instead of evading it,” Chelangat said. The CSOs commended the government on some of the milestone made in the budget, which include strengthened relations amongst CSOs, MDAs and local governments in budget monitoring works.

During the workshops, participants who included district leaders such as Chief administrative officers, Residential district commissioners, MPs and district chairpersons called for increased funding towards the transport sector among other areas affecting the local governments. They noted that limited funding of the local government affects service delivery in various districts across the country.