



CSBAG BUDGET NEWS BRIEF



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Advocating for a People Centered Budget that Dignifies Humanity



Economists, CSOs ask Government to address budget inefficiencies

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"...key priority areas such as water and sanitation, agriculture, health, education and transport suffer budget cuts."

Economists and Civil Society Organizations (CSOs) have asked government to tackle bottlenecks associated with budget allocation so as to improve service delivery.

"We are still stuck in the past and the old ways of doing things and that's why we experience disruptions," said Fred Muhumuza, an economist, in reference to supplementary budgets. He also added that the FY 2019/20 UGX39.9 trillion national budget represents underlying risks. He pointed out that 70% of the National Budget goes to none growth sectors like security.

Muhumuza made these remarks in response to the key note address by the State Minister of Finance, David Bahati during the 9th Annual High-Level Policy Dialogue on the FY 2019/20 Budget at Kampala Sheraton Hotel on May 2, 2019.

The dialogue held under the theme: "Improving Efficiency and Effectiveness of the National Budget for Sustained Economic Growth and Improved Service Delivery," was organized by the Civil Society Budget Advocacy Group (CSBAG) and Advocates Coalition for Development and Environment (ACODE) in partnership with the Finance Ministry, Planning and Economic Development.

Debt Sustainability

"We need revise the 50% Debt to GDP ratio downwards so that the government does not raise false hope among Ugandans. UGX3 trillion in financing debt is very dangerous," Muhumuza said.

Many speakers at the dialogue called for improved attention to loan servicing, interest payment and improving public investment management on grounds that a lot of the borrowed funds are wasted through project mismanagement and related delays.

We need to discuss loan utilization and performance before we acquire new ones. Julius Mukunda CSBAG ED mentioned. To comfort Ugandans, the Director Budget at the Finance Ministry, Mr. Kenneth Mugambe observed that with ongoing PFM reforms, the country is gradually registering improved loan absorption capacities.

"On account of the ongoing PFM reforms, Government has



(L-R) Director Budget at the Finance Ministry, Kenneth Mugambe, Economist, Ramathan Ggoobi, State Minister of Finance, David Bahati, World Bank's senior economist, Racheal Sebudde, URA's Cyprian Chillanyang, and NPA's Ronald Kaggwa during a panel discussion at the 9th Annual High Level Policy Dialogue on the Budget held in Kampala on 2nd May | @CSBAG2019

registered improvements in loan absorption. In 2017/18, 70% of borrowed funds were absorbed'. Mentioned Mugambe.

"In the Ministry of Finance, we have streamlined the institutional framework of project inception and we are working with other line ministries. The challenge we have is that we need more capacity". Mugambe added.

Local Government Financing

The Executive Director of Advocates Coalition for Development and Environment (ACODE), Arthur Bainomugisha said that inadequate financing for Local Governments is a concern that needs to be addressed if effective and efficient service delivery is to be realized.

To add to this, Ramathan Ggoobi, an economist, warned of the reducing Local Government financing sighting local government projects that are being managed by Ministries instead of being implemented at Local Government level.

"Only 9% of the development budget, in our analysis goes to Local Governments. Majority of funds for decentralization work sits at MDAs and not LGs and Uganda cannot transform with this approach'," Goobi warned.

Budget discipline

The Executive Director of CSBAG, Julius Mukunda criticized government over supplementary budgets for items like salary enhancement and marking exams for UNEB which do not fit

the criteria for supplementary.

"There's need to improve budget discipline and budget credibility. Some of the supplementary budget items approved lately do not qualify as unabsorbable and unforeseeable.

Budget Priorities

Racheal Sebudde, a senior economist with the World Bank wondered what the priorities of the country are as project selection is encumbered with a lot of political and donor connotations and said there is need to strengthen gatekeeping roles to ensure effective implementation of projects.

In his remarks Hon. Bahati assured Ugandans that the country's debt was sustainable and the threshold of 50% at 47%. He also comforted Ugandans that economic growth rate is rising and that Government of Uganda is achieving this through its locally generated revenue when compared to external financing. 'The budget for this year is approximately 39.9 trillion. Half of this is going to be financed through our domestic revenue and the rest of it will be mobilized from other sources including borrowing.

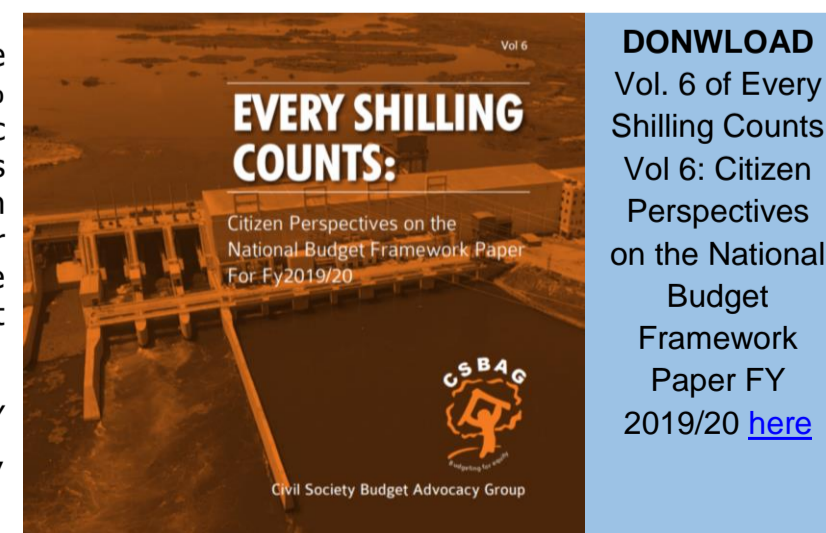
The 9th Annual High Level Policy Dialogue on the FY 2019/20 Budget was attended by development partners, lawmakers, civil society and academia.



(R-L) Accountant General, Mr. Lawrence Ssemakula, AG. Director Debt and Cash Policy Malice Wanyera, CSBAG Executive Director, Julius Mukunda and Uganda Parliament Press Association President Moses Mulondo during a training on National Budget FY 2019/20 for over 200 members of the Uganda Parliament Press Association on 30th April | @CSBAG2019



State Minister of Finance, David Bahati giving his note address at the 9th Annual High Level Policy Dialogue on the Budget held in Kampala on 2nd May | @CSBAG2019



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