



BMAU Bulletin

Issue 8: December 2018

BMAU joins URA and Tax Policy Department to monitor domestic revenue

The Public Finance Reform Strategy determined that the next phase of reforms should focus on sustainable domestic resource mobilization as one of the strategic objectives for Uganda's development. To that effect, mechanisms for revenue monitoring shall be strengthened to ensure realization of the strategy's 16 percent target of tax to Gross Domestic Product.

Budget Monitoring and Accountability Unit (BMAU) has joined Tax Policy Department (TPD), and Uganda Revenue Authority (URA) to formulate and operationalize a Results Based Tax and Non-Tax Revenue Monitoring Framework. The key performance indicators for the framework are clustered under various themes namely:

- Tax Registration and Filing
- Enforcement, Audit and Arrears
- Tax Refunds

- Revenue Effort
- Revenue Management, and
- Oversight

While TPD will continue preparing monthly reports, BMAU will focus on semi-annual reporting. This will entail sampling key performance indicators and conducting in-depth research to validate them. The validation will require use of other sources of data, for instance, Uganda Bureau of Statistics as well as primary data collected from the tax payers. The BMAU revenue monitoring operations are expected to take root during financial year 2019/20.

If well-implemented, the Tax Revenue Monitoring framework should lead to; improved tax administration and ultimately increased revenue, and investments.

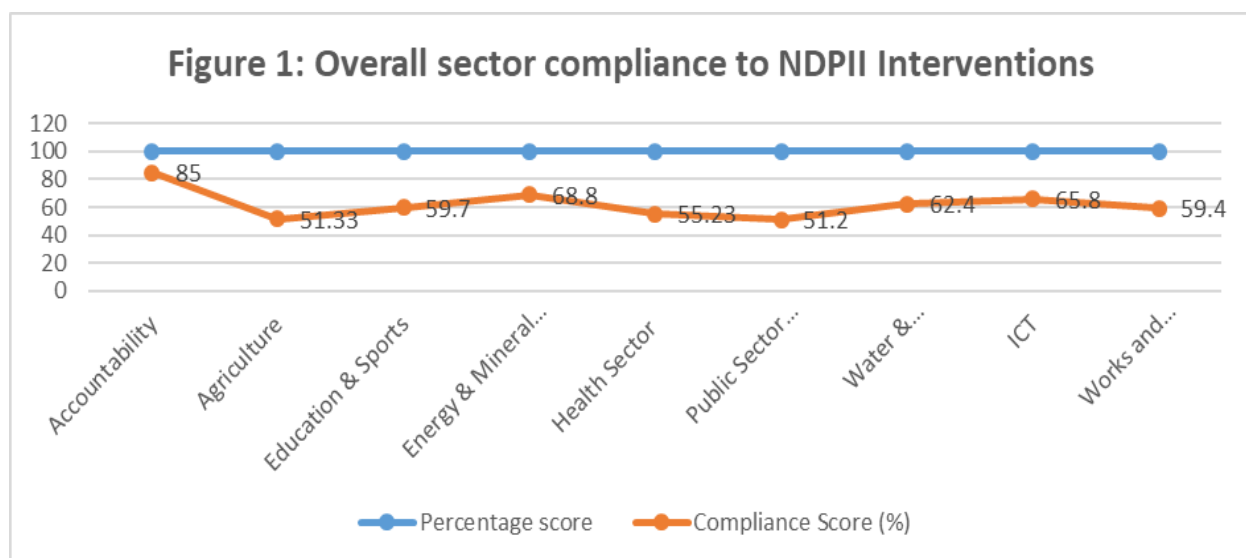
BMAU assesses linkages between NDPII and sector strategies

BMAU analysed the extent to which the second National Development Plan (NDPII) was linked to sector interventions, indicators and targets in the following sectors: Accountability, Agriculture, Education and Sports, Energy, Health, Information and Communications Technology, Public Sector Management, Works and Transport, and Water and Environment.

The assessment considered compliance of Sector/Programme indicators to NDPII

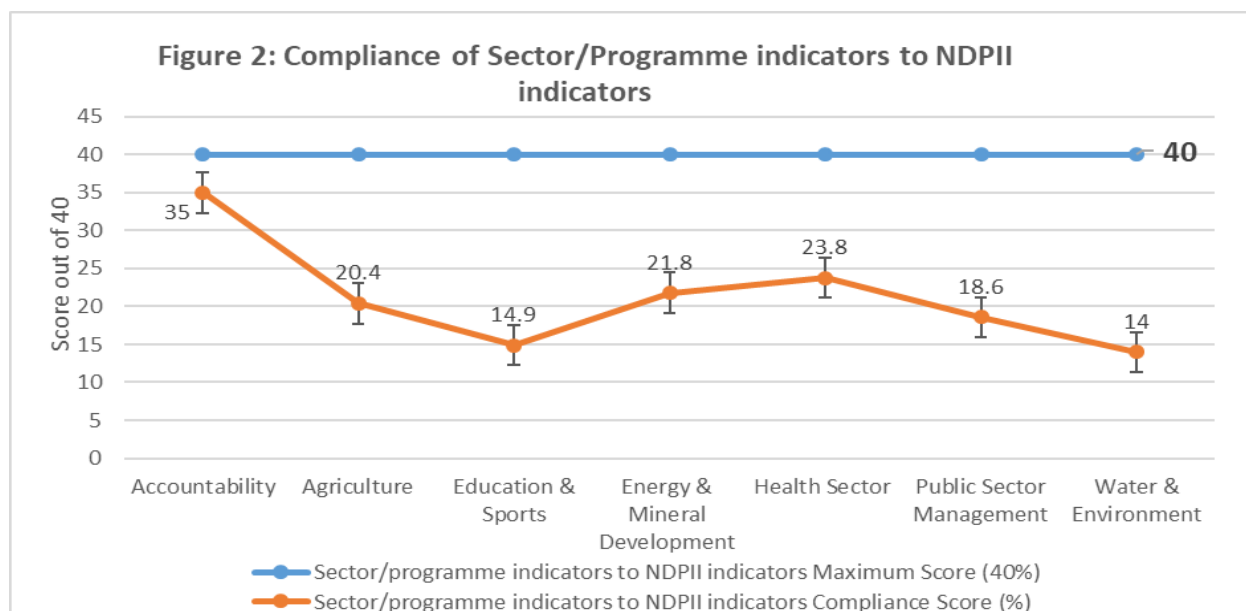
indicators; Ministerial Policy Statement (MPS) actions and NDPII Interventions; Sector sub-programmes and outcomes; and Sector programmes and outcomes.

The Accountability Sector with a score of 85% was the most compliant to the NDPII. The Energy and Mineral Development Sector followed in second place with 68.8%, while the least compliant was Public Sector Management (51.2%), closely followed by Agriculture at 51.33% (Figure 1).

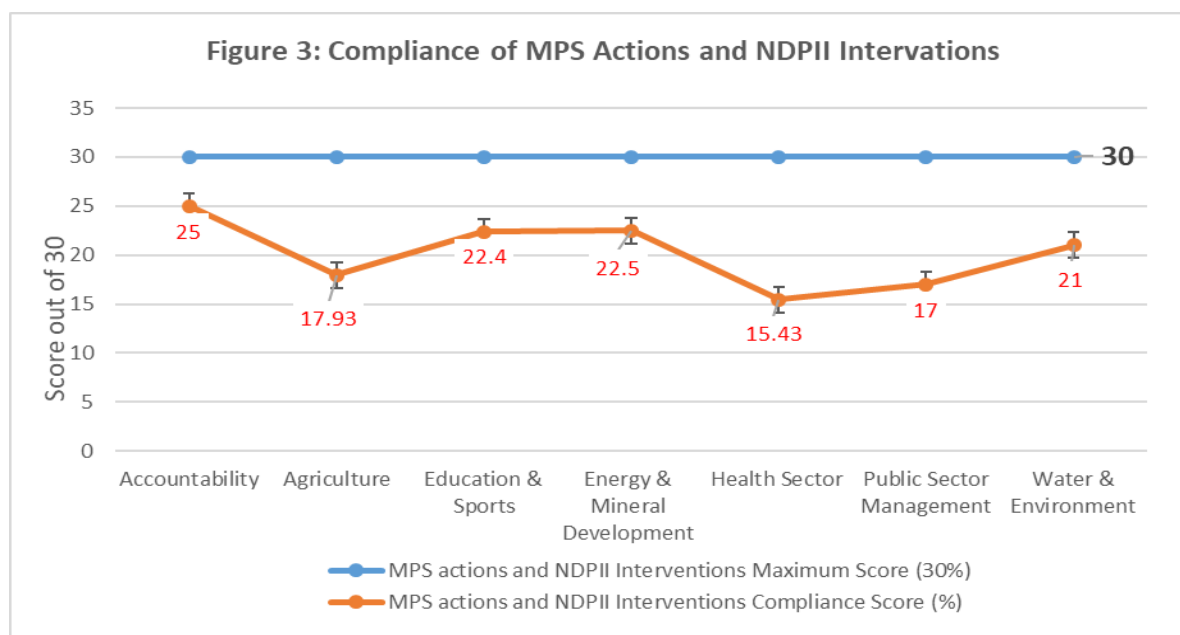


In terms of compliance of Sector/Programmes indicators to NDPII indicators, the Accountability Sector had the highest score of 35% out of the maximum 40%. It

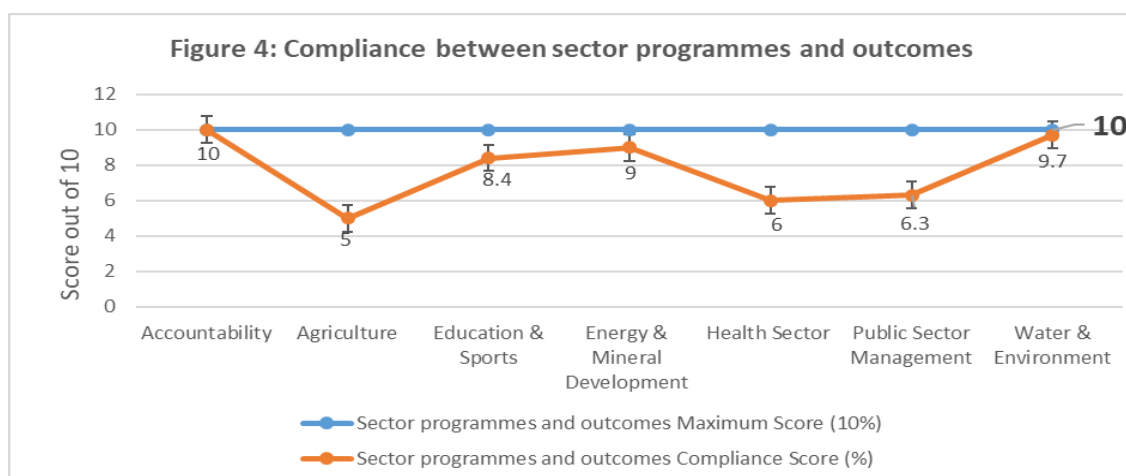
was followed by the Health Sector at 23.8%, while Water and Environment was the lowest at 14% as shown in Figure 2.



In terms of compliance between MPS actions and NDPII interventions, out of the maximum score of 30%, the Accountability Sector got 25%, followed by Energy and Mineral Development (22.5%), and Education and Sports (22.4%). The Health Sector was the worst performing at 15.43% (Figure 3).

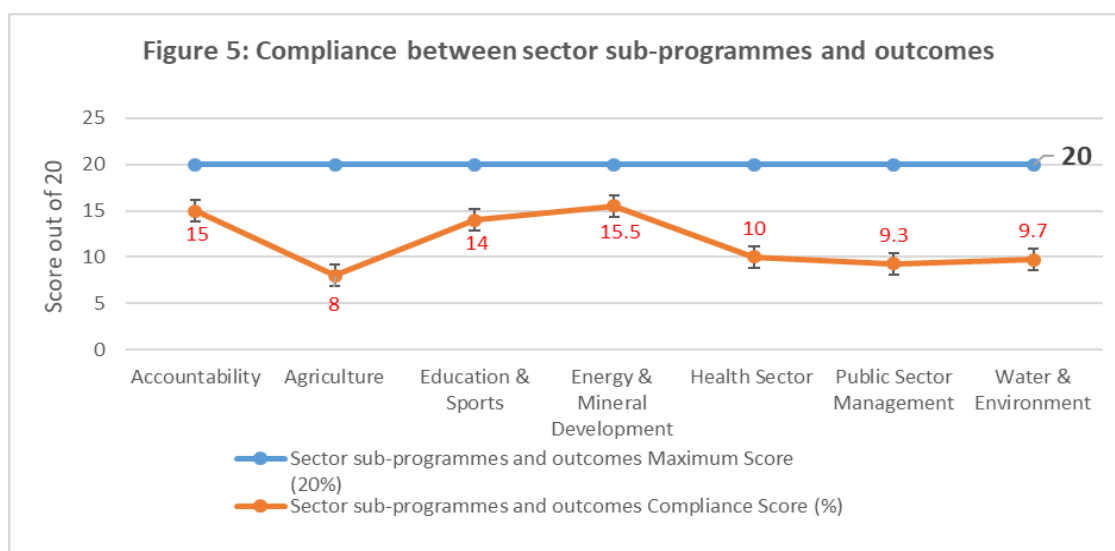


The Accountability Sector scored 10% which was the maximum score in assessment of compliance between sector programmes and outcomes. It was followed by Water and Environment (9.7%); then Energy and Mineral Development (9%). The Agriculture Sector at 5% had the worst score, closely followed by the Health Sector at 6% (Figure 4).



Assessment of compliance between sector sub-programmes and outcomes, saw the Energy and Mineral Development Sector score 15.5% out of the maximum 20%. It was

followed by the Accountability Sector with 15%, while Agriculture was the worst performer at 8%, followed by Public Sector Management at 9.3% (Figure 5).



There has been an improvement in sector performance over the years, however majority of the sectors had an overall compliance performance ranging between 50%-60%, meaning that a number of NDPII outcome targets have been missed.

This performance is partly attributed to poor specification or non-specification of outcome targets in both the NDPII and sector planning documents; a multiplicity of small disjointed projects with limited reach in the sectors; poor planning and low readiness for project

implementation especially for donor financed projects; weak supervision, monitoring and evaluation; lack of accurate and credible data to inform sector planning; misalignment of programme indicators to programme interventions; and inadequate budget provisions.

Sector outcome indicators need to be harmonized with those in the NDPII, re-prioritise budgets to focus funds on public private partnerships, Parliament should review projects and agencies with regard to relevance to expected outcomes; amalgamate and/or close the less impactful projects.

BMAU information dissemination outreaches

A. Interface with Parliamentary committees



The BMAU team (far left) presenting to the Committee on Agriculture, Animal Industry and Fisheries

In a bid to increase dissemination and use of its reports, BMAU shared its monitoring findings for Financial Year 2017/18 and trends of outcome performance for various sectors with legislators on five sectoral committees. These included;

- Committee on Agriculture, Animal Industry and Fisheries
- Committee on Education and Sports
- Committee on Health
- Committee on Natural Resources
- Committee on Science, Technology and Innovation

The legislators applauded BMAU for this timely dissemination exercise at the beginning of the budgeting process. They added that the information from BMAU is critical in helping them scrutinize more the budgets and performance of government entities.

The legislators urged Ministry of Finance, Planning and Economic Development (MoFPED) to;

1. Adequately manage, guide/prevail on planners/sectoral economists to ensure logical economic planning. The Ministry should build capacity of planners and accounting officers in outcomes programming and budgeting. In addition, Sector Desk Officers should be vigilant and ensure indicator alignment and realistic targets.

2. Submit loan requests for projects that have ready implementation plans and strategies to avoid loss of funds through interests charged on non-performing loans, and poor funds absorption.
3. Fulfil counterpart funding obligations to avoid stalling of projects.
4. Increase the proportion of the National Budget allocated to the Agriculture; and Science, Technology and Innovations sectors.
5. Ensure that all schools receive the Universal Primary Education (UPE) capitation grant capped at Ug shs 10,000 per pupil per year, although this figure is insufficient.
6. Ensure that the Uganda Bureau of Statistics collects data on key government performance indicators.
7. Advise Ministries, Departments and Agencies (MDAs) on how to equitably distribute resources countrywide.
8. Ensure that the Auditor General conducts a Value for Money audit for the projects providing valley dams/tanks in the Water and Environment Sector, as the costs could be inflated.
9. Ensure that power transmission projects include a component to provide transformers and associated low voltage networks.



BMAU team presenting to the Committee on Education and Sports



BMAU's Senior Technical Monitoring Officer for ICT/ Industry presenting to the Committee on Science, Technology and Innovation. Also present were officials from the Ministry of Science, Technology and Innovation; and Uganda Industrial Research Institute



Above: Presentation to the Committee on Health

Right: The Energy, and Water and Environment monitoring teams presenting to the Committee on Natural Resources



B. Sector Review Meetings

BMAU also presented its monitoring findings in the following joint sector reviews:

- The 25th Education and Sports Sector Review, 18th – 19th September, 2018 at the Office of the Prime Minister Conference Hall, under the theme – *“Striving for Excellence in Education and Sports Service Delivery.”*
- 8th Energy and Mineral Development Sector Review, 27th – 28th September 2018 at Speke Commonwealth Resort - Munyonyo, under the theme – *“Enabling Investment in Energy, Minerals and Oil and Gas sectors for Social and Economic Development.”*
- 14th Works and Transport Sector Review, 27th – 28th September, 2018 at Speke Commonwealth Resort – Munyonyo, under the theme – *“Development of a Multi-modal Transport to Accelerate Inclusive Growth.”*
- ICT and National Guidance Sector Review, 4th – 5th October, 2018 at Kampala Serena Hotel, under the theme - *“A Digitally Empowered Society and Knowledge Economy.”*
- 24th Health Sector Joint Review Mission, 30th – 31st October, 2018 at Office of the Prime Minister Conference Hall, under the theme – *“Embracing Effective Performance Management and Accountability to move towards Universal Health Coverage.”*

C. Exhibitions

BMAU participated in the following exhibitions;

- Taxpayers Appreciation Week (TPAW) organised by Uganda Revenue Authority from 26th – 28th September, 2018 at Kololo Ceremonial Grounds. The event was aimed at giving a platform to government entities to showcase how they use tax payers’ monies.
- The Science, Technology and Innovation exhibition week from 10th – 14th December, 2018 at Parliament. The event held under the theme, *‘Transforming the country through Ugandan innovations’*, was organised by Parliament’s Committee on Science, Technology and Innovation.

D. BMAU Publications

- Budget Annual Monitoring Report FY2017/18
- NDPII Linkages to Sector Strategies and Work Plans

Malawi's Finance officials visit BMAU



The delegation from Malawi, with officials from BMAU and the Budget Policy and Evaluation Department

A delegation from Malawi's Ministry of Finance, Economic Planning visited BMAU as part of their activities to learn more about the implementation of Programme Based Budgeting (PBB).

In their interaction with Mrs. Rosetti Nayenga Nabbumba, the Deputy Head – BMAU, the officials were briefed about BMAU's framework for monitoring outcomes.





Editorial team:

Mrs. Margaret Kakande – Head BMAU

Ms. Maria R. Muzaaki – Communication Officer

Get in touch with BMAU



Budget Monitoring and Accountability Unit



@budgetmonitorUg

Email: budgetmonitoringug@gmail.com

Budget Monitoring and Accountability Unit
Ministry of Finance, Planning and Economic Development
Third Floor, Room 3.13
Tel: +256 41 4707201/250
Plot 2-12 Apollo Kaggwa Road
P. O. Box 8147, Kampala, Uganda
Website: www.finance.go.ug