



CITIZENS' BUDGET FY 2016/17

Presented by **CSBAG Coordinator**
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INTRODUCTION

On behalf of Civil Society Organizations (CSOs) working under the Civil Society Budget Advocacy Group (CSBAG), and the wider Civil Society, we would like to present CSO perspectives on the budget for FY 2016/17. We commend the government for continued consultation and involvement of various stakeholders including civil society in the budget process both at local and national levels.

The views in this report are a compilation of views and perspective of citizens across the country on what they want the government to focus on in the FY 2016/17 budget preparation and execution.

Commendable efforts to improve service delivery

Enactment of
the PFM Act
2015

The first
country in the
whole world
to Legislate
for gender in
Public Finance
Management
laws

Increased
access to
timely budget
information

Effective
management
of inflation to
a single digit

Effective
marriage of
URA, URSB
and KCCA to
improve
business
registration

Commendable efforts to improve service delivery

Uganda is ranked third (3rd) in budget transparency on the African continent and 24th in the world

Upgrade from Output Based Budgeting to Programme Based Budgeting.

Direct Transfer of Funds to Service Delivery Units and the consistent dissemination of what has been transferred by MoFPED

Opening space for Citizens and CSOs to engage in the budget process

PROPOSED REVENUE MEASURES FOR THE FY 2016/17

Lets pay for our own
development....



Proposed revenue measures for the FY 2016/17

Reintroduction of
Graduated Tax:

Taxing cash
withdrawals
above UGX 5
million

Introduce Tobin
tax (tax on
currency trades)

Imposition of an
environmental tax
(carbon foot
print)

Re-introduction of
road tolls on the
new infrastructure
transport projects

Proposed revenue measures for the FY 2016/17

Imposition of special taxes for infrastructure projects

Taxation of unprocessed exports

Tax on companies that perpetually declare losses

Introduce “Ad Valorem” Tax on Idle Lands in the city and other urban centres

Key citizen budget proposals for the fy 2016/17 budget

For efficient service
delivery outcomes.....

IMPROVE ACCURACY OF THE UPE ENROLMENT FIGURES

From our monitoring, the 60 schools had a total enrollment of 40,828 pupils while the figures used to allocated funds to the schools added up to 34,571 pupils.

Using the per capita allocation of UGX 10,000 UGX annual budget for schools had a funds shortage of UGX 62,570,000.

The LGs accounting officers should be held accountable for the accuracy of the UPE schools enrolment reported and subsequently used for allocation of capitation grant.

Adequately regulate the FOREX market

The Ugandan economy is not ready for the notion of “free market” in the financial subsector



This has been witnessed by the continued injection in the economy to stabilize the shilling which is unsustainable. As at the end of October, BoU had injected **USD 109 million** in the 5 months.

Regulate the Forex Market with a goal to stop the dollarization of the Ugandan Economy

Restrict use of dollars for imports and exports transactions
Charging rent and accommodation in dollars is unacceptable.



Fast track clearance of pension payment dues.

Outstanding Pension liabilities under the Ministry of Public Service increased by UGX.81, 245,706,749 (326.2%) during the FY 2013/14.

This is an indication that the ministry's rate of accumulation of pension arrears is significantly high, which might not be sustained by Government.

Allocation of funds to settle the arrears and instruction accounting officers need to be prioritized in order to relieve the pensioners of their plight.

MoFPED and MoPS should jointly hold another verification exercise alongside all LGs, before the beginning of the FY 2016/17, to ensure that all those who need to be paid are paid and those who should not be on pension pay list are removed.

Continue cleanup of government payroll



It was also noted that, as a result of the mandatory validation and biometric data capture exercise for government employees, a total of **8,589 employees have not been accounted for by 130 entities/votes**, although they remain on the government payroll. These employees are being paid a monthly total of **UGX.4, 563,318,131** which translates into **UGX.54, 759,817,572 per annum**.

Increase financing for government programmes and projects in the LGs



**The LG where majority
of Ugandans are
resident receive only
17% of the national
budget**

Recommendation (s)

- We propose that at least 30% of the national budget be allocated to LGs for effective service delivery.

Enforcing alignment of the sector budget priorities to the NDP II

The failure of NDP I to achieve its targets was partly due to misalignment between the sector priorities and the NDP.

We expect that the sector priorities for the FY 2016/17 and aligned to the NDP II and failure by sectors to comply should result into serious reprimand.

Implement Recommendations of the Government Structure, Staffing and Salaries Review.

Only 56% of local government staff structure is filled due to inability to attract staff among other reasons

Recommendation

- Government should expedite the constitution of the **SALARY REVIEW COMMISSION** so that the public servants have their earnings aligned to expertise, longevity on job and the contemporary cost of living but also have their earnings consolidated.

Improve access to agriculture credit

The Agriculture Finance Facility (ACF) funds are not accessible to most Ugandans. Majority of the loans have mainly been extended to larger commercial farmers and agro-processors, many of which are well established companies that already have access to bank finance.

Recommendation.

Government should implement the proposed establishment of the **COOPERATIVE BANK** that will explicitly focus on farmers' credit needs, hedge against risks like crop failures and volatilities in the prices of agro-products.

Non commitment to international obligations

Government should desist from signing on international commitments yet there is no political and financial to implement them.

For any commitment that requires GoU financing, the MoFPED should issue a certificate of financial implication.

Conclusion



CSBAG and its partners, ***with support from government***, shall continue to prioritize the monitoring of service delivery and Public Finance Management with a view to have people centered budgets that dignify humanity,

.....because every shilling counts!