

Museveni orders merger of government authorities

By David Lumu

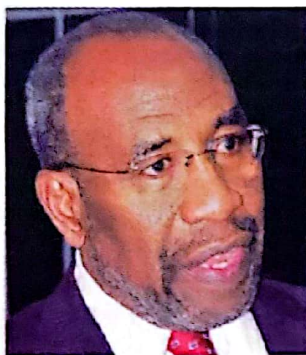
President Yoweri Museveni has ordered for the urgent downsizing and merging of government agencies and authorities, saying mushrooming authorities have heaped a heavy financial burden on taxpayers.

In a July 17 letter to Cabinet, Museveni said a report addressed to the Prime Minister, Dr Ruhakana Rugunda, indicates that there have been "endless, unplanned and unevaluated mushrooming agencies/authorities" in the country, which are straining what he calls the country's "meagre resources".

"The report is very clear and I will not dwell much on its details, which you should educate yourselves on. The only thing I want to point out to you comrades is that it is a mistake for us to continue funding and overseeing such wastages of our meagre resources," the President said in a letter titled: "Mushrooming Agencies/Authorities".

The letter was copied to the Vice-President, Prime Minister, cabinet ministers and permanent secretaries.

The President wants government employees in non-commercial portions agencies and authorities "consolidated,



Dr Ruhakana Rugunda

rationalised, downsized and all of them better paid" to avoid unnecessary constraints on the public purse.

"Would it not be fairer and more efficient? I want efficiency with no further delays," he added.

Merge or downsize

The President is now calling for downsizing and mergers of these government agencies and authorities for better service delivery and minimisation of resources.

Museveni has also questioned the rationale of having board members for money-consuming agencies.

"The questions are: 'Why have an agency when you have a department of the Government dealing with the same area of responsibility?'

"Why have an authority when

you have a department of the government dealing with the same area of responsibility?'

"Why have boards for money consuming units, rather than money-generating units?" Boards came into existence when capitalism was growing. In the infancy of capitalism, the owner (the proprietor) would also be the manager because the operations were small," he said.

Museveni added: "When capitalism grew, it was too much for the owner to manage. Ownership, therefore, got divorced from supervision (board work) and management (managerial work)."

Without naming the agencies he wants merged or downsized, Museveni argued that boards should be limited to a few parastatals, which are divided into two main aspects of public servants — money makers and policy makers.

"Therefore, for a parastatal, it makes sense to have a board. It is a business whose owners are far away. They can neither oversee nor manage. Why then should you separate the policy role from the regulation role for the non-commercial bureaucratic portions of the Government: forests, national parks, roads, NAADs, etc? Their functions are just two: policy and regulations. There is no

business involved," he said.

The President said boards should only be formed for money-making agencies.

"If the ministries of works and finance want to form road construction companies that will compete for construction jobs, then it makes sense for those companies to have boards and management, but not a board for a unit whose only job is to award contracts using government money," he said.

Why we formed URA?

Giving what he thinks could have sparked off the proliferation of agencies and authorities, Museveni cited Uganda Revenue Authority (URA), saying it was created on a temporary basis to handle "a unique area" of tax collection for the country.

"When I agreed to the formation of URA many years ago, it was for two reasons. First, there was too much corruption in the customs department of the Ministry of Finance. Secondly, since we could not yet raise the salaries of the whole public service and we needed to increase tax collection for the Government, I agreed to have a better paid group to handle that unique area of state efforts that was causing so much leakages," he said, adding: "This should have been a temporary and

isolated intervention, not one to be proliferated."

Museveni sets deadline

In the letter, Museveni gave finance minister Matia Kasaija and his public service counterpart, Wilson Muruli Mukasa, a December 20 deadline to table a plan before Cabinet on how the proposed review of agencies and authorities will work. The President also wants a report on how much the Government spends on all agencies.

"How much are we spending on these authorities, agencies, etc., etc? I want figures," he said.

"Is it not high time we re-consolidated the State by having only two categories of public servants — the policy makers-regulators and implementers on the one hand and the money makers running the few government parastatals on the other hand?" Museveni asked.

"You have up to December 20, 2017, to propose a plan to Cabinet," he ordered the ministers responsible.

Tough measures

Rugunda yesterday told *New Vision* that the review of the efficacy of government agencies started in January.

He said at the beginning of September, a memo on possible

restructuring plans will be tabled before Cabinet by the Minister of Public Service.

"We welcome the letter by the President, because it gives more momentum and enhances and strengthens the process of review. Our aim is to minimise and almost bring to an end the creation of more parastatals. There must be a strong justification for a new parastatal to be formed. It must be thoroughly scrutinised," Rugunda said.

The idea of creating authorities and agencies started in the 1990s following divestiture, where the Government said its role was to regulate and not to do business, which they said then, was the pure job of the private sector. The actors at the time, opted for a single regulatory authority for each sector, rather than a multi-sector regulator.

However, Rugunda said the effectiveness of these authorities has been wanting in some aspects.

Rugunda said the Government has discovered that there is a duplication of roles and that these authorities are not only too many, but the Government is wasting taxpayers' money on them.

Rugunda said there are over 100 agencies and authorities in the country.