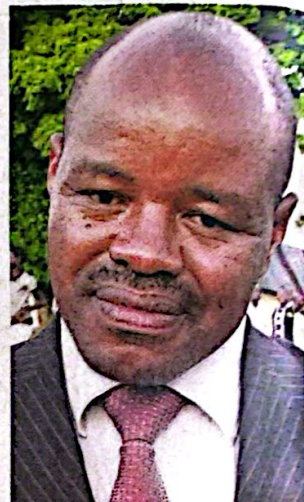




Employees at a matooke factory in Mbarara. The budget committee has promised to allocate more funds to such sectors

Amos Lugoloobi

# Budget Committee to focus on creating job opportunities

By Moses Mulondo

**T**he budgeting process is one of the most important undertakings that determine the direction in which the country goes. No wonder former US vice-president Joe Biden, while campaigning as Barack Obama's running mate, said: "Don't tell me what you value. Show me your budget and I will tell you what you value."

Both the Budget Act and the Public Finance Management Act gives Parliament the budget appropriation powers and this means more than any other state organ, Parliament has the mandate to determine the structure and allocations in the national budget.

The national budget is the statement of the revenues the Government expects to collect over the 12 months and how it plans to spend those revenues.

In executing its constitutional obligation of directing the budgeting process, Parliament works through the budget committee which is currently chaired by Ntengeru North MP Amos Lugoloobi.

The budget committee can arguably be ranked as one of the most vibrant and effective committees of the 10th Parliament.

In May, the committee presented a very analytical budget report which impressed parliamentarians from across the political divide.

In the report, the committee raised a red flag on over borrowing by government which it said is not sustainable.

The committee raised concern that about sh9.6 trillion in the 2017/2018 budget, which is 36% of the total budget, was allocated towards debt repayment.

Explaining the achievements of the committee since the 10th Parliament started (which is about 18 months), Lugoloobi said: "We have been able to make the Government understand that Parliament has a key role to play in directing the national budget strategy. We are not a rubber stamp institution. We commit government on which way to direct national resources."

Lugoloobi says on several occasions, the committee has been able to reallocate

resources from where they were not being adequately utilised to priority areas that lack adequate funds.

The committee has been able to ensure the Equal Opportunities Commission is adequately funded and this, Lugoloobi says, has promoted national budgeting, which adheres to gender equity and ensures that all the regions of Uganda benefit from the national cake.

The budget committee has relentlessly tasked government with ensuring that the national budget allocations are aligned to the priorities which were identified in the second National Development Plan (NDPII) and Vision 2040.

Lugoloobi argues that as a committee, they have been consistently pushing for a national budget which prioritises the productive sectors.

"We have made sure that productive sectors like works, transport and energy are given more funding to build a strong foundation for the economy and support for other sectors like agriculture and tourism which need good roads. But more needs to be done for ICT, tourism, agriculture and industry," he says.

**AMOS LUGOLOOBI PROMISES THAT THEY WILL ENGAGE GOVERNMENT TO ENSURE CONSUMPTIVE EXPENDITURES ARE REDUCED**

The committee chairman says it is due to their efforts in advocating for more funding to productive sectors that the budget for agriculture in the last two financial years has been doubled.

He notes that the Public Finance Management Act of 2015 requires government entities to present the budget performance reports for the previous financial years as a pre-requisite for approving their new budgets.

"The committee now looks at the performance of each sector which we base on to determine which sector deserves to be given more resources," he says.

Lugoloobi, however, notes that as a committee, they are still finding a challenge in taming government's appetite for supplementary budgets.

"We have been reminding the Government about the need to comply with the law regarding supplementary budgets. Sometimes the Government spends beyond what the law allows. We have written to them to agree on the modus operandi. In most cases, their supplementary expenditures are not for emergencies yet supplementary is meant for emergency expenditures," Lugoloobi says.

He also says they have had serious disagreements with the executive regarding the huge amount of money it spends on taxes for selected private companies.

## Focus for the New Year

Lugoloobi says: "Our major emphasis will be to ensure the budget creates more jobs because the rates of unemployment and poverty are alarming. This will require more funding for sectors such as agriculture. We shall ensure the national budget addresses the current challenges in agriculture. The survival rate of seeds has been low. We need a fully functioning extension service system. We need to invest in the use modern technologies including for value addition."

Lugoloobi promises that they will engage the Government to ensure consumptive expenditures are reduced so that more resources are earmarked for the productive sector and that necessary changes are made to curb misuse and siphoning of public resources. The budget process starts with a Cabinet retreat in which the minister presents the budget strategy paper spelling out the Government's priorities for the following financial year.

Once Cabinet has approved the budget strategy, the agreed upon priorities are communicated to the sectors through what is technically known as a budget call circular.

According to Section 9 (5) of the Public Finance Management Act, the minister is required to submit the budget framework paper to Parliament by December 31.

The framework paper which is like the

draft budget specifies the Government's policy stance for the following financial year. It captures major national priorities and how the resources have been allocated to achieve national objectives.

Parliament is expected to scrutinise the paper and have it approved by February 2017.

Under the Public Finance Management Act, which became operational in 2016, Parliament is required to pass the budget before the end of May ahead of the start of the new financial year in July.

According to Lugoloobi, many of the committee leaders are part of the presidential advisory committee which guides and ensures that the budget is aligned to the National Resistance Movement manifesto and the National Development Plan.

The budget proposals are first scrutinised by the Parliament's sectoral committees before they are submitted to the budget committee.

The budget committee is composed of chairpersons of the various sectoral committees.

In its two previous reports, Parliament's budget committee has recommended that the Government allocates more funds to sectors such as agriculture, ICT, industry and tourism which were identified as the game-changers for Uganda's economy in the National Development Plan (2015-2020) and Vision 2040.

Section 12 (2) of the Public Finance Management Act mandates Parliament to ensure public resources are held and utilised in a transparent, accountable, efficient, effective and sustainable manner.

Parliament also still has an uphill task of undertaking monitoring and supervision measures to ensure the resources it appropriates are properly utilised.

Weaknesses notwithstanding, finance laws passed by Parliament have Uganda among the best countries in the world in budget transparency. The Global Open Budget Survey Index of 2015 ranked Uganda among the top 24 leading countries in budget transparency out of the 102 which were surveyed.

In the survey results, Uganda scored 62 points among the countries with substantial information on the budget.

Regionally, Uganda topped its peers: Burundi did not appear in the Open Budget Survey Index.