

Influencing Government Health Budgets in Uganda

A Guide for Civil Society

December 2015



About the USAID Advocacy for Better Health Project

The USAID Advocacy for Better Health (ABH) project is a five-year (2014-2019) project implemented in Uganda by PATH in collaboration with Initiatives Inc. Center for Health, Human Rights and Development (CEHURD) is a national-level implementing partner. The goal of the project is to improve the quality, availability and accessibility of health services in 35 target districts of Uganda, and to increase the citizens' voice for quality service delivery.

TABLE OF CONTENTS

Abbreviations	II
INTRODUCTION	1
Objective of this Guide	1
Approach	2
Organization of this Guide	2
INTRODUCTION TO HEALTH BUDGET ADVOCACY	3
Understanding the national budget	3
Understanding budget advocacy	4
ISSUES IN HEALTH FINANCING	7
Sources of health financing	7
Level of health financing in the national budget	8
THE BUDGET PROCESS AND OPPORTUNITIES FOR ENGAGEMENT	11
Progress on budget transparency	11
Budget formulation process at the central government level	14
Budget formulation process at the local government level	17
REFERENCES	19

ABBREVIATIONS

ABH	Advocacy for Better Health (project)
ACODE	Advocates Coalition for Development and Environment
BFP	Budget Framework Paper
BMAU	Budget Monitoring and Accountability Unit (of Ministry of Finance)
CEHURD	Center for Health, Human Rights and Development
CSOs	Civil society organizations
FY	Financial Year
LG	Local Government
IPA	Innovations for Poverty Action
MDAs	Ministries, departments and agencies
MFPED	Minister of Finance, Planning and Economic Development
MOH	Ministry of Health
ODI	Overseas Development Institute
PHC	Primary health care
PPAs	Priority program areas

INTRODUCTION

IN the past few years, a number of civil society organizations (CSOs) have participated in Government planning and budgeting processes as well as monitoring government programs so as to influence allocation of, and accountability for, the limited resources.¹ Partly as a result of these efforts, Government has over the years increased funding to the health sector to improve the delivery of the minimum health care package, and increased the national budget for family planning commodities, among other investments.²

In spite of this positive trend, the financing of Local Government health services remains inadequate. Primary health care (PHC) grants have not improved – with the construction of new health facilities and upgrading of existing ones actually declining – and, since FY 2008/09, budget monitoring reports have identified inadequate financing of the non-wage recurrent budget as a key factor crippling healthcare service delivery in Uganda.³

This toolkit has been developed as part of the USAID Advocacy for Better Health (ABH) project to provide guidance to CSOs currently engaged in budget advocacy as well as those involved in the implementation of the ABH project at national and district levels,⁴ to facilitate more effective advocacy for increased health funding and efficient resource use at both Central Government and Local Government levels.

Objectives of this Guide

The objective of this guide is to serve as a resource for civil society working to influence budgetary allocations to the health sector at the national and district levels. The specific objectives are:

- 1) To define the scope of health advocacy in general and budget advocacy in particular
- 2) To highlight key issues in health financing that the civil society in Uganda should consider or keep in mind while seeking to influence district and national budgets for health
- 3) To outline the budget formulation processes at national and district levels
- 4) To identify opportunities and entry points for civil society engagement with district and national budget processes

1 PATH 2014. Advocacy for Better Health Communications Strategy

2 Ministry of Finance, Planning and Economic Development (2015). Financing the health sector: Effects of the inadequate non-wage recurrent grant. BMAU Briefing Paper (12/15). May 2015

3 Ministry of Finance, Planning and Economic Development (2015). Financing the health sector: Effects of the inadequate non-wage recurrent grant. BMAU Briefing Paper (12/15). May 2015

4 Twenty-one civil society organizations – four national and 17 district-level – have received grants from ABH to implement the project

Approach

This guide has been adapted from a similar resource – Influencing Government Budgets in Tanzania: A guide for civil society – developed by Health Promotion Tanzania and Futures Group.⁵ The process involved picking out the relevant themes from the Tanzania resource and undertaking a search for Ugandan material to fit under each of the identified themes. Hence the ABH project team at CEHURD reviewed the legal framework for the budget processes at national and district levels; studied official documentation on the budget process; and undertook personal interviews with representatives of the secretariat and membership of Uganda Civil Society Budget Advocacy Group as well as the Parliamentary Budget Committee.

The content and budget cycle in this guide is based on the Public Finance Management Act of 2015, which adjusted timelines for the different steps in the budget process, cutting back the deadline for approval of the national budget from 31st August to 31st May. Hence, the budget cycle as presented in this guide relates to the process as it will relate to the formulation of the national and district budgets for FY 2017/18 onwards. At the time of developing this document in December 2015, the budget cycle was following a transitional timeline for preparing the budget for FY 2016/17.

Organization of this Guide

This guide is divided into three major sections:

- 1) Section I presents a brief introduction to health advocacy and outlines the steps involved in the advocacy process.
- 2) Section II provides a brief about budgeting and current issues in health financing in Uganda
- 3) Section III outlines the budget process and the opportunities for civil society engagement at national and local government levels

A list of references have been provided at the end of this booklet where useful links and publications for further reading and information can be found.

5 Futures Group (2013). Influencing government budgets in Tanzania – A guide for civil society. Health Promotion Tanzania and Futures Group. <http://www.familyplanning2020.org/resources/4162>

SECTION I

INTRODUCTION TO HEALTH BUDGET ADVOCACY

Health budget advocacy is about lobbying and campaigning to change the way public resources are used to deliver health services.⁶ This section outlines the different elements in budget advocacy: identifying the advocacy issue, setting the goal and objectives, identifying the target audience, developing messages, creating alliances, and identifying the medium to deliver the messages. Budget advocacy involves bringing all these elements together into a set of activities or work plan.⁷

Understanding the national budget

A budget is a statement that shows, in an itemized form, expected income and how it will be spent over a given period.⁸ Government uses the budget to show how public resources will be raised, and where and how they will be spent to deliver public goods and services. According to Aaron Wildavsky (1964), a budget is:

- a prediction of expenses;
- the “link between financial resources and human behavior in order to accomplish policy objectives”;
- a representation in monetary terms of governmental activity
- a record of the outcomes of the struggle over political preferences; and
- “attempts to allocate scarce financial resources through political processes in order to realize disparate visions of the good life.”

Hence, the national budget highlights the country’s priority areas for a given year. In Uganda, lifting people out of poverty has been a long standing objective of the national budget in line with the objectives of the National Development Plan and Vision 2040.

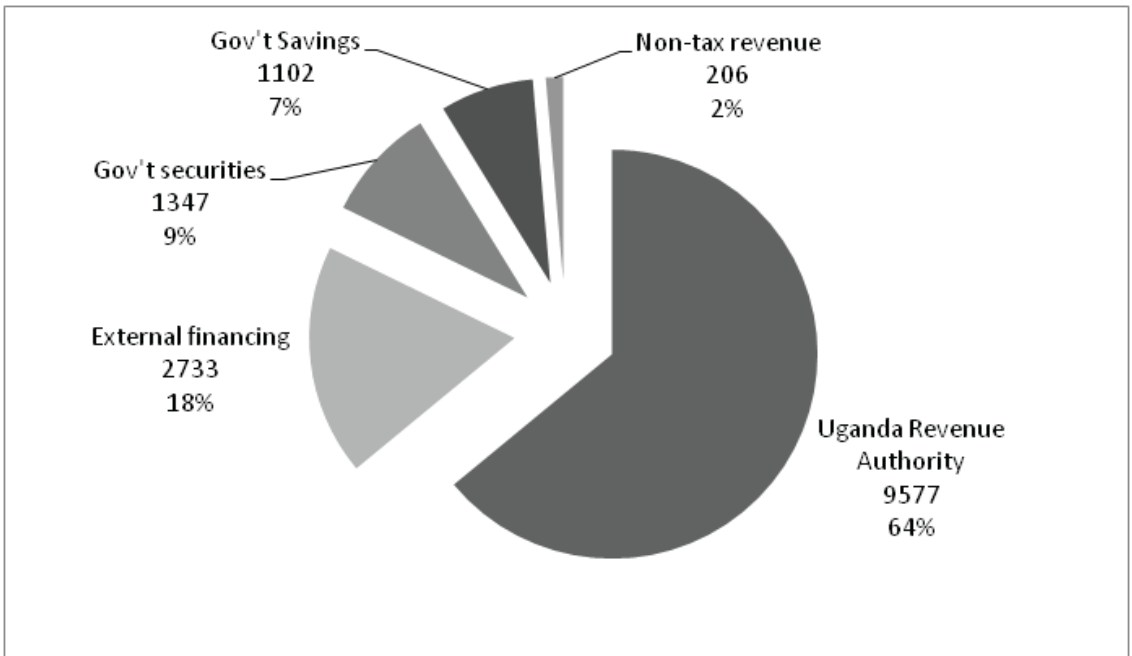
The government budget covers the period 1st July–30th June, referred to as “financial year”. In June of each year, the Minister of Finance, Planning and Economic Development (MFPED) announces Government’s spending, taxation, and borrowing plans as well as priorities for the next financial year. Government income comes from taxes, non-tax charges/levies, loans and grants. The national budget distributes this money among government ministries, agencies and districts to enable them deliver public services such as roads, education, health, water, agriculture, etc.

6 Save the Children (2012). Health sector budget advocacy: A guide for civil society organizations. http://www.who.int/pmnch/media/news/2012/201205_health_sector_budget_advocacy.pdf

7 International Budget Partnership. <http://internationalbudget.org/budget-advocacy/strategies-tools-tactics-opportunities/crafting-strategy/advocacy-strategy/>

8 The Muriel F. Siebert Foundation. Learn money: Resources for financial literacy. Glossary of terms. <http://www.learnmoney.org/glossary.html>

Sources of Government income as reflected in the national budget of FY 2014/15 in billions of Ushs



In the financial year (FY) 2014/15, the national budget amounted to US\$ 15.8 trillion, of which 81.8% was expected from domestic or national sources. The remaining 18.2% was expected to come from external sources through loans and grants from development partners (donor countries and agencies).

Understanding budget advocacy

Advocacy is defined as a *systematic* succession of actions designed to *influence* those with authority to bring about *change* on an issue of public concern.⁹ Budget advocacy refers to actions to influence how public resources are allocated and spent, and how these allocations address the needs of different population groups.¹⁰

Advocacy activities may be aimed directly at the decision makers or they may seek to influence indirectly through shaping public opinion and voter intentions or by disseminating alternative models of policy and practices.¹¹

Several other related terms are also used by the civil society to describe *direct* advocacy activities, including *activism, advising, campaigning, commenting, consulting, engagement, giving voice, providing input, lobbying, negotiating, organizing, policy*

9 Bujari, P., and E. McGinn (2013). *Influencing Government Health Budgets in Tanzania: A Guide for Civil Society*. Washington, DC: Futures Group.

10 Save the Children (2012)

11 John Casey (2011). *Understanding advocacy: A primer on the policy making role of nonprofit organizations*. Maruch College Center for Nonprofit Strategy and Management. Working Papers Series

work, political action, and social action, which are all used to describe attempts to directly influence, while terms such as educating, disseminating information, innovating and modeling are used to describe indirect activities.¹²

Elements of a budget advocacy strategy

- 1) **Advocacy issue or problem:** Every advocacy strategy needs to start with a decision on what it is that you want to accomplish.¹³ Note that choosing your issue does not just mean choosing the broad topic you want to address (e.g. family planning) – you have to think about specific problems, barriers, and policy-related solutions.¹⁴ The advocacy objective should be very specific (so that you know what you are advocating for, and when you have achieved it).¹⁵
- 2) **Advocacy goal and objectives:** Alongside identifying a health problem, advocates must also define a solution – the change they wish decision-makers to bring about. This change is the goal of your advocacy effort.¹⁶

Without a clear, articulated issue and well-defined goal and objective, the remaining steps of the campaign will lose focus. An advocacy *goal* is the long-term result (three to five years) of your advocacy effort; it is your vision for change, while an advocacy *objective* is the short-term target (one to two years) that contributes toward your goal.¹⁷ Sometimes an advocacy team can have a couple of objectives, contributing to the achievement of one goal, but each objective should be specific, measurable, realistic and time-bound (SMART).

- 3) **Audiences:** There can primary audiences (decision makers) and secondary audiences (people or institutions with influence on the decision makers).¹⁸
 - **Decision makers:** Who specifically in government will make the choices you seek – executive branch officials, legislative branch, elected officials, appointed people at the local, national, or regional level?
 - **Influencers:** Who has the clout to influence the authorities to make desired change – the media, interest groups, donor agencies, the shadow government. Insiders, people within the system, may be supportive of your cause and in a position to make decisions or influence others. Often, by virtue of their position or responsibilities, insiders (such as ministry technocrats) cannot be

12 John Casey (2011). Ibid

13 Sustainable Development 2015 advocacy toolkit. <http://www.sustainabledevelopment2015.org/AdvocacyToolkit/index.php/post-2015-what-it-is-and-how-you-engage-2/steps-to-develop-your-advocacy-strategy/steps-to-develop-your-advocacy-strategy-2>

14 Pathfinder International. Straight to the point: Setting advocacy priorities. <http://www.pathfinder.org/publications-tools/pdfs/Straight-to-the-Point-Setting-Advocacy-Priorities.pdf>

15 Bujari, P., and E. McGinn (2013).

16 Bujari, P., and E. McGinn (2013)

17 The Policy Project: Advocacy training manual. <http://www.policyproject.com/pubs/advocacy/English/Policy%20Proj%20Sec%20III-2.pdf>

18 International Budget Partnership. Ibid

publicly outspoken on an issue of concern, but can be very useful sources of information.¹⁹

- Opponents: Opponents are not necessarily our adversaries (although they can be), rather they are those who do not agree with your position on the issue itself, or your strategy. It is good to listen to them, understand their position to neutralize their message and to possibly attract some to change in their position.
- 4) *The message*: Your advocacy message represents the whole effort, and so it should be as strategic, thoughtful, and effective as possible.²⁰ Four key elements should drive that message: keep it simple by steering clear of jargon and confusing terms; make it compelling by getting victims to tell the story; build in your defense by demonstrating that change is possible; and it should be consistent by repeating the message even when framed differently for different fora or audiences.
 - 5) *Partnerships and alliances*: Effective advocacy, including on budget issues, is a group effort and working with others gives the your advocacy credibility. Having a constituency drawn from ordinary citizens is a strong indication that your budget issue is relevant and necessary. A strong advocacy campaign should include a mix of allies, such as civil society, lawmakers, people directly affected, experts, etc.²¹
 - 6) *Message delivery*: The message needs to be delivered strongly. Formats for delivering messages can include: meetings, workshops, public hearings, rallies, boycotts, strikes, print and electronic media, art (music, dance and drama). They can be conveyed by activists, champions, experts, victims, public figures, etc. CSOs and coalitions engaged in advocacy can identify and develop their messengers strategically over time.²²
 - 7) *Work plan*: The advocacy team should schedule activities, such as media events, workshops, rallies, release of reports and policy statements, meetings with Ministry of Finance staff or key legislators, etc. timing is critical because budget processes are pegged to timelines.²³
 - 8) *Measuring success*: There is need to recognize the “quick wins” that are incremental achievements that demonstrate the advocacy campaign’s progress towards attaining the overall goal. There is need for periodic review to assess whether any change of course or new activities are needed. Advocates are advised not to despair when one intervention doesn’t succeed.²⁴

19 Bujari, P., and E. McGinn (2013). Ibid

20 International Budget Partnership. Ibid

21 International Budget Partnership. Ibid

22 International Budget Partnership. Ibid

23 International Budget Partnership. Ibid

24 Bujari, P., and E. McGinn (2013). Ibid

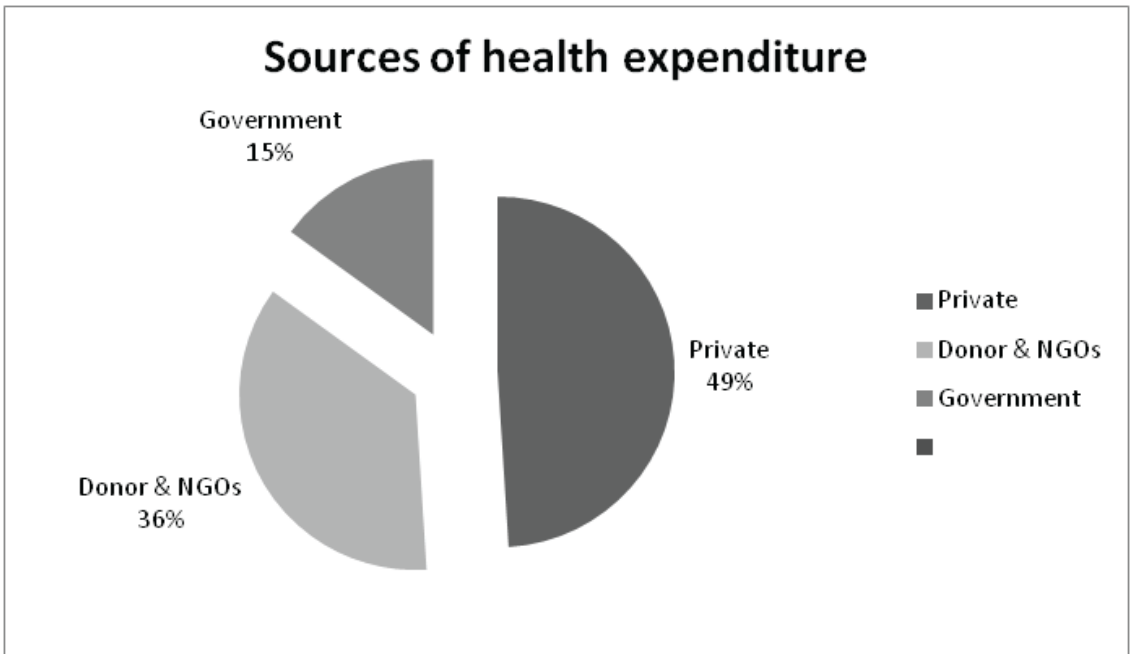
SECTION II

ISSUES IN HEALTH FINANCING

Sources of health financing

A National Health Accounts survey conducted in 2013 showed that Uganda spent UGX 3, 234 billion (\$1.59 billion) on health in financial year (FY) 2009/10 (MOH 2013). This total health expenditure came from three main sources:

- 1) The public sector contributed 15%
- 2) Donors and NGOs contributed 36%
- 3) The private sources contributed 49%



Sources of health expenditure in Uganda

Source: (MOH 2013)

Universal access to health care requires that adequate and quality health services are available for everyone in need of them and people are protected from the accompanying

financial burden.²⁵ Kwesiga et al. (2015)²⁶ have noted that reliance on out-of-pocket payments for health care is a major cause of financial hardship in families.

Yet, in Uganda, the bulk of average health spending comes from households in form of out-of-pocket expenditure. As shown in the figure above, households are the most dominant private source of health financing, constituting 87% of all the private sources through direct out-of-pocket payments. Hence in 2009/10, households contributed UGX 1,372 billion, representing 42% of total health expenditure. Total health spending per person was US\$52. Government contributed US\$11.2, half of the household expenditure of US\$22 per person. The contribution by households was almost twice the contribution by government.

Level of health financing in the national budget

In the national budget, the health sector consists of Ministry of Health, Uganda AIDS Commission, Uganda Cancer Institute, Uganda Heart Institute, National Medical Stores, Health Service Commission, Uganda Blood Transfusion Service (UBTS), Mulago Hospital Complex, Butabika Hospital, Regional Referral Hospitals, District NGO Hospitals/Primary Health Care, District Health Care, District Hospitals, District Health Sanitation Grant, and KCCA Health Grant.²⁷ Public funds are transferred directly to the specified entities.²⁸

In financial year (FY) 2012/13, the Government of Uganda spent 7.8% of its total budget on the health sector. “Road Construction” was allocated the largest share (15.2%), followed by education, energy and mineral development, public sector management, security and then health. The allocation to health is relatively low when compared to the 15% that Government committed to allocate to health in the Abuja Declaration.

25 Carrin G, Mathauer I, Xu K, Evans DB (2008). Universal coverage of health services: tailoring its implementation. *Bull World Health Organ.* 2008;86:857–863. doi: 10.2471/BLT.07.049387

26 Brendan Kwesiga, Charlotte M Zikusooka, and John E Ataguba (2015). Assessing catastrophic and impoverishing effects of health care payments in Uganda. *BioMed Central Health Services Research.* 2015; 15: 30. <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC4310024/>

27 Ministry of Finance, Planning and Economic Development (2014). *The 2014/15 budget and you: A citizen budget guide*

28 CM Zikusooka, R Kyomuhang, JN Orem, and M Tumwine (2009). Is health care financing in Uganda equitable? *African Health Sciences.* 2009 Oct; 9 (Suppl 2): S52–S58. <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC2877292/>

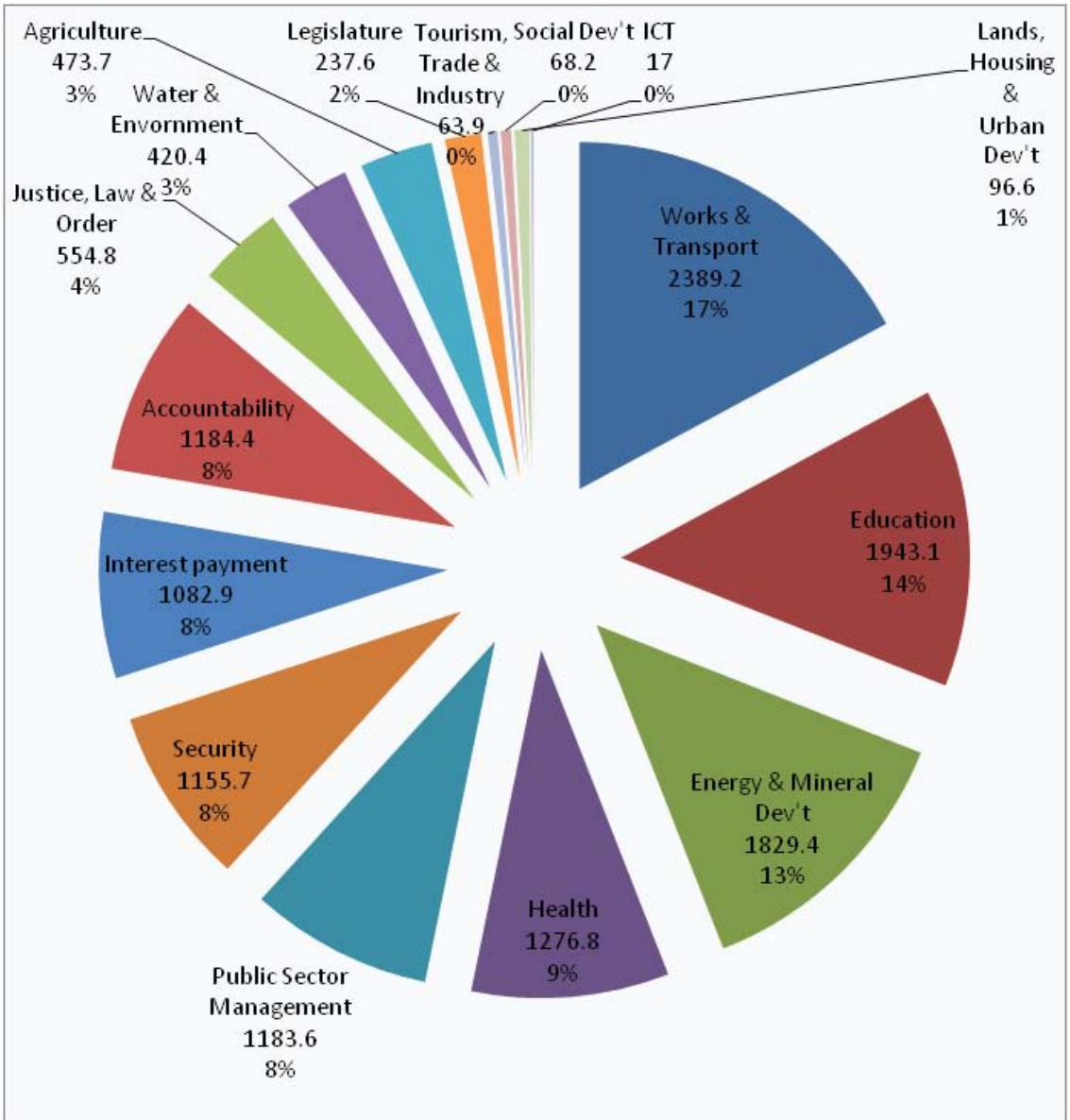
Percentage allocation of Government of Uganda budget (FY 2012/13)

Sectors	Billion (UGX)	Percent
Roads	1,652	15.2%
Education	1,619	14.9%
Energy and mineral development	1,483	13.6%
Public sector management	1,021	9.4%
Security	925	8.5%
Health	849	7.8%
Interest payments	840	7.7%
Accountability	591	5.4%
Justice, law and order	519	4.8%
Agriculture	379	3.5%
Water	355	3.3%
Public administration	235	2.2%
Parliament	222	2.0%
Tourism, trade and industry	72	0.7%
Social development	58	0.5%
Lands, housing and urban development	27	0.3%
Information, communication technology	16	0.1%
Total	10,862	100%

Includes recurrent, domestic development and external development

Source: (MFPED 2013)

Allocation of national budget FY 2014/15 (billion Ushs)



Government clearly needs to devote more resources to health and use those resources efficiently. Advocacy by the civil society and citizens is critical in making this happen. For example, a 2012 study of civil society budget advocacy in Uganda, Bangladesh, and the Philippines concluded that CSO involvement in budget advocacy positively influenced budget allocations for sexual and reproductive health.²⁹

²⁹ Dickinson, C., T. Collins, R. Loewenson, and S. Ghosh. (2012). "Civil society's contribution to budget advocacy for sexual and reproductive health: Findings and lessons learned from three country studies

SECTION III

BUDGET PROCESS AND OPPORTUNITIES FOR ENGAGEMENT

This section presents progress on budget transparency in Uganda as well as the budget formulation process and timelines as prescribed in the Public Finance Management Act of 2015. The section also highlights the opportunities at the different stages of the budget cycle for the civil society to engage with the budgeting process.

Progress on budget transparency

The national budget is the work plan and political tool of the sitting Government, and its formulation process and outcome are a major indicator of the Government's democratic credentials. Ideally, budget formulation should be a negotiated consensus, transparent and participatory, and the agreed priorities and resource distribution should be equitable and fair.

Budget reforms over the years have improved the transparency of the budget process and opportunities for stakeholder participation, including the civil society. In May 2014, Ministry of Finance, Advocates Coalition for Development and Environment (ACODE), Overseas Development Institute (ODI), and Innovations for Poverty Action (IPA) launched the Budget Transparency Initiative during the 4th Annual High Level Policy Dialogue on the Budget. The initiative aims to make department, project- and location-specific budget information available to politicians, opinion leaders, and the public; and to mobilize them to monitor and provide feedback on the spending and services provided by government institutions.

As part of this initiative, budget allocations are periodically published in newspapers. A budget website (www.budget.go.ug) to serve as a single portal for budget and performance data from both central and all local governments in Uganda. On this website, the public can track how much money has been allocated to any given subcounty and what it is meant to do. In October 2014, Ministry of Finance set up a call centre to enable members of the public follow up on the money as spent, and a toll free hotline (0800229229) established to facilitate feedback on the budget. In addition, members of the public have an opportunity to subscribe to SMS alerts to get updates on projects and services in their area.

This initiative has created a friendly environment for the civil society to engage with the budget process. In 2015, Uganda was ranked second in budget transparency in Africa in the Open Budget Index.

Budget formulation process at the central government level

Understanding the way budgets are put together is a crucial first step in influencing decision making. The budget is the result of a process that virtually spans the entire financial year and beyond. The priorities and choices it embodies reflect the power of various actors in this process. Those who are effective in influencing the budget succeed in having their choices and priorities included.

Below we highlight some of the steps that civil society need to understand, including those that they can engage with.

1) Issuance of macroeconomic framework and budget strategy paper

The budgeting process is initiated by Ministry of Finance in August. The Ministry issues a set of technical papers: the macroeconomic framework and resource envelop as well as the budget strategy paper for the next financial year.

A macroeconomic framework is a set of sectoral projections (for the real, external, fiscal, and monetary sectors) consistent with each other, consistent with the policy framework, and consistent with the macroeconomic goals. For example, the goal of such a framework may be to preserve macro stability, i.e. economic growth at around 7%, inflation below 5%, keep government debt on a sustainable path, and build-up official reserves.

These goals may restrict government expenditure in certain “consumption sectors”, such as health.

2) Cabinet retreat on the budget strategy

The Cabinet holds a retreat in September to consider and approve the draft budget strategy. The opportunity here is for civil society to access the draft budget strategy paper and submit a statement or position paper to the Minister of Health ahead of the retreat.

3) Consultations by Sector Working Groups

This is a key entry point for the civil society because it is formally represented on these committees. It is necessary for civil society to find out their representative on the Health Sector Working Group. Sector Working Groups are responsible for preparing sector budget documents, and these groups are made up of representatives of ministries and agencies in the sector, representatives of local governments and civil society as well as development partners. These committees kick off their consultations around September and submit the sector budget framework paper to Ministry of Finance in November.

4) *Ministry of Finance consultations with Local Governments*

Ministry of Finance undertakes budget consultations with Local Government representatives in the months of October and November. The entry point for civil society here is to establish the Local Government representatives participating in these consultations and to provide them with some background materials justifying certain positions or increased investments in health.

5) *Ministry of Finance consultations with development partners*

The consultations with donor representatives take place in December. The entry point for civil society is to engage the health sector donor working group prior to these consultations.

6) *National Consultative Budget Conference*

The National Consultative Budget Conference is the biggest gathering in the budget formulation process. It is convened by Ministry of Finance by mid-December. It brings together Government ministries, Local Government representatives, development partners, Members of Parliament, the civil society and other stakeholders. At this forum, the civil society are given an opportunity to present their budget proposals and to participate in the discussions.

7) *Consideration of the Budget Framework Paper*

The National Budget Framework Paper (BFP) provides the link between Government's overall policies and the Annual Budget. It lays out the fiscal policy framework and strategy for the budget year and in the medium term setting out how the Government intends to achieve its policy objectives over the medium term through the budget. The macroeconomic framework presented in the BFP forms the basis for resource projections and indicative expenditure allocations. It also forms the basis for the detailed estimates of revenue and expenditure which will be laid before Parliament.

Ministry receives sector BFPs and detailed draft budget estimates from Sector Working Groups in November, consolidates them into a national BFP, which it then submits to Cabinet for consideration and approval in the month of December. The BFP is submitted to Parliament in January. The Minister of Finance meets the Budget Committee of Parliament in February. Parliament approves the BFP by the end of February.

8) *Preparation of budget estimates and Ministerial Policy Statements*

The Sector Working Groups prepare the initial draft budget estimates for their respective sectors and submit them to Ministry of Finance by the end of November. These drafts are used by Ministries, Departments and Agencies (MDA) to prepare more detailed final drafts of their budget estimates on the basis of the revised Macroeconomic Framework and Resource envelop which Ministry of Finance issues in February.

In March, Ministry of Finance forwards the proposed budget estimates to Parliament. At the same time, MDAs submit their Ministerial Policy Statements to Parliament.

9) *Consideration and approval of the budget proposals by Parliament*

Parliament considers the budget proposals and ministerial policy statements in sectoral committees. The health sector budget proposals are scrutinized by the Social Services Committee. The civil society and other stakeholders are often given an opportunity to make presentations or submit petitions. The Committee gives feedback on the proposals made by stakeholders. Those that are taken on are included in the committee report to Parliament.

The budget proposals are then forwarded to the budget Committee, which considers them alongside the Budget Appropriation Bill and Finance Bill – both prepared and submitted by Ministry of Finance – in May. The Finance Bill gives legal effect to the range of tax measures (revenue side of the budget) that are announced on Budget Day, which the Appropriation Bill legalizes the expenditure side of the budget.

The opportunity for civil society is that the Budget Committee is also open to submissions from stakeholders and interest groups, including the civil society. The second opportunity is to engage with the Opposition in Parliament, which makes alternative budget proposals, budget speech and ministerial policy statements. These are also considered by the different committees as well as Parliament in the process of deliberating the national budget. Civil society can also lobby individual Members of Parliament on specific issues of interest.

The Budget Committee submits the final budget estimates, Finance Bill and Appropriation Bill to Parliament for consideration and approval. The Public Finance Management Act (2015) bars Parliament from making any increments to budget allocations at this stage, but has powers to make small reductions. The final budget estimates and the bills are passed by 31st May.

The Minister of Finance delivers the budget speech for the next financial year by 15th of June, and the budget becomes operational on 1st July, the first day of the new financial year.

Budget formulation process at the local government level

Decentralization reforms in Uganda have created valuable new opportunities for community members and civil society to engage with the budget process and influence how health services are delivered. Local Governments are playing an increasingly important role, particularly in the delivery of health and other social services.

The LGs have powers and obligation to formulate, approve and execute their budgets and plans provided the budgets are balanced. Their budgets should reflect all revenues to be collected or received by the LG, and how they are appropriated. LGs are under obligation to accord National Priority Program Areas (PPAs) preferential budget outlays. Urban LGs, such as Municipal Councils, have autonomy over their financial and planning matters in relation to the District Council, but the District plans incorporates those of urban LGs.

Local Government revenues largely come from the Central Government as “Unconditional Grants”, “Conditional Grants”, and “Equalisation grants”. A conditional grant is money given to LGs to finance programs agreed upon between the central Government and the LGs, and is spent on purposes for which it was made in accordance with conditions agreed upon. The unconditional grant is a minimum grant given to LGs to run decentralized services. LGs have independence, to a great extent as to how to budget for this grant, taking into consideration the National Priority Program Areas. The equalization grant is money paid to LGs for special provisions for the least developed districts. It is based on the degree to which a LGs is lagging behind the national average standard for a particular service.

The civil society needs to note that LG discretionary powers have been undermined by significant growth in conditional grants in form of central government transfers. This has been made worse by a decrease in local revenue generation. This development has reduced the autonomy of LG and subsequently affected the policy of Decentralisation in Uganda. Currently, there are 32 conditional grants and over 75% of the transfers to LGs are in form of conditional grants.

LGs also raise local revenue through levies, charges and fees. A few donors provide funds to LGs in form of project support. LGs are allowed to raise loans by way of debentures, bonds or any method, but there are legal restrictions to this revenue source.

However, district funds irrespective of source (save for donor project support), can only be spent through the budget approved by the LG Council. The district, subcounty and urban councils are composed of democratically elected representatives, and perform the legislative function at the local government level. Hence engaging the council and the councillors at that level in important to influence local government budgets.

Budget proposals

The budget proposals originate from the Executive Committees, which are responsible for initiating policies and activities for approval of councils. Detailed activities and their costs are worked out with the assistance of Technical Heads of Departments. Targets to be achieved for each activity are also spelt out.

The budget proposals are developed after local government representatives have participated in consultations with Ministry of Finance, which issues planning and budget guidelines, including indicative planning figures for Local Governments.

District Planning and Budget Conference

Based on policy and activity proposals, a budget conference is held in the month of October. This is aimed at establishing an overview of the present financial situation in the LG and of all activities that may be considered for funding within the framework of the council budget for the next financial year. It is attended by all stake holders of a LG, including civil society. Note that a budget conference is not a council meeting, all stakeholders in attendance are expected to participate in the proceedings.

Identification and costing of priority Programs and Activities

The Budget Desk and the Technical Planning Committee reviews the draft Budget Framework Paper and draft Department Plans and then review departmental proposals to determine the options which are affordable. The priorities are then costed. The Executive Committee reviews the costed priorities of sectors to see whether they are in conformity with councils political priorities and the national priorities addressing National Priority Program Areas.

The budget proposals as approved by the district executive committee and the local government budget framework paper are submitted to Ministry of Finance by October. The local governments are thereafter expected to participate in the national budget conference.

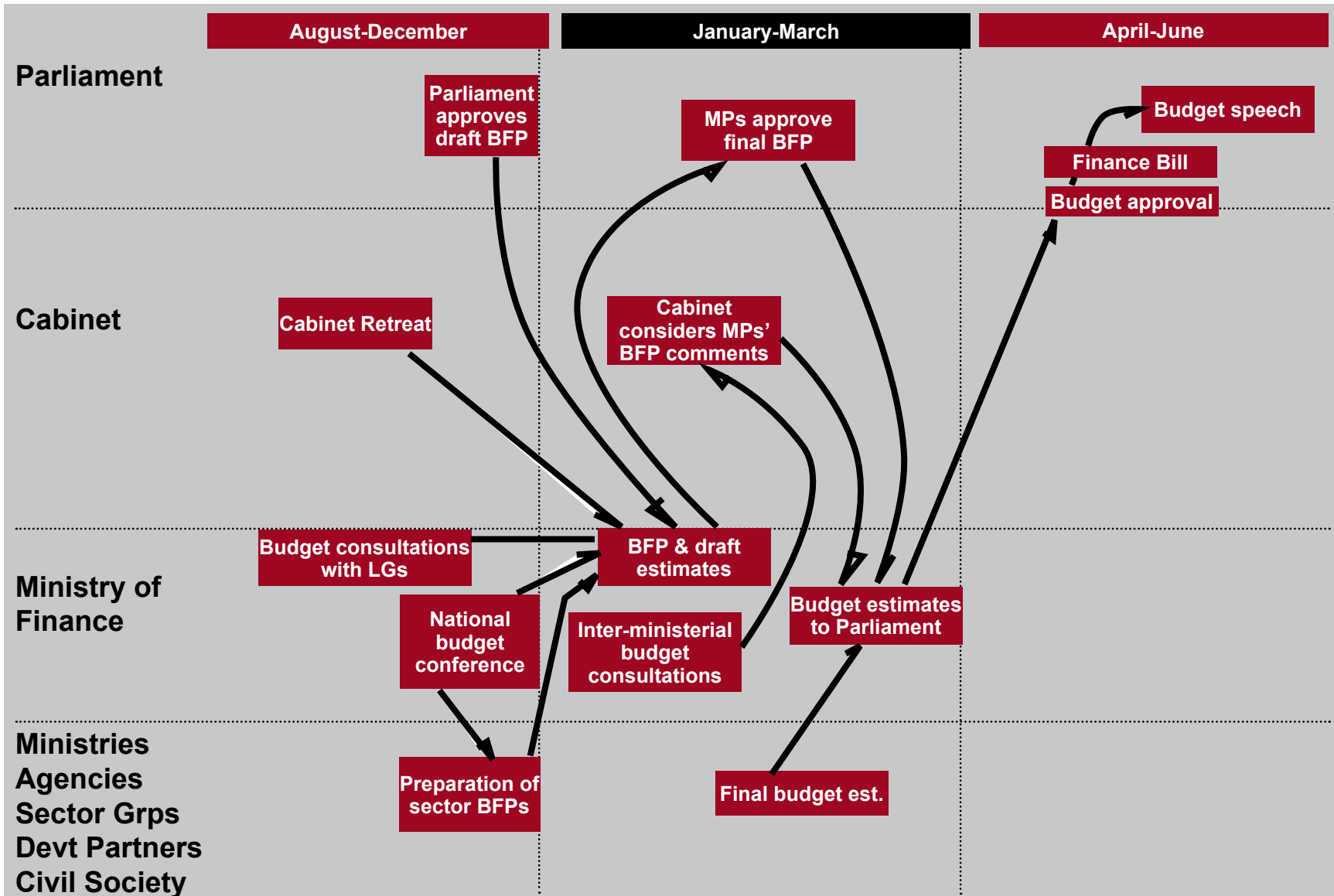
The district local governments finalize their budget estimates and annual work plans by February. The District Chairperson of is responsible for ensuring that the budget proposals are presented to Council by March. The budget is considered and approved by the Council by 31st May. The Chairperson then presents the budget speech to the Council not later than the 15th day of June.³⁰

The opportunities for civil society is to engage in the district budget conference, and to lobby the Council as well as the district executive.

30 (S 83(4) of the LG Act, 1997 and R.15(1) of the LGFARs, 1998)

SUMMARY OF BUDGET CYCLE TIMELINES

JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
	Macro framework & resource envelop			Inter-ministerial consultations			Revised macro framework & resource envelop	Ministries submit policy statements to Parliament		MoF submits Finance Bill & Budget Appropriation Bill to Parliament	
	Draft budget strategy paper	Cabinet retreat on Budget Strategy		Sector BFPs	Budget consultations with DPs		Parliament approves BFP			Parliament considers & approves Budget	Budget speech to Parliament
			1 st draft budget Call Circular				2 nd budget call circular				
			Budget consultations with LGs		National budget consultative conference						
	SWG consultations										
					Parliament approves & submits BFP to Cabinet	MoF submits BFP & final estimates to Parliament					
				Budget estimates by accounting officers to MOF			Detailed final budget estimates by MDAs to MoF	MoF submits detailed budget estimates to Parliament			



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