

Uganda's Experience in using IT to Drive Budget Reforms

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Content of this presentation

- q Budget reforms in Uganda
- q Leveraging IT for budget reforms
- q Key lessons from Uganda's Experience
 - Ø Milestones and Challenges
 - Ø Beyond ICT, other key ingredients required for successful budget reforms

Expectation for the conference

- Provide an overview of Uganda's progress on budget reforms
- The contribution of three (3) selected IT systems to the reform agenda
- Lessons learnt:
 - Ø Non-IT Constraints to the reforms; and
 - Ø Complementary elements for effective reforms.

Budget reforms in Uganda

- Uganda has implemented several budget reforms
- Reforms have been occasioned by the need to:
 - i. Align budget focus to service delivery outcomes
 - ii. Address PFM loopholes
 - iii. Match with international best practices
- Key reform areas:
 - i. Changing budget approach from Input to Performance based budget
 - ii. Deepening fiscal decentralization strategy
 - iii. Improving budget transparency and accountability

Leveraging IT for Budget Reforms

#	Budget Reform(s)	IT System	What the system entails
1.	Inter-Governmental Fiscal Transfers (IgFT)	Online Transfers Information Mgt System (OTIMS) https://otimstestsite.com	<ul style="list-style-type: none">• Enforce equity, transparency and efficiency in the allocation of resources to (sub-national) local governments
2.	Budget Transparency Initiatives (BTI)	<ol style="list-style-type: none">i. Budget Information Website https://budget.go.ug/ii. Budget Call Centre +2560800229229	<ul style="list-style-type: none">• Improving: -<ol style="list-style-type: none">i. Transparencyii. Citizens' participation in budget processiii. Stakeholders' feedback/complainsiv. Accountability

Leveraging IT for Budget Reforms

#	Budget Reform(s)	IT System	What the system entails
3.	Programme-based Budgeting	Programme Budgeting System (PBS) https://pbs.finance.go.ug/	<ul style="list-style-type: none">• Ties resource allocation and reporting to policy priority of government and outcome targets

1. Inter-Governmental Fiscal Transfers (IgFT) Reform

- The 2001 Fiscal Decentralisation Strategy was developed to strengthen decentralization in Uganda through increasing local governments' autonomy, widen local participation in decision making and streamline fiscal transfer modalities
- However, the above were partially achieved , a review was carried out in 2012 and the recommendations called for reforms in fiscal transfers among others, hence the IgFT reform.
- The key objectives of the IgFT reform are:
 - i. To allow existing and new national policies to be financed via the transfer system, at the same time avoiding future fragmentation of transfers and increasing discretion to ensure services are delivered in line with local needs;
 - ii. To shift the focus away from fragmented input-based conditions towards accountability for allocation decisions, expenditures and results;
 - iii. To use the transfer system to provide incentives to improve institutional and service delivery performance; and
 - iv. To restore adequacy and equity in allocation of funds for infrastructure and service delivery.

The OTIMS

- Previously, allocation of resources to Local Governments were based on complex and non-transparent allocation formulae hence lacking credibility.
- This called for a more transparent Online Transfers Information Management System (OTIMS) resource allocation modality.

How the OTIMS works:

- Web Based <https://otims.go.ug/>
- The statistics body updates planning statistics for predefined parameters (land area, population, poverty index etc.) for each local administrative area
- Grant to LGs are automatically distributed based on the statistics to the lowest units in LG such as Health Centres and schools
- LG IPFs are automatically generated
- The IPFs are transferred to the Budgeting System (PBS) through the PBS-OTIMS interface.

Benefits: Improved equitable and transparent resource allocation.

2. Decentralization Of Payroll Management Reform

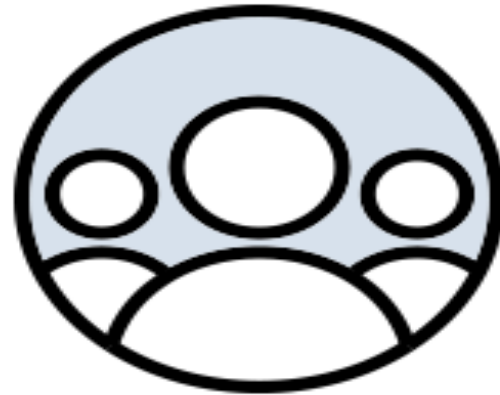
- Geared towards increasing effectiveness and accuracy of public payroll and pension management thereby improving governance, accountability and service delivery in the Public Service.
- This is being implemented through the use of Integrated Personnel & Payroll System (IPPS)
- The operational Modules of the IPPS include;
 - i. Payroll Management
 - ii. Pension and Gratuity Management
 - iii. Establishment Management
 - iv. Interface with the Budget System (PBS), IFMS and National ID System
- The IPPS is currently being upgraded to encompass Recruitment, Performance, Training, Leave, Time and Attendance management

3. Budget Transparency Initiative Reform

- In 2013, the Ministry of Finance introduced Budget Transparency Initiative (BTI) to scale up efforts to improve transparency and accountability for public expenditure and ultimately, enhance public service delivery in Uganda.
- The objective of the Initiative is to
 - i. Have innovative platforms to facilitate access to budget information;
 - ii. Secure citizen's feedback on budget implementation and performance, and
 - iii. Improve government accountability for service delivery.
- The legal basis for budget transparency are enshrined in the PFM Act 2015 and Access to Information Act 2005, together with the attendant Regulations 2011.

Budget Information Website & Call Centre

- How they work



MoFPED:

- Uploads/updates budget information on the website.
- Interface between PBS and Budget Website for all approved reports
- Responds to enquires/complains
- Use feedback to improve performance



Stakeholders/Citizens:

- Call/browse the website
- Submit enquiries/complains
- Obtain information to monitor service delivery and conduct research etc.
- Website is on 24/7
- Calls for only work days/hours

Benefits: Improved transparency, accountability, quick feedback and access to information

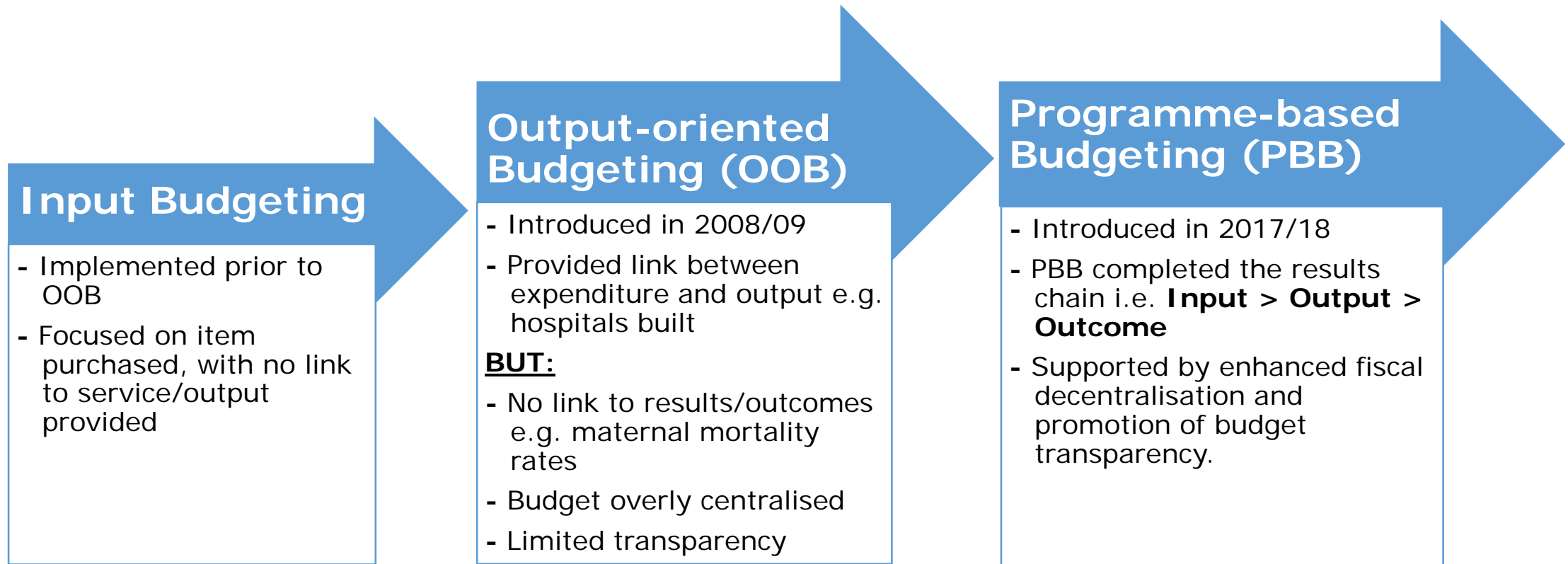
Key Lessons Under BTI

- i. People need to be motivated to engage in monitoring & accountability efforts.
- ii. Well-executed capacity building support and a sustained awareness campaign for key stakeholders (e.g. elected officials, media and community monitors) empowers them to participate effectively in accountability processes.
- iii. On-going dialogue between and among opinion leaders and institutions is vital to maintaining continuity and commitment to agreed plans
- iv. Purposeful inclusion of stakeholders e.g. Working with community monitors, facilitates better reach and public representation
- v. A coordinated and well-structured effort to leverage resources across government and civil society is a necessary condition to address factors hindering the effectiveness of the many Transparency and Accountability Institutions in Uganda.

Key Challenges Under BTI

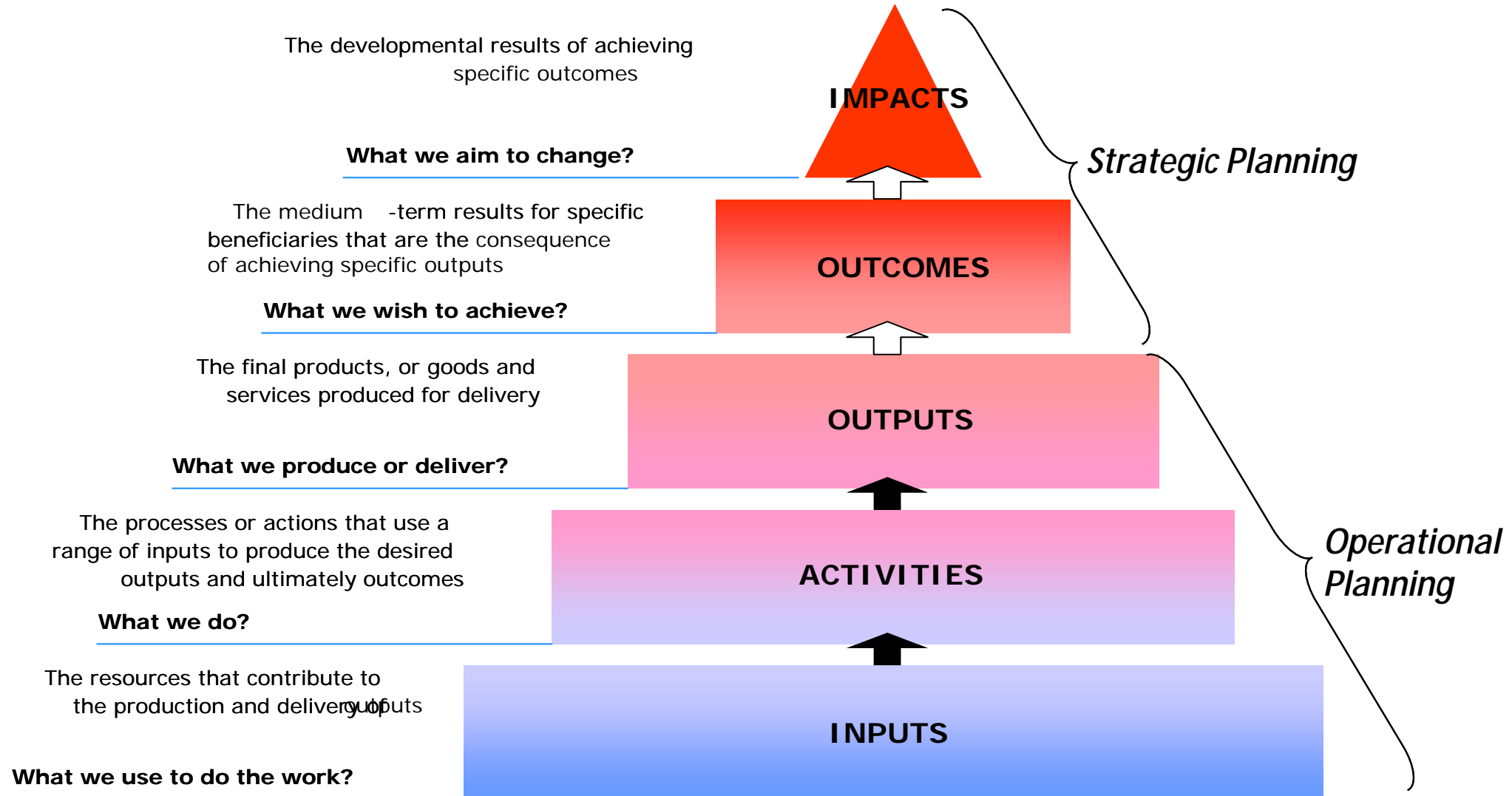
- i. Lack of smart evaluation of assumptions influenced effectiveness of implementation approach.
- ii. Inadequate sanctions for malfeasance by public officials
- iii. Poor ICT infrastructure in gov't offices and access to other services e.g. electricity, network
- iv. Strong preference for face-to-face engagement, which is more costly
- v. Little core interest from the new leadership at different levels of Government
- vi. Inadequate response capacity within government; information capabilities of target users; inconsistent support to partners
- vii. Inadequate formal communication and reporting structures in partnerships undermine mutual accountability and limited potential for meaningful collaboration
- viii. Disruptions in call center service and lack of professionalism by operatives
- ix. Complex site design compounded by very technical information, limits user reach and accessibility

4. Programme Based Budgeting Reform



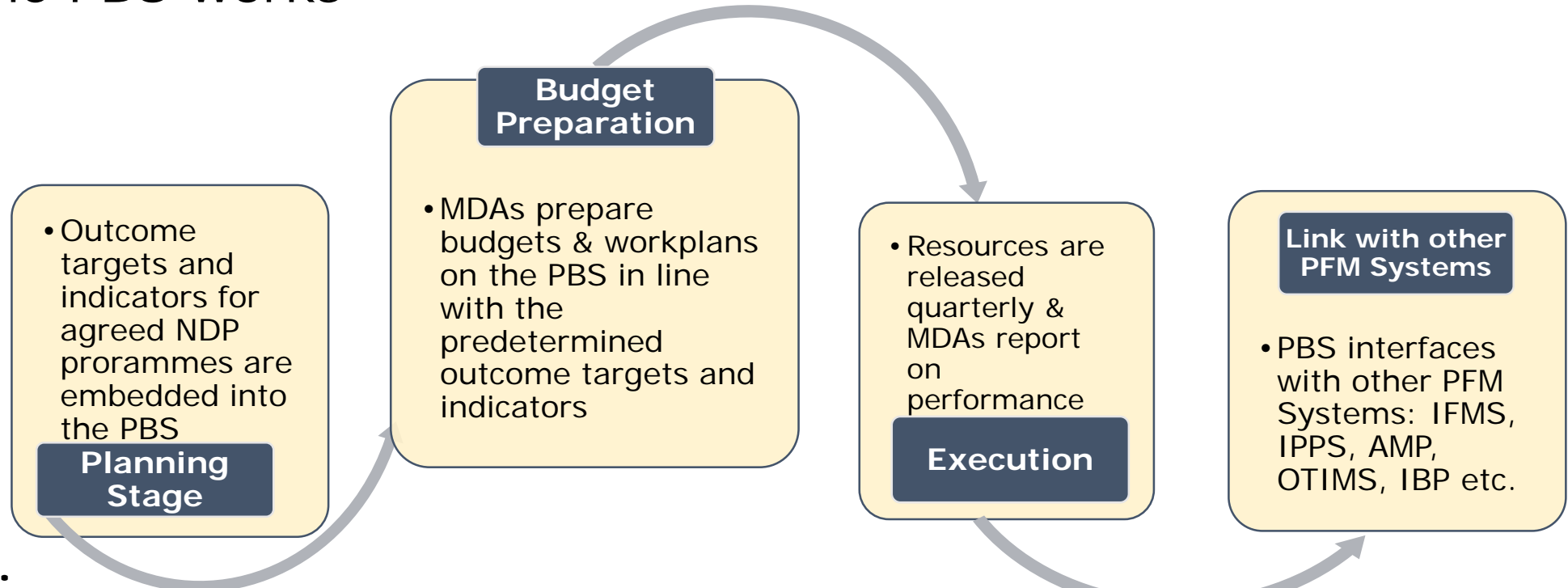
In order to facilitate the PBB reform, the Programme Budgeting System (PBS) was developed after Government developed a strong desire *to link financial performance (expenditure) to physical performance (outputs/results)*.

Plans & Results Chain under PBB



Programme budgeting system (PBS)

- How the PBS works



Benefits:

- Established a strong link between annual budget and service delivery outcomes
- Others: - web-based (multi-user environment), improved system security/controls, seamless share of data with other PFM systems etc.

Challenges facing the reforms

- i. Many stakeholders are not aware of their roles
- ii. Weak multi-sectoral coordination
- iii. Slow appreciation of budget and ICT platforms
- iv. Existence of Institutions with overlapping mandates
- v. Limited use of performance information in planning & budgeting
- vi. Capacity gaps in both human and tools.

Key lesson(s)

- Beside IT, the following elements are critical for successful budget reforms:
 - i. Support by Top Management at the Ministry
 - ii. Change management and Enlightening stakeholders on their roles in the PFM cycle
 - iii. User Acceptance Testing
 - iv. Continuous capacity building on new reforms
 - v. Funding support by Government
 - vi. Political will to adopt to change
 - vii. Institutional re-organization
 - viii. Improved multi-sectoral coordination for shared interventions
 - ix. Use of performance information in subsequent planning/budgeting

Key lesson(s)

- x. Continuous reviews and amendments of PFM laws and modification of IT Systems are needed to support implementation of PFM Reforms in the ever changing business environment.
- xi. In addition, administrative measures are needed to respond to identified systematic loopholes in PFM. In Uganda, budget execution guidelines are issued every fiscal year to address issues identified in previous fiscal.
- xii. In order to ensure meaningful use of budget transparency platforms by stakeholders, it is important to sensitize them (most especially the grassroots citizens) on their roles and responsibilities, most importantly on holding budget implementers accountable and monitoring service delivery.
- xiii. In addition, enhanced coordination and sharing of information across government institutions is critical. And, information need to be relayed in simpler and easily comprehensible context.
- xiv. In Uganda, we produce the citizens' version of the national budget (Citizens' Guide) which is easily understood by ordinary Ugandans.

End of presentation!

- We thank the ICGFM for this opportunity
- Any questions, suggestions or comments from participants are welcomed.

Thank you for Listening!