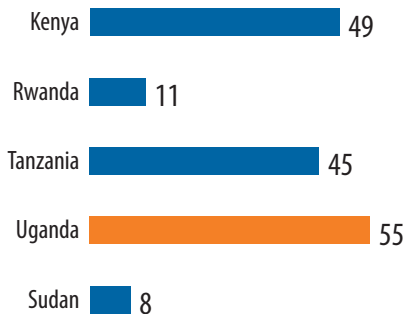




Overall score: **55** (Out of 100) Provides some information to the public in its budget documents during the year.

How Does Uganda Compare to Its Neighbors?

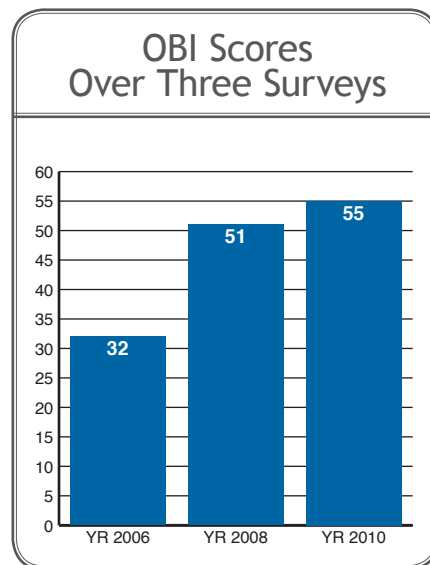


Key Findings

The scores for 92 questions from the Open Budget Survey 2010 (see text box) are used to compile objective scores and rankings of each country's relative transparency. These scores constitute the Open Budget Index (OBI).

Uganda's OBI 2010 score is 55 out of 100, which is the highest in East Africa and above the worldwide average of 42. However, Uganda's score shows that the government still provides the public with only some information on the central government's budget and financial activities during the course of the budget year. This makes it challenging for citizens to hold the government accountable for its management of the public's money.

Uganda stands out for the considerable progress it has made in recent years. Its OBI score increased substantially from 32 to 55 over the period from 2006 to 2010. The increase in budget information came about because Uganda started producing and publishing all execution reports including the In-Year Reports, Mid-Year Review and Year-End Report. (As described later, however, these reports still fail to provide comprehensive information on actual expenditures)



### Adequacy & Availability of Eight Key Budget Documents

Document	Level of Information Grade*	Publication Status
Pre-Budget Statement	A	Published
Executive Budget Proposal	B	Published
Enacted Budget	A	Published
Citizens Budget	B	Published
In-Year Reports	C	Published
Mid-Year Review	D	Published
Year-End Report	D	Published
Audit Report	C	Published

\* Grades for the comprehensiveness and accessibility of the information provided in each document are calculated from the average scores received on a subset of questions from the Open Budget Survey 2010. An average score between 0-20 (scant information) is graded as E; 21-40 (minimal) is graded as D; 41-60 (some) is graded as C; 61-80 (significant) is graded as B; and 81-100 (extensive) is graded as A.

The **Executive's Budget Proposal** is the government's most important policy instrument. It presents how the government plans to raise revenues and where these funds are allocated, thus transforming policy goals into action. In Uganda the budget proposal comprises Volumes I and II of the Draft Estimates of Revenue and Expenditure (Recurrent and Development), Background to the Budget, Ministerial Policy Statements and the Report on Loans, Guarantees and Grants. These documents are fairly comprehensive but still lack key details. Major gaps in information in the budget proposal are found in the following areas:

- It lacks detailed information on certain fiscal activities that can have a major impact on the government's ability to meet its fiscal and policy goals, including information on financial and other assets held by the government and information on tax expenditures. In addition, the proposal has insufficient information on transfers to public corporations, quasi-fiscal activities, expenditure arrears, and contingent and future liabilities. Absent this information, the public does not know the government's complete fiscal position.
- It does not present detailed information on the impact of different macroeconomic assumptions on the budget.
- It has inadequate information on outputs and outcomes.

A **Pre-Budget Statement** sets forth the broad parameters that will define the government's forthcoming budget. Uganda publishes a comprehensive Pre-Budget Statement.

An **Enacted Budget** becomes a country's law and provides the baseline information for all budget analyses conducted during the budget year. In general terms, the Enacted Budget should provide the public with the data it can use to assess the government's stated policy priorities and hold it to account. Uganda publishes a comprehensive Enacted Budget.

A **Citizens Budget** is a nontechnical presentation of a government's budget that is intended to enable the public — including those who are not familiar with public finance — to understand a government's plans. Uganda publishes a fairly comprehensive Citizens Budget.

## OPEN BUDGET SURVEY 2010

### Uganda

The International Budget Partnership's Open Budget Survey assesses the availability in each country assessed of eight key budget documents, as well as the comprehensiveness of the data contained in these documents. The Survey also examines the extent of effective oversight provided by legislatures and supreme audit institutions (SAI), as well as the opportunities available to the public to participate in national budget decision-making processes.

Research to complete this country's Open Budget Survey was undertaken by:

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**In-Year Reports** provide a snapshot of the budget's effects during the budget year. They allow for comparison which allows for comparisons with the Enacted Budget figures and thus facilitate adjustments. Uganda publishes In-Year Reports but they are not sufficiently comprehensive. They do not, for example, compare actual year-to-date revenue collections with the original estimates for that period.

A **Mid-Year Review** should provide a comprehensive overview of the budget's effects at the midpoint of a budget year and discuss any changes in economic assumptions that affect approved budget policies. Information in this report allows the government, legislature, and the public to identify whether or not adjustments related to revenues, expenditures, or borrowing should be made for the remainder of the budget year. Uganda publishes a Mid-Year Review but it is far from comprehensive. For instance, it does not include updated expenditure estimates for the remainder of the year.

A **Year-End Report** compares the actual budget execution to the Enacted Budget. Year-End Reports can inform policymakers on tax policies, debt requirements, and major expenditure priorities, facilitating modifications for upcoming budget years. Uganda publishes a Year-End Report, but it is far from comprehensive. It does not, for example, include explanations for the difference between the original macroeconomic forecast and the actual outcome.

An **Audit Report** is an evaluation of the government's accounts by the country's supreme audit institution. It reports whether the government has raised revenues and spent national revenue in line with the authorized budget, whether the government's bookkeeping is balanced and accurate, and whether there were problems in the management of public funds. Uganda publishes an Audit Report that is far from comprehensive.

### *Public Participation and Institutions of Accountability*

Beyond improving the availability and comprehensiveness of key budget documents, there are other ways in which Uganda's budget process could be made more open. These include ensuring the existence of a strong legislature and supreme audit institution (SAI) that provide effective budget oversight, and providing greater opportunities for the public to participate in the budget process.

#### **Are oversight bodies effective in their budget role?**

Oversight Institution	Strength**
Legislature	Moderate
SAI	Weak

\*\* Legislature and SAI strengths are calculated from the average scores received for a subset of questions from the Open Budget Survey 2010. An average score between 0-33 is graded as weak, 34-66 as moderate, and 67-100 as strong.

According to the Open Budget Survey 2010, budget oversight provided by Uganda's legislature is inadequate because it does not:

1. have full powers to amend the budget proposal presented to it at the start of the year before the budget is enacted;
2. have full powers to approve any changes made to the budget over the course of the fiscal year;
3. provide adequate scrutiny of audit reports: and
4. it does not publish any reports on the public hearings held.

According to the Open Budget Survey 2010, budget oversight provided by Uganda's SAI is weak because it:

1. is not fully independent from the executive; the executive can remove the head of the SAI without seeking final consent from the legislature or judiciary;
2. does not have sufficient resources to meaningfully exercise its mandate;
3. has inadequate channels of communication with the public; and
4. does not issue reports on the follow-up steps taken by the executive to address audit recommendations

## Recommendations

### **Uganda should:**

- improve the comprehensiveness of the In-Year Reports, Mid-Year Review, Year-End Report, and Audit Report.
- release reports on the legislative hearings on the budget; and
- enable the legislature and SAI to provide more comprehensive oversight not only when the budget is being approved but also during the budget execution period.