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# **REPORT ON THE PARLIAMENTARY BUDGET OFFICE'S VISIT TO THE PARLIAMENT OF UGANDA 22<sup>nd</sup> – 28<sup>th</sup> MARCH 2021**

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Inside the Well of Parliament

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## **1. Executive Summary**

This report presents the outcome of a recent visit by two officers from the Parliamentary Budget Office (PBO) to the Uganda Parliament. It was a fact finding visit jointly supported by the Parliament of Sierra Leone and Inter-Parliament Union which aim was to observe first-hand some of the daily activities of the Uganda Parliament but also to bring back and introduce lessons learnt the Office and Parliament. Uganda was one of the first countries in Africa to establish a PBO since 2001, and has been largely successful. The country was also chosen as case study because of the many challenges faced by the Uganda PBO during its early days, and how they were able to deal with these overtime. The report covers 3 days during which officers were able to interact with other members at the Uganda Parliament and elsewhere, in addition to senior staff members of Uganda PBO.

The report finally presents specific findings and recommended actions resulting largely from discussions and presentations by individuals from the various meetings held, and serves as critical actions which are expected to guide the way forward. The outcomes contained in the report clearly reveal the need for the study visit which provides an opportunity for the PBO to enhance its capacity in order to meet the critical information demand of Members of Parliament.

## **2. Introduction/Background**

The Parliamentary Budget Office (PBO) was established in 2017, pursuant to Section 13, sub-section (1) of the Parliamentary Service Act of 2007. The PBO exists to conduct independent research and analysis on Sierra Leone's public finances, the national budget, and the economy, including analysis on financial and economic cost of government proposals to raise the quality of debates and evidence-based decision making, to support Parliament's oversight and law-making functions to promote accountability and transparency in Public Financial Management. Headed by an Acting Director and a ten (10) member team, some of whom are newly recruited, the PBO has limited experience but trainable staff.

The PBO has reviewed its past and recent work and has proposed in its Strategic Plan, a road map to deepen its capacity and institutionalise evidence-based budget policy making and legislations, through PBO research and support to Parliament. The milestones for this

are staff training, applicable knowledge acquisition through exchanges with reputed PBOs, and publication and dissemination of high-quality products to highlight the added-value of PBO to parliamentary relevance and effectiveness.

With support from the Inter Parliament Union and the leadership of Parliament, two staff members of the PBO namely, Mr. Faiz Rahman and Mr. Umaru Kamara commenced a three-day visit to the Parliament of Uganda on 22<sup>nd</sup> March 2021. The aim was mainly to build on the human capacities of staff members in order to be able to deliver services independently, professionally and impartially to MPs. The latest visit followed an initial one by the then Clerk of Parliament and other key members of the leadership in the Sierra Leone Parliament in 2017.

### **3. Objective of the Visit**

The objective of the visit was to give staff the opportunity to understudy the activities of the Uganda PBO in practice, understand the interlinkages and synergies for improvement, and learn best practices for application in the Sierra Leone PBO. Uganda was especially chosen as one of a few countries that established their PBOs by Public Financial Management Acts (PFMAs). Most of these laws set out the PBO's mandate and function, administrative structure and staff. The laws also provide the head of the PBO with the independence to hire qualified staff who will deliver effectively on its mandate.

### **4. Activities**

#### **4.1 Day One - am (23<sup>rd</sup> March 2021) - Meeting with Director of Uganda Budget Office**

In his opening, the Director Mr. Sulaiman Kiggundu welcomed us and gave an account of the issues that Parliament faced prior to the passing of the Budget Act 2001. The meeting took place in his office. He recalled that it had become apparent to Members of Parliament that the information on budget-related matters provided to Parliament was inadequate and MPs were kept ignorant on issues such as local resource revenue, foreign inflows, national expenditure and macroeconomic statistics. Hence, Parliament was a mere approving institution without proper consideration. He went on to say that the PBO was setup from section 20 of the said Budget Act 2001 only after a private members bill was tabled, with particular emphasis on recruiting staff who are budget and economic experts. The rationale for that, he explained, was to provide professional support through this technical capacity within Parliament for interpreting National Budget/Economic data

and to provide Parliament and its Committees with objective, timely and independent analysis needed for national economic and budgetary legislative decisions. In conclusion the Director advised that the Office comprise two divisions, namely the Fiscal Division, and the Economic analysis Division, each headed by an Assistant Director. There are 6 Sections and each is headed by a Principal Economist.



With Director of the Parliamentary Budget Office

**4.2 Day One - pm (23<sup>rd</sup> March 2021) - Meeting with the Fiscal Affairs Division – Heads of sections**

The meeting was attended by senior members of the team, led by the Assistant Director, Julius Kabatsi, who began by explaining that the operations of the Division is primarily concerned with the in-depth assessment of Government’s fiscal policies, fiscal legislation, fiscal plans/strategies and fiscal execution in general, as measured against national development objectives. He highlighted the 3 sections under his leadership, namely, Central Government Expenditure; Revenue and Tax; Local Government, each headed by a Principal Economist, who were also present at the the meeting. The Assistant Director proudly showcased a number of key outputs for which the Division has been responsible namely, analytical reports on Fiscal Performance,Supplementary Expenditures, Budget Estimates and Proposals, Tax Expenditures, and Oversight field studies on performance of selected Government programmes.



(L to R) Umaru Kamara, Faiz Rahman, Barbara Sensamba, Edward Ngobye, Asst. Director Julius Kabatsi, Godfrey Kintu

#### 4.3 Day Two (24<sup>th</sup> March 2021) - Meeting with the Macro Affairs Division – Heads of sections

In his presentation, the Assistant Director gave introductory appraisal of his Division. He commenced by introducing his Principal Directors who were also at the meeting. He went on to reaffirm the Team's focus which is to provide Parliament with independent, objective and timely technical advice on the economic developments in all sectors of the Economy. He further stated that the team is very passionate about getting accurate data hence their close liaison with key institutions such as Uganda Bureau of Statistics, Bank of Uganda, and the Ministry of Finance. The PBO he went on, faced huge obstacles in its early days although less so now after 19 years of existence. Discussions ensued as other members made contributions on their various roles in executing the Division's daily functions. Essentially, the products of this team are geared toward support for Committees, Assessing the performance of the Uganda economy, Real and monetary

sector, Loan request as well as Analysis of Bills, and report on the state of Public Debt. In closing the Assistant Director said he will be giving a mention of the Sierra Leone PBO at the Global Network of PBO



(L to R) Patricia Busagwa, Umaru Kamara, Faiz Rahman, Janet Masaba, Asst. Director William Lubowa, Sulait Kimule

#### 4.4 Day Three - am (25<sup>th</sup> March 2021) – Sessional sitting of the Agriculture Committee

At this session a senior member of the Macro Affairs Division presented a paper on the Agriculture sector following the ministerial policy statement for 2021/22. The brief, she went on, was to examine the performance of the budget for the respective institutions that are under supervision of the Agriculture Committee. She further asserted that the report provides an overview of indicative planning figures for the year under review as well as the MTEF period. The presentation to Committees is common practice by the Uganda PBO to maintain a close working relationship with MPs, but also an attempt to sell the products of PBO thereby ensuring that issues of interest are brought to and debated in the Well of Parliament. The sitting was well attended by MPs with meaningful contributions, at times heated with the Chairwoman frequently maintaining order.



Taking notes from deliberations at the Agriculture Committee sitting on Budgetary issues

#### 4.5 Day Three - pm (25<sup>th</sup> March 2021) – Courtesy visit to the National Planning Authority

The Director of Planning, Mr. Asumani Guloba was especially pleased to receive us in his office. He recalled a meeting with the previous Sierra Leone delegates during an initial fact finding mission to Uganda back in 2017, when the idea of setting up a PBO in the Parliament of Sierra Leone was under consideration. In his presentation, he began by stating the primary function of the National Planning Authority (NPA), is to produce comprehensive and integrated development plans for the country. The Institution he went on, has continued to guide the country's progress towards socio-economic transformation through three major landmarks of the Uganda Vision 2040. The Director also said he enjoys a strong affiliation to the Research Board of the MoF Sierra Leone. As a previous Director in the PBO of Uganda he advised that setting up of the office was very challenging, as they faced obstacles from the country's MoF as well as staffing challenges from within the Parliament vis-à-vis recruiting the appropriate calibre. He furthered that there is a strong and cordial relationship between NPA and the Uganda PBO as a result of previous employment with the latter. The meeting ended with the Director giving us a copy of the NPAs MTEF 10 year Strategy document





With the Director of Planning, Asumani Guloba (centre right) at the National Planning Authority

## 5. Emerging issues and Findings

The Uganda PBO face a number of challenges post establishment. The under-mentioned are emerging issues or findings which could serve as lessons for the PBO and leadership in the Parliament of Sierra Leone

<b>Emerging issues for Learning</b>
1. Resistance, both internal and external from senior managers, clerks etc within the parliament and the ministry of finance
2. For the PBO to be more effective in its mandate delivery, it should not be compromised or subject to interference by the Leadership in Parliament
3. The PBO should be laden with expert and motivated staff who should be committed to deliver on those mission critical tasks, and remunerated appropriately to ensure professionalism of the Office
4. Opposition Parties in Uganda tend to use PBO publications for debate because of assured confidence in the Reports
5. When a new publication is about to be produced the PBO would organise a presentation session for MPs through the leadership of Committees. It is also opportunity to test how the report will be received i.e sensitive analysis can be tweaked to avert tension
6. Bill Costing is not an area of priority because Bills are mainly amendments to the existing laws
7. Access to Data from key MDAs is a formal process through the office of Clerk and Speaker, but also Leadership of Sectoral Committees. In some cases MOUs are

used as an option as well as informal channels depending on the urgency

## 6. Recommendations/Way forward

The visit by PBO staff to Uganda was considered timely and of immense importance to build internal capacity, as well as ensure collaboration and cooperation with other PBOs. Following various deliberations during the study visit, recommended actions have been identified to serve as the way forward:

Recommended Actions
1. Independence of the PBO in Parliament should be maintained for the effective discharge of its mandate, without any influence and control. Its newly assumed status as a Department should therefore be back up with legislation be in place to effect the necessary changes.
2. It was suggested that the PBO be adequately informed on specific legislative bills or statutory instruments that are passed into law in the well of parliament, especially those that are finance related. It was recommended that the state budget be taken first through the pbo in the future before committee on supply's review.
3. PBO to establish a solid working relationship with key stakeholders for the purpose of obtaining more relevant data for research work.
4. The PBO to work closely with the Ministry of Finance, more particularly the Budget Bureau in expediting the national budget process.
5. For a more professional PBO there should be staff attachment on institutional learning to line MDAs. The Parliamentary management to ensure engagement frameworks are signed with relevant institutions.
6. It was suggested that the PBO should know their niche product and ensure better focus on it
7. The PBO to organise presentation session with MPs ahead of a new publication that will both ensure better understanding as well as increasing awareness of the department
8. The PBO is a group of experts in Macro economic and Fiscal matters, therefore the remuneration of staff should be commensurate with their status
9. It was suggested that synopsis of a Breif, or Infographic illustration, or a combination of the two can be a great alternative

## 7. Conclusion

Parliaments the World over, now find PBOs and or fiscal institutions indispensable within Parliament that can be relied upon to provide non-partisan and or independent, reliable, professional and timely budgetary and economic policy for legislation and oversight support.

**Report End**