FUNCTIONALITY OF VALUE ADDITION INFRASTRUCTURE IN UGANDA'S AGRICULTURAL SECTOR

BUDGET MONITORING REPORT FOR QUARTER 4 FINANCIAL YEAR 2018/19

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ACODE	Advocates Coalition for Development and Environment
BMSDE	Budget Monitoring and Service Delivery Exercise
BTI	Budget Transparency Initiative
BCN	Budget Champions Networks
CBEG	Centre for Budget and Economic Governance
PBS	Program Based Budgeting System
MFPED	Ministry of Finance Planning and Economic Development
CSBAG	Civil Society Budget Advocacy Group
CAOs	Chief Administrative Officer
CFO	Chief Finance Officer
GDP	Gross Domestic Product
CAIIP	Community Agricultural Infrastructure Investment Programme
FY	Financial Year
DPOs	District Production Officers
KIIs	Key Informant Interviews
Q2	Quarter Two
Q3	Quarter Three
Q4	Quarter Four

ABSTRACT

The need to promote transparency and accountability in the service delivery is shared by globally. In Uganda, this is reflected by the emphasis Ministry of Finance and Economic Development on display of information. The ministry holds quarterly press releases to provide information to the public on the amount of money disbursed to service delivery centres as well highlights of the priority areas to promote effective service delivery. This round of service delivery monitring focused on; display of information on grants and transfers from the central government to administrative units, timelines in receipt of grants and transfers from central to local governments, functionality of value addition infrastructure and utilization of Programme Budgeting System as a unique feature of the monitoring. Data collection was carried out in 25 districts, 75 Sub-counties and 145 value addition infrastructures from August 19th - 30th, 2019.

The findings from exercise found that comparing Q4 with Q2 FY2018/19, there had been a 7% improvement in adherence to the practice of displacing information by districts and a 2% decline among the sub-counties. On the relevance of the information displayed, most of the sub-counties were not displaying fourth quarter or Q1 FY2019/20 information - the quarter in which the monitoring was undertaken. Looking at the use of PBS, despite the system having been rolled out in 2017 and the training offered to users by MoFPED, very few find it user-friendly. A large proportion of users still find it challenging to navigate hence leading to delays in submission of the required documentation for disbursement of funds and consequently delays in receipt of funds by service delivery units. Most of the value addition infrastructures visited were operational and functioning. However, about 26% (38 of them) were not functioning. A total of seven facilities were in working conditions but not being used. Some facilities were completed but never commissioned while others were not being used for reasons such as poor management and limited produce like the rice milling machine in Buhanika Hoima district. The rest (31) are not function because some were never completed, while others are due to maintenance costs, faulty parts, neglect like for the sake of markets among others.

The study recommends that: MoFPED sets strict penalties for non-adherence to the requirement to display budget, pension and payroll information. The budget execution circulars specify the information to be displayed, period and where to be displayed. Special emphasis be put to display of information at sub-county headquarters as the units continue to lag behind. MoFPED conducts periodic refresher trainings of the users of the Programme Based Budgeting System. Local Governments set up mobilization and sensitization campaigns, and enact ordinances to enforce occupancy and utilization of the established value addition facilities and districts enter into memorandum of understanding with various value addition facilities to ensure sustainability.

1.0 INTRODUCTION

This report presents findings of the 4th Quarter FY 2018/2019 budget and service delivery monitoring exercise by the Center for Budget and Economic Governance (CBEG) and the Advocates Coalition for Development and Environment (ACODE). The monitoring exercises are part of ACODE's mandate under the Ministry of Finance, Planning and Economic Development (MoFPED) led Budget Transparency Initiative (BTI). The main objective of the BTI is to promote budget transparency and accountability in Uganda through dissemination of budget information to citizens and soliciting feedback on service delivery levels from citizens, to which public office bearers must be held accountable. ACODE's implements the budget monitoring exercise in collaboration with its partners under the Budget Champions Network (BCN). The Budget Champions Network aims at strengthening the demand for accountability through translation and dissemination of budget information to citizens, and soliciting and relaying citizens' views on service delivery to government. This round of budget monitoring focused on timeliness & display of information on transfers to the district for Q4 Financial Year 2018/19 and functionality of value addition infrastructures.

1.1 Background

The Government of Uganda through the MoFPED has committed to releasing quarterly funds to all spending entities of government with in the first 10 days of the Quarter. In line with this, the MoFPED communicates expenditure limits for Q4 FY 2018/19 to the spending entities of government on 1st April, 2019. Subsequently, the ministry held a press release on 11th April 2019 to inform the general public about the Q4 releases as well as highlight priorities for the quarter. In Q4, MoFPED released a total of UGX 4,948 Billion to spending entities – of which UGX 682.5 Billion was released to local governments. This Q4 release marked a cumulative release performance of 103.5% for the FY 2018/19 budget which implies that there were supplementary allocations.

The preparation of quarterly budgets and the reporting thereof by the spending entities is undertaken on the Programme Budgeting System (PBS). The Programme Budgeting System (PBS) has been in place since FY 2016/17, being implemented to varying degrees of success in budget preparation, implementation, monitoring and reporting (CSBAG, 2017). Three years into its implementation, this round of monitoring also set out to assess the perspectives of the users on the functionality of the PBS. Thus this round of monitoring aimed at documenting user perspectives on the functionality of the PBS. In addition, the monitoring also focused on the functionality of value addition infrastructure in agriculture.

The focus on value addition is due to the fact that it is an essential component in Uganda's quest for structural transformation as enshrined in the country's development framework. Enhancing value addition in the key growth sectors

of Agriculture, Tourism, Minerals, Oil and Gas will form one of the key objectives of the third National Development Plan (MoFPED, 2019). Over ten years, government of Uganda has invested in several infrastructure projects in a bid to enhance value addition, especially in Agriculture. Value addition is at the centre of government's agricultural sector investment mission of "transforming subsistence farming into commercial agriculture". Value addition in the sector has taken various forms, ranging from markets to processing plants and road infrastructure. Some of the prominent value addition projects have been in citrus, diary, and vegetable oil production. The Fiscal year 2019/20 budget strategy places emphasis on expanding the value addition initiatives to other agricultural products. This has been done in an attempt to increase returns to agricultural products both for domestic and export markets. It is also a poverty reducing measure given the fact that poverty has most significantly risen among households undertaking subsistence agriculture in the last five years.

1.1.1 Why Monitor Value Addition in Agriculture?

While a lot of public investment has gone into value addition infrastructure, the agriculture sector's value added contribution to Uganda's GDP has persistently performed poorly relative to the service and industry sectors (see, Figure 1).

Figure 1: Quarter to Quarter percentage changes in Agriculture sector Value Added.

Source: Uganda Bureau of Statistics, QGDP Data

Projects like the Community Agricultural Infrastructure Investment Programme (CAIIP) which has been in place since 2005 have ensured the installation of value addition infrastructure such as rice and maize hullers, as well as the construction of markets over the years but with limited impact on the Agricultural sector outcomes going by the trends depicted in figure 1. This raises an important question as to why the value addition infrastructure has not yielded much improvement in the sector outcomes. However there is limited information to answer that question. Uganda Debt Network undertook a study[1] in 2015 which only focused on CAIIP in three districts which revealed

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1   https://www.udn.or.ug/resources/research-and-review-papers/215-caiip-2-pdf-

limited functionality of some of the recently commissioned value addition infrastructure. In addition, presentations from District Production Officers at the FY 2019/20 District Budget Forums organized by ACODE revealed that some of the processing infrastructure is either not functioning or operating at minimal capacity. It is against such a background that ACODE undertook a monitoring of value addition infrastructure as part of it quarter 4, FY 2018/19 budget monitoring exercise in order to assess the functionality of value addition infrastructure in 26 districts across Uganda.

1.1.2 Scope and Approach

Similar to the previous rounds of budget monitoring, the FY 2018/19 quarter 4 monitoring exercise was undertaken using ACODE's Citizen Monitor App. The monitoring was undertaken at both the District and Sub-county level.

This round of monitoring focused on the following aspects:
1. Display of budget information at the district and sub-county headquarters.
2. Display of payroll information at the district and sub-county headquarters.
3. Time lines in the receipt of Central Ggovernment grants at Local Government level.
4. User Perspectives on the functionality of the Programme Budgeting System (PBS)
5. Functionality and challenges affecting the operation of public value addition infrastructure in agriculture.

The study was conducted in 25 districts purposefully selected on the basis of geographical representation of the country. These included 7 in Eastern Uganda: Jinja, Kamuli, Bududa, Mbale, Tororo, Soroti, and Amuria; 8 in Western Uganda: Hoima, Buliisa, Masindi, Kabalore, Mbarara, Ntungamo, Rukungiri and Kanungu; 3 in Central Uganda: Luweero, Mukono, Wakiso and 7 in Northern Uganda: Agago, Lira, Amuru, Gulu, Nakapipirit, Nebbi, and Moroto. These are the same districts where CBEG has undertaken previous rounds of the budget monitoring exercise and their continued selection is on the basis of having a benchmark to assess trends and progress.

In this round of monitoring, an average of 5 – 7 value addition infrastructures was monitored as well. The value addition infrastructures were identified in consultation with the District Production Officers whom we envisage to have extensive knowledge on the location of the value addition infrastructure.

The Reference period for this monitoring was quarter four FY 2018/19 for all aspects of the monitoring except the value addition infrastructure. The champions will consider value addition infrastructure that was put up in the last five years.

1.1.3 Respondents

The budget champions were provided with detailed guidelines on how to

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fill the data collection tools and the selection criteria for the respondents. The champions interacted with Chief Administrative Officers (CAO), District Planners, Chief Finance Officers (CFOs) and Senior Accounts Assistants (Sub-county chiefs) on the time lines in the receipt of central government grants as well as the functionality of the PBS. In addition, the budget champions interacted with the District Production Officers (DPOs) in order to identify the value addition infrastructure in the given districts. Furthermore, the budget champions also interacted with selected members of the communities surrounding the value addition infrastructure identified as well as the workers/managers thereof.

1.2 Methodology

Data Collection: The monitoring was undertaken using Key informant Interviews (KIIs), Document Review and observation methods. These generated ample statistical, financial and pictorial data to be used for analysis. Data collection was undertaken using structured questioners administered in the 25 districts by ACODE Budget Champions[2] resident in these districts. The data was collected using the ACODE Citizen Monitor App.[3]

Sampling: Budget monitoring was undertaken in 25 districts in which ACODE operates as detailed in the introductory section of this report. In addition to the district headquarters, three sub-county headquarters were randomly selected from each of selected districts. In each of the selected sub-counties, five to seven value addition infrastructures were randomly selected. At the value addition infrastructure, one person preferably the manager or caretaker was purposefully selected for an interview. In total, 25 districts headquarters, 75 sub-counties headquarters and 145 value addition infrastructures were monitored.

Data Management: Data from the ACODE Citizen Monitor App was downloaded and managed in MS Excel. Analysis of the data was done using the Statistical Package for Social sciences (SPSS). While in SPSS, Descriptive Statistics cross tabulations and time differences were computed.

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2 Budget Champions are ACODE's trained partners in budget analysis and presentation. They are based in local government (Districts) and they disseminate timely budget information to citizens to enable the demand for services as well as monitor the implementation of government initiative in their districts.
3 The Citizen Monitor Mobile App is a mobile App developed by the ACODE aimed at strengthening the demand side of accountability in Uganda. The Mobile App is designed to solicit feedback on public services from citizens in Uganda. With the CITIZEN MONITOR MOBILE APP ACODE provides citizens with a voice to share both positive and negative experiences about public services online with far reaching audiences.

2.0 PRESENTATION OF FINDINGS

This section presents findings from Quarter 4 FY 2018/19 budget and service delivery monitoring exercise conducted in 25 districts. It discusses findings along the focus areas of the study; that is, on display of budget and payroll information at district and sub-county headquarters, the functionality of public value additional infrastructure as well as user perspectives on the PBS in the 25 districts.

2.1 Display of Information

Local Governments and service delivery units are mandated by the Access to Information Act (2005) section 5 (1), to display information on transfer of funds from central government to local Government in an accessible place for all stake holders to access. This requirement has also been emphasised in many budget execution circulars over the years from the MoFPED. This practice is aimed at promoting transparency and accountability in service delivery. Armed with the right information, the general public can hold their leaders to account hence increasing demand for accountability by the general public (Bainomugisha, et al, (2017)).

2.1.1 Display of Information on Transfers at District and Sub County Headquarters

With access to up-to-date information, citizens can demand and monitor service delivery hence promoting transparency and accountability. The display of information is a requirement by the Ministry of Finance Planning and Economic Development that is supposed to be observed by all the spending entities of Government. The practice if well observed is expected to promote awareness around government funds and the various projects being carried out in the district. It anticipated that this would promote transparency, reduce corruption and increase efficiency in utilization of funds at service delivery units.

Overall, it was observed that there was an improvement in adherence to the practice of display of information at district headquarters in Q4 FY 2018/19. Out of the 25 districts visited in, 72% had budget information displayed compared to 65% in Q2 FY 2018/19. However, the sub-counties continued to perform poorly. A 2% decline was registered in adherence to display of information at sub- county level, falling from 46% in Q2 to 44% in Q4 of the same FY 2018/19. This could perhaps be explained by the level of supervision by MoFPED, which enforces the practice. In accordance with the past rounds of monitoring, it has been observed that the district headquarters which interact more with MoFPED adhere to display of information on transfers more than their sub-county counterparts.
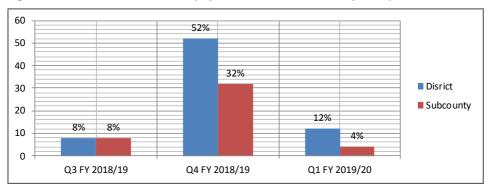
Figure 2: Relevance of Information Displayed at District and sub County Headquarters

Source: ACODE BSDME Q4 FY 2018/19 Data

However, while the monitoring focused on Q4 of FY 2018/19, the team also observed for the display of FY 2019/20 given the time the monitoring exercise was conducted (July – August, 2019). At the time, it was observed that only three districts (Amuru, Mukono and Nakapiripirit) were already displaying Q1 FY 2019/20 information while another 8% were still displaying budget information as far back as Q3 FY2018/19 or earlier. While this information is good, it is not relevant to the citizens because it is not up-date.

2.1.2 Where Information is Displayed

Considering the importance of the information being displayed, it is essential for it to be displayed in an open and easily accessible place. This round of budget monitoring sought to understand where the district headquarters had displayed information. It was found that majority (83% and 76% for district and sub-county respectively) of the administrative units had displayed information in an open/ accessible place.
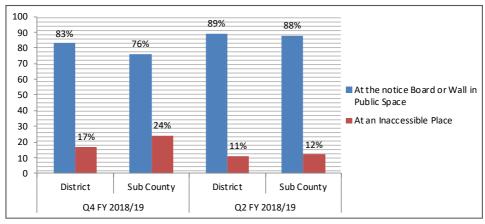
Figure 3: Where Information is displayed at District and Sub-County Headquarters

Source: ACODE BSDME Q4 FY 2018/19 Data

In comparison with Q2 FY 2018/19, there is a 6% and 12% reduction in displaying information at an accessible place for both district and Sub-County headquarters respectively. This shows that the place of display is not being looked at as an important aspect. There is need to emphasise the place where information should be displayed so that it's easily accessible by interested stake holders.

2.1.3 Display of Information on Pension by Service Delivery Units

District Local Governments are required to display information on pension at the notice boards or accessible places so that it enhances transparency and accountability. The findings from this round of monitoring revealled that out more than half (56%) of the districts had not displayed information of pensions.
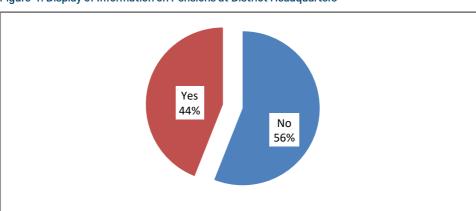
Figure 4: Display of Information on Pensions at District Headquarters

Source: ACODE BSDME Q4 FY 2018/19 Data

2.1.4 Display of pay roll information by Service Delivery Units

The display of payroll is for purposes of promoting transparency in service delivery payment system. In the past, the payroll was found to be comprised of people who are no longer serving at a certain service delivery unit because they left to join the private sector, or had passed among other reasons but were still being paid. To deal with such and any other related problems, administrative and service delivery units are required in the budget execution circulars to display payroll information. This information was obtained through observation method. Budget champions looked at the district and Sub- County headquarters for display of such information.

Overall, display of payroll information is being fairly being undertaken at district headquarters but barely practiced at the sub-county level. About six out of every ten districts visited displayed information on payrolls (56%). However, majority (93%) of the sub-counties headquarters visited did not display information on payrolls.
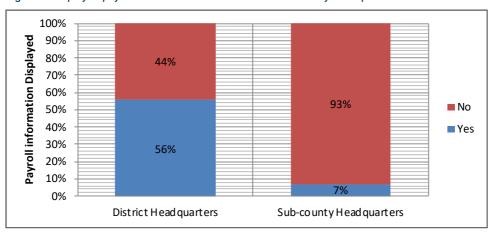
Figure 5: Display of pay roll information at District and Sub County Headquarters

Source: BSDME Q4 FY 2018/19

Relative to Quarter 2 FY 2018/19, display of payroll information at Sub-County headquarters has reduced by 1% from 8% in Quarter 2 FY 2018/19 to 7% in Quarter 4 FY 2018/19. Concerning the details of payroll information displayed by district headquarters, 44% had displayed all the pay roll details (name, Designation, Registration number and salary scale).
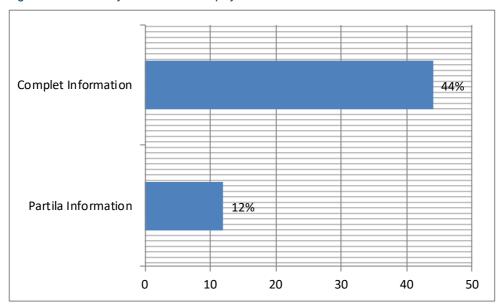
Figure 6: Details of Payroll Information Displayed

2.2 Timeliness in the receipt of funds for Health Sector

Out of 147 health centres visited, only 45% of them provided information on dates when PHC funds were received. Among the information provided, 35.8% received PHC funds within the first week of disbursement by the Central Government. There were still problems of delays in receiving funds by service delivery units with some health facilities indicating that it took up to 12 weeks to receive funds. That meant some delivery units received Q2 funds in the last week of the quarter.

The remainder of the districts had only displayed partial information with 4% had displayed only names, 4% had displayed Name and Registration Number while 4% Name, Registration Number and Salary Scale.

2.2 Timeliness in the Receipt of Funds at district and Sub-County head quarters

Generally, disbursement of funds to service delivery units had improved over the years. On average, most of the administrative units had received funds within the first two weeks of Q4 FY 2018/19. Districts and Sub-Counties received the District/ Sub- County Urban unconditional recurrent grants in a minimum of one week and a maximum 9 weeks. This means that funds reached the service delivery units in the first week of the last month in the quarter, for districts like Amuru that received fund in the 9th week. This created a challenge in spending the funds within the remaining 3 weeks in the quarter given that at the end of the quarter, unspent balances had to be accounted for. Comparing Q2 FY 2018/19 budget monitoring report with Q4 FY 2018/19

budget monitoring report finds, 14 administrative units received funds with in the last month of the quarter in Q2 as opposed to only one in Q4. This shows great commitment by the ministry to deliver on its promise on timely disbursement of funds to administrative and service delivery units.

Table 1: Number of Weeks Grants Took to Reach the District Headquarters

Type of Grant	Minimum transfer time (in weeks)	Maximum Transfer time (in weeks)	Average Number of weeks
District/ Urban unconditional recurrent grants	0	9	3
Discretionary Development Equalization Grant (DDEG)	1	5	2
Conditional Production and Marketing Grants	0	8	2
Conditional Works and Transport Grants	0	8	3
Conditional Trade and Industry Grants	1	5	2
Conditional Education Grants	0	8	2
Conditional Health Grants	0	8	2
Conditional Water and Environment Grants	0	8	2
Conditional Social Development Grants	0	8	3
Conditional Public Sector Management Grants	0	6	3
Total Grants (if specific grant information is not available)	1	5	2

Source: BSDME Q4 FY 2018/19

2.3 User Perspectives on the Program Based Budgeting System (PBS)

Prior to FY 2016/17, the Government of Uganda had adopted an Output Based Budgeting that was aimed at improving the linkage between Government's policy objectives, expenditure and Outputs using the Out Put Budgeting Tool (OBT). While the OBT improved the budgeting system, it had shortcomings that included poor security management, manual budget consolidation and inability to store historical data over years. Due to these challenges, the government migrated to a web based Program Budgeting System (PBS) starting FY 2016/17. This program was envisaged to link government programmes to results, enhance security with access restriction based on user profiles, facilitated MoFPED with consolidation of budget documents and reports and improved preparation of budgets by different government bodies. The program was implemented April 2016 and before then, the Ministry took precaution by training responsible staff member that will interface with the

system in all MDAs before fully rolling it out in 2017.

Despite of the fact that the Ministry of Finance Planning and Economic Development trained most or all staff that will work on the PBS, the findings from this round of Budget monitoring revealed that only 20% of the people spoken to about the system find it user friendly. The majority (60%) find it moderately easy to use while 4% found it very difficult. One of the reasons that most civil servants did not find the system user friendly was because of the technology gap. Most of these people reported that they were not computer literate at the time of the training and the time that the ministry took to train them was not enough to equip them properly to navigate the system with ease.
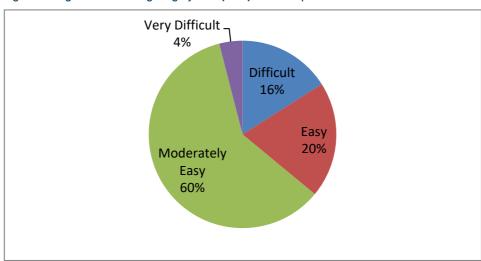
Figure 7: Program Based Budgeting System (PBS) User Perspectives

Source: ACODE BSDME Q4 FY 2018/19 Data

Further probing into when the officials were last trained in the use of PBS found out that the majority of the districts (44%) were last trained in 2018, 36% in 2019 and 8% in 2017. There was need for continued refresher training to equip the users of PBS with the required technical skills in navigating and utilising the system. Some of the districts were still receiving funds later than expected due to challenges related with the use of PBS.

The most common challenges encountered in using the PBS in the last 12 months as reported by the district personnel that man the system include, lack of computers at other administrative levels, functionality issues e.g. failure to capture and save relevant information and limited space for narratives, internet and network instability, computer literacy gaps among local government staff, overrides at MoFPED/line ministry level, poor remote access to severs and poor quality of computers (slow running computers) among others as shown in Figure 8.
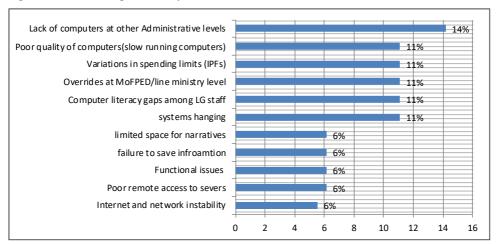
Figure 8: Main Challenges Faced by PBS Users

Source: ACODE BSDME Q4 FY 2018/19 Data

All the officials spoken to said they had reported the challenges to MoFPED and a substantial proportion of 76% said steps were taken to resolve the challenges, whereas 24% said no action had been taken.

2.4 Management, Usage and Functionality of Value Addition Infrastructure

Uganda has implemented several value addition infrastructure improvement initiatives over the past two decades. One of the major initiatives on value addition has been the Community Agricultural infrastructure improvement programme (CAIIP) which has been implemented since 2006. The project was implemented in an attempt to handle the inadequate physical infrastructure challenges in the agricultural sector. However, value addition in the agriculture remained a challenge as pointed out in the background section of this report.

During this round of monitoring, a total of 145 value addition infrastructures were monitored in the 25 districts and 75 sub counties visited. Most of the facilities (34%) were Grain millers that included maize, rice and hullers. The other facilities visited included cattle crushes, slaughter slabs, irrigation schemes and road side markets.
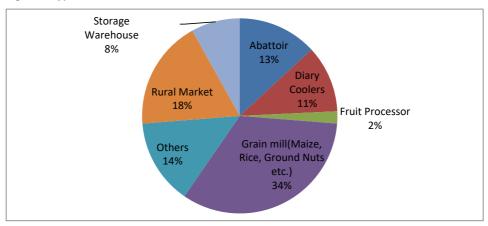
Figure 9: Types of Infrastructures Visited

Source: ACODE BSDME Q4 FY 2018/19 Data

It was also found that 74% (107) value addition infrastructures were functional and operational while 26% (38) were not operational. Of the 26% that were not being used, 7 were functional and 31 were non-functioning. For the infrastructure that was not functional, about 12% of them had not been functional for over a year. Some of the infrastructure such as road side market stalls along Kashenyi road side market in Ruhinda sub-county Rukungiri district had been abandoned. Some of the infrastructure was never completed such as the Abattoir in Nyaravur sub county Nebbi district that has remained incomplete for the last 2 years and a Maize milling machine in Nangako-Bududa district that remains incomplete for over 2 years as well. Others broke down such as the maize mailing machine in Paicho Sub county Gulu district that has not been working for the last 2 years as well as a market in Kanungu town that developed cracks. The other facilities were completed however, support facilities such as a functional latrine were not constructed and this jeopardises the hygiene of the workers and the users. This was observed at a slaughter slab in Kanyantorogo sub-county Kanungu district.

Amongst the reasons for dis-functionality the following were given; limited supply of produce, high maintenance costs, limited knowledge and skills to operate the machinery, distance from most communities, limited power supply, faulty parts.
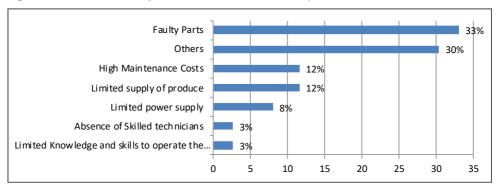
Figure 10: Main Reasons Why Some Infrastructures are not Operational

Source: ACODE BSDME Q4 FY 2018/19 Data

Of the six main reasons given for non-functionality, faulty parts and limited supply of produce ranked highest.

"Busedde is a sugarcane growing area which limits the quantity of the produce of other crops. The mill is a high capacity machine and it needs to start at least 100kgs but this is very hard to obtain" a respondent in Jinja told the ACODE researcher.

"It's a big rice miller that needs constant supply of grain" another respondent in Buhanika Hoima district said referring to a rice miller that was installed by government.

They added that, *"It's bushy with no even guards. Neighbours said the tenderer abandoned it after failing to get rice for milling. They complained of lacking tractors to till land since the sub county and district have not helped their cooperative to access tractor services"*

The same was said for slaughter a slab in Ntungamo Rubaare sub county and milk coolers Bududa Nangako town council among others. These complaints were catalysed by high running costs for both Electricity and Fuel due to the size of these machines that are not being used to capacity. This suggests that feasibility assessments were either not undertaken before installing these value addition infrastructures in some places or they were inaccurate.

2.5 Terms of Use for the Value Addition Infrastructure

Due to complexity in management of the different infrastructures constructed in various places in the district, the biggest number (41%) of the infrastructures was tendered to private individuals and cooperatives to manage them. The other infrastructures comprising 18% are managed by Municipal council, Sub County, Persons who gave land for the infrastructure to be constructed, model famers and farmer groups.
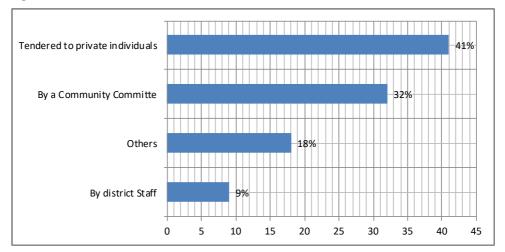
Figure 11: Terms of Use for the Value Addition Infrastructure

Source: ACODE BSDME Q4 FY 2018/19 Data

The Budget Monitoring and Service Delivery exercise further examined the terms of use for the infrastructures and it was found that quality of produce (32%) was the major requirement. There was also emphasis to quantity of up to 13% of the facilities and 6% emphasized both quality and quantity. The rest of terms depended on the type of infrastructure. For example, with reference to BMSDE data for Hoima district, it needed 50 kg of grain for some milling machines to operate. The other terms included being a member of the farm group or cooperative that runs the facility, contributing to machine maintenance and paying user dues.

3.0   CONCLUSIONS AND RECOMMENDATIONS

Out of the 26 districts visited during this round of Budget monitoring, 72% districts and 44% sub-counties had displayed information on Central Government transfers for various stake holders to access. Comparing with Q2 FY 2018/19, this represents a 7% improvement in adherence to display of information by districts and a 2% decline among the sub-counties. On the relevance of the information displayed, most of the sub-counties were not displaying 4th or 1st quarter FY 2019/20 information - the quarter in which the monitoring was undertaken. The level of conformity of sub-county headquarters remained low despite the several rounds of monitoring which had raised the same issue. Compliance with display of payroll information was warring in sub-counties standing at only 7% displaying. The district headquarters were faring above the average (52%) although it was still low.

There were practical challenges that arose from display of information at district and sub-county headquarters. Most of the service delivery units did not have appropriate notice boards where information could be pinned. Some

of the units had notice boards in the open where rain and wind destroyed what was pinned on them and information could not last on display. Persons responsible to displaying the information on noticeboards also complained that some people removed information from the notice boards.

Time-lines in disbursement of funds had continued to improve. Comparing with Q2 FY 2018/19 where up to five services delivery units received some of the grants in the last week of the quarter, the latest number of weeks funds took to reach the service delivery centre came to 9 weeks i.e the first week of the 3rd month in the quarter. This showed commitment by the MoFPED to deliver on its promise of timely disbursement of funds. Some of the delays in receipt of funds by the service delivery units resulted from delays by the units in submitting the requirements by the Ministry.

Although PBS was rolled out in 2017 and the MoFPED sensitizing MDAs and training line users, very few users found it user friendly. A large proportion of users still found it challenging to navigate hence leading to delays in submission of the required documentation for disbursement of funds and consequently delays in receipt of funds by service delivery units. These delays easily lead to failure by the service delivery to utilize all the funds by the end of the financial year. Unspent balances were returned to the consolidated hence denying citizens' services for that particular financial year.

Finally, most of the value addition infrastructures visited were operational and functioning. However, about 26% (38 of them) were not functioning. A total of seven facilities were in working conditions but not being used. Some facilities were completed but never commissioned for reasons such as management and limited produce like the rice milling machine in Buhanika Hoima district. The rest (31) are not function because some were never completed, while others were due to maintenance costs, faulty parts and neglect like for the sake of markets among others. The key recommendations from this round of BSDME are:

1. MoFPED to set distinct and strict penalties for non-adherence to the requirement to display Budget, pension and Payroll information. The budget execution circulars should specify the information to be displayed, period and where to be displayed. Special emphasis should be put to display of information at Sub County headquarters as the units continue to lag behind.

2. MoFPED to conduct periodic refresher training of the users of the Programme Based Budgeting System as well rectify the challenges cited in relation to functionality, internet access and provision of better and strong computers.

3. Local Governments to set up mobilization and sensitization campaigns, and enact ordinances to enforce occupancy and utilization of the established value addition facilities.

4. Districts to effect routine and periodic maintenance of infrastructures so as to prevent further deterioration. Also districts to enter into memorandum of understanding with various managers of value addition facilities to ensure sustainability.

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