

The **Budget Speech** and **Gender Equality**



Promises Versus **Action**



FORUM FOR WOMEN IN DEMOCRACY



The **Budget Speech**
and
Gender Equality

Promises Versus **Action**

June 2011

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— ABOUT THIS PUBLICATION —

A budget is a key instrument of policy implementation of Government. Without a budget there is no Government policy that can get implemented. An important event in the National Budget cycle is the budget speech. This is an important address by the Ministry of Finance, Planning and Economic Development (MoFPED) that highlights how the country has performed economically and what the national priorities for the subsequent financial year will be.

Uganda, like many countries, is party to some key international and regional commitments to equality and equity in the distribution of national resources and gender equality and women's empowerment such as the Convention on the Elimination of all forms of Discrimination Against Women (CEDAW), the Beijing Platform for Action (BPA), and Millennium Development Goals (MDGs). Further, Uganda is a signatory to the Protocol to the African Charter on Human and People's Rights on the Rights of Women in Africa (2003), the African Union Solemn Declaration on Gender Equality, as well as the New Partnership for African Development (NEPAD), all of which contain gender equity vows. This demonstrates Uganda's willingness to be held accountable for compliance to inter alia ensuring equality of results and of benefits of the budget process.

- 39% of Ugandan women age 15-49 cannot read at all, compared to 16% of men.
- About one-fifth of women (19%) have no formal education, compared to just 5% of men.
- 30% of employed women receive no payment for their work, compared to just 13% of men

Despite Government efforts to reduce gender inequality, disturbing demographics and worrying social facets and trends persist especially in sectors that have a direct impact on women and children's lives. The 2006 Uganda Demographic and Health Survey (UDHS) sheds new light on the differences between women and men in health, education, employment and other important indicators of status, empowerment and well-being. Women in Uganda continue to have a lower standard of health, less schooling, and fewer opportunities than men. In short, the 2006 UDHS tells a story of

undesired inequality between women and men that still persists.

The National Development Plan (NDP) has identified Gender inequality as a key binding constraint to socio-economic development in Uganda. Through the National Development Plan, government recognizes that critical gender inequalities remain, the outcomes of which contribute towards stalling progress on many MDGs and overall national development ¹.

Government budgets are the largest single source of financing for gender equality and women's empowerment in most countries. In Uganda it is through national and local government budgets that government promises are translated into policies and programmes. So cutting back on clean water spending may disproportionately harm women and girls because they typically bear the time and physical burden of providing clean water to households. If women have to pay for health or education, girls and women from poorer households are likely to lose out, as poor households commonly reserve their cash for essential medical care and schooling for men and boys.

Forum for Women in Democracy (FOWODE) has been implementing a Gender Budget Program (GBP) since 1999. The aim of the GBP is to advocate for gender equitable distribution and utilisation of national resources. It is from this background that FOWODE has done the analysis of the budget speech from a gender perspective. The publication highlights key budget speech proposals and how they will impact on women's socio-economic being over this fiscal period 2011/12.

¹ Uganda MDG Report 2010 pg 19

KEY CHALLENGES TO THE ECONOMIC DEVELOPMENT OF THE COUNTRY

The budget speech highlighted the key challenges to the country's economic development. These challenges are already identified in the National Development Plan. It is the intention of government during the current Financial Year to address these challenges so as to remove the binding constraints to national development. Figure1 gives an overview of what these challenges are.

One of the key issues in these constraints is "inappropriate mind sets, attitudes and Culture" which was mentioned among the challenges that Government will address. However when it came to what is viewed as factors to this constraint, gender inequality missed out, yet the NDP specifically mentions gender inequality as a factor to be addressed. It should be noted that whereas attitude and culture was mentioned as a key challenge to economic development, gender inequality was not identified as a factor contributing to this constraint in the budget speech.

Figure 1: Key Challenges to the economic development of the country

A. Inadequate Physical Infrastructure

- Low access to affordable electricity leading to low consumption of only 70 kilowatt hours per capita
- Limited paved roads at 4 percent of the entire road network;
- Low capacity utilisation of the rail network of which only 26 percent is operational and carries only 3.5 percent of freight cargo;
- Moribund marine transport on lake victoria with only one major exit point in addition to no operational wagon ferries;
- Inadequate and consequently high cost band-width for internet connectivity;
- Low annual water consumption at only 22 cubic meters per capita compared to a world average of 600 cubic metres.

Limited Supply to Critical Production Inputs

- Inadequate availability and use of improved seeds, planting materials, and animal breeds, leading to low agricultural productivity;
- Limited application of irrigation and fertilizer use in agricultural production that could potentially increase yields; and
- Limited availability and consequently high cost of critical input such as cement, iron and steel

C. Inadequate Skills Base and Social Infrastructure

- Qualitative and quantitative deficits in skilled human resources especially in technical areas;
- Low school completion rates and limited capacities in vocational and technical education which ultimately is reflected in low productivity of Uganda's labour force;
- Inadequate qualified persons in some sectors. For instance Uganda has low health personnel to population ratio with only one doctor for 25,000 patients; and one nurse for 1,630 patients; and
- Inadequate social infrastructure and associated low service delivery with low health facility to population and high student classroom ratios.

D. Inappropriate Mindsets, Attitudes and Culture

- Poor business and entrepreneurial attitudes, the lack of good work ethic, integrity and patriotism in both the public and private sectors;
- Negative perceptions in use and appreciation of natural resources;
- Limited adoption of science technology and Information and Communication Technology in business and social spheres; and
- Negative attitude towards work and entrepreneurship in favour of paid employment, and poor time management

E. Limited Access to Financial Services

- Insufficient financial services infrastructure across the country, limited number of bank branches and poor access to rural financial services;
- Limited availability of long term funds for development finance, coupled with a low savings culture; and
- High costs of financing with the nominal lending interest rates of banks ranging from 17 to 23 per cent, and even higher rates in the microfinance sector.

F. Limited Employment Opportunities

- It is estimated that the current job market can only absorb 20 percent of the youth

Source : Budget Speech FY 2011/12

— A —

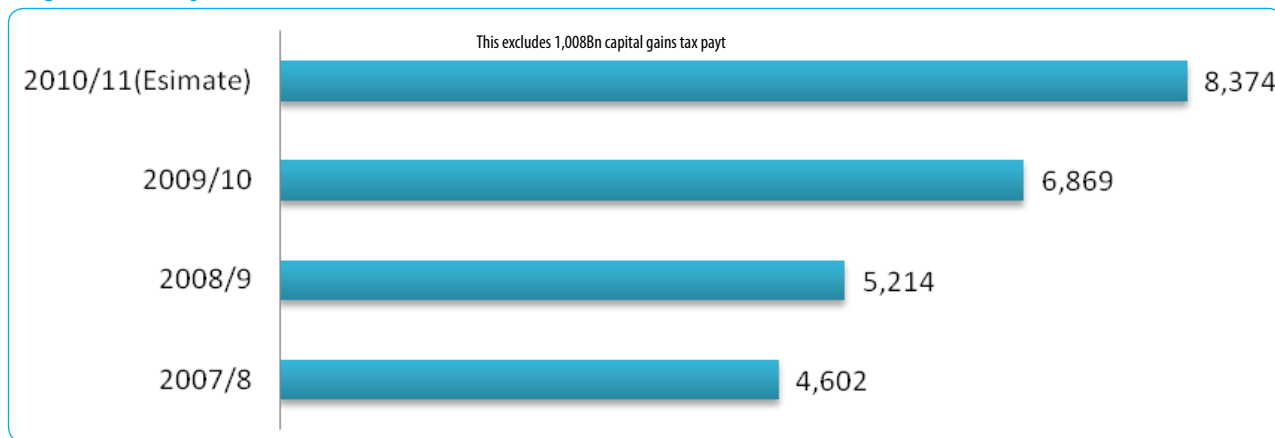
**THE BUDGET STRATEGY AND PRIORITIES FOR FY 2011/12
FROM A GENDER PERSPECTIVE**



Fiscal performance

In order to address the above mentioned economic challenges, Government will in FY 2011/12 mobilise and allocate UGX 9,840 billion. It is projected that 71% of the required resources will be generated from domestic sources. This is a positive trend towards making the country financially independent. It is also hoped that this presents an opportunity for self-determination in setting and implementing own national development agenda. According to the MoFPED FY 2011/12 Budget at Glance, total resources available for the budget amounted to Shs 8,374.3 billion during the financial year 2010/11. Oil revenue amounting to Shs.1,008 billion was earned during the year. Figure 2 below shows FY2010/11 fiscal performance.

Figure 2: Total Budget Resources Outturns (Bn)



Source: Background to the Budget, June 2011

— B —

ECONOMIC CONTEXT



Indicators such as GDP, inflation rates, debt to GDP ratios, and revenue estimates tell a story about what capacity the Government has to respond to its priorities and what measures the Government is taking to enhance its capacity.

Real GDP Growth (economic growth)

As per the national speech 2011/12, the total National Output of goods and services, commonly referred to as Gross Domestic Product (GDP) rebounded; growing at 6.3% during the previous fiscal period, compared to 5.5% in FY 2009/10. This was largely attributed to the recovery in construction and increased trade activities in and across the region. In addition, there has been a strong performance in the telecommunications, financial services, mining and quarrying sub-sectors.

The assumption is that more people will have a higher income and poverty will decrease, but this assumption has not always proven true. Higher percapita income can be achieved if a relatively small number of people becomes extremely rich. It says nothing about how many people gain from the growth of GDP. To know if poor men and women are benefiting, we need to see objectives that seek and indicators that demonstrate a wider income distribution and access to other resources and services across the sectors and the entire economy.

A pro-poor and gender sensitive approach would include objectives and indicators focused on increasing household income, a wider distribution of income and access to resources that decrease non-income poverty. Despite the economic growth registered, the household incomes have remained low, per capita income has only doubled from US\$ 250 then to US\$ 500 today. The gini-coefficient (an index of inequality) has increased from 0.365 to 0.408 indicating high level of inequality. This means that growth has reinforced extreme income inequality i.e. the benefits of growth are going to very few people. Amongst other reasons, this is because of the dominance of foreign capital in the economy and associate issues of capital freight.

Inflation Rate

The Budget speech 2011/12 reported that the economy was experiencing inflation pressure of up to 16.7% by mid May 2011 which the Government seemed concerned about. The primary driver of inflation according to Government was increased in food prices that was recorded at 44.1% in same period. The high inflation rate meant that the Ugandan shilling could buy less goods (prices will be higher), interest rates were expected to be high (leading to less access to credit). It is thus imperative that the Central Bank uses instruments which will not crowd out the private sector. Government should put in place institutions which will keep interest rates on saving and lending low and also come up with other attractive instruments which will not lead commercial banks to increase interest rates. The agricultural credit facility is one such measure that can be replicated in all other sectors.



— C —

KEY BUDGET PRONOUNCEMENTS



Transport Infrastructure

Key Budget Pronouncements

“Madam Speaker, in the transport sector I have allocated a total of Shs. 1,219.41 billion towards implementation of the following.....(*Budget Speech*). The government will also embark on a long-term plan for improving the transport network and ease traffic congestion in metropolitan Kampala. Government will support the newly created Kampala Capital City Authority, to speed up the improvement of the city’s infrastructure. I have allocated a total of Shs 43 billion for the construction and maintenance of Kampala City Roads². In addition Government will also start the construction of Kampala – Entebbe high way at a cost of 350million Dollars with support from the Peoples Republic of China”..... *Extract from The Budget Speech pg 24.*

Our Response

Inadequate funding for District Urban and Community Access Roads (DUCARs).

We are concerned that the Local Governments which ought to be at the centre of stimulating the rural economy are least funded with UGX 32.583 billion compared to the Central Government allocation of UGX 118 billion. The situation of low funding is worsened by the recurring creation of new Local Governments (Districts, Municipalities, and Town Councils). The majority of poor men and women in Uganda live in rural areas and the roads which would benefit them most are the feeder/access roads and inter-district roads that the budget 2011/12 did not target. It is the lack of and poor state of such road infrastructure that also significantly prevents access to health care facilities, schools, markets and other socio-economic facilities where the majority of the rural poor men and women reap socio-economic benefits (85% of Uganda’s Population live in rural areas according to UBOS).

² *The Budget Speech FY 2011/12 pg 23*

Whereas it true that the road sector needs a lot of resources, it's very important that the design and construction of these roads take into consideration gender issues. For women, transport provides access to various resources and opportunities, such as employment, childcare, education, health and political processes. Whether in urban, peri-urban or rural areas, women tend to make more complex and more trips than men. However, walking remains the predominant mode of travel for many women in developing countries as other transport modes are often not available because they are too expensive or located too inconveniently and far away. Cultural acceptance, personal safety and the avoidance of harassment are also major concerns for women in relation to accessing and using transport³. In this respect, we request Government to put more emphasis on the following;

1. *Focus on community participation of both men and women early in the planning stage to promote understanding of the unequal gender impact of poor infrastructure and of the social benefits of improving it.*
2. *Require mandatory recruitment procedures in minor works contracts, preceded by sensitisation activities targeting both men (to encourage them to allow female family members to participate) and women (to partake of the employment opportunities).*
3. *Require contractors to recruit a new workforce at regular intervals (such as every 5km) to spread work opportunities and ensure that women are not discouraged by excessive travel distances. The design of local programmes should also take into account women's considerable daily workloads.*
4. *Ensure equal pay for equal work and require contractors to submit weekly time sheets, broken out by gender.*
5. *Stimulate the development of female-owned construction enterprises by defining more flexible criteria for selection of enterprises to be trained as small and medium rehabilitation contractors; thus removing the present bias towards firms led by technically qualified male degree holders.*

³ World Bank 2010: *Mainstreaming Gender in Road Transport: Operational Guidance for World Bank Staff*

2 The Energy sector

Key Budget Pronouncements

“Madam Speaker, to address increasing demand for electricity and also develop oil and gas reserves in the Albertine Graben (*Mwitanzigye*). I have allocated an additional 850 billion for the following interventions;

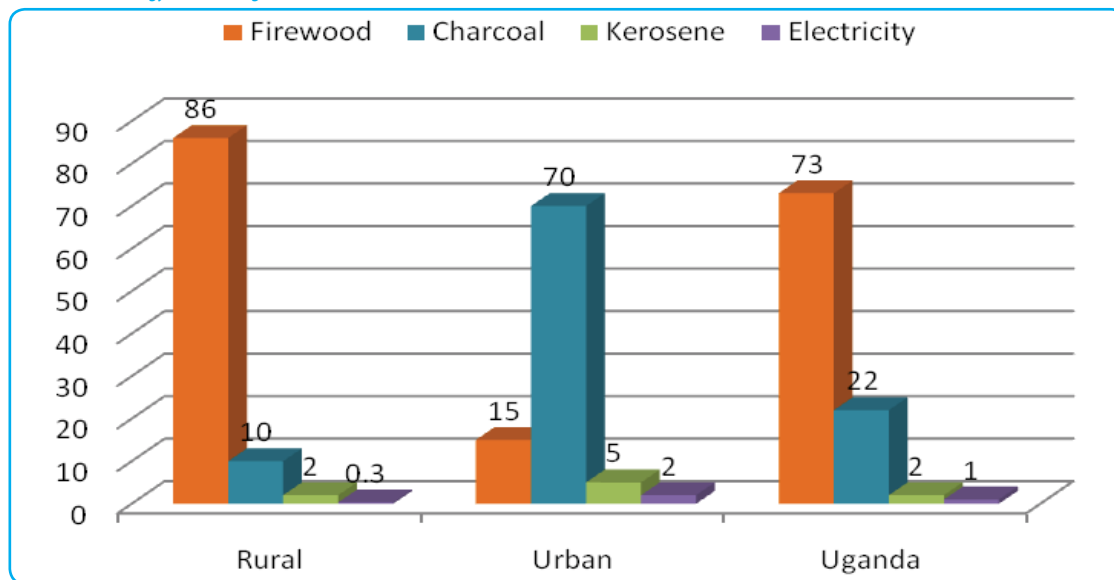
1. *Completion of the 250 MW Bujagali Hydropower Project*
 2. *Commencement of the construction of the 600MW Karuma Hydropower project, for which I have allocated Shs. 828.6 billion;*
 3. *Completion of preliminary work on 140MW Isimba hydropower plant, which will be developed with private sector financing, and also complete the feasibility of the first phase of the 600MW Ayago hydropower plant;*
 4. *Commencement of preliminary work on the construction of the Oil Refinery near Hoima , for which I have allocated Shs 14.7 billion ;*
 5. *Construction of a Petroleum Resources Database at the Ministry of Energy and Mineral Development, for which an allocation of Shs. 7 billion is being made*
- In addition the government will continue to finance the rural electrification program..... Extract from The Budget Speech pg 24*

Our Response

Many women and girls also suffer from health problems related to gathering and using traditional fuels. Figure 3 shows that 86% of rural people use firewood as a source of energy and 73% of Uganda also something missing. In addition to the time and physical burdens involved in gathering fuel, women suffer serious long-term physical damage from strenuous work without sufficient recuperation time. Women must worry about falls, threats of assault, and snake bites during fuel gathering. They are also exposed to a variety of health hazards from cooking using indoor fires in

over poorly ventilated kitchens, and are affected by respiratory infections, cancers, and eye diseases. According to UBOS, respiratory infection accounts for 15% of illness in Uganda. Furthermore there are 16.2million households in Uganda and only 12% of them use electricity as a source of lighting and the majority, that is, 66% use *tadooba* (improvised small lamp).

Figure 3: Sources of Energy for Cooking



Source: UBOS 2010: The Uganda National Household Survey 2009/10

Reduced drudgery for women and increased access to non-polluting power for lighting, cooking, and other household and productive purposes can have dramatic effects on women's levels of empowerment, education, literacy, nutrition, health, economic opportunities, and involvement in community activities. These improvements in women's lives can, in turn, have significant beneficial consequences for their families and communities..

Energy programmes have traditionally tended to concentrate on supplies of electricity and petroleum, or on dissemination of energy technologies, such as solar equipment or improved stoves. But the energy services needed for households, small business enterprises and community services are varied and a variety of energy options are needed, including electrical power, thermal energy, and liquid and gaseous fuels. The preferences and priorities of different groups and communities will be important factors in providing appropriate energy choices. A number of other innovative low-cost energy technologies suitable for the rural poor have been developed and are beginning to demonstrate positive levels of success. These include:

- *improved bio-fuel cook stoves;*
- *low-cost solar pasteurising units;*
- *ram pumps for irrigation;*
- *efficient manually operated water pumping and agro-processing technologies.*

Approaches focusing on small scale decentralized renewable energy systems, integrated with measures for improving access to credit, information, technical training and markets, can offer improved economic opportunities for rural men and women while helping to prevent environmental damage. We consider the rural electrification program as a key component in decentralising energy services.

Small-scale, decentralised energy-related technologies and appliances could help relieve women's daily burdens, especially in rural areas, and increase their economic and social opportunities, but one of the primary difficulties facing poor people is the lack of capital for acquiring these

items. Recently micro-credit financing has emerged as a valuable tool for providing capital to poor people who were previously viewed as bad credit risks – especially poor women. We recommend that ministry of energy under the energy fund should provide micro-credit for poor women and men to acquire small scale energy saving technologies such as solar power and energy saving stoves.



3. Agricultural Production and Productivity

Key Budget Pronouncements

“Madam Speaker, I am therefore maintaining the Agricultural Credit Facility for a third year running with Government contributing Shs. 30 billion, which will be matched equally by participating Commercial Banks. Eligible projects in the agricultural sector, including the construction of warehouses and silos to improve storage, will therefore be financed at a preferential interest rate of 10 percent per annum for a maximum period of eight years, following the depressed performance in the last year. . . .” *Extracts from The budget Speech FY 2011/12 pg 25*

“. . . Madam Speaker, I have allocated Shs 200 million to commence preparatory work for the restocking programme in Northern and North Eastern Uganda. I will provide the fund for restocking in the following financial year. . .” *Extracts from The budget Speech FY 2011/12 pg 26*

Our Response

Both women and men play critical roles in agriculture throughout the world, producing, processing and providing food that is consumed domestically and internationally. In Uganda, women produce 80% of the food and provide about 70% of the total agricultural labour but only 20% of registered land is owned by women. Though 73% of Ugandans are involved in farming as their main source of income 17.7 million people still suffer from hunger due to limited resources allocated to the agricultural sector. Climate change, rudimentary tools and poor agronomic practices all contribute to hunger in Uganda.

The gender bias reflected in the selection of crops in the 2011/12 budget is a clear indication of a lack of gender analysis and use of gender disaggregated statistics to inform the budget priorities. The selected crops require large scales of land and financial capital, are labour intensive and purely male dominated. This implies that the majority of women (80 per cent agricultural based) will not benefit from this budget feature. Ending hunger and malnutrition thus remains a challenge if women dominated crops and enterprises are not financed.

Gender inequalities result in less food being grown, less income being earned, and higher levels of poverty and food insecurity. Agriculture in low-income developing countries is a sector with exceptionally high impact in terms of its potential to reduce poverty. Yet for agricultural growth to fulfil this potential, gender disparities must be addressed and effectively reduced.

As a key policy recommendation, it is important that a gender mainstreaming strategy for the agriculture sector that cuts across the agricultural production value chain is designed and implemented. The strategy would also ensure gender responsiveness of all agriculture sector plans, strategies, budgets, programmes and projects.



4. Job Creation and Employment Strategy

Key Budget Pronouncements

“Madam Speaker, as a first step to address employment challenges, I have allocated Shs. 44.5 billion towards creating jobs in the next financial year. The following interventions shall be implemented:-

- 1) *A Youth Entrepreneurship Venture Capital Fund will be established together with the DFCU Bank, for which I am proposing an allocation of Shs. 25 billion. This will be used to support youth starting or expanding their business enterprises. The loan sizes will range between Shs 100,000 to Shs 5 million or 20% of injected equity for youth group investments.*
- 2) *Enterprise Uganda, shall undertake Youth Entrepreneurial Training Programme to instill business management skills among the youth, to enable them join the job market or create their own enterprises. I have allocated a total of Shs 3.5 billion for this purpose.*
- 3) *Enterprise Uganda shall also undertake Business Development Skills clinics in collaboration with the private sector and Uganda Small Scale Industries Association (USSIA), with special focus on imparting technical skills to youth, using non-formal vocational training programmes. I have allocated an additional Shs. 1 billion specifically for this purpose.*
- 4) *Dedicated work spaces will be established in markets starting in Kampala, in which youth and other small scale manufacturers under the Job Stimulus programme will undertake manufacturing and other processing activity. I am proposing to allocate Shs 16.5 billion for this purpose.....Extract from the Budget Speech pg 27*

Our response

We welcome Government proposal of a Shs. 25bn Youth Entrepreneurship Venture Capital Fund. Tackling unemployment requires a medium to long term commitment not “quick fixes”. Apart from the Youth Venture Capital Fund, innovative approaches need to be implemented to address the fear and challenges that keep many businesses in Uganda either informal or semi-informal. Key issues that need to be resolved include;

- *The accessibility of DFCU is still limited and restricted to Central Uganda and will be limited to Youth in these regions. The criteria on how the proposal will be vetted is not yet clear.*
- *We propose that Enterprise Uganda be part of the vetting committee. The Criteria through which DFCU bank was selected should be publically explained for transparency. Clarify if the loans will have an interest rate attached to it and the payback period.*
- *Finally as part of ensuring that female as well as male youth benefit from this fund, we propose that a 30% of the fund be reserved for female rural youth.*



5. The Education sector

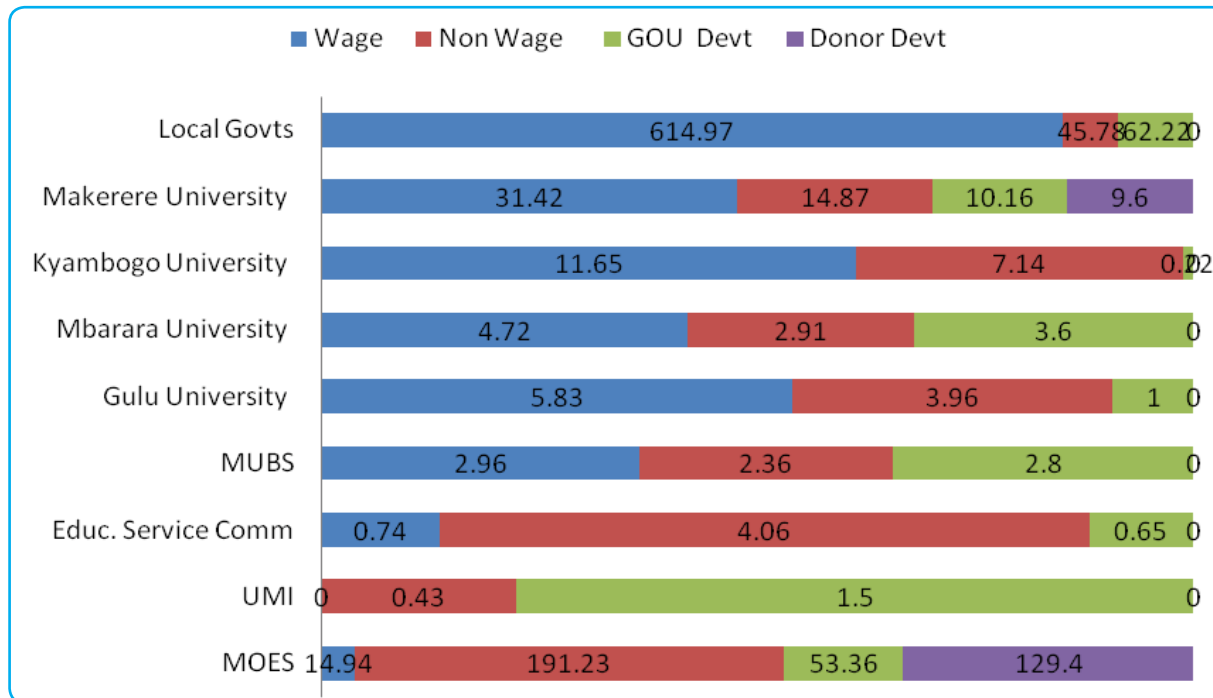
Key Budget Pronouncements

“Madam Speaker, I am allocating an additional Shs. 115.9 billion to the Education sector. Emphasis will be placed on building on the successes of Universal Primary and Secondary Education”.*Extract from the Budget Speech FY 2011/12 pg 27*

“Madam Speaker, the legal and institutional framework for the proposed Student Loan Scheme for University Education will be completed in the course of next financial year and will be implemented in the future”.....*Extract from the Budget Speech FY 2011/12 pg 27*



Figure 4: Education Intra sectoral Allocation FY 2011/12



Our Response

Women in Uganda are at an educational disadvantage compared to men. Girls have higher drop-out rates in primary education, especially at the upper levels. The completion rates for girls are therefore lower (out of 908 boys and 899 girls who enroll in Primary One, 685 boys are likely to join Primary Seven compared to 307 girls)⁴. Female enrolment at post-primary levels lags behind that of males.

Despite the recent trends over years the education sector has been allocated the highest amount of resources in the national budget (the sector is projected to receive 17.7% of the national budget in FY 2011/12) with over 52 per cent of the entire sector resources spent on primary education.

However, there are concerns that the sector is putting less emphasis on funding for skills development as technical and vocational training are only getting 2.2 per cent of the sector budget.

On average, 10 percent of school going-age children have special needs of some kind. The number of pupils with special needs enrolled in school increased by 11 percent between 2008, and 2009, of these male pupils with disabilities was at 53 percent compared to 47 percent of female pupils in 2009. Only 11.3 percent of primary school pupils have special needs. The policy for special needs education has never been finalized. This therefore affects the access and utilization of disabled children to the services.

We request the sector to finalize the SNE policy during this Financial Year and to provide sufficient funding. The Ministry of Education in the recent NBFP FY 2011/12 mentioned the establishment of "gender friendly schools". We would like parliament to ask the Ministry of Education to substantiate what it means by gender friendly schools, how many are they, where are they located and what is unique about them?

The student's loans scheme is highly over due, poor girls and boys in rural areas would greatly benefit from it. We recommend that in developing the criteria for student's loans, special attention be given to poor rural girls and children with disabilities.

⁴ UBOS statistical abstract 2009)

6. The Health Sector

Key Budget Pronouncements

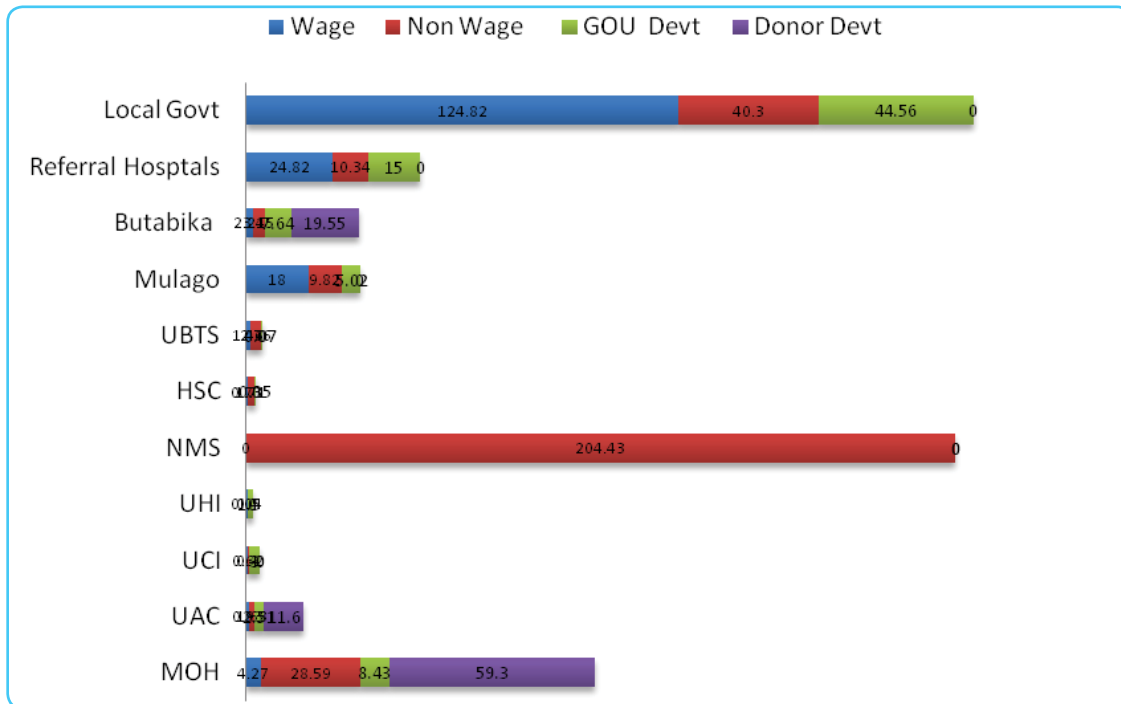
“Madam Speaker, whereas we have registered substantial progress, our health care delivery system still faces many challenges ranging from inadequate infrastructure, staff shortages and low remuneration and general mismanagement of facilities.

Government will prioritize the following interventions in the next financial year:

- *Increased funding for drugs worth Shs. 96 Billion;*
- *Increased attention to Maternal and Reproductive Health for which I am proposing to allocate a total of Shs. 24 billion;*
- *The rehabilitation of Mulago National Referral Hospital together with the construction of a Maternal and Child Health centre; and the*
- *Construction of new District Hospitals in Kawempe and Makindye divisions of Kampala. . . .” Extract from the Budget Speech FY 2011/12 pg 28*



Figure 5: Health Intra Sectoral Allocation FY 2011/12(Bn)



Our response

Despite the reforms by government, especially in Primary health care, maternal health indicators are still very worrying. 16 women die every day from pregnancy related illnesses, only 42% of births in Uganda are assisted by a skilled health professional, and maternal and infant mortality rates are still appalling at 435/1000 and 76/1000 lives respectively.

The proportion of all expectant mothers who deliver in health centres has stagnated at 29%. By government's own admission MDG 5 is likely not to be achieved. The Ministry of Health promised to conduct a maternal audit and also implement a maternal roadmap strategy in the FY 2010/11. The Government also started procuring mama kits to reduce unsafe deliveries in the county. The kits have the minimal medical and personal items for a clean delivery. In the last FY 2010/11, the Ministry through National Medical Stores procured only 13,000 kits. This number is far below what is needed considering Uganda's birth rate of 47.49 births/1,000⁵

Table 1: Progress on Health Related MDGs by 2005/06 and Targets

Goal/ Indicator	Progress (2005/06)	MDG & NDP Target (2015)
Goal 4: Reduce Child Mortality Rate		
Infant Mortality Rate (per 1000 live births)	76	41
Under-Five Mortality (per 1000 live births)	137	60
Proportion of 1 year old children immunized against measles	68.1	90.0
Goal 5: Improve Maternal Health		
Maternal Mortality ratio (per 100,000 live births)	435	131

⁵ http://www.indexmundi.com/uganda/birth_rate.html

Proportion of births attended by skilled health personnel	41.1	90
Total Fertility Rate	6.7	6.0
Contraceptive prevalence rate among women 15-49 years	23.9	50
Goal 6: Combat HIV/ AIDS, malaria and other diseases		
Condom use among higher risk sex group 15-24 year olds	52.9	

Source: NDP(2010)

We recommend that a maternal health fund be created by government to specifically deal with MDG5. This will enable government to track progress and address maternal health issues specifically. Just like the Government has in place an Aids Commission, it should establish and finance a Maternal Health Commission, given the gravity of maternal health issues in the country. Otherwise the commission could be a Department under the Equal Opportunities Commission.

We would propose that the Ministry of Health officials give details of where the maternal audit promised is and the progress made on maternal health.

We also propose that the Ministry of Health improves on the utilization and distribution of mama kits in the country to enable expectant mothers have safe deliveries. This can be done through making mama kits part of the essential drugs package.

The action of rolling out the Road Map for reduction of maternal and neonatal mortality should be scaled up from the 40 districts planned, to the entire country as this is critical in addressing the health related gender issues affecting women and children. The sector is also called upon to develop and implement a specific monitoring and evaluation system at both central and local government levels to track results of the road map.

7 Water Sector

Key Budget Pronouncements

"Madam Speaker, in the water sector, emphasis will be put on provision of new water point sources in rural areas, rehabilitation of existing sources, and provision of small piped schemes for Rural Growth Centres. In particular, 750 shallow wells, 910 deep wells, 36 piped water systems and 45 valley tanks will be constructed at the Local Government level during the year. This is in addition to ongoing work on gravity flow systems and piped water systems in Kaabong, Namalu, Abim, Bukedea and Kapchorwa which have already begun.....*Extract from the Budget Speech FY 2011/12 pg 29*

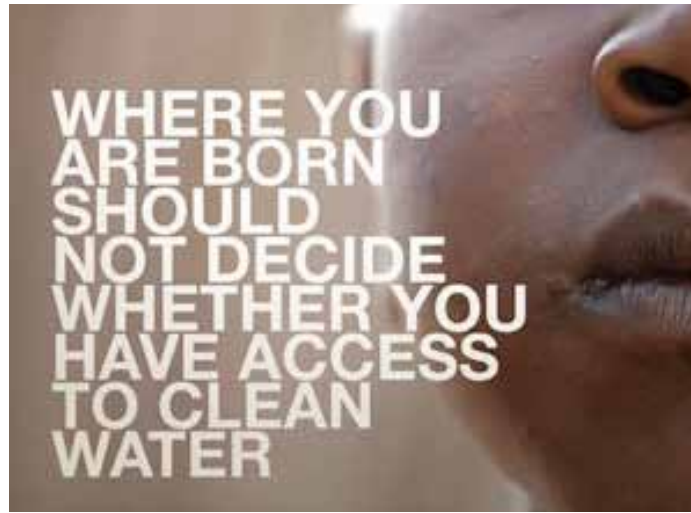
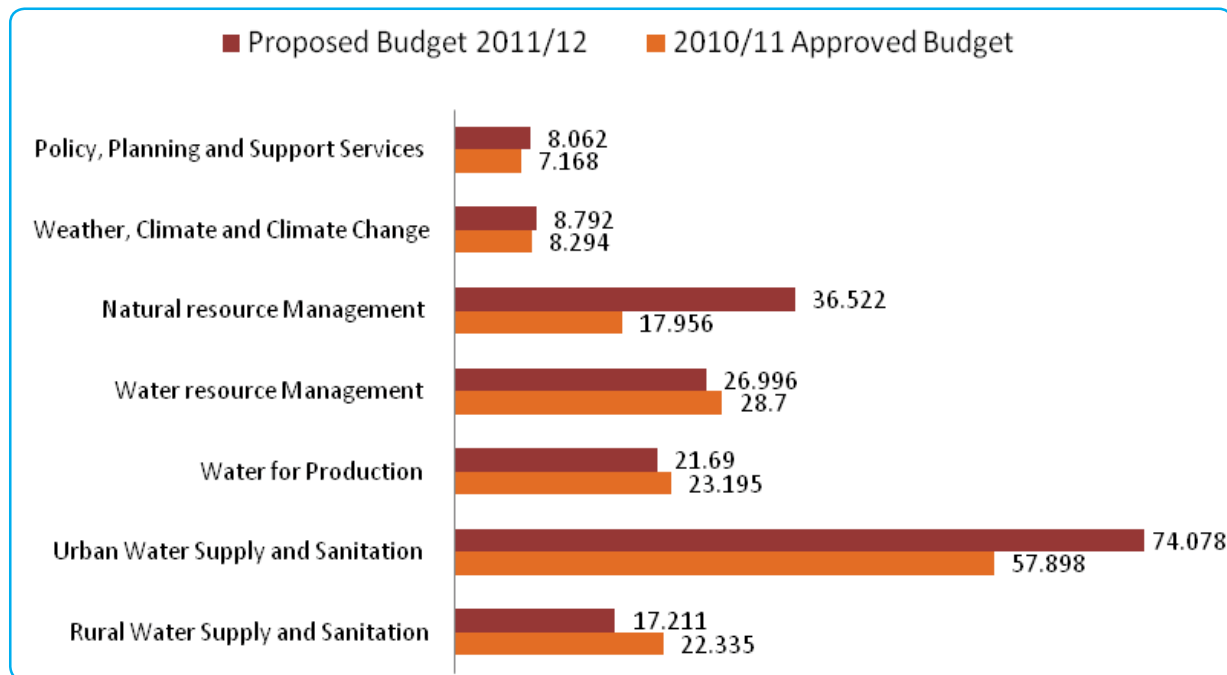


Figure 6: Proposed Budget Allocations for FY 2011/12 and the medium Term for water and Environment sector



Source: Ministry of Water and Environment Policy Statement and Budget FY 2011/12

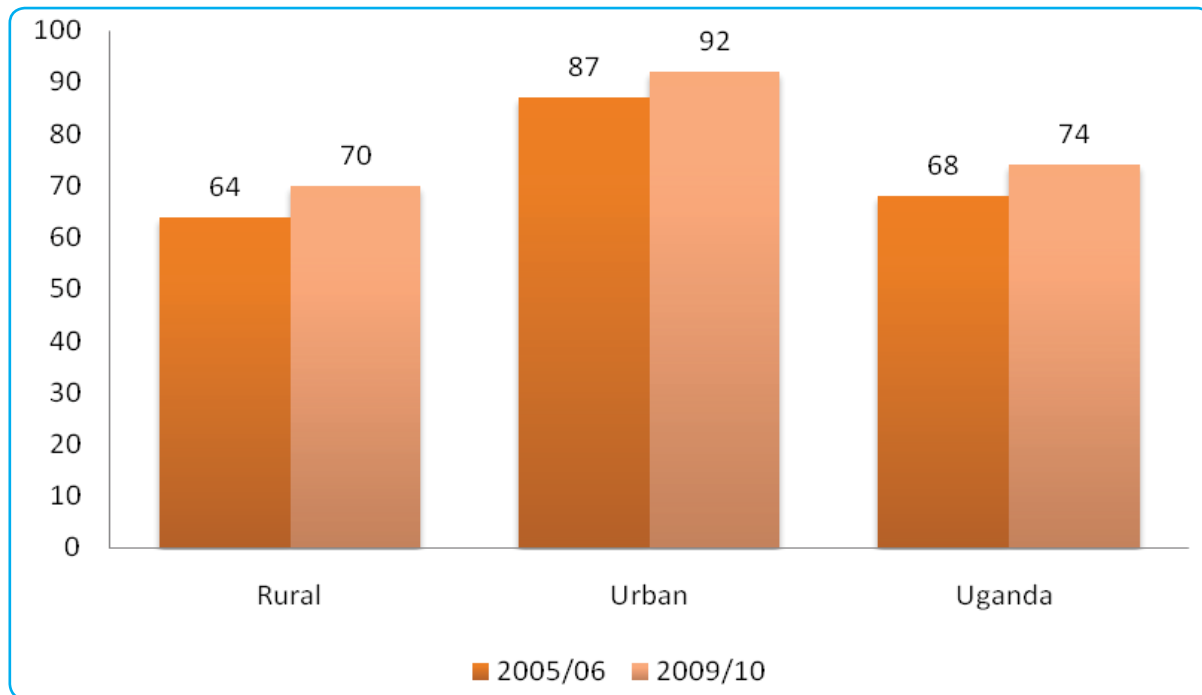
Our Response

Drinking water in sufficient quantity and quality is a human right and one of the most basic human needs. Millennium Development Goal 7 on Environmental Sustainability aims at halving the number of people who have no access to clean drinking water and basic sanitation. In most societies in Uganda, women have the primary responsibility of managing household water supply, sanitation and health.

Water is necessary not only for drinking, but also for food production and preparation, care for the sick and domestic animals, personal hygiene, cleaning, washing and waste disposal. Because of their dependence on water, women have accumulated considerable knowledge about water resources, including location, quality and storage methods. However, efforts geared towards improving the management of the national infinite water resources and extending access to safe drinking water and adequate sanitation, often overlook the central role of women.

We would like to commend Government efforts in increasing water coverage from 68% to 74% . According to UBOS, 74% of households have access to water from improved sources compared to 68% in 2005/06⁶

Figure 8: Access to Improved water (%)



Source: UBOS Statistical Abstract 2010

Despite the increase in Rural water Supply and Sanitation from 17.211bn to 22.335bn, this allocation is still adequate when compared to urban water supply and sanitation which has a budget of 74.078bn. This is because 85% of Uganda population lives in rural areas. It would therefore be logical to increase funding for rural water supply and sanitation, the costs involved notwithstanding.

The sector should now consider focusing on evidence-based planning to provide services to the poor. This helps in effectively utilizing the inadequate resources to the sector and to track progress of programmes through effective evaluations. Evidence-based planning is the only link to addressing issues that directly affect the marginalized people like the poor women and men.

Outcomes of gender analysis need to be incorporated into project designs and operation and maintenance practices. A disproportionate part of investments goes to large, multi-village schemes that offer less opportunity for participation, in particular by women (GWA 2003). Women and men's different skills and knowledge regarding the local water situation needs to be tapped for more efficient water management and increased sustainability. Participation of women in water management can also improve their dignity through giving them a voice and choice. It also improves targeting and efficiency.

The sector is faced with low absorption capacity. According to the NBFPM March, 2011 (page 54), there is a significant disparity between approved and released funds. For instance UGX 264.175 billion was approved, but only UGX 63.743 billion had been spent by December 2010. This low absorptive capacity implies that there is insufficient service delivery and challenges to achieve projected outputs. It also implies that even if more resources were allocated to the sector, that wouldn't significantly improve its performance.

We recommend that the sector enhances its staffing level of all its agencies such as Forest Sector Support Department (FSSD) and Climate Change Unit (CCU). In addition, the sector needs to enhance its capacity of the technical staff to ensure timely execution of roles and responsibilities.

— D —

TAXATION AND REVENUE PROPOSALS



A number of tax and revenue measures have been proposed by government, including:

1. *Making, the supply of solar energy VAT exempt in order to promote clean and alternative energy.*
2. *Removal of VAT on ambulances to facilitate the transportation of patients to hospitals and other health facilities.*
3. *Reduction of the excise duty on sugar by 50 percent given that sugar is a key welfare item in many households in Uganda.*
4. *Repealing the excise duty on kerosene in order to provide relief to households from the burden of increased kerosene prices.*
5. *Reduction of import duty on hoes from 10% to 0% in order to augment local production and encourage food security.*
6. *Reduction of the import duty on food supplements from 25 percent to 10 percent in order to reduce nutritional deficiencies through use of food supplements.*
7. *Removal of import duty on premises???? used in the manufacture of animal and poultry feeds in order to support the Agricultural Sector through reduction of the price of feeds*
8. *To encourage use of appropriate and affordable technology in rural areas, the Minister agreed to waive taxes on motor-cycle ambulances.*

Our response

We welcome Government taxation proposals especially as they will have an effect on the lives of poor women and men in the country. Exempting solar energy from VAT will increase access to alternative energy. Considering that 69% of Ugandans use *tadooba* as a source of lighting, this taxation measure will greatly help women. The challenge however is that solar energy is still very expensive to access and own. We propose that since Government also subsidizes electricity, a subsidy should also be considered to poor households that are attempting to acquire solar energy both in the rural and urban areas. However the reduction on taxes for kerosene has been overdue.

Removal of taxes on motor cycle ambulances and removal of VAT on other ambulances is also welcome. Ambulances have been a privilege of the rich because it has been a very expensive service. For rural pregnant women who walk an average of 5 km to the nearest health Centre, this service will come in handy.

The reduction on taxes on hoes and sugar will not significantly affect poor women and men. Sugar is still accessed by a few Ugandans. In any case consumption of sugar is a health hazard that Government should not be promoting, instead, alternative means that are not harmful to health should be promoted like substituting honey with sugar. Needless to mention that honey production is still on a very low scale yet it is readily available when promoted and supported. However there are other fundamental taxation issues that need to be addressed.

Reducing taxes on Hoes: Reducing taxes on hand hoes is not really a privilege as they are still condemning women to the use of rudimentary tools which increases their burden. One of the constraints to agricultural modernization is the use of rudimentary methods of farming including hoes. The government should have promoted other labor saving and appropriate technologies

Lack of a clear comprehensive policy on taxation and revenue generation: This has led to confusion on when, how, by whom and for what objective the people should be taxed and when taxes can be instituted and/or abolished. Government is mainly concerned with maximizing tax revenue, but does minimal analysis of tax incidences on various taxpayers. For example the abolition of vehicle road license fees and subsequent tax increment on petroleum products during FY 2007/08 increased the tax burden of all Ugandans even those who don't own vehicles, consequently, the price of fuel hitting hard on all sectors of the economy.

Low PAYE threshold: The current PAYE threshold of Shs 130,000/= is too low to accord the poor income earners (especially those in formal employment) a minimum level of livelihood and disposable income. Uganda's average household monthly expenditure rose from Shs. 136,468 in 2002/03 to Shs. 152,068 in 2005/06, representing a real increase of 11.4 percent within a period of three years⁷. We recommend that the threshold be increased to Ug shs 200,000/=

⁷ UBOS 2010 Statistical Abstract

— E —

OTHER BUDGETARY MEASURES



1. Linkage between NDP, the Budget and Gender

The current trends in budget allocations are not in favour of service delivery sectors and those with direct impact on poverty reduction and pro-poor growth. Our analysis of the approved budget FY 2010/11 shows that the overall share of budget to Health, Education, Water and Environment, Roads and Works, Agriculture and Energy and Minerals decreased from 51.0 percent in FY 2008/09 to 47.1percent in FY 2010/11.

Besides, Education, the share of the budget allocated to these sectors is less than the target set in the NDP. The Roads, Works and Health sectors have a greater difference between the NDP targets and the budget (see Table 2). The share of the security and public sector management and public administration budget are way above the anticipated NDP allocation of 6.2percent and 7.0percent respectively.

Table 2: Expenditure framework under the NDP and FY 2010/2011

Sectors	Actual share			Deviation from NDP	
	NDP Target	Approved Budget 2010 (excl. arrears and interest payments)	Overall (including Supplementary (FY 2010/11))	Approved Budget 2010 (excl. arrears and interest payments)	Overall (including Supplementary (FY 2010/11))
Security	6.2	9.2	10.0	3.0	3.8
Roads and Works	23.6	14.8	13.8	-8.9	-9.8
Agriculture	6.6	5.2	4.9	-1.4	-1.7
Education	14.6	17.7	16.8	3.1	2.2
Health	14.5	9.4	8.9	-5.1	-5.6
Water & Environment	4.6	3.6	3.3	-1.0	-1.3
Justice, Law & Order	3.7	7.6	8.9	3.9	5.2
Accountability	4.1	7.0	6.6	2.9	2.5
Energy and Mineral Dev't	6.7	5.6	5.2	-1.1	-1.5
Tourism Trade and Industry	2.0	0.7	0.7	-1.3	-1.4
Lands, Housing & Urban Dev't	0.5	0.3	0.3	-0.2	-0.2
Social Development	1.6	0.5	0.4	-1.2	-1.2
ICT	0.8	0.2	0.3	-0.6	-0.6
Public Sector Management	7.0	11.9	11.2	4.9	4.2
Public Administration	2.1	4.3	6.7	2.2	4.6
Legislature	1.4	2.3	2.2	0.9	0.8
Total	100.00	100.00	100.00	0.00	0.00

Source: Authors' Calculations based on the MoFPED Data

The Ministry of Finance is called upon to fully align these documents both in terms of priorities and the medium-term expenditure framework.

Another challenge relates to budget led-planning rather than planning led budgeting. Despite the existence of the NDP, budget priorities are not consistent with the set priorities. In most cases funds are allocated to sectors without proper planning. A quick example may be the allocation of UGX4 billion in the 2010/11 or 11/12 budget for youth entrepreneurship when there was no plan on what was meant to be funded. Such budget lines become "hot spots" for abuse and corruption

2. Corruption and Abuse of Office

Corruption remains one of the biggest endemic challenges facing Uganda's quest for equitable national development. Official and unofficial corruption continues unabated and despite several anti-corruption agencies and policies put in place, the vice is becoming the norm rather than the exception in Uganda. The impunity with which it is condoned suggests that there is no intention to match the rhetoric of legal and institutional mechanisms with practice, particularly from the political realm in Uganda. In many ways, financial tyranny and daylight robbery is being passed onto Ugandans through high cost of accessing public services and poor delivery of these services (CS BAG 2011). According to the Auditor General Report for the year ended 30TH June 2010, a total of Shs.11,618,191,273 in respect of HLGs (Higher Local Governments) comprising of administrative advances, incomplete vouched expenditure, unvouched expenditure and doubtful expenditure remained outstanding contrary to Regulation 42 and 43 (2) of the Local Government Financial and Accounting Regulations. The bigger corruption, however, tends to take place at the national level, where the resources that continue to remain with the Central Government are up to an estimated tune of 77% of the entire budget resources, including the multiplicity of supplementary funds.

3. Inadequate Central Government transfers to Local Government

Transfers to Local Governments for purposes of meeting the Local Government wage bill and recurrent and development expenditures have continued to increase over the years. During the FY 2011/12, total Local Government transfers are projected to amount Shs 1,525 billion compared

to Shs 1,461 billion in the previous year, indicating only a modest increment. Of the total Local Government transfers this year, Shs 360 billion is for development expenditure, Shs 248 billion for non-wage recurrent expenditures and Shs 960 billion for salaries and wages⁸. Considering that 85% of the population in Uganda lives in rural areas, we recommend that more resources should be sent to local government. On the other hand only 23% of the total Local Government transfers is for development expenditure. This is not pro-poor and gender responsive budgeting. It could easily be equated to conspiracy of the budget makers and holders against the masses who are the majority Ugandans fending off marginal means of survival across the country.

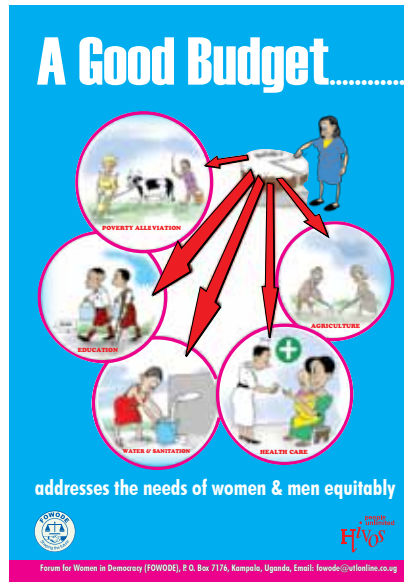
A people friendly budget spends more on actual service delivery than on administration and opulence, of mainly the elite managers. That is why there is little money to purchase drugs, medical equipment, scholastic materials and agricultural inputs which benefit more the citizens than salaries and allowances of technocrats and a few politicians. On the contrary Unspent Conditional Grants amounting to Shs.29,845,542,736 in Higher Local Governments were balances in cash unspent by end of FY 2010/11⁹. Despite limited resources transferred to Local Governments it cannot even be absorbed by those Local Governments. This delays services and affects the poor women and men who rely on publicly provided services.

⁸ The Budget Speech Financial Year 2011/12

⁹ The Auditor General Report FOR THE YEAR ENDED 30TH JUNE 2010

— F —

CONCLUSION AND RECOMMENDATION



Accounting to women must be a standard against which public decisions are made. To many Ugandan women, access to services, poverty, discrimination and violence are the daily struggles of life. This calls for government commitments and promises to be turned into actions and reality. For women, the availability of public services is proof of the effectiveness of accountability systems. If services fail, women's well-being can be seriously at risk. Whereas the government has developed comprehensive plans and programs to deliver services such as health, education, water and justice, when it comes to budgeting there is always a deviation from what is planned and what is actually delivered. Agriculture which is the backbone of the economy and which provides a livelihood for many rural people, the majority of whom are women, is still getting less than 4% of the national budget.

Since the government has already shown its commitment to addressing gender inequality in the country, it is imperative that it turns this commitment into action. The Budget Call Circular directive on gender and equity budgeting is a key instrument that can make gender mainstreaming in budgets possible. The MoFPED needs to develop mechanisms and benchmarks for enforcing this directive.

Gender Budget Publications at FOWODE



Vision:

A just and fair society where women and men equally participate in and benefit from decision making processes.

Mission:

To promote gender equality in all areas of decision making through advocacy, training, research and publications



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