

Existing¹ Good Practice Case 4: Budget cycle in Nebbi district

Background and context

The budget cycle is an annual process of planning and budgeting for services in the district.

It involves a number of stages followed in the Nebbi Budget cycle process:

1. Budget frame workshop

The ministry representatives, district executive officers and the district heads of department attend the Budget Framework workshop. One of the main activities is to review the previous year's budget performance. This review outlines strengths and areas of weakness in the budget that need to be improved. The ministry representatives communicate to the district the national priorities for the upcoming financial year for different sectors. The district will have to set its priorities by aligning their own priorities with national priorities. Each department announces the Indicative Planning Figures (IPFs). They indicate how much the district departments would like receive for financing their next year's activities.

2. Meetings at village level

At village level, different sector committees present priority areas to the community for funding. Discussions are held with communities in village meetings. Then the real needs of the communities are identified and incorporated in the village plans.

3. Meetings at Sub-county level

The district Technical Planning Committee organizes a meeting with the Sub-county Technical Planning Committee. In the meeting several key issues are communicated such as available funding in the upcoming financial year, and the roles of local government. In the same meeting the priorities of the different Sub-counties are spelt out.

At this level, the *Client Charter* is used. It spells out what people should expect from the different departments of the local government and what exactly the district will deliver during that coming financial year.

4. At district level

Various departments at district and lower local government level (mainly Sub-county) come up with their activity priorities. These must be in line with the central government priorities.

5. Budget conference

The different departments present their budgets proposals. These proposals include priorities (not yet with costs) and specify where activities will take place (location). This budget conference is open to the general public. Therefore this event, its timing and venue is widely announced through local radio and newspapers. Participants are district councillors and technocrats. Technocrats present the plans and budget, councillors comment on proposals and propose amendments. Then they finally agree on the plans.

These proposals, which include inputs from the communities (in the villages), are submitted to the sectoral committees of the particular departments for discussion and approval.

6. Costing

After the plans and budgets have been approved, every item is costed and then presented to the full District Council to examine how much will be spent by the different departments.

After costing the activities, the development of detailed work plans and budgets follows in accordance with available funding for that particular year.

The detailed work plan and budget is submitted to the sectoral committee for discussion and ensures that the agreed priorities are fully incorporated and costed for.

Success factors

The expenditures for the planned activities are strictly followed and any deviation of the plan must be approved by the sectoral committee and Chief Executive Officer (CAO).

This process ensures increased community participation through the *Client Charter*. This charter clearly spells out the roles and responsibilities of duty bearers.

Checks and balances are being done at all levels through audits and financial controls, which assists in effective budgeting, and ensures accountability, transparency and good governance.

Challenges in the budget cycle

In some instances, the annual approved and allocated budget is not fully released. This happens because budget instalments are released by the central government on a quarterly basis upon an acceptable district reporting of the previous quarter. The centre may not always be fully satisfied with the district's reporting and accounting. Thus some planned activities in the district keep pending.

At the point of final budget approval, only politicians have the chance to propose adjustments; the CAO represents the district technocrats.

Lessons learnt

Explicit knowledge of each department's budget performance is very vital for follow up of any adjustments.

There is need for strict adherence to the budget cycle process, which starts in November for the purpose of making timely consultations.

Contacts and information

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¹ Existing means that it was reported a good case in the first Dialogue by the participants