

---

January 2022

# COVID Brief: Accountability of the COVID Fiscal Response in Uganda



Cover graphic: Ted Grajeda / Noun Project

# Introduction

The COVID-19 pandemic has had an enormous impact on sub-Saharan Africa and Uganda has felt its impacts too. Even though Uganda had its first reported Covid case on March 22, 2020, on March 18 the government had already suspended large gatherings and instituted a quarantine requirement for people entering the country. The government continued to introduce measures to contain the virus and by the end of March, the country was under national curfew and police were deployed to various parts of the country to enforce restrictions. The government has taken the pandemic very seriously, being one of the first African countries to implement two lockdowns since March 2020.

The government has introduced five emergency fiscal policy packages to help combat the negative effects of the virus on the Ugandan people. The biggest package was included in the 2020/21 annual budget, which was passed via the normal budgetary process. This budget saw an increase in expenditures of 7,754 billion Ugandan shillings over the previous year, and included new tax incentives, tax exemptions, and deferred payments to people and sectors severely affected by the pandemic.

Responding in an open and accountable manner to the pandemic is not only important for the government to show its commitment to the well-being of its citizens, but also because open budgets have real benefits – from reducing the risks of corruption to ensuring more equitable and effective policy outcomes. In other words, shortcuts and limitations are neither necessary nor inevitable. Even during terrible crises, accountability can work if everyone does their part in an open and collaborative effort. An urgent and speedy response does not have to come at the expense of accountability.

As such, civil society partners across 120 countries, including Uganda, worked with the International Budget Partnership (IBP) to undertake a rapid assessment of emergency fiscal policy packages – sets of policy initiatives like the stimulus package adopted in Uganda, aimed at addressing the impact of the COVID-19 emergency – in the period from March to September 2020, with the aim of identifying how countries can improve both during and after the crisis.

---

**“Responding in an open and accountable manner to the pandemic is not only important for the government to show its commitment to the well-being of its citizens, but also because open budgets have real benefits.”**

# Key Findings

## Limited transparency and citizen engagement opportunities

The findings of our assessment in Uganda reveal that the transparency of the emergency fiscal policy package was limited, with the government not releasing important aspects of the package, such as instruments of borrowing and nonfinancial information related to poor and vulnerable groups. The parliament provided some oversight of the package, however the Auditor General provided only minimal oversight during the research period. Opportunities for the public to engage with the emergency fiscal policy package were minimal. Our three key findings are as follows:

### 1. More information was provided during the introduction of the emergency fiscal policy package than during the implementation of the package.

During the introduction of the package, the government provided macroeconomic and aggregate fiscal information, as well as information on specific policy measures. However, minimal information was made available on sources of financing, extra-budgetary funds, and the overall implementation of the package.

Transparency on implementation allows the public to understand how policies have been put into practice and what has been achieved. The lack of public reporting impedes efforts to hold government accountable for the effectiveness of its crisis response.

### 2. Public participation in the formulation and implementation of the response package was non-existent. There was no input from the public, especially from those most impacted by the crisis.

The public was not involved in the formulation and monitoring of the emergency response policies. This excluded the public from having a voice in decisions on priority-setting during the pandemic and deprived the government of contributions that could have greatly improved the effectiveness of its actions.

This is a departure from past practices, where the Ministry of Finance, Planning and Economic Development, parliament, and Office of the Auditor General have provided opportunities for the public to engage throughout the budget cycle.

---

"The government has taken the pandemic very seriously, being one of the first African countries to implement two lockdowns since March 2020."

### 3. Legislative oversight occurred during the approval of the package but not its implementation, and audit oversight was minimal during the research period.

The government's primary emergency fiscal policy package to respond to COVID-19 was included as part of the FY 2020/21 annual budget. The parliament provided its usual oversight during the approval of the budget, albeit with adjustments necessary because of COVID-19-related restrictions. The parliament provided minimal oversight of the implementation of the emergency package.

Though the Auditor General has a sufficiently broad mandate and full discretion to audit emergency fiscal policy packages, there was no information published about audit plans and no audit reports were released during our assessment period. It was only in March 2021, a year after the pandemic reached Uganda, that the Auditor General published a report covering policies related to COVID-19. This report noted financial indiscipline in the utilization of COVID-19 funds during the first months of the crisis. No evidence of real-time audits was found, which would have allowed the Auditor General to identify issues quickly.

---

"Even during terrible crises, accountability can work if everyone does their part in an open and collaborative effort."

## Recommendations

### Accountability beyond the crisis

The practices noted in this brief (both positive and negative) have been highlighted in the context of the COVID crisis, but they are crucial at any point in time during each stage of a regular budget process, well beyond this or any other crisis. Achieving sufficient levels of transparency, participation, and oversight over the long term is crucial to ensure accountability and an effective and equitable use of resources, and it places a country in a much stronger position to face future shocks or crisis.

The most recent Open Budget Survey found that there was significant room for improvement. Since 2012, Uganda's transparency score has steadily decreased from 65 to 58, which means the government no longer provides sufficient budget information to the public.

Based on our findings, we believe it is imperative to take immediate action on a set of measures to address the accountability shortcomings of COVID-19 fiscal and policy responses. In addition to immediate measures, it is important to build infrastructure for transparency and participation in non-crisis times that can be sustained during an emergency.

We call on the government to work with civil society to take the following steps:

## 1. Act now to strengthen accountability in ongoing responses to the COVID-19 crisis.

- Put in place adequate mechanisms for citizen participation in the formulation, approval, and execution of additional emergency fiscal policy packages. This could include ensuring that the budget Pistos are held and inviting civil society representatives onto the Management Committee for the COVID-19 Fund.
- Publish monthly progress reports on the implementation of the measures contained in the emergency fiscal policy package.
- Empower the National Audit Office to adapt its auditing approaches and practices to conduct expedited audits on emergency spending programs.

## 2. Build on existing budget transparency mechanisms to increase accountability to sufficient levels.

- Ensure that existing web platforms are used to publish timely information and documents throughout the budget cycle.
- Improve budget participation mechanisms to ensure the public's views are captured during the formulation, approval, and execution of the budget.

---

"Based on our findings, we believe it is imperative to take immediate action on a set of measures to address the accountability shortcomings of COVID-19 fiscal and policy responses. In addition to immediate measures, it is important to build infrastructure for transparency and participation in non-crisis times that can be sustained during an emergency. "



# COVID Brief: Accountability of the COVID Fiscal Response in Uganda