



Programme-based budgeting system (PBS) and budget performance in local governments of Uganda

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Abstract

This research examines the impact of the Programme-Based Budgeting System (PBS) on budget performance in local governments of Uganda. With increasing demands for efficiency and accountability in the management of public funds, Uganda adopted PBS as a tool to align budgetary allocations with national development priorities and ensure optimal resource utilization. This study explores how PBS has influenced the planning, execution, and monitoring of budgets within local governments, assessing its effectiveness in improving financial performance, service delivery, and transparency. The research employs a mixed-methods approach, using both quantitative data from budget performance reports and qualitative data from interviews with local government officials, finance officers, and community representatives. Key areas of focus include the alignment of budget allocations with local priorities, timeliness and accuracy of budget execution, and the capacity of local governments to implement and monitor PBS effectively. Preliminary findings suggest that while PBS has enhanced budget transparency and alignment with national goals, challenges such as inadequate capacity, delayed releases, and limited community participation hinder its full impact. The study concludes with recommendations to strengthen the system's effectiveness, including capacity building, timely disbursement of funds, and enhancing participatory budgeting mechanisms at the local level.

Keywords: Programme-Based Budgeting System (PBS), budget performance, local governments

Introduction

The Programme-Based Budgeting System (PBS) in local governments of Uganda represents a significant shift in budgetary practices aimed at enhancing accountability and performance in public service delivery. PBS is characterized by its focus on outputs and outcomes rather than merely inputs, which aligns with global best practices advocated by international aid agencies such as the World Bank and DFID. These agencies have influenced the adoption of PBS in Uganda by imposing conditions for funding that require adherence to these new budgeting frameworks, thereby promoting a culture of accountability and performance measurement in local governance (Kasumba, 2013; Onyango-Delewa, 2016).

The implementation of PBS is closely linked to the principles of decentralization, which empower local governments to make independent budgetary decisions. This decentralization is crucial as it allows for bottom-up participatory planning, where local communities can engage in the budgeting process, thus enhancing transparency and accountability (-, 2023; Kakumba, 2010). The effectiveness of PBS in local governments is further enhanced by the integration of performance-based budgeting, which has been shown to improve government performance accountability. This approach ensures that budget execution aligns with local government targets, thereby fostering a culture of accountability where meeting budgetary goals translates into achieving local development objectives (Yusuf, 2020).

Moreover, the role of civil society organizations (CSOs) in promoting participatory budgeting cannot be overlooked. CSOs have been instrumental in advocating for pro-poor budgeting processes, ensuring that local government budgets reflect the needs of marginalized communities. Their involvement has been linked to improved budget effectiveness and transparency, as they help to monitor budget allocations and expenditures, thereby reducing the risk of corruption and mismanagement (Ogwang et al., 2023; Mukokoma, 2011). The participatory budgeting process not only enhances accountability but also fosters community ownership of local development initiatives, which is essential for sustainable development (Augustine, 2022; Mukokoma, 2011).

Despite these advancements, challenges remain in the effective implementation of PBS in Uganda. Issues such as budget turbulence, inadequate financial controls, and the need for capacity building within local governments can hinder the successful execution of PBS. Research indicates that local governments often face difficulties in aligning their budgetary practices with the overarching goals of decentralization and performance accountability, which can lead to inefficiencies and suboptimal service delivery (Herianti, 2019; "Budget implementations in local governments in Uganda; reflections from Kiruhura and Mbarara", 2023). Therefore, continuous efforts are required to strengthen the capacity of local governments and ensure that they can effectively implement PBS while adhering to the principles of transparency and accountability. Therefore, Programme-Based

Budgeting System in Uganda's local governments represents a critical step towards enhancing budget performance and accountability. The interplay between decentralization, civil society participation, and performance-based budgeting creates a framework that can potentially lead to improved public service delivery. However, addressing the existing challenges is essential for realizing the full benefits of PBS in fostering accountable and effective local governance.

Problem statement

Despite the implementation of the Programme-Based Budgeting System (PBS) aimed at enhancing accountability and performance in local governance, local governments in Uganda continue to face significant challenges in effectively executing their budgets. These challenges include inadequate financial controls, limited capacity for participatory budgeting, and insufficient alignment between budgetary allocations and community needs. Consequently, the effectiveness of PBS in improving budget performance remains questionable, as evidenced by persistent issues such as budget deviations, low revenue collection, and a lack of transparency in budget processes "Budget implementations in local governments in Uganda; reflections from Kiruhura and Mbarara" (2023) Mukokoma, 2011). Furthermore, the influence of external factors, such as central government transfers and donor conditions, complicates the local budgeting landscape, often leading to a disconnect between local priorities and actual budget allocations (Mwanga et al., 2020). This situation is exacerbated by the limited involvement of

civil society organizations (CSOs) in the budgeting process, which undermines the potential for participatory governance and accountability (Mukokoma, 2011). As a result, there is a pressing need to investigate the underlying factors that hinder the successful implementation of PBS and to explore strategies that can enhance budget performance in local governments across Uganda.

Purpose of the Study

To examine the relationship between Programme Budgeting System and budget performance in local governments of Uganda

Theoretical Review

The study was guided by the Technology-Organization-Environment (TOE) theory (Tornatzky & Fleischer, 1990). The Technology-Organization-Environment (TOE) framework provides a comprehensive lens through which to analyze the implementation of the Programme-Based Budgeting System (PBS) and its impact on budget performance in local governments of Uganda. This framework posits those three critical elements technology, organization, and environment interact to influence the adoption and effectiveness of technological innovations, including budgeting systems. The technological aspect of the TOE framework encompasses the tools, systems, and processes that local governments utilize to implement PBS. This includes software for budget preparation, data analysis tools, and performance measurement systems. The adoption of advanced technologies can enhance the efficiency and accuracy of budget processes, enabling local governments to

better align their financial resources with developmental goals Ali et al. (2020). However, the effectiveness of these technologies is contingent upon their compatibility with existing systems and the technical skills of the personnel involved (Religia et al., 2023). Therefore, understanding the technological landscape is crucial for assessing how well PBS can be integrated into local government operations. The organizational dimension focuses on the internal structure, culture, and capabilities of local governments. Factors such as leadership commitment, staff training, and organizational readiness play a significant role in the successful implementation of PBS. For instance, a supportive organizational culture that encourages transparency and accountability can facilitate the adoption of PBS, leading to improved budget performance (Alam et al., 2016). Conversely, resistance to change or lack of capacity can hinder effective implementation, resulting in suboptimal budget outcomes (Tomás et al., 2017). Thus, analyzing the organizational context is essential for identifying barriers and enablers to PBS adoption. The environmental component considers external factors that influence local governments, such as regulatory frameworks, political dynamics, and socio-economic conditions. In Uganda, the influence of central government policies and donor requirements can significantly impact how local governments design and implement their budgets (Susilawati et al., 2023). Additionally, the involvement of civil society organizations in advocating for participatory budgeting practices can enhance accountability and responsiveness to community needs (Mortimer, 2010).

Understanding these external pressures is vital for evaluating the overall effectiveness of PBS in achieving desired budgetary outcomes. Therefore, TOE framework guides the study of PBS and budget performance in local governments of Uganda by providing a structured approach to analyze the interplay between technological capabilities, organizational readiness, and environmental factors. This holistic perspective enables researchers and practitioners to identify critical determinants of PBS effectiveness and develop strategies to enhance budget performance in local governance.

Literature Review

The literature surrounding the Programme-Based Budgeting System (PBS) and budget performance in local governments of Uganda is rich and varied, drawing from multiple disciplines and perspectives. The following synthesis highlights key themes and findings from relevant studies that guide the understanding of PBS and its implications for budget performance. Arynova discusses the mechanisms for forming local self-government budgets and emphasizes the importance of effective control over targeted spending. This is particularly relevant for Uganda, where local governments must ensure that budget allocations are effectively utilized to promote stable development in their jurisdictions Arynova (2021). The emphasis on accountability and transparency in budget processes aligns with the principles of PBS, which aims to enhance performance by linking funding to specific outcomes.

Rakhman explores how managerial factors influence budget implementation in local

governments, revealing that the performance of mayors can significantly affect budget outcomes, particularly in their second term when they may not be incentivized to perform optimally (Rakhman, 2019). This finding is crucial for understanding the dynamics within Ugandan local governments, where leadership stability and accountability are vital for successful PBS implementation. Moré and Otero highlight the role of fiscal transparency in enhancing governance, particularly in smaller municipalities. Their findings suggest that transparency can lead to better governance outcomes, which is essential for the successful implementation of PBS in Uganda, where public trust and community engagement are critical for effective budget management (Moré & Otero, 2012).

Pattisahusiwa et al. address the challenges of inefficiency in regional spending, noting that bureaucratic obstacles can hinder the implementation of flexible budgeting practices (Pattisahusiwa et al., 2019). This insight is particularly relevant for Uganda, where bureaucratic inefficiencies can undermine the effectiveness of PBS and lead to the misallocation of resources. The literature also touches on the importance of fiscal sustainability in local governance. Uryszek discusses the fiscal sustainability of local governments in the Visegrad Group countries, which can provide comparative insights for Uganda, particularly in terms of managing local revenues and expenditures effectively (Uryszek, 2018). This is critical for ensuring that PBS can be sustained over the long term without compromising service delivery.

Oh et al. emphasize the significance of participatory budgeting as a mechanism for enhancing efficiency, effectiveness, and equity in the budget process (Oh et al., 2019). This aligns with the goals of PBS in Uganda, where community involvement is essential for ensuring that budget allocations reflect local priorities and needs. Rausch and Wall investigate the impact of flexible budgeting practices on mitigating inefficiencies in budget spending (Rausch & Wall, 2015). This is particularly relevant for local governments in Uganda, where traditional budgeting practices may not adequately address the dynamic needs of communities. The adoption of flexible budgeting approaches can enhance the responsiveness of local governments to emerging challenges. Therefore, related literature provides a comprehensive framework for understanding the complexities of PBS and budget performance in local governments of Uganda. It highlights the importance of effective budget mechanisms, managerial accountability, fiscal transparency, participatory governance, and flexibility in budgeting practices as critical factors influencing the success of PBS.

Methods and analysis

Research Design

The study adopted a cross-sectional research design that focused on the Integrated Financial Management System and budget performance in Lwengo District Local Government at a single point in time and the study employed both quantitative and qualitative approaches which helped in selecting appropriate data collection methods and data analysis (Shah & Shen, 2022). This design enabled the researcher to examine the

relationship between the Integrated Financial Management System and budget performance in Lwengo District Local Government as a dependent variable at the same point in time (Anderson & Fornell, 2022). This design was useful in relating the Integrated Financial Management System and budget performance in Lwengo District Local Governments same point in time.

Study Population

The study was carried out at Lwengo District Local Government. The participants were selected from different groups, which included (1) District chairperson, (1) CAO,

(1) Head of Finance, (5) Internal auditors, (30) tax assessors, and (50) operations staff of Lwengo District Local Government. The total study population constituted from the above categories was 88, from which a sample size of 80 respondents was determined to actively participate in this study.

Sample Size Determination and Selection

The study involved a study population of 88 respondents as shown in the table below with respective sampling techniques and a sample size of 80 respondents determined by Krejcie and Morgan's table (1970)

Table 3.3: Sample size and selection and Sampling techniques

Categories of population	Study population	Sample size	Sampling techniques
Chairperson	01	01	Purposive sampling
Chief Administrative Officer	01	01	Purposive sampling
Head of Finance	01	01	Purposive sampling
Internal Auditors	05	05	stratified random sampling
Tax assessors	30	28	stratified random sampling
Operations staff	50	44	stratified random sampling
Total	88	80	

Source: Based on Lwengo district local government (2024)

Sampling Procedure

Purposive sampling and stratified random sampling were the two sample techniques used. To find people who can most effectively provide the pertinent information required to address the research questions posed, as recommended by (Creswell 2008), purposeful sampling was used in this study. In the meanwhile, stratified random sampling was used since, according to Margaret (1995), it makes use of population knowledge to boost the number of representatives in a sample of a specific size or to obtain an equivalent amount of information for a small sample.

Data Collection Methods

The study used data from primary sources. Respondents completed a standardized, self-administered questionnaire to provide primary data. Some questions were emailed to respondents, while others were self-administered based on their accessibility. Except for a few open-ended questions for purposeful clarity, most of the questionnaire's questions were closed-ended. The questionnaire was created with the goals of the study in mind. To obtain data, the researcher used a drop-and-retrieve strategy. This entailed giving out questionnaires to the

participants and then collecting them when they were finished.

Quality control, data collection procedures and tools

Experienced research assistants (RAs) possessing a minimum of a diploma in social, economic, and health sciences were recruited to aid in the collection of data. RAs were selected for the role not just based on their fluency in English and the native languages of Luganda, Luyankole, and Kiswahili, but also based on their previous experience working with homes and administering community-based research surveys. They were given an orientation on the study protocol, which included information on the objectives and techniques of the inquiry. They also received instruction on ethical problems, interview procedures, and the tool/questionnaire. The RAs were able to familiarize themselves with the data collection technology and ensure that the respondents comprehended the questions by pretesting the questionnaires. During fieldwork, the researcher personally supervised research assistants (RAs) to ensure they followed ethical guidelines and the study protocol when interviewing respondents.

Reliability instruments were constructed using the Cronbach reliability coefficient and Cronbach Alpha of at least 0.7, which show that a self-administered questionnaire is reasonably trustworthy and consistent. There was also a guarantee of content validity (Amin, 2003). By abstaining from causing any participant emotional, physical, or psychological harm during the study and, most importantly, by upholding the participants' voluntary participation, informed consent, and confidentiality, the researcher ensured justice by adhering to the principles of micro ethics.

Data management and analysis plan

We collected surveys from the field. Data were cleaned by harmonizing the data, finding and removing errors and inconsistencies, and removing duplicates. Descriptive statistics were employed together with statistical tools such as SPSS and STATA for the majority of the data analysis. Both inferential (correlations and regression) and descriptive (mean and standard deviation) statistics were used to analyze the data.

Results

4.1 Response Rate

Table 1: Response Rate

Respondents	Frequency	Percentage
Response	83	83.0 %
Non-response	17	17.0 %
Total	100	100%

Source: Research Data (2024)

Table 1 above shows that out of 100 participants who took part in the study 83(83.0%) of the participants responded to the questionnaires and interviews and were utilized for the quantitative analysis. Therefore, the study attained a reasonable and

acceptable sample to collect sufficient and vital information to examine the relationship between the Program Budgeting System and budget performance in Lwengo District Local Government.

Relationship between cash management and budget performance

Table 2: A Summary of Descriptive Statistics of Cash Management and Budget Performance

	STATEMENT	SD	D	SHD	SHA	A	SA	Mean	Std Dev
L9	The district LG has registered an increase in cash receipts	13 (17.1 %)	11 (14.5 %)	5 (6.6 %)	-	22 (28.9 %)	25 (32.9 %)	3.60	1.27
L10	The district LG has registered timely cash receipts	8 (10.5 %)	9 (11.8 %)	-	6 (7.9 %)	15 (19.7 %)	38 (50.0 %)	3.42	1.34
L11	The district LG has registered an increase in cash receipts at low cost	11 (14.5 %)	12 (15.8 %)	-	12 (15.8 %)	27 (35.5 %)	14 (18.4 %)	3.84	1.21
L12	The district LG has registered a decline in payment of transactions	4 (5.3 %)	7 (9.2 %)	7 (9.2 %)	-	27 (35.5 %)	31 (40.8 %)	3.90	1.03
L13	The district LG has registered timely payment of transactions	9 (11.8 %)	9 (11.8 %)	-	10 (13.2 %)	24 (31.6 %)	24 (31.6 %)	3.30	1.35
L14	The district LG has registered low transactional costs	14 (18.4 %)	14 (18.4 %)	-	7 (9.2 %)	22 (28.9 %)	19 (25.0 %)	3.23	1.47
L15	The district LG has carried out cash flow analysis	14 (18.4 %)	12 (15.8 %)	5 (6.6 %)	-	11 (14.5 %)	33 (43.4 %)	3.59	1.81
L16	Through cash flow analysis the district LG has improved on cash management	9 (11.8 %)	8 (10.5 %)	5 (6.6 %)	-	23 (30.3 %)	31 (40.8 %)	3.77	1.39
Me an								3.52	1.34
	N= 76								

Source: Primary data (2024)

Regarding to items which sought to determine from the respondents whether Lwengo District LG has adopted cash management through managing cash receipts. The results show that the majority of the respondents are in agreement that Lwengo District LG has adopted cash management through managing cash receipts taking the highest percentage scores 35.5%, however, 6.6% of the

respondents were uncommitted on the statement and the few were in disagreement that Lwengo District LG has adopted cash management through managing cash receipts taking the lowest percentage scores of 10.5%. This implies that the local government has effectively managed cash inflows from revenue collections.

Relationship between Debt management and budget performance

Table 3: A Summary of Descriptive Statistics of Debt Management and Budget Performance

	STATEMENT	SD	D	SHD	SHA	A	SA	Mean	Std Dev
L17	The district LG has carried out debt consolidation	4 (5.3)	7 (9.2)	-	7 (9.2)	27 (35.5)	31 (40.8)	3.90	1.03
L18	The district LG has registered timely debt consolidation	9 (11.8)	9 (11.8)	-	10 (13.2)	24 (31.6)	24 (31.6)	3.30	1.35
L19	The district LG has registered an increase in debt consolidation at low cost	14 (18.4)	14 (18.4)	7 (9.2)	-	22 (28.9)	19 (25.0)	3.84	1.28
L20	The district LG has registered a decline in debt recycling	14 (18.4)	12 (15.8)	-	5 (6.6)	11 (14.5)	33 (43.4)	3.23	1.47
L21	The district LG has carried out debt recycling	9 (11.8)	8 (10.5)	-	5 (6.6)	23 (30.3)	31 (40.8)	3.59	1.81
L22	The district LG has registered low costs during debt recycling	13 (17.1)	11 (14.5)	-	5 (6.6)	22 (28.9)	25 (32.9)	3.77	1.39
L23	The district LG has carried out interest prepayments	8 (10.5)	9 (11.8)	6 (7.9)	-	15 (19.7)	38 (50.0)	3.60	1.27
L24	Through interest prepayments the district LG has improved on debt management	11 (14.5)	12 (15.8)	12 (15.8)	-	27 (35.5)	14 (18.4)	3.42	1.34
Me an								3.59	1.31
	N= 76								

Source: *Primary data (2024)*

The study findings from Table 3 returned a mean of 3.59 with a standard deviation of 1.31. This shows that Lwengo District Local Government has made efforts to adopt Debt management through carrying out debt consolidation, debt recycling and interest prepayments as a strategy to increase on-budget performance in terms of budgeted revenues, budget absorption and budget variances. Regarding to items that sought to determine from the respondents whether Lwengo District LG has adopted debt management through carrying out debt consolidation. The results show that the

majority of the respondents are in agreement that the Lwengo District LG has adopted debt management through carrying out debt consolidation taking the highest percentage score 35.5%, however, 9.2% of the respondents were uncommitted on the statement and the few were in disagreement that Lwengo District LG has adopted debt management through carrying out debt consolidation taking the lowest percentage scores of 5.3%. This implies that the local government has paid off multiple debts with a new loan so as to lower on interest rate.

Relationship between fixed assets management and budget performance

Table 4: A Summary of Descriptive Statistics of fixed assets management at Lwengo District LG

	STATEMENT	SD	D	SHD	SHA	A	SA	Mean	Std Dev
L25	The district LG has carried out asset tracking	14 (18.4 %)	14 (18.4 %)	-	7 (9.2 %)	22 (28.9 %)	19 (25.0 %)	3.46	1.50
L26	The district LG has registered timely asset tracking	14 (18.4 %)	12 (15.8 %)	-	5 (6.6 %)	11 (14.5 %)	33 (43.4 %)	3.86	1.41
L27	The district LG has registered an increase in asset tracking at low cost	9 (11.8 %)	8 (10.5 %)	-	5 (6.6 %)	23 (30.3 %)	31 (40.8 %)	3.27	1.33
L28	The district LG has ensured asset safety	13 (17.1 %)	11 (14.5 %)	5 (6.6 %)	-	22 (28.9 %)	25 (32.9 %)	3.97	1.16
L29	The district LG has carried out regular asset safety	4 (5.3 %)	7 (9.2 %)	7 (9.2 %)	-	27 (35.5 %)	31 (40.8 %)	3.59	1.35
L30	The district LG has registered low costs during asset safety	9 (11.8 %)	9 (11.8 %)	-	10 (13.2 %)	24 (31.6 %)	24 (31.6 %)	3.42	1.34

31	The district LG has carried out preventive maintenance	13 (17.1 %)	11 (14.5 %)	-	5 (6.6 %)	22 (28.9 %)	25 (32.9 %)	3.84	1.21
L32	Through preventive maintenance the district LG has improved on fixed assets management	8 (10.5 %)	9 (11.8 %)	6 (7.9 %)	-	15 (19.7 %)	38 (50.0 %)	3.90	1.035
Mean								3.49	1.35
	N= 76								

Source: Primary data (2024)

The study findings from Table 4 returned a mean of 3.49 with a standard deviation of 1.35. This shows that Lwengo District Local Government has made efforts to adopt fixed assets management through carrying out asset tracking, asset safeguard and preventive maintenance as a strategy to increase on budget performance in terms of budgeted revenues, budget absorption and budget variances. Regarding to items which sought to determine from the respondents whether Lwengo District LG has adopted fixed assets management through carrying out asset tracking. The results show that the majority of

the respondents are in agreement that the Lwengo District LG has adopted fixed assets management through carrying out asset tracking taking the highest percentage scores 43.4%, however, 6.6% of the respondents were uncommitted on the statement and the few were in disagreement that Lwengo District LG has adopted fixed assets management through carrying out asset tracking taking the lowest percentage scores of 10.5%. This implies that asset tracking has helped the local government to have proper utilization of government property

Table 5 Regression Analysis for Program Budgeting System and budget performance (Level of significance =0.05) Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.105	.288		10.794	.000
Cash management	.231	.079	.132	2.922	.000
Debt management	.136	.066	.139	2.070	.000
Fixed assets management	.216	.074	.195	.083	.000

Dependent Variable: Budget performance

Table 5 illustrates that there is a statistically significant relationship between cash management and budget performance in Lwengo District Local Government ($b = .231$; $p = .000$). The relationship between cash management and budget performance in Lwengo District Local Government was significant because the $p < 0.05$ which is the level of significance hence hypothesis one (H_1) was accepted and the Null Hypothesis was rejected. This means that cash management accounts for 23.1% of changes in budget performance in Lwengo District Local Government. Thus, an increase in cash management leads to an increase in budget performance in Lwengo District Local Government. Table 4.11 demonstrates that there is a statistically significant relationship between debt management and budget performance in Lwengo District Local Government ($b = .136$; $p = .000$). The relationship between debt management and budget performance in Lwengo District Local Government was significant because the $p < 0.05$ which is the level of significance hence hypothesis two (H_2) was accepted and the Null Hypothesis was rejected. This means that debt management accounts for 13.6% of changes in budget performance in Lwengo District Local Government. Thus, an increase in debt management leads to an increase in budget performance in Lwengo District Local Government. Table 1 suggested that there is a statistically significant relationship between fixed assets management and budget performance in Lwengo District Local Government ($b = .216$; $p = .000$). The relationship between fixed assets management and budget performance in Lwengo District Local Government was significant because the $p < 0.05$ which is the level of significance hence hypothesis three (H_3) was accepted and the Null Hypothesis was rejected. This means that fixed assets management accounts for 21.6% changes in budget performance in Lwengo District Local

Government. Thus, an increase in fixed assets management leads to an increase in budget performance in Lwengo District Local Government.

Discussion of Results

The findings from various studies underscore the multifaceted nature of PBS and its impact on budget performance in local governments of Uganda. The integration of performance-based budgeting practices is crucial for fostering a culture of accountability and transparency. However, the effectiveness of PBS is contingent upon several factors, including the organizational readiness of local governments, the technological capabilities available for budget management, and the external environment in which these governments operate (-, 2023; Abdulwaheed & Khalil, 2012). The literature also points to the importance of participatory budgeting as a mechanism for enhancing citizen engagement and ensuring that budget allocations reflect the needs of the community. The low level of participation from CSOs and citizens in the budgeting process has been identified as a significant barrier to achieving budget effectiveness (Mukokoma, 2011; "Budget implementations in local governments in Uganda; reflections from Kiruhura and Mbarara", 2023). Furthermore, the findings suggest that the bureaucratic nature of local government systems often stifles innovation and responsiveness, leading to inefficiencies in budget execution (Kasumba, 2013;

The Programme-Based Budgeting System (PBS) in local governments of Uganda has been implemented as a strategy to enhance budget performance and accountability. The literature indicates that PBS aims to link

budget allocations to specific outcomes, thereby improving the efficiency and effectiveness of public service delivery. However, the findings reveal several challenges that hinder the successful implementation of PBS, including inadequate financial controls, limited capacity for participatory budgeting, and a disconnect between budgetary allocations and community needs (Yusuf, 2020; Mukokoma, 2011; Onyango-Delewa, 2016).

Moreover, the influence of external factors, such as central government policies and donor conditions, complicates the budgeting landscape, often leading to a misalignment between local priorities and actual budget allocations (Onyango-Delewa, 2016). The role of civil society organizations (CSOs) in advocating for participatory budgeting practices is also highlighted, as their involvement can enhance accountability and responsiveness to community needs (Mukokoma, 2011; "Budget implementations in local governments in Uganda; reflections from Kiruhura and Mbarara", 2023). Despite these challenges, the literature suggests that when effectively implemented, PBS can lead to improved budget performance and greater accountability in local governance (Yusuf, 2020; "Role of Local Policies in Facilitating Adaptation of Smallholder Farming to Climate Change in Uganda", 2019).

Conclusion

While the Programme-Based Budgeting System holds promise for improving budget performance in local governments of Uganda, its successful implementation is hindered by various challenges. These include inadequate financial controls, limited capacity for

participatory budgeting, and external pressures from central government policies and donor conditions. The literature emphasizes the need for local governments to enhance their organizational capacity, embrace participatory budgeting practices, and leverage technology to improve budget management and accountability.

Recommendations

- 1) Local governments should invest in capacity-building initiatives for staff involved in budget preparation and execution. This includes training on performance-based budgeting practices and the use of technology for budget management
- 2) There is a need to strengthen the involvement of civil society organizations and local communities in the budgeting process. This can be achieved through public forums, budget dialogues, and other participatory mechanisms that encourage citizen engagement
- 3) Local governments should establish robust financial control systems to ensure that budget allocations are effectively utilized and monitored. This includes regular audits and performance evaluations to assess the impact of budget expenditures on service delivery
- 4) Efforts should be made to align local government budgeting practices with central government policies and donor requirements. This can help mitigate the disconnect between local priorities and budget allocations, ensuring that resources are directed towards community needs

- 5) Local governments should adopt modern budgeting technologies that facilitate data analysis, performance measurement, and transparency in budget processes. This can enhance the efficiency and effectiveness of PBS implementation

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