



Sunday October 27, 2024

H.E THE PRESIDENT'S ADDITIONAL STATEMENT ON RATIONALIZATION OF GOVERNMENT AGENCIES AND AUTHORITIES

Fellow Ugandans, especially the Bazzukulu. Greetings, again.

Further to my piece of yesterday regarding the rationalization of the parasitic Agencies and Authorities, I would like to add the following five points:

Point number one, is that rationalization, indeed, means rationalization, which means removing the irrationalities in the production process- things that are not reasonable must be done away with. This is what happened in other parts of the World when People were waking up to, for instance, the irrationalities of feudalism and beginning to understand the power inherent in private-sector led growth, articulated clearly by, for instance, Adam Smith in his very useful Book entitled: "The source of the Wealth of Nations" of 1776.

The power of private-sector led growth had been detected earlier as far back as the time of Jesus when in the Gospel of John,

chapter 10, verse 11 and 12, he talks of Omuriisa w'empeera (the hired hand), who runs away when the wolf attacks the sheep, unlike the owner who will defend the sheep even at the cost of his own life.

The Banyankore, long ago distilled a number of proverbs. One says that obweengye kububurira nyina ente, omufumu aragurira busha- when the owner of the cow does not know what to do, the vet wastes his time trying to heal the cow. The other Banyankore proverb is so crude that I will have to get the permission of the Inter-Religious Council to bring it out. However, the essence is that the task of looking after cattle is so delicate and tiresome that it is only the owner of the cattle who can manage to look after them well.

Therefore, when societies were emerging from feudalism, mainly in Europe, People started owning individual wealth in the form of farms and later on factories, hotels, transport companies, etc. When the businesses were still small, the owner, the proprietor, would also be the manager. Therefore, the role of the owner would be fused with the role of the manager.

In the 1960s, Mzee Kaguta was the owner and manager of Rwakyitura and I was his small assistant both as co-owner and Deputy Manager until I went to fight in 1971. Rwakyitura and our other family properties, have expanded and we have now had to separate ownership from Management because it is no longer possible for us the owners to directly manage the properties.

When some of the children are available, one of them can be a Managing- Director. In other words, that family member will be 3 things in one: co-owner, Director and Manager. The rest of us are only 2 things: co-owners and Directors, but not Managers.

Muhoozi was a Managing- Director until he left to go to Sandhurst, Charlotte was Managing- Director for some time and now Kinini Kyaremeera Museveni is the Managing- Director. Kinini is assisted by separate managers for each farm- Kisozi, Rwakyitura, Irenga, etc. When the businesses grow and diversify, we the Katwekambwa owners, will have to rationally give up the role of Directors and Managers and remain only as owners.

The owners will have to appoint a Board of Directors on the basis of their expertise and professionalism for the businesses to survive and grow. Otherwise, they will fail. The Board of Directors will be the one to appoint Managers and we the owners will have to assess the effectiveness of the tiers below us according to performance. Are they making profits or not and how much profit? This is the anatomy of modern economies and businesses. Even Socialist economies where the owner is the State, they operate through Boards of Directors, Management and the workers.

What does all this mean? It means that the idea of Board of Directors is normally for money making efforts – i.e. businesses- whether government or private. To have a Board of Directors for only a money consuming unit like UNRA, on a continuous basis, is a crime.

UNRA was totally dependent on government budget. Their job was to award contracts for road construction using money given to them by the budget with a Board that had to be paid. Yet, in the Ministry of Works, there is a procurement unit for this and that, manned by civil servants. The Board here and the Authority are parasites, they are irrational and have no value addition. In fact, the nonsense about UNRA caused a regression in the capacity of the Country.

In the 1950s and 1960s, from distant Ntungamo, I used to see the Ministry of Works doing some constructions. I think they are the ones who built Ntare School, etc. They had a construction unit. What happened to that unit under UNRA? The Engineering Brigades of UPDF and SFC are doing wonderful jobs as units of the Mother Ministry- Defence. Why UNRA that concentrates on awarding contracts using government budget but with the additional costs of Board, etc.?

After a study led by Gen. Saleh in 2017 but involving many economists, it became clear that the temporary tactic of having off – structure agencies that were not money making but money consuming, was costing the country a whole Ug. Shs 2.2 trillion per year. When we reconstructed the Masaka- Kampala Road some time ago, we used Ug. shs. 440bn. Hence, the Agencies were consuming 5 roads per year and 25 Roads in ekisanja (a term - enchuro) of 5 years.

We, therefore, decided to rationalize all those non-money-making Agencies. To be kept are the money-making Government companies- such as Uganda National Electricity Company Limited,

National Housing Corporation, NEC, UDC, etc. These are money making by doing business on behalf of the distant owners- the People of Uganda through their Government.

There is, therefore, a case for delegation of oversight by a Board and Management by the Managers because the business owners (the People and the Government), are too far away and too scattered for the two functions. Therefore, the only reason I temporarily tolerated this irrationality, was because of the low salaries of the Public Servants and the mercenary argument that you cannot work to save your struggling Country unless you are paid.

There are fools like us who work for years without pay or for low pay. God, however, rewards even the fools. It is, therefore, interesting to find that the defenders of the parasitic Agencies, were not defending me when I was struggling for the improved salaries of the Government Scientists. That is where the future of coffee and all other agricultural products, is.

Point two, in my piece of yesterday, I did not add the seeds multiplier in my list of the crucial actors. After the Government Scientists develop the seeds in the Research Institutions, we need seed multipliers who can be private People; Government stock farms like Kige, Kasolwe, Mbarara stock farm, etc.; churches and other Faiths; State House Farms like Kisozi; etc.

The seedlings Nalwanga, Kakwenzire, Balemezi, were distributing in the Kisozi area, were being multiplied there. I have already directed the State House Comptroller to also develop seed beds at

all State House Farms: Kawumu, Ngoma, Kityerera, Barlegi, Arua, etc.

Point number three, is that in this chain, NAADS and UCDA were supposed to be multipliers and distributors of these seedlings. It seems, they were doing a bit of it but they may be guilty of begabira bokka (they only give to themselves). If that was not the case, why was 68% of the homesteads still outside the money economy by 2013 when I had to resort to OWC and why has OWC, in spite of its own problems, had more impact?

The Problem could be the usual one the NRM has always had with the parasitic elite groups versus its mass-line. We always insist on bonna-duc (all). Hence, Bonna bagemebwe (immunization for all); bonna bagaggawale (prosperity for all); etc., etc.

This is the problem I faced with the Banyankore elite in the 1960s who were saying: “Abanyankore tibarikubasika” – “The Banyankore can’t be changed.” I asked some of them: “Mbwenushi tubagyire tuta (what do we do with them now)?” The answer was: “Obarugyeho okore ebyaawe – leave them and mind only your business.” In otherwords, abandon Prosperity for all and go for Prosperity for some.

This seems to be the problem with the parasite groups - UNRA, UCDA, NAADS, DDA. They have no right to interfere with our mission. They were given a role irrationally. They betrayed it. Get out. These protracted and dishonest arguments, are disgusting.

Point number 4 is that, apparently, UCDA is irrationally hijacking the Government role of taxing by collecting what they call cess. At

the very beginning of our administration, we abolished the coffee export tax. Why? It is because it does not make sense to tax your exports. By 1985, the Government budget was 26% from the coffee tax. We abolished it. Now the UCDA and its backers, have brought it back. This could be the source of the venom.

We are removing irrationally got Government taxes from them. They have invited us to study this money more. Obviously, they are working with and for coffee exporters who do not want to hear about the NRM muziro (taboo) of continuing to export unprocessed raw- materials.

The coffee exporters who give us USD 2.5 per kg for very good screen 18 coffee but end up getting USD 20- 40, do not mind kubegerako (give a portion) their local agents, UCDA, in the form of cess because they get much more from keeping Uganda as a raw- materials producer. A tax on raw-materials to our factories, would not be correct. The cess is part of the whole distortion.

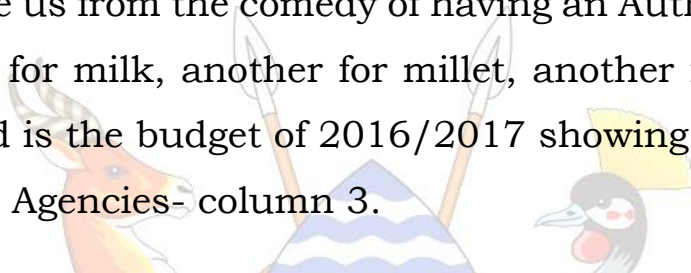
Point number five, we definitely need and shall always have a regulator. Who is the authorized regulator- i.e. quality and safety controller- in a Country? It is that department or agency or even individual laboratory, that is authorized by the Government. The international partners rightly insist on standards. However, the international partners, cannot impose who should regulate.

Rationally, we need two types of regulators- quality and safety. There is UNBS for Industrial products. With the crops, we shall, for now, have departmental units dealing with the matter. If there

are good scientists in UCDA, they will be absorbed into the Mother Ministry and do the same work.

What will we be saving? Bye bye parasite Board, General Manager, personal secretary and all that crowd. After careful study, we may adopt one Agency for safety and quality for all ingestibles – food and drugs or separate ones for food and drugs.

This will save us from the comedy of having an Authority for coffee, another one for milk, another for millet, another for malakwang, etc. Attached is the budget of 2016/2017 showing how much was spent on the Agencies- column 3.



without establishing effective control and monitoring systems as well as enforcement of appropriate sanctions is unlikely to have an impact.”¹¹ Therefore, the on-going outcry by civil servants and recommendations by the Ministry of Public Service to review public service salaries will not yield the intended results if it is not preceded by reform of government to provide effective control and monitoring of public service.

Table 2: Public Resource Spending on Selected items by MDAs (Billion UGX) in FY 2016/17

Selected Items	Total Budget	Ministries	Agencies	Parastatals
1. Salaries	1,989.560	755.002	955.190	196.039
2. Medical & Agricultural Supplies	763.709	659.071	103.804	6.191
3. Allowances	758.360	329.593	360.889	24.295
4. Agricultural supplies	413.888	121.988	290.912	0
5. Consultancy	380.729	297.360	75.236	20.050
6. Travel	352.742	210.627	96.067	16.491
7. Training	196.521	141.595	42.317	9.596
8. Welfare & Entertainment	190.578	80.239	96.82	5.234
9. Fuel and Lubricants	150.962	73.639	63.596	26.176
10. Workshops and seminars	104.316	63.169	36.696	7.776
11. Maintenance-Vehicles	99.211	61.292	28.63	5.104
12. Machinery/equipment/furniture	69.562	29.123	35.008	9.875
13. Advertising and Public Relations	45.939	16.665	19.008	N/A
14. Maintenance-Civil	30.403	9.989	16.85	7.295
15. Maintenance Other	16.862	9.589	6.492	11.598

Source: Extracted from the Approved Budget FY 2016/17

God bless all of us.

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PRESIDENT OF UGANDA

ENDS

