



Ministry of Local Government

DECENTRALIZATION AND LOCAL DEVELOPMENT IN UGANDA



July, 2014

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LOCAL DEVELOPMENT
IN UGANDA**

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H.E. President Yoweri Museveni (1986 to date)

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LIST OF ACRONYMS

ADB	African Development Bank
CAIIP	Community Agriculture Infrastructure and Institutional Project
CAO	Chief Administrative Officer
CO	Commercial Officer
CRM	Common Results Matrix
CSO	Civil Society Organisation
DMTWG	Decentralization Management Technical Working Group
DPSF	Decentralization Policy Strategic Framework
FDS	Fiscal Decentralization Strategy
GoU	Government of Uganda
ICT	Information and Communication Technology
IDB	Islamic Development Bank
IDA	International Development Association
IEC	Information, Education and Communication
IPFs	Indicative Planning Figures
IT	Information Technology
JARD	Joint Annual Review of Decentralization
KAD	Karamoja Action for Development
KCCA	Kampala Capital City Authority
LEBA	Local Economic and Business Assessment
LED	Local Economic Development
LGA	Local Governments Act
LGBC	Local Government Budget Committee
LGFC	Local Government Finance Commission
LGMSD	Local Government Management and Service Delivery
LGROC	Local Government Release Operations Committee
LOCAL GOVERNMENTSIP	Local Government Sector Investment Plan
LOCAL GOVERNMENTSSP	Local Government Sector Strategic Plan
M&E	Monitoring and Evaluation
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
MDAs	Ministries, Departments and Agencies
MDGs	Millennium Development Goals
MIS	Management Information System
MoES	Ministry of Education and Sports
MoFPED	Ministry of Finance, Planning and Economic Development

MoGLSD	Ministry of Gender, Labour and Social Development
MoIA	Ministry of Internal Affairs
MoJCA	Ministry of Justice and Constitutional Affairs
MoLG	Ministry of Local Government
MLHUD	Ministry of Lands Housing and Urban Development
MoPS	Ministry of Public Service
MoTIC	Ministry of Trade, Industry and Cooperatives
MoWC	Ministry of Works and Communication
MoWE	Ministry of Water and Environment
MoWT	Ministry of Works and Transport
MTEF	Medium-Term Expenditure Framework
MTR	Mid-Term Review
NDP	National Development Plan
NGO	Non-Government Organisation
NLGCBP	National Local Government Capacity Building Plan
NPA	National Planning Authority
NPPB	National Physical Planning Board
NPT	National Propagation Team
PEAP	Poverty Eradication Action Plan
PEMCOM	Public Expenditure Management Committee
PFM	Public Financial Management
PPDA	Public Procurement and Disposal Act
PPP	Public Private Partnership
PRDP	Poverty Reduction and Development Plan
PRS	Poverty Reduction Strategy
PSM-SIP	Public Sector Management Strategic Investment Plan
PSM-WG	Public Sector Management Working Group
RDC	Resident District commissioner
SACCOS	Savings and Credit Cooperative Society
SDGs	Sustainable Development Goals
TC	Town Clerk
ToR	Terms of Reference
UAAU	Urban Authorities Association of Uganda
UIA	Uganda Investment Authority
ULGA	Uganda Local Governments Association
UNBS	Uganda National Bureau of Standards
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
URSB	Uganda Registration Services Bureau
VAT	Value Added Tax

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FOREWORD



The Decentralization policy was introduced in the country more than 20 years ago with the main objective of empowering people, democratise state power and facilitate modernisation of our communities. This was after realising that the centralised approach to management of public affairs and development planning that was adopted in Uganda at the time of independence had not been effective in reducing poverty, improving people's welfare and delivering good governance.

Decentralization does not only empower people but is also meant to speed up development and improve the quality of their lives. Furthermore it enhances transparency and accountability in Local Governments to promote good governance and participatory democracy. The process of promoting Decentralization is continuous.

A wide range of powers, responsibilities and functions have been transferred to District Local Governments and Lower Local Councils. The responsibility of planning, management, legislation, local administration of justice, allocating resources and enhancing local economic development have been transferred to Local Governments. This is to enable the people to take decisions which affect their lives and the communities in which they live.

Decentralization continues to provide a framework for major Government programmes aimed at reducing poverty and empowering local communities. However, in the course of implementing Decentralization, we have realised that most Local Governments do not have adequate capacity to deliver designated services and functions effectively and efficiently. These capacity challenges include inadequate staffing levels, dwindling local revenues among others.

Despite the above management challenges, the Decentralization policy has registered a number of milestones that I am glad to reveal to you in this publication. It takes a combined effort to implement the Decentralization policy. Therefore, I cannot forget to recognise all the stakeholders in this continuous struggle most especially the Local Government Practitioners and our Development Partners.

I would like to reiterate that implementation of the Decentralization policy is a dynamic and an iterative process.

Adolf Mwesige (MP)
Minister of Local Government

July 2014

ACKNOWLEDGEMENT



Decentralization and Local Development in Uganda is the first publication of the Ministry of Local Government outlining the key milestones and achievements since 1992 when the Decentralization policy was launched. We, therefore, recognise the fundamental contributions of all stakeholders to the successful implementation of Decentralization in Uganda.

The Ministry of Local Government is grateful to DANIDA, World Bank, United Nations Development Programme (UNDP), UNCDF, DFID, African Development Bank (ADB), International Fund for Agriculture Development (IFAD), Irish Aid, European Union (EU), Belgium Survival Fund, USAID, Islamic Development Bank, Austrian Embassy, JICA, Royal Netherlands Embassy, SIDA, ICEIDA, CIDA, GiZ and other Development Partners and multilateral agencies who have continuously supported the implementation of Decentralization.

We appreciate the contributions made by Uganda Local Governments Association (ULGA), Urban Authorities Association of Uganda (UAAU) and the entire Local Government fraternity in the Decentralization process.

We would like to extend our sincere gratitude to the top and senior management of the Ministry who worked tirelessly to produce this maiden book. We appreciate the financial support from UNDP in the development of the book.

We are looking forward to deepening and strengthening Decentralization in Uganda through transformation of the Local Government system and structures so that the Local Governments become economic power houses in their localities.

Documentation and knowledge management are critical in public policy formulation and implementation, hence this publication.

Patrick K. Mutabwire
Ag. PERMANENT SECRETARY.

Chapter One

Introduction and evolution of the Local Government system in Uganda - *Tracing our roots*

“If you do not know where you are coming from, you cannot tell where you are going: You need to know your past in order to define your future.”

The Colonial Era

Uganda was a protectorate of the British Empire from 1894 to 1962. In 1893 the Imperial British East Africa Company transferred its administration rights of territory consisting mainly of Buganda Kingdom to the British Government.

In 1894 the Uganda Protectorate was established, and the territory was extended beyond the borders of Buganda to an area that roughly corresponds to that of present-day Uganda.

The 1919 Native Authority Ordinance gave the District Commissioners responsibility for a hierarchy of appointed chiefs at Village, Parish, Sub-county and County levels. Kingdoms had a hierarchy of chiefs, too.

In the 1930 Local Councils were created at each of the administrative levels. The Local Government Ordinance of 1949 established the District as a local government area and the basis for a separate district administration. Subsequently after 1949, Local Administration was shared between the Central Government and District officials. The District Administrations Ordinance 1955 was an attempt at greater democracy and effectiveness. The Local Administrations (Amendment) Ordinance of 1959 gave the Colonial Governor power to appoint district chairmen and members of the appointments boards. Local Councils were introduced and given some responsibility for district administration which included collecting revenue. However, the Central Government retained power to control most district council decisions. Chiefs were salaried Local Government officials who remained accountable to the Central Government through the District Commission for proper administration of their areas of jurisdiction. Uganda attained independence on 9th October 1962.

Evolution of the Local Government system

During the pre-independence and immediate post-independence (1955-1964), Government attempted to create a strong local administration in the context of a weak Centre. The country experienced Central Government domination from 1964 to 1985 at the expense of a severely weakened Local Administration followed by Local Government supremacy in 1987. The aforementioned created a benchmark for evaluating the adoption of Decentralization in Uganda.

At Independence and Beyond

In the post-independence era, the system of Local Governance alternated between centrally controlled Local Administrations and devolved powers to sub-national entities. The major focus of the Centre was how to promote local development against the diverse ethnic backgrounds.

Substantive movement towards devolution came with the enactment of the 1962 semi-federal Constitution. The move was intended to enhance self-governance; land administration; collection of taxes; management of local roads; rural water supplies; agricultural extension; and primary and junior secondary education. The Ministry of Regional Administration was created to superintend over this new sub-national governance arrangement.

The Constitution provided a separate arrangement for Buganda which allowed the kingdom exclusive powers over customary



and traditional matters and a wide range of public services. The kingdoms of Bunyoro, Ankole, Toro and the territory of Busoga had quasi-federal status while the rest of the country was demarcated into districts whose functions were centrally determined. As such, Uganda consisted of 10 districts, four kingdoms and one special district of Karamoja.

Re-centralisation of Local Administration 1964-1985

The 1964 Urban Authorities Act and the 1967 Local Administrations Act created a uniform set of regulations that gave the Central Government control over local administration in each district. The 1967 Constitution abolished kingdoms and made them districts as well. Additionally, extensive powers for the Minister responsible for Local Governments were provided for in the Constitution. The powers allowed the Minister to, among others, determine the number of Local Councils, approve Council elections and bye-laws. The Constitution also allowed the Minister to take over a district(s) he/she deemed weak and unable to function.

Continuing re-centralisation of Local Administration

In 1971 the military took over power and between 1971 and 1979 Uganda was divided into 10 provinces directly ruled by the military governors. In 1974 the country was further divided into

38 districts and grouped into 10 provinces. The province was an additional tier to the existing Local Government. The provincial tier was abolished in 1979. In the same year, the districts were reduced to 33 and each district was named according to its headquarters to minimise the effects of ethnicity.

Adoption of Decentralization System (Strengthening the Local Government System 1987-1995)

In 1987, the National Resistance Council (NRC) enacted the Resistance Councils and Committees Statute, which gave them political, administrative, financial, planning and judicial powers. The Resistance Councils took charge of management, development and welfare of the people in their localities.

The NRM Government set up a Commission of Inquiry into Local Governments to review the Local Government System and Structures in Uganda in 1987. The Commission recommended, among others, to raise the profile of the Local Councils and grant them sufficient authority and autonomy. On 2nd October 1992, H.E The President Yoweri Kaguta Museveni launched the Local Government Decentralization Programme. Subsequently, the Local Governments (Resistance Councils) Statute 1993 which emphasised greater Local Government autonomy and authority including principles of non-subordination was enacted.

ADDRESS BY H.E. YOWERI KAGUTA MUSEVENI, PRESIDENT OF THE REPUBLIC OF UGANDA ON THE LAUNCH OF THE EAST AFRICAN LOCAL GOVERNMENT FORUM AT UGANDA INTERNATIONAL FORUM



H.E. President Yoweri Museveni (1986 to date)

**Your Excellencies,
Ladies and Gentlemen,**

I would like to address you on an important initiative affecting the local governance of our country – the decision made by Government to strengthen democratic Decentralization in Uganda. Let me begin with a brief reference to the post-independence history of Local Government in Uganda in order to place in the right context the new initiatives I will be announcing shortly.

You will recall that in 1967, the Republican Constitution replaced the 1962 Independence Constitution that had devolved significant powers to Local Authorities and had granted them sufficient revenues to enable them deliver services efficiently. The 1967 Constitution and the Local Administrations Act centralised powers and severely constrained Local Authorities. Between 1967 and 1970 local governance deteriorated rapidly as Local Administration political offices became appointive. Without direct accountability to the electorate for the efficient and effective provision of services. With the loss of legitimacy by the local political leadership, enforcement of bye-laws became ineffective and self-help and community development projects ground to halt leading to the decay of socio-economic infrastructures.

Then came Amin who dissolved District and Municipal Councils in 1971. The Obote II era did not make any effort to revive democratic local governance. Instead, the regime set out to monopolise the control and distribution of resources at the local and national levels partly to acquire a decisive capacity to starve opponents into submission and partly to reward proven party functionaries and supporters.

When the NRM Government assumed office in 1986, we initiated a process of power Decentralization in local governance by promoting and sustaining popular democratic participation through a system of elected Local Councils. Government set a Commission of Inquiry into the Local Government System. The Commission's recommendations provided useful inputs in the design of the new system of local governance. The NRC also enacted the Resistance Councils and Committee Statute in 1987 which, among other things:

- 1. Created Resistance Councils and Committees right from the village to the District, and granted these Councils wide ranging powers;*
- 2. Created District Development Committees;*
- 3. Empowered local people, by giving RCs a watching function over civil servants working in their areas;*

4. Fostered political accountability by holding the RCs fully accountable to the electorates and by investing them with powers to recall their representatives;
5. Fostered administrative accountability by requiring district officials to be answerable to Councils.

The Ministry of Local Government serves as the key intermediary between Local Authorities and Central Government. In the early 1960's the Ministry's role had been to represent and protect local interests at the centre. The Local Authorities were then fairly autonomous and sometimes recalcitrant.

The 1967 Local Administrations Act changed the role of the Ministry to an agency for the enforcement of Central Government control, at the local level. The Act gave the Minister of Local Government close control over spending and sweeping powers to intervene if political or administrative problems arose. The RC Statute trimmed some of the powers of the Minister, the general political philosophy underlying the RC Statute has served to restrain Ministers and senior officials of the Ministry from exploiting any dictatorial provisions of the 1967 Act that were saved when the RC Statute became law.

Our actions were based on our conviction that Decentralization comprehensively facilitates the realisation of our development and political objectives. First, Decentralization will give power to the people to move steadily on the path of democratisation. Second, Decentralization will meet our goal to attain an equitable distribution of resources between and within districts, thereby spreading the benefits of economic growth and development to districts or groups traditionally disadvantaged. Third, we have committed ourselves to improving public sector performance and to eventually reduce public sector spending. This will be achieved by eliminating expenses caused by excessive centralisation of decision making in Kampala, by increasing the generation of Local Authorities' revenue through improved local tax collection and by making political leaders and employees of local authorities more responsible in the expenditure of public resources. In this way, Decentralization will facilitate local democratic participation and our national efforts at macro-economic reform and efficiency. I would also like to emphasize that Decentralization will help in increasing non-tax revenues to Local Authorities. Our people will voluntarily raise money, materials and labour in support of their socio-economic development once they are confident that they will be put to proper use and that the benefits will accrue to their area. Transparency and accountability in the management of local affairs should augment such non-tax resources available for development.

Although this occasion is meant to launch a new drive in our Decentralization efforts, allow me to use this opportunity to look back to what we have done critically. Since the introduction of the RC system, a lot has been achieved in transferring power to the local level and to promote efficiency and economic development through local structures. However, we feel that the system still has a number of weaknesses, which might, if unattended to, cripple all our efforts. These weaknesses relate to:

1. The delay in establishing an effective personnel system that provides Local Government with power to appoint, deploy, control and discipline officials;
2. The lack of clear lines of authority with respect to services provided by the Central Government line Ministries;
3. The failure to create a dynamic financial relationship between the Central Government and Local Governments; and

4. The existence of a dual system and administration by the Local Authorities and the Central Government which has tended to preserve the sectoral approach to development and promote the duplication of effort, operational inefficiencies, the wastage of resources and a strong sense of departmentalism.

Let us address the duality problem first. The system must be changed. It is costly in terms of resource utilisation, and unrealistic. Central Government Ministries have, for a long time, had tenuous links with their district offices. Communication, logistics and supervision have been so poor that for over twenty years now, there has been a **de facto** Decentralization whose net effect has been disastrous because district staff could neither be disciplined nor adequately supervised by parent Ministries or Local Councils.

This system allowed the district officers undue freedom to do what they pleased at the expense of local development while the Local Councils and their chief executives looked on helplessly. This is totally unacceptable when you consider the numbers of civil servants involved and the catalytic role they are meant to play in rural development. In May 1991, the employees of Local Authorities working on transferred services excluding teachers was 27,614 persons. The number of Central Government employees working at district level on all non-transferred services was 142,815 persons.

The dependence of District Councils on Central Government employees to develop their districts is evident. It is, therefore, not fair for District Councils to be so dependent on a workforce over which they have no control. At the district level, the division between Urban Authorities and District Administration has made it difficult for a district to coordinate and integrate its planning effort and to achieve a unity of purpose. Urban Authorities have been operating as independent units within the districts and this has increased the cost of administration.

The RC Statute establishes the District Development Committees as a Committee of the District Resistance Council. The DRC, therefore, has responsibility for the planning function over matters affecting different sectors in the district. Despite this, Local Authorities are frequently asked to give rubber stamp approval to decisions already made at Ministry Headquarters.

At the political level, there has been a missing link. The Chairman of the District Resistance Council had not been assigned leadership function commensurate with his status as the highest elected official in the district. They have operated under the shadow of the District Administrators.

To overcome the problems relating to the administrative machinery, government has decided to take the following measures:

1. The Chairman of the DRC will assume the political leadership of the district;
2. The District Administration will remain as a representative of the President in the District and also have functions of an Inspector;
3. All Ministers with field officers will be Departments operating at district level become constituent units of the DRC and will operate under the control and supervision of the DES;
4. Urban Authorities will be subordinated to the DRC;
5. A strong District Service Committee will be set up

with powers to discipline all employees employees of District Administrations, Urban Authorities or Central Government. The new District Service Committee will replace the Urban and District Service Committees and will have District-wide mandate;

6. The DES will have full supervisory powers over all employees as a district and will serve as its Chief Executive. The Ministry Headquarters will cease to have direct control over the personnel management functions, of their seconded officers. The DES will have responsibility for their performance and shall provide managerial direction and leadership; and
7. As part of our efforts to rationalise the Local Government bureaucracy, the sub-parish level of administration will be abolished. At the county level, the level of the county administration will retained but the post of County Chief will be abolished. Assistant District Executive Secretaries will be posted to counties to take charge of County administration.

Let us turn to the finances for Local Government. The performance of Local Governments depend on the availability of adequate and reliable funding. Before 1967, most of the Local Authorities were viable and self-sufficient. Those which were not viable, qualified for and did not receive block grants which were in effect equalisation grants. During that period, rural and urban services were well maintained and major expansions of primary health care and education took place.

Today, Local Authorities are not viable because of the following:

1. The removal by the Local Administrations Act of 1967 of several sources of revenue from Local Authorities to the Central Government;
2. The severe erosion of local revenues both by inflation and maladministration;
3. The decline in regular grants-in-aid. Since these were equalisation grants, their decline has sharpened regional disparity; and
4. The incapacitation of the Local Authorities Loan Fund. It provided soft loans from a revolving fund which also included provision for capital development based on national plan targets for the expansion of primary education, primary health care, etc. It also operated a renewals fund for the replacement of ambulance and road maintenance equipment.

With regard to funding of district-based Government Departments, there is a basic problem: there is no financial tracking system yet the sources of finance flowing to the districts are diverse. But because there is no tracking system and no integrated budget system the flow and utilisation of resources at district level is difficult to monitor and administer. We have resolved to solve these problems in the following manner:

1. Government has agreed to restore the sources of revenue which had been removed from the Local Authorities by the Local Administration Act of 1967;
2. Government has agreed, in principle, to share a percentage of national revenues with Local Authorities. A revenue-sharing formula will be established before

the next financial year starts. The Minister of Finance will take account of this decision as he prepares his 1993/94 Budget;

3. Equalising grants will also be paid to finance deficient districts;
4. 30% of revenues collected from the local taxes, fees and licenses will be retained at sub-county level from where it originated. This is likely to create discipline in revenue collection; and
5. Starting with twelve districts in 1993/94 Financial Year, district votes will be created in the National Budget so that all recurrent expenditure for all field-based Ministries will be sent to the district directly. The DES will become the District Accounting Officer while the District Resistance Council will become the main budgetary unit of the district. During this period, District and Urban Councils' budgets will remain responsible for the existing District Administration services, but enhanced by the added revenues transferred to the Districts. It is planned that in three years' time all the District Resistance Councils' budgets, votes and accounts will be merged. National budget appropriations to district votes will then be converted into grants-in-aid and/or formula shares of national taxes.

These measures can only be realised if the District and Urban Resistance Councils improve their methods of local tax assessment and revenue collection. The return from existing local taxes should be improved. Councils should, therefore, be at the forefront of the war against tax evasion and tax avoidance. Efforts at revenue generation must be intensified; the political and administrative leadership of Local Authorities must, beginning with this Financial Year (1992-93), reduce overhead costs, especially administrative costs so that revenue generated is not mainly spent on transport, sitting and subsistence allowances for Councillors but on tangible services to the public.

Reduction of overhead costs should also address the question of over-employment in Local Authorities. Reports at my disposal indicate bloated establishments in the lower ranks in virtually all Local Authorities with employees who are unqualified and misplaced. I charge the District and Urban Councils to rationalise their establishments.

The Central Government has already embarked on this exercise. Redundant staff whether in the Ministries Headquarters or District offices, will be retrenched to foster a small, efficient and an achievement oriented service.

One other important aspect of financial management must be emphasized. There have been numerous reports about failure by councillors and civil servants to account for public funds. It will be extremely important for the local leadership to ensure that financial and accounting regulations are followed. However, Central Government is determined to create institutions that will induce and enhance accountability at the local level. The Department of Internal Audit in Local Authorities will become statutory. The Auditor General will also set up District offices. His Auditors will serve as external auditors to Local Authorities. The DRCs and Urban Councils will set up District Public Accounts Committees to probe queries raised by the Auditor General in respect of funds generated locally. Queries in respect funds drawn from Consolidated Fund will be probed by the Public Accounts Committee. Provisions of the leadership code will be invoked without hesitation to punish any civil leader or top local government public officials caught abusing their offices. The new Local Government Law will also reinforce the codes.

The relations between the Centre and Local Authorities will change substantially. All functions hitherto centralised in Government Ministries, save for security matters, national planning, defence, immigration and foreign affairs will be devolved, in phases, to local units of administration added in the RC. When this happens, all government programmes will be implemented through the DES as the administrative head of the Council.

This measure will no doubt reduce on the long delays in decision making caused by the constant reference of all issues of significance to Kampala. It will also reduce the huge expenditure currently made on transport and subsistence allowances for officers travelling regularly to Kampala to seek guidance from headquarters. This move will also lead to a considerable reduction in Ministry headquarters staff to small core of policy makers, planners and inspectors.

An important feature of the Centre-Local relations is the role of the Inspectorate of the Ministry of Local Government. The inspectors monitor revenue collection and expenditure, and the general performance of the administrative function in districts and urban authorities. The inspectors have, however, had difficulties of bringing line Ministry personnel to book because of the current reporting and authority relationship between field departments and their headquarters.

To improve Centre-Local relations, we propose the following:

1. A new Local Government Statute will spell out the powers of the Minister of Local Government and the circumstances under which these powers may be invoked. The thrust of legislation will be cut back the "Dictatorial and Centralist" power which the Local Administrations Act of 1967 had conferred on the Minister. For example, the Minister of Local Government will no longer approve the District/Urban Authority's Budget. This will be the responsibility of the DRCs; and
2. The Ministry of Local Government and Line Ministries will issue regulations and set up an interdisciplinary inspectorate which will carry out regular inspection of services to ensure that set technical and professional standards are complied with. Regular financial and performance audits will also become mandatory to ensure efficient and effective performance.

As we decentralise, we must urge District and Urban Councils to give a new impetus to training and development of their personnel. Hitherto, training has not been given priority in Local Authorities. The tendency, until very recently, was for the mediocre and even outright failures to take up employment with Local Authorities. These people tended to be ill-disposed to training. A handful of them who showed interest could not be admitted to institutions for formal training because they often lacked minimum entry qualifications and were, therefore, considered untrainable. Such

officers once they got to the top did not value the training of people under them.

We have realised the need to direct our attention to training and staff development for Local Government officers as a necessary condition for the successful implementation of Decentralization. We have also taken action to raise the status of training in Local Authorities by instituting the following measures:

1. Local Authorities can no longer recruit substandard personnel. The powers previously given to them to recruit officers on temporary terms were withdrawn as they gravely abused. District and Urban Service Committees were appointed and have been very active in the recruitment, confirmation and promotion of officers in salary scales which fall in their jurisdiction. These functions will now be performed even better with the creation of new District Service Committees with a wider mandate and higher profile;
2. Government initiated a project the First Urban Project, which, will, among other things, provide funding for the opening of the Local Government Resource Centre. The centre will concentrate on short capacity building courses and the training of trainers. Plans are also under way to restore the correspondence courses; and
3. District Resistance Councils have been urged to make budgetary provisions for training annually and to create incentives for training. You will appreciate that it is not possible for one Ministry to carry out the Decentralization exercise singlehanded. Many local and national agencies will have to play their part. A Decentralization Secretariat, a full-time body of experts, will be established under the Ministry of Local Government and Prime Minister's Office to coordinate policy implementation and to monitor the progress and impact of the Decentralization programme.

The Decentralization exercise cannot be accomplished at once. Implementation will be a process, to take account of our limited personnel and financial capacities. I, however, expect to see a swift implementation of all scheduled activities. I will not allow parochial departmental and Ministry interests to frustrate our efforts to decentralise the Local Government System. The evolution of democratic Local Governance and the promotion of sustainable cost-effective development at the local level firmly rest on this programme. There is a lot at stake. I, therefore, urge all government officials and the local political leadership to rise to this call and the challenge head-on.

Finally, I wish to thank the Government of Denmark, the World Bank and the Municipal Development Programme for the financial support they have so far given to the Ministry of Local Government in preparing for the implementation of the programme. I hope your support will still be forthcoming during the implementation process. It is with great pleasure that I now launch the Decentralization Programme.

The decentralization and devolution were formally adopted following the promulgation of the 1995 Constitution. Schedule 2 of the Constitution provided for the first time, a clear distinction between Central and Local Governments' roles. The mandates of Central Government were to set policy standards, supervise, inspect, coordinate, and monitor the Local Governments. On the hand, Local Governments were required to provide a broad range of services as outlined in the Schedule 2.

Decentralization transferred real power to districts and thus reduced the load of work on remote and under resourced central officials. In addition, Decentralization brought political and administrative control over services to the point where they are actually delivered, thereby improving accountability and effectiveness, promoting peoples feeling of ownership of programmes and projects executed in their districts. The approach freed local managers from central constraints and, as a long-term goal, allowed them develop organisational

structures tailored to local circumstances. This improved financial accountability and responsibility by establishing a clear link between the payment of taxes and the provision of services they financed, improved the capacities of the councils to plan, finance and manage the delivery of services to their constituencies as well as promoting Local Economic Development in the communities.

Powers decentralised to Local Governments

Objectives

The objectives of the Decentralization policy in Uganda are to:

- i) Transfer real power to districts and thus reduce the load of work on remote and under-resourced central officials.
- ii) Bring political and administrative control over services to a point where they are actually delivered, thereby improving accountability and effectiveness, promoting people's feeling of ownership of programmes and projects executed in their districts.
- iii) Free local managers from central constraints and, as a long-term goal, allow them develop organisational structures tailored to local circumstances.
- iv) Improve financial accountability and responsibility by establishing a clear link between the payment of taxes and the provision of services they finance.
- v) Improve the capacities of the councils to plan, finance and manage the delivery of services of their finance and manage the delivery of services of their constituencies.
- vi) Enhance local economic development in order to increase local incomes

Political powers

The Decentralization policy provided for democratically elected local councils at all levels in the country. Local councils were established right from the village to the district through elections by universal adult suffrage. Since the promulgation of the 1995 Constitution, local council elections were held every four years and on time; in 1998, 2002 and 2006 and 2011 and shall continue to be conducted. A Constitutional amendment changed the term of office for councils from 4 to 5 years since 2006. The councils are inclusive and have promoted popular participation. The marginalised and vulnerable categories of the society including women, youth,

people with disabilities and the elderly who constitute a big proportion of the population are also represented and allowed to participate in the decision-making process in areas where they live. A Local Council is the highest political authority within its area of jurisdiction and has legislative and executive powers. The Councils regularly meet as required to make key decisions on matters that affect their lives.

Financial powers

The Constitution and the Local Governments Act allowed Local Governments to collect revenue from a number of specified sources, formulate plans and budgets, allocate expenditure, and make investments in a wide range of services. Local Governments finance their recurrent budgets from local revenue and transfers in form of unconditional grants. Due to the small revenue base, Local Governments are unable to balance their budgets and realise a surplus to fund development activities. The development budgets of Local Governments are invariably funded with conditional and equalisation grants, a large proportion of which comes from external donors.

Administrative powers

As mentioned earlier, the 1967 Constitution re-centralised all decision-making powers. During that time, most senior managers in Local Governments were appointed centrally by the Public Service Commission and seconded to district Local Governments. Similarly, confirmation, promotion and discipline of Local Governments' staff were largely centrally handled.

However, Legal Notice No. 1 of 1994 introduced a separate personnel system and the Constitution further decentralised the human resource management function to Local Governments. The Local Governments Act empowered the Local Governments to establish their own staffing structures and the powers to appoint, discipline and promote staff under them are exclusively vested in the District Service Commissions which are appointed by the Local Governments themselves.

Planning powers

The Local Governments Act empowered Local Governments to plan for the development of their localities. For the first time, the Local Governments moved away from one-year frameworks to medium term rolling plans; at first three and currently five years.

Legislative powers

The Act also empowered Local Councils to make ordinances at Districts and bye-laws at Lower Local Councils, for areas of their jurisdiction.

Judicial powers

Executive Committees at the village and parish/ward level also double as Local Council Courts. At Sub-County/Town/Division Councils there is also a Local Council Court.

Assumptions in implementation of the Decentralization Policy

At the time of adoption of the Decentralization Policy, the following assumptions were considered:

- I. Local leaders would be fully cognizant of their roles and responsibilities, and would act in the best interest of the citizens;
- II. The Central and Local Governments would operate in a coordinated, collaborative and consultative manner in driving the local development agenda;
- III. Local Governments would have adequate financial resources to deliver decentralised services;
- IV. Citizens would participate effectively in local governance and would be capable of monitoring the implementation of development programmes, projects and activities; and
- V. Local Leaders would prioritise the development of their local economies, to make the economies sufficiently vibrant and robust to generate adequate taxable resources to support local development.

Deepening Decentralization

Several policy measures and actions have been undertaken to further entrench and deepen Decentralization to transform it into an instrument of Local Development. The Local Governments Act has been amended several times to respond to the emerging demands on the Local Governments.

The Decentralization Policy Strategic Framework (DPSF) was developed to provide a single reference point for implementing Decentralization in Uganda with a more elaborate interpretation of the policy.

The Local Government Sector Investment Plan (Local Government SIP) was the first ever investment plan for the Local Government sector which outlined the key priorities and interventions for the implementation of the Decentralization agenda. It also provided a menu of investments. The Local Government SIP introduced new Local Governance approaches which included Local Economic Development (LED) and Community Driven Developments (CDD). A Decentralization Sector Working Group (DSWG) was set up and later transformed into the Decentralization Management Technical Working Group (DM-TWG).

The Local Governments Act was amended to re-introduce Town Boards in the Local Government set-up, and guidelines for establishment of Town Boards were developed. Performance-based management was introduced for Chief Administrative Officers and Town Clerks of Municipal Councils. This reform will be rolled out to all Local Government staff.

Local Service Tax and the Local Hotel Tax were introduced in the tax structure of Local Governments.

The Local Governments Financial and Accounting Regulations (LGFAR) 2007 were issued to conform to International

Accounting Standards. These were supplemented with the Local Governments Financial and Accounting Manual and the Local Governments Internal Audit Manual 2007.

Computerisation of Local Governments accounting and reporting using the Integrated Financial Management System (IFMS) was operationalised in 40 Local Governments and Electronic Funds Transfer (EFT) were used as the principal mode of payment in those Local Governments.

The Government of Uganda, through the Ministry of Local Government, institutionalised the Joint Review of Decentralization (JARD) modality. The JARD is a major annual activity bringing together all stakeholders in the Local Government sector including; Parliamentary Committee on Local Government and Public Service, Ministries, Departments and Agencies (MDAs), Development Partners, Local Governments, Local Governments Associations, Civil Society Organisations, Non-Government Organisations and the Private sector.

Joint Monitoring Missions by Ministries, Departments and Agencies (MDAs) and Development Partners were initiated and implemented successfully.

Changes in policies and priorities

New National Planning Framework

Following review of the National Planning Framework, Government introduced changes and identified new priorities to attain faster national development. The Poverty Eradication Action Plan (PEAP) that constituted the National Planning Framework in 2006 was replaced in 2010 by the National Development Plan (NDP), a 10-year planning framework based on a long term perspective vision.

Subsequently, the Local Government development planning cycle changed from three to five years and the planning guidelines revised to respond and conform to the new development planning agenda. The NDP was based on the themes of growth, employment, and socio-economic transformation. It articulated a broad range of binding constraints to overcome and corresponding priorities for directing the national development effort. On April 28, 2013 Government launched Vision 2040 under which Uganda aimed to transform from a low income country with per capita income of USD 504 to the middle income segment by 2017 and reach a per capita income of USD 9,500 by 2040, a 30-fold GDP increase within 30 years.

Changed priorities for Northern Uganda

Due to the insurgencies that prevailed in Northern Uganda for 20 years, conditions in the region changed from conflict to post-conflict with emphasis placed on resettlement and recovery. The region now requires appropriate and sustainable mechanisms for development.

Climate change

At the time of development of the LOCAL GOVERNMENT SIP, there was little understanding of climate change and its impact on local development. Greater emphasis was needed on climate

change and the role of Local Governments in protecting the environment and mitigating the negative effects of environmental degradation under the LOCAL GOVERNMENTS SIP.

Positioning for East African regional integration

The East African Community Countries refocused their emphasis towards economic and political integration. EAC created opportunities for peer-to-peer learning among Local Governments across the region. Representation of the Local Government umbrella bodies in the various structures of the Community promoted harmonisation of Decentralization policies, fiscal Decentralization strategies, Local Government structures and systems; and sharing of benefits from the outcomes and impacts of local economic development across the region.

New Developments in Global and Regional Agendas

The Global Agenda on local governance and development is evolving, with new emphasis being placed on: access to basic services and infrastructure; promotion of growth and employment generation through local economic development; environmental

sustainability and management of climate change; addressing geographical, urban-rural, gender, participatory and fiscal Decentralization inequalities; food security; and managing fragility, conflict and the post-conflict environment.

Emerging reforms

To address challenges accruing from implementation of the Decentralization policy, Government adopted reforms notable among which were the following: Public Financial Management reforms; Public Service reform programmes such as Integrated Personnel Payroll System (IPPS), Performance Based Management and restructuring of Local Governments; Service delivery reforms such as application of standards; Public-Private Partnerships (PPPs); Physical planning reforms; Economic planning reforms; Climate change; East African regional integration; Local Economic Development – harnessing the tripartite relationships between Local Governments, communities and Private Sector to stimulate economic growth and wealth creation at household level; Community Driven Developments (CDD); Conflict management and resettlement of formerly internally displaced persons; Developing and implementing the post-2015 International Development Agenda; Structuring Local Governments to deliver better; Strengthening ICT for effective service delivery to the people; and Positioning leadership as a critical driver for wealth creation, local development and growth.



Sub-county chiefs discuss new strategies for revenue mobilisation at Mukono District Headquarters in Sept. 2011.

Chapter Two

Progress and achievements under Decentralization

Over the past years of implementation of the Decentralization policy, Government has realised significant achievements in the legal, political, administrative, fiscal, local administration of justice, good governance, service delivery, local economic development, and institutional aspects of the policy.

Evidence generated through annual sector reviews and the review of the Decentralization policy itself indicates that the quality of service provision has significantly improved over time. The Decentralization programme is anchored in a strong legal framework recognised by all government ministries and agencies, and all development partners, as the primary vehicle for promoting local democracy, enhancing service provision and reducing poverty.

Strides in Political Decentralization

The Decentralization policy has made it possible to have democratically elected Local Councils at all levels in the country. Today, there are Local Councils right from the village to the district, all elected by universal adult suffrage. Since the promulgation of the 1995 Constitution, Local Council elections have been held every four years and on time; in 1998, 2002, 2006 and 2011. These councils are inclusive and have promoted popular participation. The marginalised and vulnerable categories of our society including women, youth, people with disabilities and the elderly who constitute a big proportion of the population are also represented and allowed to participate in the decision-making process in areas where they live.

A local council is the highest political authority within its area of jurisdiction and has legislative and executive powers. The councils regularly meet as required to make key decisions on matters that affect their lives. Councils have also given government visibility and presence in the countryside.

Under the policy of Decentralization, local councils, more specifically the local government councils, have been granted holistic powers. They are empowered to make laws as long as they are not inconsistent with the Constitution or any other law and have powers to make development plans based on locally determined priorities. Local Government councils also have powers to raise revenue, including determining and implementing the revenue raising mechanism, alter boundaries of or create new administrative units, appoint statutory bodies namely; the District Service Commissions, District Land Boards and Local Government Public Accounts Committees.

Another remarkable achievement is that Local Councils at village and parish levels also function as local courts. The Local Council courts are popular and successful in providing an alternative mode of dispute resolution. They are seen as easily accessible because they operate at village level, and their proceedings are conducted in languages, which the people understand well without the technicalities of formal courts. The Local Council courts have promoted the rule of law because they handle cases expeditiously, fairly and cheaply. They are now firmly ingrained in the judicial system and handle, on average, two cases per week. This means that close to 80,000 cases per week are heard and resolved in these courts across the country. Overall 80% of Ugandans access justice through Local Council courts.

Administrative Decentralization

Administrative Decentralization provides the frameworks, systems, regulations and guidelines through which national policies, legislation, regulations and guidelines are implemented at the local level.

Administrative Decentralization involves human resource management and development, planning, coordination, monitoring, communication, public procurement and disposal of public assets, as well as general administration and organisation.

The strategic objective of administrative Decentralization is to ensure effective and efficient local administration. The expected outcome of administrative Decentralization is having Local Governments effectively administered.

Human Resource Management

As mentioned earlier, the 1967 Constitution re-centralised all decision-making powers. During that time most senior managers in Local Governments were appointed centrally by the Public Service Commission and seconded to district Local Governments. Similarly, confirmation, promotion and discipline of Local Governments' staff was largely centrally handled. However, Legal Notice No. 1 of 1994 introduced a separate personnel system and the constitution further decentralised the human resource management function to local governments. The Local Governments Act empowers the Local Governments to establish their own staffing structures and the powers to appoint, discipline and promote staff in Local Governments is exclusively vested in the District Service Commissions which are appointed by the Local Governments themselves.

As a result of the above initiatives, all the Local Government staff are now more responsive and accountable to the Local Governments. However, in 2005 the Constitution was amended to bring the appointment and disciplinary control of Chief Administrative Officers, Deputy Chief Administrative Officers and Town Clerks of Municipalities under the Public Service Commission. This was intended to make the positions more independent from local politics and to address competence and quality issues.

At the onset of administrative Decentralization, the major challenge was capacity of human resources at the Local Governments. As a result the National Local Government Capacity Building Policy with various interventions was adopted to mitigate the situation. Many Local Government officials have received both technical and professional training.

Planning, Coordination and Monitoring

District Councils are planning authorities with powers to make comprehensive and integrated development plans incorporating plans of Lower Local Governments. Prior to 1992, the Local Governments did not prepare development plans and their budgets were approved by the Ministry responsible for Local Governments. The devolution of planning powers to the Local Governments has now changed the landscape in planning and budgeting. Through a bottom-up participatory planning process, all Local Governments have five year development plans that are linked to the National Development Plan (NDP) which are implemented through Council-approved budgets. The District Development Plan is the single reference point for all development interventions and initiatives. As a result, there is improvement in coordination and monitoring both at the political and technical level. There is participatory monitoring of programmes and projects by Government, Local Governments themselves and non-state actors.

Procurement and Disposal of Public Assets

The Procurement and Disposal function in Local Government has undergone major reforms. Procurement and Disposal which prior to 2005, used to be executed by District and Urban Tender Boards appointed by Councils is now performed by Contracts Committees regulated under the Local Government (Public Procurement and Disposal of Public Assets) Regulations and the Public Procurement and Disposal of Assets Act. In effect, procurement moved from being a political to a management function. Local Governments are now able to efficiently and effectively use their financial resources, which has improved service delivery.

The creation of Local Government Units

The Constitution and Local Governments Act provide for a clear process for creating Local Governments and Administrative Units. The thrust of Decentralization at the inception was to empower people. It meant that powers had to be devolved not only to the district but to all the levels of Local Councils from the village, parish/ ward, sub-county, towns, municipalities and the district. Districts were increased from 16 in 1959 to 111 today. This was intended to bring services nearer to the people ensuring effective administration, democratisation and people empowerment. The numbers of districts that existed in Uganda under different governments up to today is summarized in the table below:

Table 1: Number of districts in Uganda under different governments

YEAR/DATE	NO. OF DISTRICTS
1959	16
1962	17
1968	18
1971	19
1974	38
January 1979	40
May 1979	22
August 1979	33
August 1980	33
15 March 1991	39
20 March 1997	45
28 November 2000	56
1 st July 2005 ¹	69
1 st July 2006	80
1 st July 2009	87
1 st July 2010 ²	111

Source: Ministry of Local Government

¹ In 2005, Kampala ceased to be a district

² In March 2010, the Kampala Capital City Authority Act became active, introducing new management arrangements for the Kampala Capital City.

The current criticism is that districts are too expensive to run in regard to the cost of public administration. However, the quest for bringing services nearer to the people is critical and should be enriched with an objective of economic empowerment and Local Economic Development.

Local Governments should not be looked at as expending centres in the national budget but as economic and revenue generation entities. In this regard, Government in 2006 introduced Local Economic Development as the sixth objective of decentralization. The intention was to increase production at the local level which would lead to a wider tax base from which revenue would be collected to support development.

Local Governments are, therefore, being reformed and transformed from being an expense in the national budget. They are now centres of job creation; development projects and investment. They have become channels of access to development funding and thus a source of pride for local leaders and the people. Districts will, therefore, be more of economic powerhouses as revenue generation bases rather than just be seen as expenditure centres in the national budget. This will entail reorienting the leadership in the Local Governments to not only do politics, administration and service delivery but also focus on economic production in their localities.

Fiscal Decentralization

The Constitution of the Republic of Uganda and the Local Governments Act allow Local Governments to collect revenue from a number of specified sources, formulate plans and budgets, allocate expenditure, and make investments in a wide range of services. Local Governments finance their recurrent budgets from local revenue and transfers in form of unconditional grants. The development budgets of Local Governments are invariably funded with conditional and equalisation grants, a large proportion of which comes from external donors. However, due to small revenue bases Local Governments are unable to balance their budgets and realise a surplus to fund development activities.

Overview of Mandates under fiscal Decentralization

Local Government mandates under Fiscal Decentralization are centred on initiation of local policies, preparation, approval, execution of plans and budgets, including monitoring and evaluation under their mandated functions in the areas of; primary, secondary and vocational education; primary healthcare services; water and sanitation; rural roads; agriculture services and in addition for Municipal Councils solid waste and street lighting.

Line Ministries set sector fiscal policies and standards, inspect and monitor Local Governments' adherence to set standards and policies and support supervision of the fiscal regimes.

The Ministry of Local Government mandates under Fiscal Decentralization are to; coordinate and spear head setting fiscal policies; Inspects and provides technical advice in these areas, provide fiscal guidance and supportive roles to Local Governments

Local Governments have been empowered arising from empowerment under fiscal Decentralization; there is now more political participation from stakeholder meetings, planning meetings and budget conferences, transparent mode of information

on media and notice boards, awareness creation through induction and exchange visits, local resources, Grants from Government and Public Expenditure Management (PEM) systems enable services to be delivered largely as intended in both strong and weak councils.

Interventions under Fiscal Decentralization

A number of Public Financial Management initiatives have been implemented to improve service delivery by Government with Donor support, political will and demand for services. Prior to these intervention Government of Uganda introduced the Fiscal Decentralization Strategy in 2002 to address fiscal reforms in both Government and Local Governments.

Fiscal Decentralization Strategy in Local Governments

The overall objective of Fiscal Decentralization Strategy (FDS) that is implemented in all Local Governments was to strengthen the process of decentralization in Uganda through increasing Local Governments' autonomy, widening local participation in decision-making and streamlining of fiscal transfer modalities to Local Governments in order to increase the efficiency and effectiveness of Local Governments' programmes to achieve PEAP goals within a transparent and accountable framework.

The FDS allowed Local Governments limited flexibility/discretion to reallocate 10% of the government grants between sectors and within sectors during the Planning and Budgeting process. It is the process for:-

- i. Achieving transparent, needs based and poverty sensitive allocations of sector funds between Local Governments,
- ii. Streamlining transfers to Local Governments to remove administrative burdens while increasing transparency and efficiency, both at the centre and within Local Governments,
- iii. Increasing Local Government autonomy with respect to planning, budgeting and implementation of national sector policy, with the eventual aim of moving to a system of block grants, and
- iv. Increasing effectiveness of Local Government expenditures in achieving PEAP objectives and goals.

The adoption of FDS is a strong indicator that the GoU is strongly committed to decentralization, and that Local Government has a strategic role to play in addressing poverty.

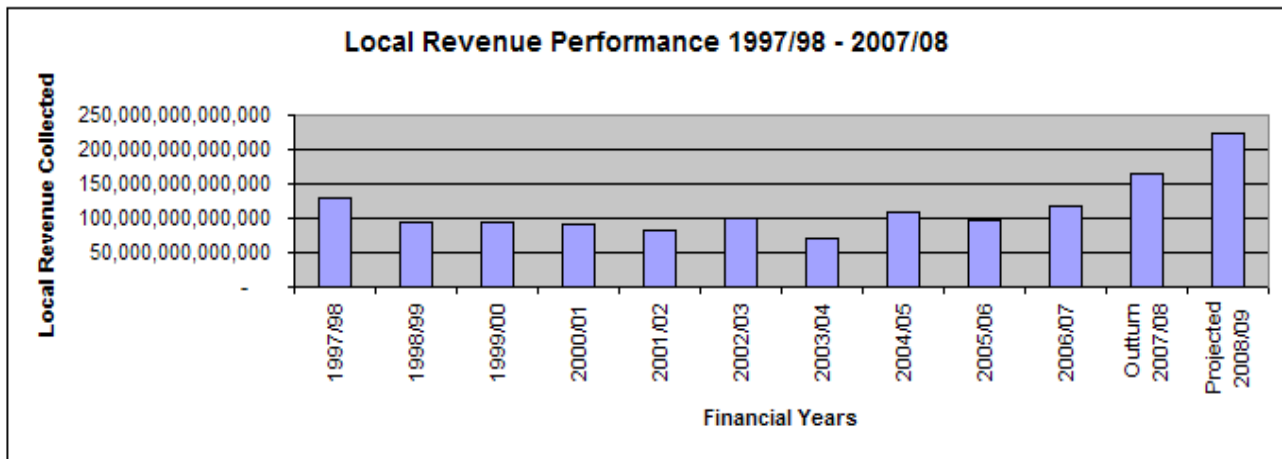
Local Government Financing

A strong local revenue base is essential for the sustainability of decentralization programmes. In this regard local revenue forms a core means of building an independent and accountable local governance system. It is also a secure source of funds to compliment service delivery. When taxes are paid by the public, they are inclined to hold politicians to account for their conduct.

Overtime, Local Governments experienced an unstable local revenue performance. The total own source of revenue started to decline from Ug Shs 130 bn in FY 1997/98 to a low level of Ug

Shs 70 bn in FY 2003/04. It peaked again in the FY 2006/07 to Ug Shs 117 bn. The outturn for the FY 2007/08 was Ug Shs 163 bn. With the introduction of Local Service Tax and Local Hotel Tax, the revenue rose to Ug Shs 224 bn in 2009/10.

Figure 1



Source: Ministry of Local Government

The initial decline in Local Revenue was mainly attributed to; under-exploitation of alternative sources of revenue; Contradictory political pronouncements; abolition of graduated tax; Lack of incentives and capacity to enhance local revenues; Insurgency in northern Uganda; Some Local Governments have special problems, such as the cattle corridor that are prone to cattle diseases which result into imposition of quarantines which hamper sales and market dues/revenues; Local Governments on the Islands heavily depend on natural resources (such as forests products, fish, agricultural produce) which have been increasingly affected by natural calamities and restrictive policies such as the ban on sale of timber and fish; Restructuring in Local Governments in the FY 2005/06, led to the recruitment of fresh graduates as Sub-county Chiefs, who were inexperienced in revenue mobilisation and enforcement; increased transfers from the centre have also reduced the incentives for Local Governments to improve collection of local revenue. To-date, the collection of local revenue still remains a challenge in some Local Governments.

Some Local Governments have registered increased local revenue by over 80% which is mainly attributed to; effective mobilisation and incentives linked to targets; implementation of Local Revenue Enhancement Plans (LREP) in Higher Local Governments (HLocal Governments); licensing reforms, technical and financial support from the Ministry and the Local Government Finance Commission (LGFC); involvement of political and opinion leaders and other indirect factors which may include economic/ business growth and inflation.

In an effort to enhance revenue mobilisation the various laws and Acts governing domestic business registration, regulation and licensing are outdated, complicated, onerous to administer and to comply with, and do not represent best practices described above.

For example, most laws governing business licensing are still reflecting direct Central Government control although in practice Local Governments conduct all the operations.

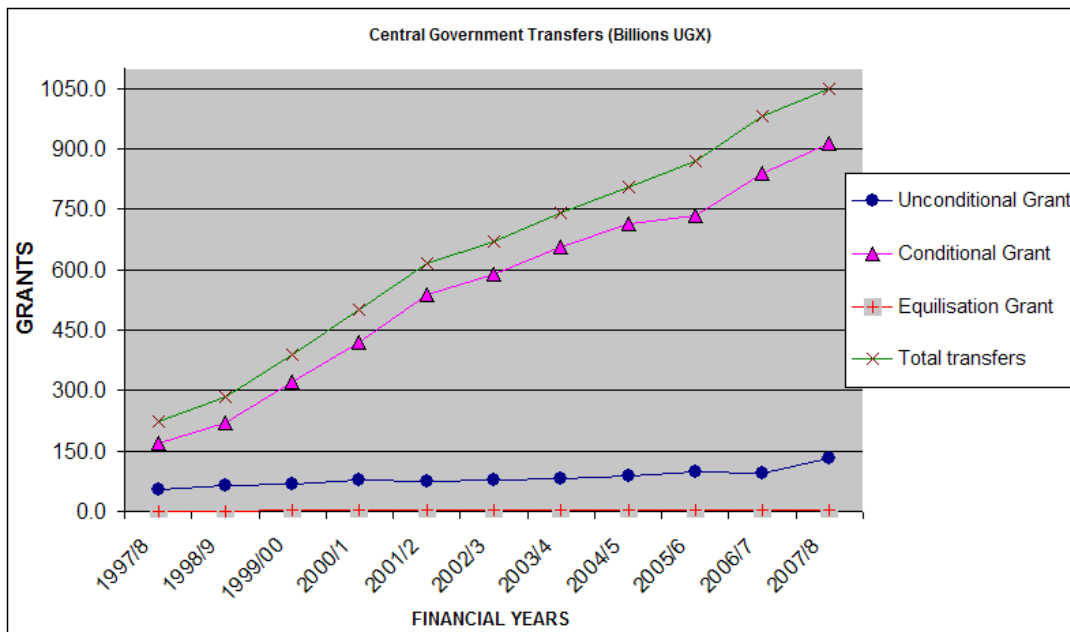
In the 2005, the Government enacted the Local Government Rating Act which repealed the Property Tax Decree of 1970s. The Act was supplemented by the Local Government (Rating) Regulations 2005 and other instructional handbooks. The new legislation provided for the valuation assessment, billing and collection of rates. The new Act also eliminated the monopoly of the Chief Government Valuer and allowed Local Governments to appoint their own qualified registered Valuers. To cut down on the costs involved in valuations, the valuation cycle is five years now – with provision for supplementary every year.

With the approval of the Minister, the Local Governments Act allows Local Governments to borrow from financial institutions up to 25% of the local revenue collected in the previous year. In 2014, the Ministry issued Local Government Bonds Guidelines to enable Local Governments explore the option of raising finance on the Capital and Bond Market. This enables the complying Local Governments to finance their infrastructure requirements in a sustainable manner.

Central Government Transfers

Currently Local Governments receive a number of sector conditional grants to mainly finance the NDP priorities. The line sector ministries provide sector guidelines on the utilization of these resources. The increased grants have enabled the Local Governments to deliver a wide range of services.

Figure 2 below illustrates the growth in Central Government transfers since 1997 to 2008 (i.e. 224.9bn in 1997/8 to 1,048.9bn in 2007/8 which was a 366.4% increase)



Improved Planning and Budgeting

The planning and budgeting processes have been transformed as illustrated below.

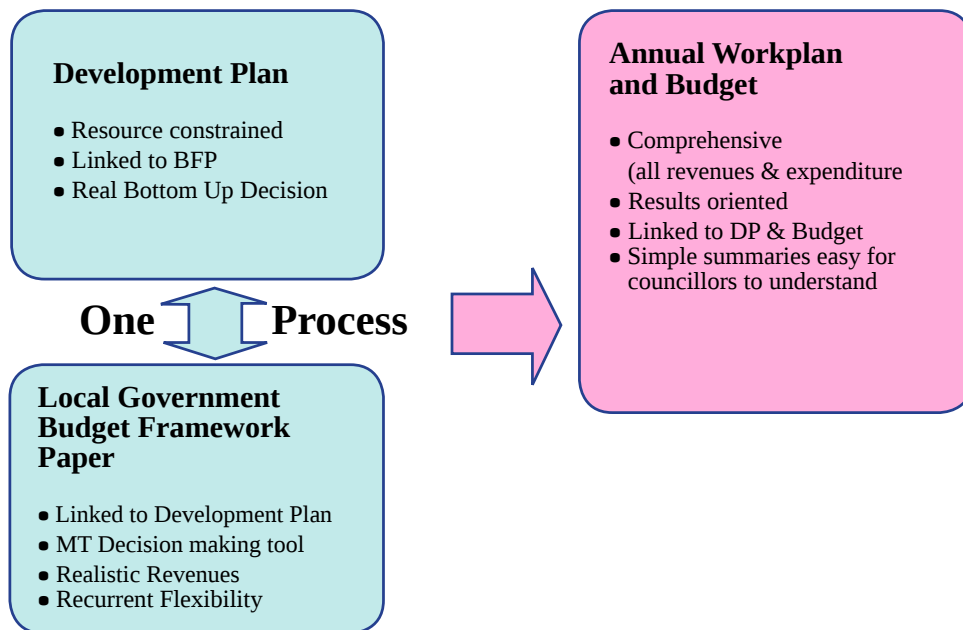


Figure 3: New Planning and Budgeting Process

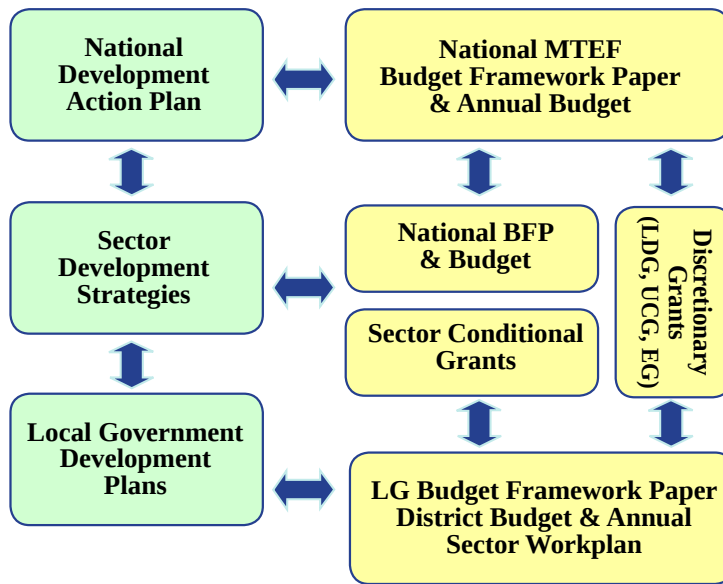


Figure 4: Local Government and the National Planning and Budgeting Framework

- a. Strengthening the roles of councils in budget scrutiny and monitoring and report interpretation;
- b. There are improvements in the Financial Management Systems which include the roll-out of the Integrated Financial Management Systems to new Higher Local Governments;
- c. Financial Management reports are regularly made to facilitate decision making;
- d. Quarterly releases of grants are being made to the Local Governments to improve service delivery;
- e. There is continuous analysis of monthly expenditures;
- f. The Centre and Local Governments regularly monitor implementation of programmes;
- g. Funds are now allocated specifically for line ministries to monitor the execution of programmes;
- h. A monitoring and accountability grant for Local Governments has been established;
- i. Communities have been empowered to monitor the projects through user committees, NGOs and CBOs;
- j. There are Annual Performance Assessments of Local Governments which provide strong incentives for improved performance;
- k. Financial and Physical Progress Reports are directly submitted to Local Councils to guide them in decision making;
- l. Final accounts and subsequent audit reports are prepared in an increasingly timely manner because of computerized systems and manual improvement, raising the quality of audit reports over the years.

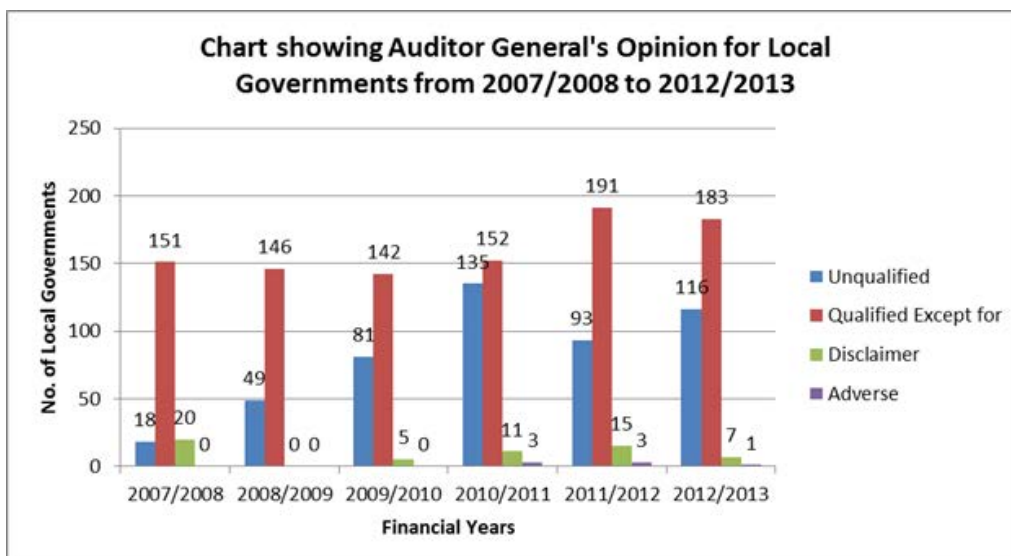


Chart 1

Improving Public Financial Management and Accountability in Local Governments

A number of initiatives have been undertaken to deepen and consolidate reforms in Public Financial Management (PFM) in Local Governments aimed at further strengthening and sustaining accountability and transparency in public expenditure management, improving governance, and maximizing the Government's efforts towards poverty eradication.

The initiatives include: rollout of the Integrated Financial Management Systems (IFMS) in higher Local Governments; implementing other computerized Financial Management Systems in the non-IFMS Local Governments; strengthening the manual accounting systems in areas where computerisation cannot be achieved in the medium term; supporting the Internal Audit function in Local Governments and other oversight arrangements and strengthen Capacity of the Ministry and Local Governments staff involved in the rollout and implementation of IFMS and broaden to all interventions including professional training.

Key intervention under Financial Management and Accountability Programme

The Local Governments Financial and Accounting Regulations were reviewed and rewritten in 2007. The Local Governments (Financial and Accounting) Regulations, 2007 issued by the Ministry replaced the Regulations that were issued in 1998. The regulations set out principles and policy regarding financial management and accountability in Local Governments. In the same year, the Ministry also issued the Local Governments Internal Audit Manual which sets out the audit procedures, methods, forms, and formats of auditing

The Guidelines and the Manuals provide the step-by-step procedures for the implementation of the Regulations.

The Ministry in collaboration with the Ministry of Finance, Planning and Economic Development under FINMAP is implementing the Integrated Financial Management System (IFMS) in 40 Local Governments. This is to improve transparency and accountability and provide for standardization in accounting and reporting.

The remaining Local Governments especially the town councils together with all the sub-county councils are being supported to improve their manual financial management systems in the short run. In the long run, this category is expected to gradually move to simple computerized financial management systems/packages.

A strong internal audit function is critical for establishment of a sound financial management practices. The Ministry under FINMAP has undertaken interventions in internal auditing including the following:

- i. Enrolment of internal auditors onto the CIA professional course. Currently 15 internal auditors in Local Governments have CIA qualifications.

- ii. All districts and municipal councils have been given computers and motorcycles to facilitate their internal audit functions.
- iii. An internal audit desk has been set up at the Ministry of Local Government to coordinate its functions in Local Governments.

Key Success factors and lessons learnt

There has been improved revenue collection in Local Governments, strong incentives for hard working Local Government staff, more coordination and improved monitoring under the Accountability Sector Working Group (ASWG). These have been attributed to the government's commitment to fiscal, administrative and political Decentralization.

The key Lessons learnt are that; having a holistic view throughout the implementation process brings about strong sector performance; frugal budget management, effective oversight by local councils and participation of the citizens are critical for improved service delivery and accountability.

The Impact of Local Government Service Delivery

Annual sector reviews and the review of the Decentralization policy show that the quality of service provision in various sectors has significantly improved overtime as summarised below.

Education

Increased access to Education

Local Governments have undertaken various measures to increase access to education. These include: Public Private Partnerships; working with religious bodies and development partners to construct schools and provide facilities; and taking over of community-founded schools. For example in 1997 when Kibaale District was created, it had only 180 government-aided primary schools, but there are now 267. Similarly the enrolment increased from 41,493 in 1996 to 130,464 by 2013.

Infrastructure Development

The introduction of the School Facilities Grant (SFG) program in 1998 has led to the construction of many classrooms across the country. This has improved the pupil-classroom ratio as illustrated in the Moyo District case in the table below.

Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total Enrolment	39,566	38,017	37,799	35,029	34,012	32,964	33,262	30,058	31,694	32,944	34,275
Total Teachers	777	768	777	744	724	701	674	692	710	713	738
Pupil: Teacher Ratio	51	50	48.7	47	47	47	49	43.4	49	46	46.4
Classroom	579	572	572	572	652	652	652	660	668	676	680
Pupil: Classroom ratio	68	66.5	66.1	61.2	52.2	50.6	51.0	45.5	47.5	48.7	50.4
Primary School Completion Rates	17	15	16	18	17	19	17	24	16	19	

Table 2: Primary school efficiency indicators (Moyo Districts) 2002 to 2012

Health

Improved access to Health Services

Due to Decentralization and policy guidance from the Ministry of Health, many Local Governments have been able to prioritize and put in place Health Centre IIs in parishes to improve on access to health services. Most Sub-counties in the country also have Health Centre IIIs. There has also been improved staffing in these facilities.

Improvement in the Maternal Mortality rate

There has been a decline in the Maternal Mortality rate countrywide as illustrated in the line graph of Adjumani District below.

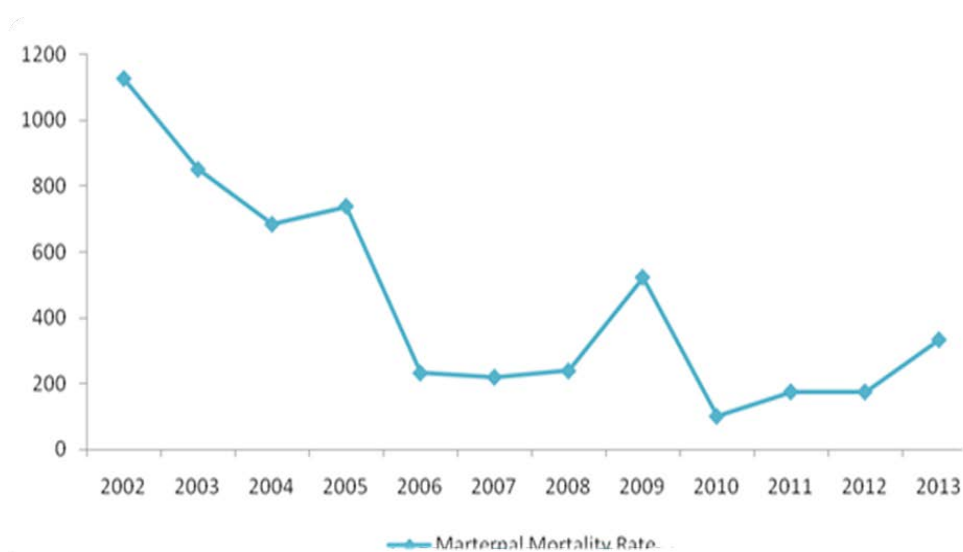


Figure 5: Maternal Mortality Rate Improved Health System

There is regular support supervision. Ample time is given to the Health Unit personnel to discuss issues. The community can also approach all the health personnel on time and in a short distance. The health unit personnel can communicate easily with the District Health team, other than referring to the Ministry of Health. The District Health Teams have been able to respond immediately.

Roads Sector

Local Governments have, in the past two decades, been able to prioritize the roads to be rehabilitated or improved on depending on their own peculiarities. This has enabled the roads network in the Local Governments to be in good condition. This has also

been possible with the procurement and distribution of the roads equipment by the Central Government and increased funding from the Uganda Road Fund.

Supervision of roads has also improved with the help of the double cabin pick-ups and motorcycles that were given to Local Governments for this purpose. Improved road networks have created multiplier effects on the economies in the Local Governments.

Water Sector

Improved water and sanitation coverage

The decentralized planning for water facilities by the Local Governments has led to improved coverage and targeting resulting into increased access to safe water.

Currently, water coverage in the country is, on average, at 65% as per the Statistical Abstract of 2013 compared to less than 40% twenty years ago. This has been achieved because of increased funding to the sector, but more importantly because planning, budgeting and implementation are majorly done by the Local Councils.

There has also been improved sanitation coverage in the country. Currently, the national sanitation coverage stands at 74% compared to less than 40% twenty years ago. This is largely as a result of Local Governments instituting bye-laws and enforcing them.

Production Sector

Improved farmers' participation

There has been improved farmers' participation in the agricultural planning and governance compared to the period before Decentralization. Structures such as open mandatory planning, public notice boards and quarterly review meetings have been established at the local level to ensure transparency. Farmers now present their own priorities, demand accountability, monitor the quality of inputs and have access to advisory services.

Physical Planning

All the 22 Municipalities, 76 Town Councils, 30 Town Boards have physical development plans. These plans have guided infrastructure development in the Local Governments and have created trade order in the urban centres. In addition, urban centres have beautified their towns in line with these development plans.

Garbage Management

With support from Government and development partners, collection, transportation, and disposal of garbage has greatly improved. There is regular and routine management of garbage collection and disposal in many urban centres. A number of municipalities have established garbage treatment centres in addition to dumping sites and refuse banks. Other urban centres



A composting plant and landfill in Aler village in Adekokwok Sub-county.

have dumping sites and refuse banks. This has reduced on the high incidence of diseases which was hitherto common in the urban centres due to accumulated uncollected garbage.

Service Delivery Quality Assurance mechanisms

Ministries, Departments and Agencies are empowered to establish minimum national standards of service delivery in the sectors under the Local Governments Act. The Ministry in collaboration with the sector, line MDAs have developed minimum standards to guide service delivery in Local Governments.

How Local Administration of Justice has impacted on the population

Access to justice is a fundamental human right that encompasses availability of services, understanding legal procedures, distance to administration of justice institutions, *affordability* of legal services, the *quality* of the services being received and the fairness of the trial. Local Council Courts (LCCs) and Legal Aid Service Provision are both aimed at enhancing access to justice for all, especially the marginalized and poor persons.

The Local Council Courts Act establishes Local Council Courts for the administration of justice at the local level, defines the jurisdiction, powers and procedures of the established courts and for other related matters. The legal jurisdiction of Local Council Courts includes matters related to; land disputes, domestic violence, children related cases, assaults and battery, conversion, damage to property, trespass and adultery.

There are three levels of the Courts – LCC III at the sub county/ Town/Division Council (level 3); LCC II at the parish/ward (level 2) and LCC I at the village. Appeals from the highest of the Committees, (Sub-county executive) lie to the Chief Magistrate. If the appeal involves a substantial question of law or appears to have caused a substantial miscarriage of justice, then appeals would go to the High Court.

The LCCs being part of the elaborate court system are to exercise judicial power in Uganda in the name of the people and in conformity with the values, norms and aspirations of the people. Therefore, performance of LCCs in the administration of local justice is a major factor for legitimacy of the lower local government system and promotion of good governance.

The LCCs are governed by the Local Council Courts Act 2006 and supervised by the Chief Magistrates Courts on behalf of the High Court.

Role of Local Council Courts

The Local Council Courts are legally recognized within the hierarchy of courts of judicature. According to Article 126 (2) of the 1995 Constitution, judicial power is derived from the people and shall be exercised by the courts established under the Constitution in the name of the people and in conformity with law and with the values, norms and aspirations of the people. In

adjudicating cases of both a civil and criminal nature, the courts are required to apply the following principles:

It is estimated that over 80% of the Ugandan population utilizes LCCs to settle disputes. This was confirmed by the Criminal Justice Baseline Survey (2001/02) which also found that LCCs provide an alternative to the formal court system which is procedurally complex, less accessible and expensive especially to the majority rural poor.

The study further established that in such communities that are distant from various social services including those for access to justice, LC courts have filled the gap and that over the years, the practice of going to LC officials/courts as the first point of reference has evolved into a norm that is now mandatory.

It has been established by numerous studies that LCCs are physically accessible since they are located within the community, open all hours, and are affordable. They are speedy, user friendly and promote reconciliation. They are also a bridge to the higher courts because of the role they play in the initial stages of cases which are eventually referred in case of non-satisfaction.

The LCCs are expected to uphold certain values in the administration of justice. These include: respect for human rights, observance of ethical conduct, upholding of principles of natural justice and gender sensitivity.

Milestones achieved in local administration of justice

- i. Increased compliance to human rights-based approaches and principles of natural justice in the administration of justice at community level.
- ii. Reduced case backlog in the formal court system.
- iii. Increased awareness and appreciation amongst local communities on the roles and responsibilities of the Local Council Courts.
- iv. Improved record keeping in LCCs.
- v. Enhanced access of the vulnerable, particularly women and children to judicial services.
- vi. Reduced appeals/cases which are ordered for re-trial.

These milestones have been achieved due to the simple and affordable set-up of these courts. LCCs provide an efficient and affordable Local Justice System which is critical for social stability and local development.

Role of decentralization in delivering Good Governance

Government of Uganda has made strides in ensuring that the exercise of Local Governments' political administration and managerial authority and order is legitimate. Measures have been put in place to improve accountability, transparency, democracy, efficiency and equity in allocating and using resources to promote human welfare and positive change in society. Leaders in local councils have been attuned to have strong moral principles. This has to a great extent been a success story.

Local Governments have developed client charters making commitments to their clients on the services to be delivered, the quality of services, timeliness of delivery and responsibilities of the clients. This is a foundation stone for accountability. To have improved transparency, the Local Governments communication strategy requires Local Governments to display information about financial releases, contracts, salaries and budget implementation. Council sessions are open to the public and civil society involvement in the affairs of the Local Governments is high. Regular elections of Local Council Officials are conducted with legal provisions for representation of the special interest groups like women, the youth, persons with disabilities and the elderly. Planning and budgeting is highly consultative and guided by statistics so as to make decisions that are evidence-based. This is intended to ensure equity and efficiency because statistics inform not only budgeting but also implementation options.

Scrutiny of plans, operations and reports of Local Governments is a common phenomenon. The process of plan and budget development has a high degree of involvement of various stakeholders through meetings, conferences and approval council sessions. Budget implementation which translates into service delivery is strictly monitored by the Local Government arms and the external organs of both Government and Non-Government actors including communities. The internal audit team at the Local Governments advises management of budget execution compliance on a quarterly basis while external audit is annually conducted. Reports of both auditors are discussed by the Local Government Public Accounts Committees which make recommendations for appropriate actions. Regular and periodic reporting is compulsory where monthly financial reports are made by the technical teams to the political leaders and quarterly performance reports are made to both the Central Government and the political leadership at the Local Government level.

The procurement and disposal laws and guidelines emphasize a process that is competitive, efficient and transparent. The Local Governments are required to advertise procurements or disposals above a prescribed threshold, make market surveys and evaluate bids in accordance with criteria that are known to all bidders to

determine the most responsive and compliant bids.

Efforts to improve integrity not only of the systems but also of individuals have borne enormous fruits. The recruitment process is characterised by separation of powers. The Public Service Commission recruits the Chief Administrative Officers, their Deputies and Town Clerks of Municipal Councils on submission by the Permanent Secretary of the Ministry responsible for Local Governments. Due diligence is made on the applicants before appointments are made. At the Local Governments level, the law stipulates that the members of the District Service Commissions are members of society with high moral character and proven integrity. The members are appointed on approval by the Public Service Commission.

Other statutory bodies like the Land Boards and Public Accounts Committees are constituted to augment the principle of separation of powers to improve the integrity of processes. Their qualifications require both competences and high standard of integrity as tested and adjudged by society.

The procurement process which determines efficiency of delivery of services among others is also guided by the principle of checks and balances. The procurement and disposal units have functions different from those of the Contracts Committees as well as the Accounting Officers. The staff of the procurement and disposal units are appointed by the District Service Commissions while the members of the Contracts Committee and Accounting Officers are appointed by the Secretary to the Treasury. Integrity checks for the members of the Contracts Committees are very rigorous.

The above achievements notwithstanding, reports of the Inspectorate of Government and other agencies reveal that the operations of Local Governments are not free from corruption. Corruption has manifested itself in a number of forms notable among which are; paying for goods not supplied, works not executed or services not delivered, paying salaries to non-existent employees, embezzlement of public funds, bribery and extortion.

Other forms include; nepotism and favouritism in recruitment, deployments and contract awards, over-invoicing, unauthorized use, sale or disposal of public assets, selective policy implementation, wastage of public resources on unproductive activities, deliberate violation of established accountability procedures, practices and processes, misuse of public office or assets for political advantage, and vote buying. Both the technical and political leadership are prone to the vice.

Informed by the reports on corruption, Government has instituted deliberate measures to curb the malpractice. These include but are not limited to the following legal, policy, fiscal, administrative and innovative actions;

Strengthening the legal frameworks for fighting corruption

The Constitution in respect to accountability and corruption, provides under *the National objectives no. 26 (i) (ii) and (iii) and Article 17 (1)* that “It is the duty of every citizen to combat corruption and misuse or wastage of public property.” Article 196 empowers Parliament to make laws on accountability prescribing financial control and accountability measures for compliance by Local Governments, imposes regular audit requirements and procedures by Local Governments, and Chapters 13 and 14 provide for the office of the Inspectorate of Government.

Pursuant to the above Constitutional provisions, Parliament enacted the following laws;

- i. **The Local Governments Act, Cap 243** provides for the norms of good governance. The Act creates a forum for public accountability and fiduciary management of public resources within Local Governments. *The subsidiary law, the Local Government Financial and Accounting Regulations, 2007* introduce sanctions and penalties for any breach.
- ii. **The Leadership Code Act (Cap. 168)** sets the minimum expectations for the conduct of leaders. Its principle purpose is premised on maintaining honesty, impartiality and integrity by making leaders accountable through, among others, regular wealth declaration.
- iii. **The Public Finance and Accountability Act of 2003** provides for greater control of Parliament over utilization of public resources and makes the Executive fully accountable to Parliament and the people of Uganda;
- iv. **Other anti-corruption legislative enactments** include the Inspectorate of Government Act 2002, Whistleblowers Protection Act, Anti-Corruption Act 2009, National Audit Act 2007, Access to Information Act 2005 and Public Procurement and Disposal of Public Assets Act.

Developing a framework for promoting Good Governance and anti-corruption in Local Governments

The Ministry of Local Government has developed a framework which gives leverage to the Local Governments to adopt interventions that are affordable and applicable to the local situations to promote good governance and fight corruption. The interventions must be mainstreamed into the operations of the Local Governments. The same framework provides for institutional arrangements for coordination and management at the different levels and allows for the monitoring and evaluation of the framework.

Adoption of the zero-tolerance-to-corruption policy

The country has a zero-tolerance-to-corruption policy. This policy spells out government’s approach to tackle corruption and details priority actions and targets. This zero tolerance stance has been adopted in the National Anti-Corruption Strategy which emphasises both reactive and proactive approaches to fighting corruption. The reactive approach deals with detection,

investigation, prosecution and adjudication of the cases and/or subjecting them to administrative sanction. The proactive approach aims at prevention and therefore concentrates on public mobilization and education in ethics and integrity and creating a conducive environment for the public to hold public officers accountable.

Institutional framework to fight corruption

Government has established an institutional framework to fight corruption. The framework is constituted by a range of agencies under the anti-corruption Inter Agency Forum, led by the Inspectorate of Government, and coordinated by the Directorate for Ethics and Integrity.

Supplementary interventions

Other interventions include Public Service reforms such as payment of salaries through employees’ bank accounts, empowerment of the Auditor General’s Office, introduction of Integrated Financial Management System, introduction of budget management and supervision committees, the Barazas, Public-Private Partnerships and enhanced human resource capacities through professional training.

These interventions have been implemented through a concerted effort and the following are key players in building and maintenance of integrity systems in local councils.

At the International level, Uganda is signatory to the United Nations Convention against Corruption and the African Union Convention on Combating Corruption

Local Government Councils

They are the highest political authorities within their areas of jurisdiction with legislative and executive functions. They approve all plans, budgets and reports of Council

Committees of Council including Local Governments’ Executive Committees

They scrutinize the plans and budgets and make recommendations to Councils for approval. They also oversee and monitor implementation of Local Governments’ plans and budgets. They further evaluate the performance of Local Governments

Technical Planning Committees

These committees initiate, implement and report on implementation of plans and budgets

Chief Administrative Officers and Town Clerks of Municipalities

They guide councils on implementation of laws, supervise, monitor and coordinate activities in the Local Governments and are the Accounting Officers

Resident District Commissioners

They are representatives of the President who monitor and inspect activities of Local Governments

District Chairpersons and Mayors

They are the Political heads of the Local Governments who monitor general administration and implementation of council decisions.

District Service Commissions

They are responsible for the appointment, promotion, disciplining and removal from office of all employees of Local Governments except for Chief Administrative Officers, Deputy Chief Administrative Officers and Town Clerks of Municipalities.

Local Governments Public Accounts Committees

They examine reports of Auditor General, Internal Auditors and Commissions of Enquiry.

Central Government including Ministry of Local Government

The various Ministries, Departments and Agencies are responsible for coordination, guidance, giving technical advice, monitoring and inspection to ensure compliance with laws and standards.

Oversight Agencies

They are responsible for external audits, promotion of ethics and integrity and ensuring strict adherence to laws, policies and guidelines. They include the Office of Auditor General, Inspectorate of Government, Directorate of Ethics and Integrity, Parliamentary Committees, Office of the President, Uganda Police Force, Directorate of Public Prosecutions, Courts of Law, Public Procurement and Disposal of Public Assets Authority.

The Civil Society Organisations

They are watchdogs who also monitor the performance of Local Governments for improved accountability Private Sector including the media

They are responsible for collective action within the sector to expose corruption

In conclusion, good governance, integrity and fight against corruption have been enhanced through setting up of systems, procedures and application of principles for appointments, operations, reporting and monitoring.

Local Economic Development

The Genesis and Definition

Decentralization has improved channels and competencies for local service delivery. A number of achievements have been realized such as improvements in governance at the local level; increases in physical social investments in health, education, roads, and water provision.

Despite recorded successes of decentralization, there has been a lot of emphasis on service delivery in capital projects without due recourse to productive investments⁴ and wealth creation. Subsequently, household incomes have remained low, and the Local Governments have not had a sustainable base for taxable economic base.

The first Joint Annual Review on Decentralization (JARD 1) recognized this fact and proposed the introduction of a sixth objective of decentralization. In 2006, Government introduced the sixth objective of Decentralization: **Promote Local Economic Development in order to Enhance People's Incomes**. The Introduction of Local Economic Development (LED) in the investment portfolios of Local Governments is intended to strengthen their economic functions and provide greater focus on the local economies.

LED is defined as a process or development model whereby the tri-partite partnerships between Local Governments, the private

sector, non-governmental sector/community are jointly and collectively engaged in identification, mobilisation, management and initialization of resources at local level (Uganda LED Policy 2014). It is thus intended to create a conducive environment for investment, increased household incomes and higher revenues for Local Governments, which ultimately translate into improved livelihoods for the people.

LED is well articulated in the Constitution Article 191, the Local Governments Act, National Development Plan, the Decentralization Policy Strategic Framework (DPSF 2013-2023), and Local Government Sector Strategic Plan (LOCAL GOVERNMENTSSP)-2013-2023 and the national LED Policy 2014.

Progress and Achievements

The inclusion of LED in 2006 as an investment portfolio of the Local Governments marked a historical beginning and turning point for a country that had hitherto followed an exclusive public intervention model of service delivery. The Local Government Sector Investment Plan (LGSIP) underscored LED as a tool for enhancing household income.

Under the National Development Plan (NDP), the Local

⁴ Andy Batkins Report, 1999.

Governments were charged with a promotional responsibility for LED through attracting business development services and providing appropriate LED Governance frameworks that augment traditional administrative structures. The Government also formulated a National LED Strategy and the Uganda National Local Economic Development Policy which aim at strengthening Public-Private Partnership (PPP) as an alternative service delivery. In addition, they equip the Local Governments with requisite skills and competencies to implement LED as part of the development planning cycle.

Development and Implementation of LED strategies and projects.

Over 11 Local Governments developed LED strategies with defined projects. The projects are categorized as follows:

Community Economic Development Projects

These projects create jobs directly. Some of the selected interventions MoLG piloted under Community Economic Development Projects (CED) Projects:

i. Contract Farming in Arua, Kitgum and Lamwo with private sector- FarmNet Ltd and Olam Ltd respectively.

Sesame production has grown over the years as a result of the PPPs with 2012/2013 season for Kitgum and Lamwo districts averaging 1,520 tons as shown in Figure 6⁵ below. The price per kilogram of Sesame rose from about UGX 2500⁶ (About US\$1) at the beginning of the season to UGX 3,800 (About US \$1.4) towards the end of the season.

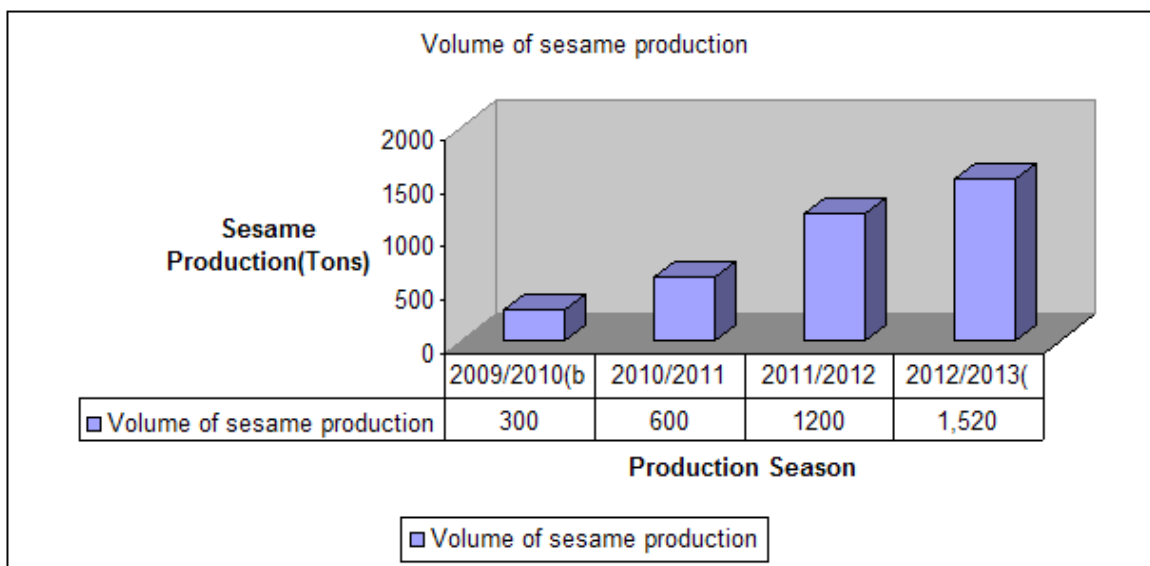


Figure 6. Sesame Production trends for Kitgum and Lamwo
Source: Kitgum District LG and Kitgum District Farmers Association

Records indicate that up to UGX 3.6bn (US\$1,384,615) was earned by the communities in Lamwo and Kitgum Districts during this season.

⁵ The mission team focused on marketable quantities. Olam Field office staff estimated that over 3000 tons to have produced by farmers in the two districts
⁶ 1 USD= 2600 UGX



Arua Sesame Project



Pineapple Processing in Kayunga

- ii. **Radio Station in Abim District, a PPP project, which is now creating up to 15 jobs for the youth and revenue for the Local Governments**



Offices of Karibu FM Radio Station in Abim which has created up-to 15 jobs for the youth and revenue for the district.



Support to youth in vocational skills in abim district



iii. Youth Vocational Training in Abim District Local Government in Partnership with private sector providers.

Over 18 young men and women in the district became self-employed after acquiring vocational skills in bakery and confectionery, joinery and carpentry, building and brick laying, tailoring among others.

iv. Poultry farming in Arua Municipality

With an investment of about UGX 500,000 per commercial farmer from Arua Municipal Council, the project was able to support farmers, like Peter below who started with 295 birds and earned up to UGX 2,360,000 (US\$ 1,073) in first production. The farm has since more than doubled.



Peter Adikini's Farm Manager assessing weight of the broilers, in Arua

LED Projects that create a conducive environment for investment through the provision of infrastructure and quality services

The projects under this category focus on creating a more supportive and competitive business environment, investment in infrastructure that reduces the cost of doing business, the regeneration/modernization of cities/town, research, institutional

support to new sectors with high growth and employment potential. These create appropriate institutional market enabling frameworks.

Selected interventions under large and business environment projects Ministry of Local Government piloted



Improved market conditions which have created a conducive environment in which business is conducted.



i. Improvement of Business Infrastructure, Roads, Markets, Bridges to ensure access to markets.

ii. Opening of Access Road to Omagal Farmland in Partnership with Canadian Peace and Relief (CPAR) Uganda in Abim District



As a result, households in over two sub-counties can now access the farmlands, which had been abandoned during the times of insurgency.

iii. **Busia Municipal Multipurpose Lorry Park**

Busia Municipal Council entered a Public Private Partnership (PPP) with White Nile Real Estates and Church of Uganda to construct and manage a lorry park with a capacity of 450 trailer trucks. The project is expected to raise over 100 jobs directly and indirectly as well as local revenue for the local authority.



Busia PPP Contract Signing

iv. **Mbarara Milk Processing Plant**

The Ministry under the Local Financing Initiative Program is supporting the Uganda Crane Creameries Cooperative Union to establish a milk processing plant, which is anticipated to offer market for over 10,000 farmers in the region and create over 200 jobs for youth working in the factory and dairy value chain.

v. **Promotion of Fruit growing on 1000 acres of land by Delight (U) Ltd**

Over 1000 out-growers were supported to grow various fruits in Nwoya District Local Government by Delight (U) Ltd with a long term plan to construct a fruit processing plant in the district.



In conclusion, the Local Economic Development model effectively brings about economic growth, employment generation and improved livelihoods.

Chapter Three

Programmes and projects implemented under decentralization to eliminate poverty at household level

Over the years, the Ministry through existing Local Governments structures has successfully executed a number of programmes and projects supported by various Development Partners to enhance service delivery, wealth creation and infrastructure development.

Strengthening institutional frameworks for service delivery (2011-2014)

The Government of Uganda received funding from the United Nations Development Fund to implement the Strengthening of Institutional Frameworks for Service Delivery from 2011 to 2014. The project focused on three outputs: (i) supporting the strengthening of legal, policy and administrative frameworks for Local Governments service delivery planning and management; (ii) enhancing national and Local Governments capacity for service delivery; and (iii) developing and implementing Public-Private Partnership framework for enhancing service delivery in Local Governments.

The project accomplished notable outputs which greatly influenced policies in the Local Government system. Key among these were the following:

Study to Review the Local Government Structures

A study to review the Local Government Structures was

commissioned to provide Local Governments with the appropriate structure to enable them deliver quality services that are affordable in a more efficient and effective manner. The study also evaluated the jobs in Local Governments with a view of ranking and re-grading them to suit the prevailing situation. This was aimed at identifying and formulating recommendations to address the embedded inconsistencies, weaknesses, duplications, performance gaps and improve capacity in Local Governments to deliver on their mandates effectively and efficiently.

A study on gaps in the legal and policy framework for planning, budgeting and management of decentralised service delivery

The Ministry also contracted a team of consultants to conduct a study to identify gaps in the legal and policy framework for

planning, budgeting and management of decentralised service delivery. The study outlined remedial recommendations which were adopted by Cabinet for implementation in Local Governments.

A study to review the criteria for creation of districts

A study to review the criteria for creation of districts and establish the cost of managing a district was commissioned. The study came up with a quantified criteria for the creation of a new district as well as the average cost for administering one. The recommendations were approved and adopted by Cabinet and thereafter, a moratorium on the creation of new districts was declared with immediate effect in 2013, save for exceptional circumstances, in order to enable Government concentrate on development of economic infrastructure. The approved criteria included the following parameters: Necessity for effective administration; need to bring services closer to the people; means of communication; geographical features; density of population; economic viability; wishes of the people; fiscal and human resource capacity; human settlement and land use patterns; and being above 3,200 sq km (about 32 km or 20 miles radius).

Local Government Guidelines for Public Private Partnerships (PPPs)

Local Government Guidelines for Public-Private Partnerships were developed and disseminated to 40 Local Governments. The guidelines were used to enhance the institutional and individual capacities of local level stakeholders (Local Governments, Private Sector and communities) to identify, plan, design and implement viable partnerships for decentralized service delivery.

Infrastructure improvement projects (caii): 2007 - 2016.

The overall program goal is to contribute to poverty reduction and economic growth in Uganda through enhanced commercialization of agriculture. The specific objectives of the project are to enhance farmers' access to markets, attract competitive prices and increased incomes through improvements in rural infrastructures and their management by well mobilized communities. The program is being implemented in phases as elaborated below:

CAIIP-1. The first phase started in 2007 and closed in June 2014. It was financed to a tune of USD 77 million by IFAD, AfDB and co-financed by Government of Uganda. It was implemented in 35 districts spread in Central and Eastern Uganda. Cumulatively, the project has constructed 4,447Km of Community Access Roads, 578km of District Feeder Roads, 77 rural agricultural markets and installed 123 agro-processing facilities for value-addition on grains and milk. An extension of 42Km of Hydro Electric Power national grid was also done to sites of 67 Agro-processing facilities and 40KVA generators were also supplied to 40 similar sites.

Procurement of Management Services for the Public Vehicle Parking Areas in Local Governments

Following the directive to allow Park Operators manage their respective Public Vehicle Parks, the Ministry developed and disseminated a policy, User Guidelines, and Standard Bidding Documents for Procurement of Management Services for the public vehicle parking areas in Local Governments. This initiative streamlined implementation of the directive and addressed the conflicts arising from management of public parking areas in Local Governments and the consequent loss of local revenue.

The National Local Government Capacity Building Policy

The Ministry of Local Government with support from Development Partners prepared a National Local Government Capacity Building Policy (NLGCBP) in 2005 to harmonize capacity building interventions in Local Governments. In 2013, the Ministry reviewed the policy, with support from UNDP to make it relevant to the prevailing situation facing Local Governments. The policy was revised to address capacity building in a holistic sense encompassing all the factors that affect the performance of Local Governments as institutions and its stakeholders. The United Nations Development Program has significantly supported efforts of the Government to enhance service delivery through the Decentralization process. It is through this support that decentralization in Uganda has evolved to address the challenges arising from policy, legal and administrative changes including the increasing demand for better services from the citizens.

CAIIP-2. The second phase started in 2009 and is expected to close in December 2014. It is being financed with USD 60 million from AfDB, GoU and community contribution. It is being implemented in 45 Districts spread in Central, Eastern and selected parts of Northern Uganda. Under the project, 2,523Kms of Community Access Roads, 230.4km of District Feeder roads have been constructed and 95 agro-processing facilities installed for value addition on grains and milk. 54km of Hydro Electric Power grid is being extended to 57 agro-processing sites.

CAIIP-3. The third phase started in 2011 and is expected to close in 2016. It is being implemented in 31 Districts which are spread in the Western, Central, Northern and Eastern regions of Uganda with funding to a tune of USD 60 million by AfDB and USD 8 million from the Islamic Development Bank (IDB). Civil works are ongoing for 48 contracts totalling to 745Kms at a cost of UGX 39.2bn. The project for opening 2,014Km of Community Access Roads worth UGX 97.6bn is currently at procurement stage. The needs assessment and design of agro-processing facilities including identification of power requirements to inform the agro-processing facilities and grid extension components of the project are ongoing in all the 31 Districts.



Bale Maize Mill in Bale Sub-county, Kayunga District



Extension of National Power Grid to agro-processing and rural markets for electrification



A truck loading banana produce along Gimayote - Mirama 1.75Kms community access road in Ssiyi Sub-county, Sironko District



Figure 4: Loading Cattle on Truck at Kamalanzala Cattle Market in Wabinyonyi Subcounty - Nakasongola District

Immediate positive outcomes and impacts of CAIP project

- i) The project contributed to increases in the farm gate prices of staple foods in CAIP operational areas such as;
 - a. Cassava from UGX 8,000 to UGX 20,000 per 100kg sack, which was a *150% increase*;
 - b. Maize from UGX 500 to an average of UGX 1000 per kg, which was a *100% increase*;
 - c. Milk from an average of 150 per litre to UGX 1,000 during season which was a *570% increase*; and
 - d. Banana (Matooke) from an average of UGX 4,500 to UGX 10,000 for an average sized bunch of about 30 kg during the dry season, which was a *120% increase*.
- ii) Improved transportation of produce hence reduced transportation costs to markets by about 50%.
- iii) Reduced travel time to major towns by more than 50 per cent.
- iv) Improved marketing of produce; reduced post-harvest losses especially for perishables such as cabbage, tomatoes, pineapples, water melons etc by about 20 per cent.
- v) Agro-processing facilities and market structures installed by the project are providing employment to the people in rural areas.
- vi) Electric power grid extensions have helped homesteads in lighting their homes, local artisans and setting up of agriculture-based cottage industries.
- vii) The constructed roads serve 8 million people.
- viii) The agro-processing facilities are estimated to be serving 3.5 million people. They provide direct employment to the rural folk of about 1,000 semi-skilled labourers.

Market and agricultural trade improvement programme (MATIP): 2011 - 2015

The objective of MATIP is to contribute to poverty reduction and economic growth in Uganda through enhanced commercialization of agricultural produce, increased urban dwellers working spaces and sell of other merchandise. It is funded by AfDB and BADEA to a total tune of USD 68 million. It is being utilized to finance the redevelopment and upgrading of 9 markets in 8 Urban Authorities namely; Wandegeya Market in Kampala Capital City, Mpanga in Fort Portal Municipality, Hoima Market in Hoima Municipality, Lira Market in Lira Municipality, Jinja Market in Jinja Municipality, Mbale Central Market in Mbale Municipality and Gulu central Market in Gulu Municipality which are under AfDB. BADEA is financing Busega in Kampala City and Nyendo in Masaka Municipality. The project has so far completed construction of 4 markets of Wandegeya, Mpanga, Mbale and Hoima. The project is slated to close in December 2015. The markets are expected to directly serve the entire populations of the Urban Authorities totalling 1,668,489 people as per 2002 Population and Housing Census results.

Matip immediate positive outcome and impacts

- i. Improved volume of agricultural trade in the markets and surrounding areas.
- ii. Increased general ambiance i.e. improved drainage, paved roads etc and physical planning aspects in the Central Business District (CBD) where these markets are located.
- iii. Provided employment and incomes to urban poor dealers in agricultural produce.



The exterior and interior pictorial views of newly constructed Mbale Central Market and Wandegaya Market respectively

Household agricultural support programme (hasp): 1998 - 2009

The overall goal was to enhance food security for the households in the HASP districts and to ensure the public and private sectors provide effective services efficiently. This was expected to contribute to increased incomes among groups and individual households from primary production, storage, processing and marketing activities by facilitating demand responsive managerial, technical and financial support, and by facilitating improvement in the managerial and technical effectiveness of district based public and private agricultural support organizations.

HASP was implemented as one of the seven components under “**The First Agricultural Sector Programme Support, ASPS 1**” between September 1998 and June 2004. It was financed by DANIDA to a tune of USD 4.6 million. The programme was implemented in Western, Central and Central Uganda in Bundibugyo, Kabarole, Masaka, Rakai, Pallisa and Tororo districts. Most of the programme activities targeted active poor farmers organized through Common Interest Groups (CIGs). The project is estimated to have served 2,865,385 people in the districts as per the 2002 population and housing census report.

Across the entire implementation area, 812 Community Interest Groups (CIGs) were identified, formed, promoted and their capacities strengthened. At least 150 of these CIGs received small grants of up to UG Shs500,000 per group under the HASP Development Facility (HDF). HASP also strengthened capacities of 24 private Agricultural Support Organizations (ASOs) in implementing districts and these remained credible community empowerment centers for a long time to which farmers benefitted. HASP also undertook capacity building of 163 staff in the implementing districts by conducting tailor made training in various operational areas such as monitoring and evaluation, participatory planning methodologies and agricultural extension services. These were cascaded to mainly farmers organized into small groups, hence empowerment.

All the above levelled the ground for easier subsequent implementation of NAADS, and ASPS II between 2004 and 2008 because HASP experiences and plans were integrated into ASPS II non-sectoral Conditional Grants (NSCG) roll-out.

Area-based agricultural modernisation programme (AAMP): 2004 - 2009

The program was established to contribute to poverty reduction among rural households in the programme area. The programme focused on several key areas of investment aimed at commercializing smallholder agriculture, increasing household incomes and thereby reducing the incidence of poverty. Implementation was spread in 16 districts in Western and Southwestern Uganda (Bundibugyo, Bushenyi, Ibanda, Isingiro Kabale, Kabarole, Kamwenge, Kanungu, Kiruhura Kisoro, Kasese, Kyenjojo, Mbarara, Ntungamo, Rukungiri and Sembabule). The program was implemented between 2004 and 2009, and was funded by IFAD at the request of GoU to build on the achievements of “**The Southwest Regional Agricultural Rehabilitation Programme**” (SWARP). It was jointly financed by IFAD at a cost of USD 13.18m, AfDB USD 13.22m and GOU USD 4.22m. It is estimated to have served **5,269,130 people in the target district as per the 2002 population and housing census.**

During the six years of implementation, numerous achievements were registered and actually the programme surpassed many of its original targets. A total of 1,120km of District Feeder Roads and 1,015km Community Access Roads were rehabilitated. A total of 2,788 farmers groups were supported with the revolving fund. The support consisted of inputs in form of improved crop varieties and animal breeds as well as training in modern farming practices. Over 400 on-farm demonstrations and 1,020 trials were established as learning centres that helped to promote farming as a business. In addition, the programme supported 35 Savings and Credit Cooperatives (SACCOs)

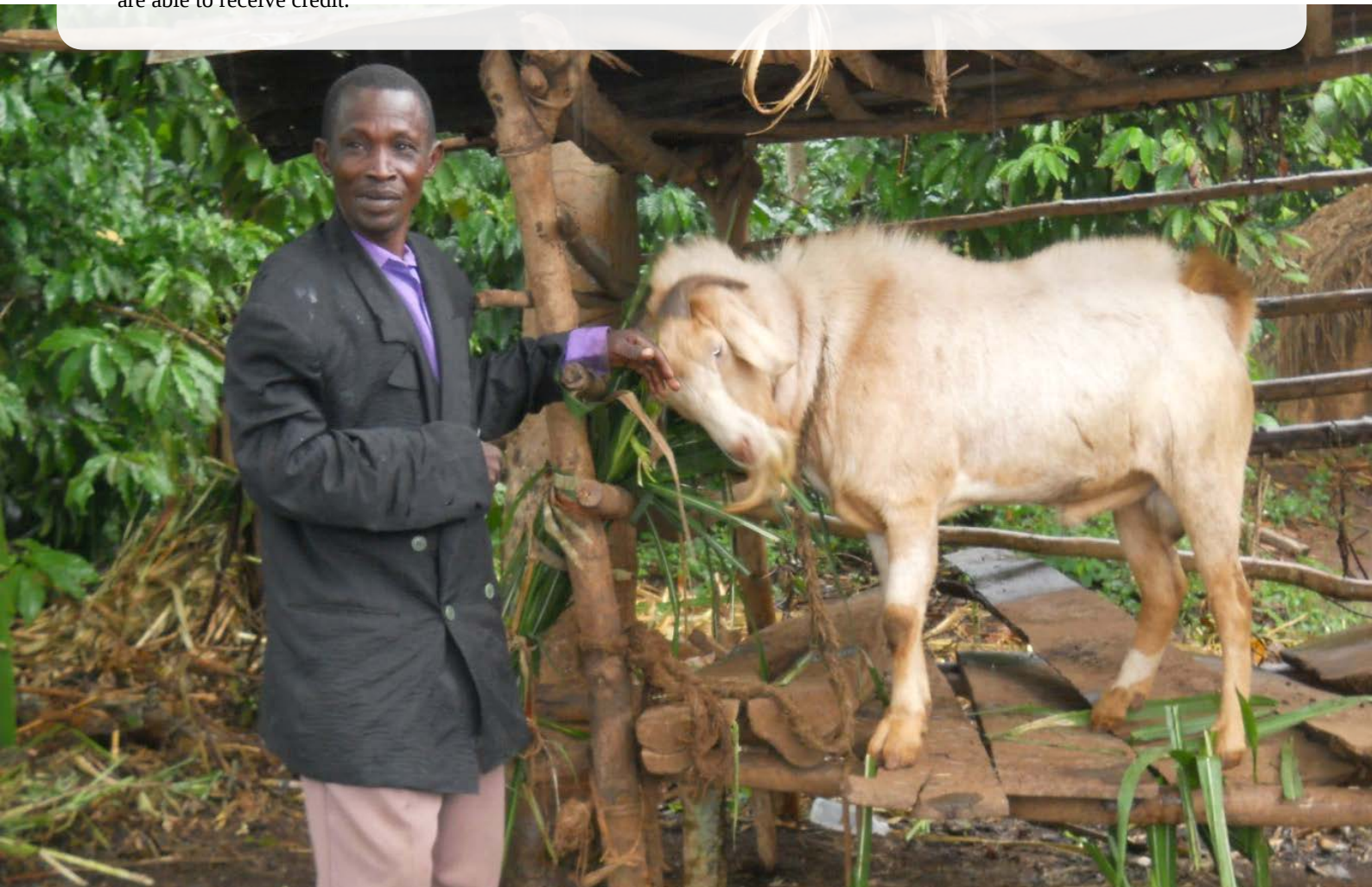
in the 16 programme districts. The SACCOs helped to promote the culture of saving among the rural households in addition to being sources of affordable loans.

Also, 120 market structures out of the targeted 64 were constructed. The programme also invested in installation of milk coolers to take 39,000 litres out of the planned capacity of 36,000 litres in four districts. The available reports indicate that the programme reached 390,000 households against the target of 312,000 through direct and indirect interventions, representing 125% achievement. The studies conducted by AAMP revealed an increase in acreage planted for cash crops such as bananas and upland rice, increase in farm-gate prices, as well as growth of business volume in markets along the rehabilitated roads. Overall, a 12.5% reduction in poverty levels and 15% increase in real household incomes were registered in the lifetime of the Programme. The improvement of livelihoods among rural households in the programme area is evidenced by increased asset ownership and increased household expenditure. About 80% of programme smallholders' production increased by 30% and about 80% of Programme area household income increased in real terms by 19 per cent. Marketed output has increased by an average of 15% for the main crops. More than 20% of smallholder farmers in the programme area able to sell 60% of production, 80% of the smallholder farmers have access to advisory services. Over 40% of the smallholder farmers are able to receive credit.

The district development project: 1996 - 2013

In 1996, Government signed an agreement with the United Nations Capital Development Fund (UNCDF) and United Nations Development Programme (UNDP) to support a pilot project on fiscal decentralization. While a lot of ground had been covered under political and administrative decentralization, little had been done on devolving the development budget to the Local Governments.

The UNCDF and UNDP assisted Uganda to come up with a pilot project on how the development budget could be devolved. A Local Development Fund (LDF) and a Capacity Building Fund (CBF) were introduced in five pilot districts of Arua, Jinja, Mukono, Kabale and Kotido. During this pilot project, Government came up with guidelines on how to define the type of investments that Local Governments could invest in such as construction of classroom, staff houses, health centres, water points, feeder and access roads, procurement of desks for schools, setting up of demonstration and multiplication gardens. These guidelines were later adopted by Government to scale up and form the Local Development Grant (LDG) to Local Governments, which has been running for 14 years.



One of the improved goat breeds that were supplied in Kabarole District under DDP.



Beehive making in Busana, Kayunga District.

Guidelines were also issued for the demand-driven Capacity Building Fund and were adopted by Government to create a Capacity Building Grant (CBG). The grant is used by Local Governments to train management staff, political leaders, contractors, women groups, the youth and other agencies that are involved in providing services to the Local Governments. It is used for short courses, seminars, workshops, field attachments/secondment, exchange visits and procurement of basic tools for the Local Governments.

The local government development programmes (LGDP): 1999 - 2007

In December 1999 the Government of Uganda concluded a credit agreement with the International Development Association (IDA) of the World Bank towards the Local Government Development Program (LGDP) totalling US\$89.9million. The program was declared effective on July 1 2000 and its objectives were to:

- i. test the feasibility of implementing the Constitutional and legal mandates with respect to decentralized service provision and devolution of the Government's development budget through the provision of investment funds to Local Governments (Local Governments)
- ii. build the capacity of the Ministry of Local Government (MOLG), the Secretariat of the Local Government Finance Commission (LGFC) and the sub-set of Local Governments for improved service delivery, accountability and transparency;
- iii. test and institute alternative service delivery mechanisms through private sector, beneficiary communities and other stakeholders in Kampala City Council (KCC); and
- iv. monitor and evaluate program implementation for actual experience and good practices for formulating an appropriate strategy, implementation modalities, and phasing for eventual scaling up in all the territories of the Government over time.

SECTOR	NO. OF PROJECTS	ACTUAL COST U SHS.
Administration	117	3,236,321,529
Education	2,525	14,715,183,740
Health	832	8,441,966,949
Production	809	3,150,550,664
Roads & drainage	2,081	24,359,287,209
Solid waste	99	696,371,107
Water & sanitation	1,741	8,565,436,093
Total	8,204	63,165,117,290

Table 3: Projects implemented Under LGDP-I

In 2003, Government signed a follow-on programme with the World Bank and sister development partners to implement the Second Local Government Development Programme (LGDP-II). The LGDP-II was designed to consolidate and expand on the mandate of the Local Governments.

Through the implementation of the LGDP-I, Government was able to achieve the following:

The Fiscal Decentralization Strategy (FDS)

The FDS outlined the procedures that Government would employ to devolve the development and recurrent budgets of government, the planning and budgeting process for Local Governments and the procedures for financial reporting and accountability for funds received by the Local Governments from the centre. The first guidelines for planning, budgeting, financial reporting and accountability by the Local Governments were developed.

Joint Annual Review of Decentralization (JAR)

In 2004, Government conducted the first ever Joint Annual Review of Decentralization (JAR) so as to take stock of the implementation of the Decentralization process in the country. This review has become an annual event and enables the Local Governments stakeholders to review the achievements, best practices, lessons learnt and find a way forward on the challenges that still prevail.

Decentralization Policy Strategic Framework (DPSF)

In 2006 under the auspices of the LGDP-II, a Decentralization Policy Strategy Framework (DPSF) was developed to constitute the primary reference point for GoU and other stakeholders for consolidating and deepening Decentralization. The DPSF has already led to better coordination, improved systems, reporting and more coherent implementation of the Decentralization policy within the framework of the NDP and the Local Governments Act. It has been able to embrace the visions, strategies and activities of all the development partners, the Government, Local Governments Associations, NGOs and the Local Governments themselves into the Local Government sector's development process.

Local Government Sector Investment Plan (LOCAL GOVERNMENTSIP)

Under the LGDP-II, the first ever ten-year LOCAL GOVERNMENTSIP was developed to guide the implementation of activities in the sector. This was later revised in 2013 to become the LG Sector Strategic Plan (2013-2023).

Procurement Reforms

The first procurement guidelines and tender board rules and regulations were developed with the assistance of lessons and

experiences generated by LGDP. It was through the implementation of LGDP that Government was able to draw lessons on the performance of the Local Governments Tender Boards that in 2005 it decided to replace them with Contracts Committees. By March 2007 the only training that the Local Governments Contracts Committees and the evaluation committees had received had been conducted under the auspices of LGDP.



Garbage collection equipment in Fort Portal Municipal Council

Auditing of Lower Local Governments

Lower Local Governments in Uganda became corporate bodies with the enactment of the Local Governments Act in 1997. Until 2000, most of these entities had no books of accounts leave alone ever being audited. Through LGDP, Government was able to support all the 1000 lower Local Governments countrywide to obtain and begin operating with mandatory books of accounts. In 2001/02 FY the Office of the Auditor General, through LGDP, conducted the first ever financial audits of the lower Local Governments. The audits were carried out even in successive years until 2005/06 FY using audit firms. Thereafter the Auditor General's Office developed the capacity to carry them out.

Support to the Parliamentary Local Governments Public Accounts Committee

All audit reports that are prepared by the Office of the Auditor General are subject to scrutiny by the Parliamentary Public Accounts Committee (PAC). Because of the large number of Local Governments in Uganda, Parliament set up a Local Government PAC specifically to review the audit reports coming in from the Local Governments. Because of the improvement in the auditing function of the Local Governments, the Local Government PAC in 2006 became overwhelmed with Local Government reports that it requested the Ministry to support it with two accounting specialists to review and summarize the audit reports for the committee.

Local Government Property Regulations

Under the auspices of LGDP, Government was able to develop a new law, the Local Government (Rating) Act of 2005, which repealed the Local Government Property Rating Decree of 1975. This law has changed the way properties are rated, leading to one of the major sources of revenues for Local Governments, particularly in the urban areas. Under LGDP, the Local Government Property Rating Regulations were developed and were issued in April 2007 to operationalize the Act.

Restructuring of Local Governments

In 1998 Government embarked on a program to restructure the Local Governments. This followed earlier exercises that Government had undertaken with the Central Government agencies in 1992 and 1998. A restructuring report was approved by Government in 2004 and the Ministry of Local Government was charged with the responsibility of implementing its recommendations. The major activities under this program were to pay severance packages to an estimated 4,500 retrenched staff, to customize the new Local Government establishment structures and to support the recruitment and induction of the newly recruited staff. All these activities were supported by the LGDP at US\$10 million. Local Governments were now able to recruit better-performing staff members, adopted more manageable and less costly establishment structures, improved their work methods and also improved the service delivery to the population.

Privatization of Contracted Services in the Local Governments

In 1989 Government announced the patise services that they were hitherto providing.



Prior to LGDP, Local Governments were executing works and services through their departments and sections, mainly through direct labour force account. Under LGDP, most Local Governments for the first time started engaging the private sector to execute works and services. All the projects involving school construction, road and drainage works, the construction of health centres, sanitary facilities, agricultural services were contracted out to the private sector. Similarly, under the capacity building programme, Local Governments started engaging private sector professionals to carry out capacity building activities such as training, research and consultancy studies. This was a major paradigm shift in the way that Local Governments conduct business.

Transparency in Funding Allocation and Utilization.

Through the system of displaying Indicative Planning Figures (IPFs) and allocations for the respective projects, the LGDP programmes significantly contributed to the increase in the level of transparency of Local Government resources. This yielded better participation by the stakeholders, improved monitoring of projects, reduced corruption, produced better accountability and enhanced smoothness in the procurement process.

SECTOR	NO. OF PROJECTS	ACTUAL COST U SHS.
Administration	256	3,291,919,431
Education	3,445	22,219,348,464
Health	1,248	13,892,024,525
Production	1,593	6,185,279,079
Roads & drainage	3,338	37,155,051,192
Solid waste	140	801,245,495
Water	1,543	7,688,782,046
Sanitation	1,227	4,308,919,316
Total	12,790	95,542,569,547

Table 4: Transparency in funding allocation and utilization.

Value-for-money audits

Until the LGDP-I, the Local Governments had never conducted any value-for-money technical audits on their programmes. Under LGDP-I and II, the Ministry of Local Government conducted two VFM technical audits in 2003 and 2007. The VFM results indicated that 68% of the investment projects were rated as having very good value for money, 25% had satisfactory rating and only 8% were rated poor. This achievement was a result of improved planning methods, enhanced capacities of Local Governments, better procurement and contract management practices that were imparted, mainly through the LGDP.



A primary school classroom block in Yumbe District



A health centre in Luwero District



A Water kiosk in Amuria District

The Local Government Management and Service Delivery (LGMSD) programme: 2009 - 2013

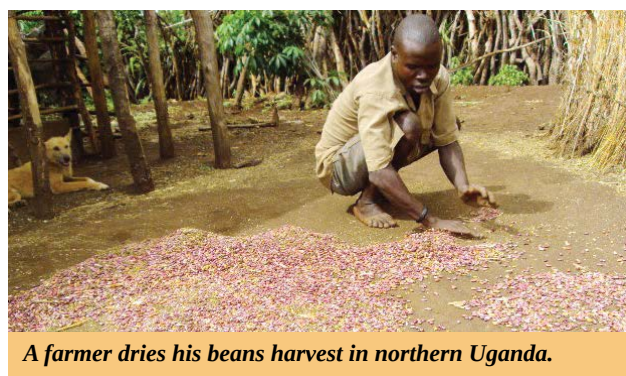
The Local Government Management and Service Delivery programme (LGMSD) aimed at providing phased support for the implementation of the Government's Public Financial Management (PFM) Reform Programme and the Decentralization Policy Strategic Framework (DPSF). Its objective was to enhance Local Governments' ability to plan and manage human and financial resources for effective and sustainable delivery of services.

Under the components, Government was able to do the following:

- i. Implementation of the further roll-out of IFMS in 28 MDAs;
- ii. Upgrade the data centre to support extension of IFMS to new entities;
- iii. Supported the IFMS technical staff including recurrent costs (Project Support Team);
- iv. Further roll-out of IFMS and other systems to Higher Local Governments
- v. Strengthened the financial management systems in non-IFMS Local Governments (2nd Tier Local Governments)
- vi. Provided technical support for the 2nd Tier Local Governments and application support
- vii. Established of financial systems/ICT support function at the Ministry of Local Government

On the service delivery aspects, Government was able to do the following

- i. Widened the Local Development Grant to Local Governments to continue providing social services like water, sanitation, construction of schools, feeder roads, health centres and distribution of desks.



A farmer dries his beans harvest in northern Uganda.

- ii. Supported institutional development for Local Governments through capacity building grants for skills enhancement;
- iii. Supported structure planning for new Town Councils and Town Boards,

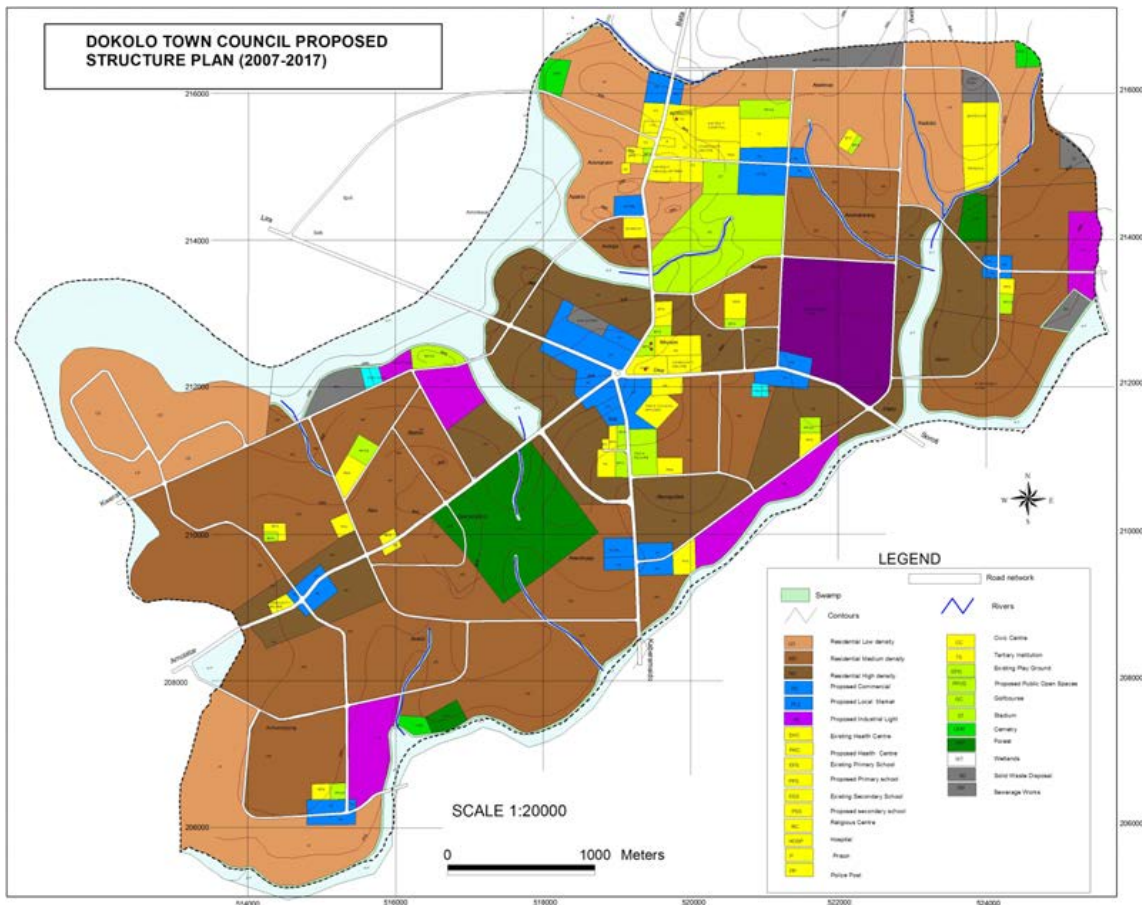


Figure 7: Structure plan of Dokolo Town Council

iv. Introduced the Community Driven Development (CDD) grant for supporting local groups to improve their livelihoods and well-being through community projects;



Village Savings Group in Amuru

NO.	SECTOR	PROJECTS	TOTAL PROJECT COST	% CDD EXP PER SECTOR
1	LIVESTOCK	5,891	17,696,016,752	43.23%
2	AGRICULTURE	4,173	20,404,482,499	33.36%
3	SERVICES (EVENTS MANAGEMENT, CATERING, TRANSPORT)	1,260	4,364,633,769	9.37%
4	FOOD PROCESSING, VALUE ADDITION AND BANKING	627	2,931,135,981	5.80%
5	OTHER INNOVATIONS	464	1,825,917,313	3.70%
6	ARTS AND CRAFTS	443	1,611,472,722	3.35%
7	SMALL SCALE INDUSTRIES	158	544,780,130	1.18%
	TOTALS	13,016	49,378,439,166	100.00%



Planning construction of a mini-hydro power dam in Arua District



A medical equipment in Iganga District



Fish farming in Busia District

- v. Strengthened local government institutions in the Government's Peace, Recovery and Development Program (PRDP) region by re-establishing state presence in the 40 districts in Northern Uganda. Accordingly, this sub-component supported the following activities:
- vi. Construction and renovation of Lower Local Governments' office buildings, staff houses and sub-county chiefs' houses in 392 Sub-counties;
- vii. Provision of vehicles for districts, office furniture for Lower Local Governments, bicycles for parish chiefs and solar power for remote Lower Local Governments;
- viii. Provision of induction training for new Local Government officers

Changing livelihoods of the poor

District livelihoods support programme (DLSP): 2007 - 2015

Introduction:

The District Livelihoods Support Programme is one of the livelihoods implemented by the Ministry of Local Government among others which include the Hoima-Kibaale Integrated Project (completed), the District Development Support Programme (DDSP) (completed), and the Proposed Programme for Restoration of Livelihoods in Northern Uganda (PRELNOR) funded by IFAD, mainly aimed at supporting Local Governments to deliver decentralised services through:

- (a) Provision of productive infrastructure such as community access roads, market infrastructure, health etc;
- (b) Empowering rural households to increase their food security and incomes.

The programme covers 13 districts of Apac, Busia, Buliisa, Bugiri, Bundibugyo, Kamwenge, Kyenjojo, Luwero, Masindi, Mayuge, Nakaseke, Oyam and Yumbe including the newly carved out districts of Kiryandongo, Kyegegwa, Namayingo, Ntoroko and Kole.

The programme is implemented under three major components of Community Development, Agriculture Development and Community Infrastructure. The major achievements are as outlined below, component by component:

Community Development

Trained 1,232 community volunteers (FAL instructors and household mentors), trained 680 groups in group dynamics and leadership skills, 24,283 FAL learners were trained, 14,067 FAL learners completed proficiency tests and are able to apply their functionality literacy, formed and trained 134 water user committees and formed and trained 67 road user committees.

The major methodology used under District Livelihoods Support Programme under community development is:

Household mentoring

Household mentoring methodology was adopted by the ministry of Local Government in 2009 after the re-design of the District Livelihoods Support Programme (DLSP) and has proved a powerful tool to increase involvement of the rural poor households to participate, contribute in development and enjoy the benefits of decentralisation.

The methodology is aimed at working with poorer households to help them identify and develop their own pathways out of poverty. People are selected from the local community and trained as household mentors who conduct regular visits to individual households over one to two years.

The households are identified by parish chiefs and sub-county CDOs using PRA techniques. The eligibility criteria for the household to be mentored include households with: no or few household assets, many dependants (including orphans, the elderly and the sick), women and children as the main source of family labour, limited or no income generating activities, and poor nutrition.

Households should have access to land or other natural resources which are not being used productively, and the physical and mental capacity to respond to mentoring and other opportunities. The main element or focus of the methodology is on mindset change of the rural poor to engage in the development agenda.

The fundamental principle of the household visits is to transform the thinking of all the adult household members into one of self-help. Through mentoring by the household mentors, the poor households are encouraged to move from producing just enough (or insufficient) food crops to producing a surplus which can be sold. Over time, these households will be encouraged to form clusters and to associate with farming/fishing groups and producer associations in the longer term. Once in clusters, households can access extension support and other government interventions/support.



A woman standing in front of her house before (Left) and after the mentoring (Right)

Agriculture Component

The major achievements under the agriculture sub-component include 680 farmers' groups which were supported with Enterprise grants, 17,854 poor households were supported with food security grants, 251 demonstration sites were established, 1,882 parcels of land for the poor households were completed and the individual owners were issued with certificates. A total of 14,075 farmers were trained in entrepreneurship skills and 14,075 farmers trained in post-harvest handling skills.

The following models have been adopted and found to be very instrumental in better delivery of services and offer sustainable impacts:

Household business model

The support (enterprise) is given to the group and is managed by households directly. The group members agree on the dividing equation of the enterprises depending on the readiness and capacity of the household to receive and manage the enterprise. This model is intended to maximise the effort of hard work and promote a sense of ownership. Many of the livestock and crop enterprises are well managed under this model. Each group member may raise individually as a household his or her own cow, goats, piglets, banana, coffee or even pineapple plantation.

Cluster business model

In this model, the enterprise is managed through smaller manageable units, each consisting of group members selected based on their agreed criteria which may be due to their closeness in relationship or locality within the area. The enterprises commonly managed with this model are usually the animal traction which comprises of oxen, a plough and in some cases a weeder and a cart, the goats and the apiary.

Group business model

This is a highly specialised type of model which requires high levels of business development and maturity. In this model, all group members manage the enterprise collectively and are all accountable to each other. To ease on the complexity of managing this enterprise, the group selects the management committee which ensures that the enterprise is being managed on entrepreneurship principles and practices. All enterprises may be managed by this model, though the most common are the value addition, animal traction, cattle for bull fattening and apiary enterprises. Such enterprises have high capital costs because they have to meet high costs of investments like the joint land holdings, buildings and machinery. The group model requires that initially the group is exhibiting high levels of cohesiveness and trust in order to effectively manage this enterprise. The model requires that entrepreneurship principles and practices are adhered to with emphasis on accountability to the members. Though this model enjoys the benefits of collective role sharing, cost sharing, decision making and negotiation; it requires highly innovative and management skills to profitably benefit the members. This

model requires additional support in terms of business mentoring and audit for it to improve on its operations. The value addition and animal traction enterprises are best managed by this model.

The major impacts realised

Outstanding benefits under the agriculture development sub-component include: using the above models and methodologies; increased volumes of sales; increased production and productivity; stimulating agricultural commercialization among the farmers; increased technology uptake of the promoted crop and animal types and recommended management practices.

(i) Increased production and productivity from the provision of enterprise and food security grants; there is noticeable increase in acreages and volumes of production of the promoted crops amongst the beneficiaries. Similarly, there has also been a progressive increase in livestock numbers, especially goats, cattle and pigs both in numbers and quality. This is acting as motivation empowerment factor among the farmers to realise profits through promotion of agricultural business models which promote increased production and reduction of costs. Improved quality of produce especially during post harvest handling and emphasis on market driven production among other principles and practices promoted have enabled the farmers participate effectively in farming as a business with a profit motive.

ii) Stimulating agricultural commercialization among the farmers due to market demands for big volumes and high quality produce; there has been specialisation among the farmers in specific enterprises and sectors to promote increased production mass, collective commodity sales and better bargain for their commodities. The two success case studies are in the pineapple sector in the districts of Kyenjojo and Luwero and the goat rearing in Yumbe and Mayuge. Commercialisation in the value addition sector for the maize mills has empowered the farmers in aspects of procurement of tenders from schools, other big suppliers and even bulk buying of maize from other farmers to collectively mill and sell in order to maximise their profits. There has been evidence of job creation with increased business transactions and added market opportunities identified within and outside the communities.

Next page is one of the farmers who benefited from DLSP support and whose income has increased. Mr Kiku Ibrahim, of Nkobazambogo Farmers Group in Kamira sub-county, Luwero district, received 12,000 suckers which he planted on an acre of land in 2008/9. He has so far harvested 16,000 fruits each sold at Shs700 hence earning US\$11,200,000. From the proceeds of pineapple sales, he bought a motorcycle, plots of land and had started constructing a house on one of the plots. He has also expanded his garden from the one acre given by DLSP to three acres and planted more 42,000 suckers.



An example of Farmer in Luwero District who has benefited from DLSP support and Vehicles loading from his farm.



NO	NAME OF FARMER	AMOUNT RECEIVED	BALANCE	DATE	AMOUNT RECEIVED	BALANCE	DATE
1	11/1/2011	100,000	100,000	11/1/2011	100,000	100,000	
2	11/1/2011	50,000	50,000	11/1/2011	50,000	50,000	
3	11/1/2011	100,000	100,000	11/1/2011	100,000	100,000	
4	11/1/2011	50,000	50,000	11/1/2011	50,000	50,000	
5	11/1/2011	100,000	100,000	11/1/2011	100,000	100,000	
6	11/1/2011	50,000	50,000	11/1/2011	50,000	50,000	
7	11/1/2011	100,000	100,000	11/1/2011	100,000	100,000	
8	11/1/2011	50,000	50,000	11/1/2011	50,000	50,000	
9	11/1/2011	100,000	100,000	11/1/2011	100,000	100,000	
10	11/1/2011	50,000	50,000	11/1/2011	50,000	50,000	
11	11/1/2011	100,000	100,000	11/1/2011	100,000	100,000	
12	11/1/2011	50,000	50,000	11/1/2011	50,000	50,000	
13	11/1/2011	100,000	100,000	11/1/2011	100,000	100,000	
14	11/1/2011	50,000	50,000	11/1/2011	50,000	50,000	
15	11/1/2011	100,000	100,000	11/1/2011	100,000	100,000	
16	11/1/2011	50,000	50,000	11/1/2011	50,000	50,000	
17	11/1/2011	100,000	100,000	11/1/2011	100,000	100,000	
18	11/1/2011	50,000	50,000	11/1/2011	50,000	50,000	
19	11/1/2011	100,000	100,000	11/1/2011	100,000	100,000	
20	11/1/2011	50,000	50,000	11/1/2011	50,000	50,000	



Below is an example of farmers' savings record and cash box for keeping their money earned as result of DLSP interventions.



Above is a farmers group being trained in animal traction (left).



One of the Boran bulls introduced in Buliisa District Local Government.



Biguri-Kagasha-Nkoma Road in Kamwenge –before construction, the road was completely unusable. Fatal accidents were common on this section of the road

Increasing rural access to markets

Community infrastructure component

This component includes construction of Community Access Roads and water sources. Under DLSP, over 2400km of community access roads are under construction in different phases and 129 water sources were constructed or rehabilitated. The constructed community access roads have stimulated investment in other sectors, increased accessibility to agriculture extension services and agriculture inputs, improved school attendance, reduced absenteeism in schools, increased property prices and emergency of rural growth centres and markets.



After swamp filling Biguri-Kagasha-Nkoma Road in Kamwenge is now motorable and has improved access to markets and other service centres



The District Development Support Programme (DDSP) (2000-2006)

It covered three adjacent districts of Uganda, namely: Hoima, Kibaale and Kabarole. At the time of programme conception, the three districts had a combined area of 18,000 sq km. and a popula-

tion of 1.4 million people. They were classified as being among the poorest in the country, with average earnings less than half the national average and also characterized by widespread malnutrition.

The DDSP was funded to a tune of USD 21.894 million by a consortium of development partners made up of the International Fund for Agricultural Development (IFAD), the Belgian Survival Fund (BSF), Development Cooperation Ireland (formerly Ireland Aid),

the Government of Uganda (GoU), and the beneficiary communities. The overall goal of the DDSP was to alleviate chronic poverty. Specifically, the programme set out to: (a) raise household and rural incomes; (b) improve the overall health status of the population; (c) improve food security and nutrition; (d) increase farmer participation in monetization of the rural economy; and (e) enhance local governance and deepen decentralization. The programme was implemented through seven synergistic components, namely: (i) Community Development; (ii) Rural Finance; (iii) Health and Nutrition; (iv) Water and Sanitation; (v) Rural Roads; (vi) Agricultural Development; and (vii) Management Capacity-Building and Institutional Strengthening. Implementation was under the overall coordination of the Ministry of Local Government (MOLG) through a centrally placed Liaison Office.

Major achievements, component by component, under DDSP are as follows:

Community Development

The major achievements under community development component include:

Construction of 18 new community centres out of the targeted 19, equipping of 29 centres out of the targeted 42, rehabilitation of 21 community centres out of the targeted 14 and training of 630 FAL instructors out of a target of 800. Under this sub-component, there was literacy training of 51,765 adult members of the communities, sensitization of communities through 464 radio programs (target 396) while 11 Community Development Assistants (CDAs) were facilitated to upgrade from certificates to diploma level. (there no specific target set).



FAL class in progress in Mitooma Parish, Bugaaki Sub-county in Kyenjojo District.

Rural Finance

Major achievements

A total of 3,493 credit and savings groups were formed with a membership of 26,222 people, 54,655 short-term and 2,419 medium-term loans were given out and loan repayment rates remained above 95 percent.

Health and Nutrition

Major achievements

Ten health centres were constructed (4 in Hoima, 3 in Kibaale, and one each in Kabarole, Kyenjojo and Kamwenge). Ten 10 new

centres plus two existing ones were equipped, staffed and staff quarters constructed and installed with water catchment facilities, 27 health centres equipped with functional solar lighting systems (9 in Hoima, 4 in Kibaale, one in Kamwenge and 13 in Kyenjojo).

Water and Sanitation

Major achievements

Under this component, 224 new boreholes were constructed, 237 boreholes rehabilitated, 18 springs were protected, 44 shallow wells constructed and one gravity flow system constructed in Kikwamba sub-county in Kabarole district with 23 tap stands.

A water supply system was constructed at Ndaiga landing site in Mpefu sub-county, Kibaale district, 177 rainwater catchment tanks were constructed in schools. Health centres, 519 ventilated improved pit latrines with a total of 1,521 stances, 170 urinals for boys were constructed while 5,000 sanitation platforms (sanplats) to 3,000 households in Hoima and 2,000 households in Kibaale districts were provided to communities and 24 Ecosan toilets at the Lake Albert shore fishing villages were build.

Rural Roads

Major achievements

A total of 1,152km of community access roads opened, 969 culvert lines installed, 14 bridges constructed and 3 repaired, 234km of critical sections of feeder roads improved and 172 Parish Road Committees (PRC) established.

Others are: rock blasting on the Kyaterekera-Ndaiga road to Lake Albert shore in Kibaale District, and road construction using the labour-based technology on Kiyagara-Busiriba road in Kamwenge District.

Agricultural Development

Major achievements

Under this undertaking, 216.2 ha of improved bananas, 454.4 ha of cassava and 115 ha of sweet potatoes were planted, 20 clonal coffee nurseries and 4 fry centres were established. Three crater lakes and 75 fish ponds were stocked with fish, six apiary demonstration sites and 385 farmers were supported with improved beehives, 25 Boran bull schemes established, 136 in-calf heifers and 25 Boer goats distributed to communities.

At project completion the following were the programme impacts:

- i) 50% of the households reported improved well being, 51% households acknowledged improved food security, increased accumulation of *physical assets, improved market access and increased agriculture productivity.*

Good governance models improve service delivery

Uganda good governance programme: 2011 - 2016

The UGOGO Programme was a five-year Danish support to good governance in Uganda from July 2011 to June 2016. The programme put strong emphasis on both supply and demand side of democratic development, peace-

building, provision of justice, human rights, accountability and better service delivery. These interventions reflect the programme's balanced and broad-based approach to governance, which were all key in the achievement of the development objective; 'Equitable growth, poverty reduction, rule of law and long-term stability in Uganda'.

Furthermore, this development objective aligned to contribute to the achievement of Uganda's National Development Plan.

Under this programme, the Ministry of Local Government was supported to implement one of the components and was able to register key achievements which included the following:

- I. A value-for-money assessment of the Local Government planning process in delivery of sustainable services was commissioned to inform the review of the Local Government Planning Guidelines. Following this study, the Local Government Planning Guidelines were revised to revitalise participatory planning and harmonise planning and budgeting processes in Local Governments with the government reforms, policies and frameworks.



A well protected water source in Kyenjojo District and VIP latrine and a hand washing facility at Kikuuba Primary School.



- II. Sector minimum standards of service delivery were compiled and the Local Governments performance assessments tool revised.
- III. The National Assessment tool was automated as a strategy for improving the assessment process.
- IV. A study to assess the requirements of Local Governments preparedness to issue Municipal

bonds was commissioned. Following the study, the Ministry prepared guidelines for Local Governments to issue bonds as a source of revenue for infrastructure development.

- V. The Markets Act cap (94) was revised and new guidelines on market management for Local Governments formulated;



- VI. The Local Government public accounts committee regulations were revised;
- VII. Local Government staff were supported to undertake Accounts Professional Courses to improve financial management in Local Governments. Financial Management in Local Governments was a key challenge resulting from capacity gaps of the Financial Managers.
- VIII. Implementation of JARD undertakings was revitalised. The Ministry of Local Government institutionalised the Joint Annual Review of Decentralization meeting on the implementation of decentralization. This meeting adopts recommendations to address the impediments to service delivery in the Local Government Sector. Through the UGOGO programme, the Ministry was supported to closely facilitate and monitor

implementation of these undertakings and ultimately enhancing service delivery in Local Governments.

- IX. The programme helped built the capacity of Local Governments to mainstream HIV/ AIDS and gender.

In conclusion, the UGOGO Programme has gone a long way in supporting the efforts of the Government of Uganda to promote inclusive service delivery and promoting good governance. Following the above achievements, key impediments to service delivery in Local Governments were addressed. However, given the new approaches to Local Governance, increasing demand for services as well as capacity gaps, the Government shall continue to work with development partners to address emerging challenges and consequently achieve her development objectives.



A field of upland rice and goat rearing in Kamwenge District.



Chapter Four

Reflections on the benefits of decentralization

Over the past two decades of implementation of the Decentralization policy, there has been remarkable success in terms of reach, quality and depth of service delivery. Equally, the country has also witnessed an improvement of the democratization process with popularly elected councils providing solutions to local development challenges. The following benefits have been realised.

Basis for sustainable local development

With Decentralization, more resources were transferred to the local level in terms of conditional, unconditional and equalisation grants. These helped to enhance or stimulate local economies and support local development initiatives.

Empowerment of communities

Decentralization represented the most effective means of transferring powers by the Central Government to sub-national governments. This enhanced basic tenets of good governance namely; openness and fairness. The people regularly elect their political leaders and hold them accountable including removal from office.

Facilitating popular participation

Decentralization facilitated greater popular participation in governance. It brought government closer to the people, and thus enabled citizens to be better informed and to understand the conduct of public business. This enhanced participatory planning and budgeting. In the 1997/8 Ministerial Policy Statement, the Honourable Minister of Local Government then, stated that 'before decentralization, nearly all Local Governments in Uganda spent money without approved budgets. There was no budget evaluation performance. With decentralisation more than 60% of the Local Governments

approve their plans and budgets in time'. To date, all Local Governments approve their plans and budgets within the statutory period.

Improved access to justice

Decentralization facilitated greater access to justice, through the Local Council Courts. Courts were established from the village, parish to sub-county level comprising members of the council.

Local Councils empowered to make Ordinances and Bye-laws

Decentralization devolved legislative powers to councils to make ordinances and bye-laws to improve service delivery and welfare of the communities. Various ordinances and bye-laws have been enacted to enhance food security, nutrition, health, education and local development.

Increasing efficiency in service provision

Decentralization increased efficiency in determining service provision. In a decentralized, participatory system, Local Government Councils influence decisions about service provision in particular indicating the type, level, quality and mix of services they desire, and the cost for the

services. In addition, the Local Governments, through the Contracts Committees, procure goods, works and services in a transparent manner.

Facilitating better division of roles in management of public affairs

Decentralization facilitated a better division of roles/labour in the management of public affairs. The creation of strong Local Governments with the capacity to effectively manage local affairs enabled Central Government to concentrate on higher level and strategic functions like setting standards and policies. This improved efficiency and created more effective checks and balances.

Fostering social cohesion and stability

Decentralization, manifested in a participatory style of local governance, fostered greater social cohesion and stability, and encouraged reconciliation between local interest groups and a convergence around common interests. This process of participation creates the conditions for collaboration and working together. In this respect ULGA and UAAU were formed.

Provision of opportunities for innovativeness

Decentralization provided the opportunity for a wider diversity of innovations, and increased flexibility of government in the context of changing circumstances. This is so because the decentralized participatory model of governance mainstreamed the many groups of citizens that were previously excluded, and created greater scope for local and community self-management. This means that the vast reservoir of talent, innovativeness, creativity, problem solving capacity and leadership qualities, which had previously laid dormant in the local population, is now able to find expression, and can be applied to the problems, visions and aspirations of the local community. This contributes to nation building.

Promotion of Local Economic Development (LED)

Decentralization empowered Local Governments to improve welfare of the people through identification of income generating enterprises and investors who can partner with the Local Governments to improve the stock of investments and consequently improve the wellbeing of the population.

Mobilization of local resources

Decentralization has facilitated the mobilization of local resources in support of the development process, and enables value-added contributions to the provision of

services and development efforts, which increases the total value of services provided, or development achieved, from the limited formal resources available. This happens because local people are able to identify and mobilize local resources which would not be available to centrally run programmes, and because citizens are often willing to volunteer labour and expertise, and other forms of in-kind contributions in order to support local initiatives.

Broadening societal capacity building

Decentralization broadened the potential for societal capacity building. Weak capacity is one of the main constraints to national development and good governance. The existing authoritarian, over-centralized model of governance is a major inhibitor to capacity development, because it narrows the number of people who are allowed any meaningful role in the process. A decentralized participatory model of governance dramatically increased the opportunity for involvement, and provided space for persons to contribute at several different levels. Under capacity building grants, for example, Local Government staff are trained, which the centre otherwise would not train.

Fostering accountability and transparency

A decentralized, participatory model of local governance fosters accountability, transparency & openness, and creates pressure for the adoption of high ethical standards in the conduct of public affairs. This has been enhanced through budget conferences, barazas and other forms of open dialogue. Local Councils critically appraise the performance of local government in these areas.

Creation of space for non-state actors' participation

Decentralization allows representatives of non-state actors to carry out oversight functions on behalf of citizens, for instance to examine transactions, enquire into use of public resources and the exercise of authority by public officials, and to report their findings to fellow citizens.

Provision of platforms for solving local problems

Decentralization provides a platform and facilitates the tailoring of solutions for local problems to local conditions. Since each Local Government is body corporate and empowered to manage its own affairs, it will be able to tailor programmes or solutions to local problems to reflect the special circumstances or preferences of their respective localities.

Repositioning Uganda's Local Government System into the next decade

The local government system has made significant progress and very important achievements over the last 20 years. However, it is still not operating optimally due to distortions brought about by, among other things, inadequate financing and investment in human resources and facilities, weak systems and coordination, and local leadership challenges.

Repositioning of the Local Government system is needed on three grounds. First, several new developments have taken place over time which have changed the context in which the Local Governments system is operating and the issues it is addressing. Second, several studies commissioned by the Ministry of Local Government in the recent past have drawn attention to a broad range of distortions that have developed over time, which need to be corrected. Third, Uganda has made several international commitments on local government and sustainable development which have to be fulfilled. These three elements are highlighted below.

Developments that have impacted on the local government landscape

- i. The Local Government Sector Strategic Plan 2013-2023 highlights several developments that have changed the context within which the local government system is operating, the most significant being the following:
- ii. ***Increase in Local Government Administrative Units:*** The number of Local Governments increased from 79 Districts in 2006 to 111 Districts in 2012; from 13 Municipalities in 2006 to 22 in 2012; and from 93 Urban Local Governments in 2006 to 174 in 2012. This has put added strain on financial, human and material resources available to the Local Governments system.
- iii. ***Changes in the National Planning Framework:*** Until 2009, the three-year Poverty Eradication Action Plan (PEAP) constituted the National Planning Framework in 2006. This changed with the introduction of the National Development Plan (NDP), a 10-year planning framework based on a long term perspective vision. As a result, the Local Government development planning cycle changed from 3 to 5 years.
- iv. ***Changed Priorities for Northern Uganda:*** Conditions in Northern Uganda changed from conflict to post-conflict, with emphasis being placed on resettlement and recovery. Consequently the region now requires appropriate and sustainable mechanisms for development.
- v. ***Climate Change:*** The impact of climate change on development is now better understood, as well

as the role of local governments in protecting the environment and mitigating the negative effects of environmental degradation.

- vi. ***The Evolving Global Agenda:*** The global agenda on local governance and development is evolving, with new emphasis being placed on access to basic services and infrastructure; promotion of economic growth and employment generation through local economic development; environmental sustainability and management of climate change; addressing geographical, urban-rural, gender, participatory and fiscal decentralization inequalities; food security; and managing fragility, conflict and the post-conflict environment.
- vii. ***Positioning for East African Regional Integration:*** The movement of the East African Community countries of Uganda, Kenya, Rwanda, Tanzania and Burundi towards economic and political integration will create opportunities for peer-to-peer learning among Local Governments across the region. This will require harmonization of decentralization policies, fiscal decentralization strategies, as well as Local Government structures and systems.
- viii. ***Emerging Reforms:*** Several reforms that impact on local government are emerging including public financial management reforms; public service reform programmes such as the Integrated Personnel Payroll System (IPPS), Performance-Based Management (PBM) and restructuring of Local Governments; and service delivery reforms including application of delivery standards, Public-Private Partnerships (PPPs), physical planning reforms, the Gas and Oil Policy and economic planning reforms.
- ix. ***Rapid urbanization:*** Rapid urbanization in Uganda is creating challenges that require urban managers to have enhanced physical planning capabilities, as well as resources, capacities and skills for urban service delivery, garbage and traffic management, as well as provision of housing and other amenities.
- x. ***Lessons Learned:*** Various lessons learned from implementation of the Local Government Strategic Plan (LGSIP) call for major changes and improvements in the design and approaches to local administration, management, service delivery and economic development.

These and other attendant developments make it imperative for the local government system to be repositioned.

Uganda's International Commitments on Local Government

Uganda has made a broad range of commitments at various national and international fora which have to be implemented if the country is to achieve her development objectives and also remain in good international standing. The local government system is the primary agent for

implementing these commitments. Examples include the following:

- i. *Regional Symposium on Local Democracy, Good Governance and Delivering the MDGs in Africa, held at Munyonyo, Kampala, in April 26-28, 2006*: This symposium, which was organized by Government of Uganda in partnership with the Commonwealth Secretariat and the Commonwealth Local Government Forum, committed African countries to 'localizing the Millennium Development Goals'. Recommendations included providing local governments with adequate resources for service delivery and assisting them with policies for enabling local economic development; assisting local governments to build effective partnerships for achieving universal primary education and preventive health; enacting legislation and ensuring in practice that there are increased numbers of women in leadership positions in local government and party structures; and promoting gender balance in the public service.
- ii. *Commonwealth Heads of Government Meeting (CHOGM) held in Munyonyo, Kampala, in 2007*: This conference affirmed commitment to the Commonwealth principles on local government, known as the *Aberdeen Agenda* (see Annex 1). At this conference Uganda submitted to the Commonwealth heads of state with a report on how she was implementing the *Aberdeen Agenda*, the first country in the Commonwealth to do so.
- iii. *Rio + 20*: This conference, which took place in Rio de Janeiro in Brazil in June 20th -22nd 2012, was the third international conference on sustainable development. Uganda presented a position paper in which she called on the international community to focus on the green economy in the context of sustainable development, poverty eradication, and institutional framework for sustainable development; place emphasis on promoting green investment in the agriculture, water, waste management, forestry, energy, tourism, transport and education sectors; create an equitable society as well as sustainable management of natural resources; make more progress on implementing sustainable development programmes, fast tracking technology transfer backed by long term, new and additional, predictable and adequate funding channeled through existing country mechanisms; and reinvigorate support and respect for national democratic and accountable governance processes, the rule of law and planning processes associated with determination of national development objectives.
- iv. *Uganda National Consultations on the Post-2015 International Development Agenda*: Consultations have been taking place globally since July 2012 to define the new international development framework that will replace the MDG agenda after 2015. This process was initiated by the Secretary General of the United Nations, Ban Ki-moon, to ensure that the Post 2015 global development agenda emerges from inclusive, open and transparent consultations

with a broad range of local and national stakeholders including government, civil society organisations, marginalized groups (women, youth, the elderly and persons with disability), academia, ordinary citizens, opinion leaders and the private sector. The consultations in Uganda were informed by Vision 2040; the consultations on Rio+20 that generated Uganda's position ahead of the Rio conference; the experience generated from implementing the MDGs; and review by the Population Secretariat in Ministry of Ministry of Finance, Planning and Economic Development of the implementation of the international conference on population and development (ICPD) programme of action, which started in March 2012. Uganda's national recommendations on the Post-2015 agenda are provided in Annex 2.

- v. *Commonwealth Local Government Conference under the theme 'Developmental Local Government: Putting Local Government at the Heart of Development', Munyonyo, Kampala, May 14-17, 2013*: The conference, which was organized by the Uganda government in partnership with the Commonwealth Local Government Forum (CLGF) and the Uganda Local governments Association (ULGA) emphasized the role of developmental local government which entails local democratic governance that is inclusive, transparent and participatory; democratic development and public participation; innovative, sustainable, people-sensitive local economic growth and social development; integrated and coordinated developmental activities of public and non-state agents; human rights, gender equality, cultural diversity and opposition to discrimination; and leadership and building of social capital, peace and stability and dialogue. The conference recommended establishment and implementation of minimum service delivery levels for mandated responsibilities; exploration and application of creative, consistent, sustainable and equitable financing mechanisms; mainstreaming local economic development (LED) approaches, methodologies and frameworks in local government policy and service delivery to enhance living standards and wellbeing through promotion of growth, employment and wealth creation; and placing emphasis on the challenges and opportunities for local government presented by rapid urbanization.

It is clear from the above that Uganda has committed herself internationally to a broad range of interventions on local government. In light of the challenges highlighted earlier, a number of changes and improvements are required to enable the local government system to respond effectively.

Way forward

The primary goal of Uganda's Decentralization strategy is to improve people's livelihoods through democratic Decentralization in which local people determine their service delivery and development needs and priorities. The local government system can greatly improve performance in this area if bold steps are taken.

First, the system needs to be focused on achievement of *results*. This will cause greater attention to be paid to issues of relevance, efficiency and responsiveness in designing and implementing service delivery and local development interventions. It will also make the system more sensitive to the need for transparency, accountability and integrity. An important step has already been taken with the drafting of the Local Government Sector Strategic Plan (LGSSP) 2013-2023, which has over 70 innovative and efficiency-driven interventions across five strategic investment areas: service delivery; administrative and political Decentralization; fiscal Decentralization; transparency, accountability and integrity; and local economic development. Some of the indications that the LGSSP is results-sensitive is its emphasis on increasing the volumes of discretionary and other funds to local governments; conducting regular client surveys to obtain citizen feedback on the quantity and quality of services being provided; addressing inconsistencies in policies, legal and budget frameworks, regulations and guidelines issued by various ministries and agencies to local governments; completing the development and issuance of all remaining national standards of service delivery; providing adequate infrastructure to facilitate quality service delivery; and assisting local governments to develop and strengthen systems and human resource capacities for physical and spatial planning, implementing infrastructure projects, managing urban waste and regulating urban environments.

The key issue, then, is ensuring that the LGSSP gets implemented fully, so that all its proposed interventions are carried out within the specified 10-year time frame. It will be necessary to modify the current annual assessment framework for local governments so that it also measures the extent to which local governments are achieving results, and not just how they comply to technical requirements. Local government leaders and managers should be assessed on the basis of local service delivery and development results registered by their local governments.

Second, a competitive framework should be developed in which local governments are placed in three (or four) different categories based on their capacity to translate resources into service delivery and local development results. Local governments demonstrating higher capacity for achieving results should be rewarded with more latitude in allocating central transfers (i.e. less conditionalities), among other things, while those demonstrating poor results should be subjected to more stringent conditionalities and their political leaders and technical managers should be sanctioned. The benefits of greater discretion in allocation of central transfers and the inconveniences of sanctions should spur local governments towards achieving better results. Achievement of results should be regularly monitored through objectively verifiable indicators as well as client satisfactions surveys.

Third, a system should be set up to generate regular feedback on lessons emerging from implementation of service delivery and local development interventions, which should then be used to improve policy, planning and implementation frameworks. It should be recalled that the decentralized development framework that featured

prominently in the highly successful LGDP emerged from the lessons learned under the DDP I and II pilot phases in the late 1990s and early 2000s.

Finally, while local governments should base their plans on local priorities within the overall national development framework, the local government countrywide agenda should also reflect Uganda's international commitments on local government.

Conclusion

It is important to note that the Decentralization reform has not been a one-off event. There has been need for sustained review of the policy to ensure it is in tandem with other overall socio-economic and political reforms of the government and the global emerging advancement agenda. In specific terms, there has been need for periodic review of the Local Government structures to ensure that they are cost effective and better positioned to carry out their service delivery mandates. In addition, it has also been necessary to reform the financing mechanisms for decentralized governance. Above all, it has also been imperative to ensure Local Governments are well positioned to play a developmental role in their localities and the global village.

Uganda which adopted decentralization, has greater chances of providing efficient and effective services to the communities. Managerial capacities both at technical and political level, financing of decentralized initiatives and strong institutional mechanisms to foster accountability, transparency and tackling corruption are key to successful implementation of decentralization.

The Aberdeen Agenda:

Commonwealth Principles on Good Practice for Local Democracy and Good Governance

- *Constitutional and legal recognition for local democracy:* Local democracy should enjoy constitutional and legal recognition
- *The ability to elect local representatives:* Citizens should be able to elect their local representatives in conditions of political freedom.
- *Partnership between spheres of government:* There should be cooperation and partnership among local, regional/provincial and national spheres of government.
- *Defined legislative framework:* Local democracy should ensure local government has appropriate powers in accordance with the principle of subsidiarity.
- *Opportunity to participate in local decision-making:* all citizens should be able to participate actively in the local democratic process.
- *Open local government – accountability:* Local government should be accountable to the community it serves.
- *Open local government – transparency:* the local decision making process should be open and transparent.
- *Openness to scrutiny:* The work of the executive should be open to scrutiny
- *Inclusiveness:* The process of local decision-making must reflect the social, economic, environmental and cultural needs of the entire community.
- *Adequate and equitable resource allocation:* In order to respond to the needs of the local community.
- *Equitable service delivery:* The distribution of services should reflect the diverse needs of the local community.
- *Building strong local democracy and good governance:* Commitment to continuous capacity development of democratic local government.



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