



# MEMORANDUM OF ISSUES ON THE AMMENDMENT TO THE LOCAL GOVERNMENTS ACT, CAP 243

## PREAMBLE

This memorandum is submitted to the Ministry of Local Government (MoLG) by the Advocates Coalition for Development and Environment (ACODE). The memorandum seeks to contribute to the on-going ammendment to the LGA. This memorandum is based on the research, capacity building and outreach activities that ACODE has implemented in Local Governments over the last 10 years. This is very timely in view of the fact that MoLG has recently been granted a sector status, the Local Government Sector.

## BACKGROUND

The Advocates Coalition for Development and Environment (ACODE) in partnership with Uganda Local Governments Association(ULGA) have for the last 10 years (2009-2019) been implementing the Local Government Councils Scorecard Initiative (LGCSCI). The main objective of LGCSCI is to improve the quality and effectiveness of district councils and political leaders in fulfilling their mandate as spelt out in the Local Governments Act (1997 as amended) with regard to service delivery. Through annual assessments of the performance of the District Councils, District Chairpersons and District Individual Councillors<sup>1</sup> and other studies including: Analysis of

the proposed budget for FY 2019/20<sup>2</sup> ; Decentralisation in Uganda: Trends, Achievements, Challenges and Proposals for Consolidation<sup>3</sup> ; ACODE has established a number of issues that undermine the effectiveness of Local Governments in delivering services and being politically accoutable to the citizens. Critical among the challenges affecting Local Governments relate to the Local Governments Act 1997 (as ammended). These challenges include: ambiguities in the interpretation section; gaps in the precedure for the removal of the speaker and deputy speaker; alteration of boundaries of local councils; establishment and dissolution of standing committees; removal of CAOs, Deputy CAOs and Town Clerks from Office; Qualifications and functions of the Public Accounts Committee; Qualifications of Councillors; duties of the chairperson; inadequate local government financing; laws in conflict with the local governtments act; financial relationship between the Urban Councils and the district and inclusion of LED in the Act. Thus, given that the Local Government Act is currently undergoing review, ACODE finds it fit to present to the Ministry of Local Government some of the critical issues for consideration in the ammendment of the law. Its against this background that ACODE is submitting this memorandum to contribute to the process of the ammnedment of the Local Governments Act.

<sup>1</sup>Bainomugisha, A., Muyomba-Tamale, L., Muhwezi W., W., Cunningham, K., Ssemakula, E.,G., Bogere, G., Mbabazi, J., Asimo, N., Atukunda, P. Local Government Councils Scorecard Assessment 2016/17: Civic Engagement: Activating the Potentials of Local Governance in Uganda, Kampala, ACODE Policy Research Series No.83, 2017. Available at: <https://www.acode-u.org/uploadedFiles/PRS83.pdf>

<sup>2</sup>Ggoobi, R., and Lukwago. D., Financing Local Governments in Uganda: An analysis of Proposed National Budget FY 2019/20 and Proposals for Re-allocation. Kampala: ACODE Policy Research Paper Series No. 92, 2019. Available at: <https://www.acode-u.org/uploadedFiles/PRS92.pdf>

<sup>3</sup>Mushemeza, E., D., Decentralisation in Uganda: Trends, Achievements, Challenges and Proposals for Consolidation, Kampala: ACODE Policy Research Paper Series No.93, 2019. Available at: <https://www.acode-u.org/uploadedFiles/PRS93.pdf>

## ABOUT ACODE

The Advocates Coalition for Development and Environment (ACODE) is an independent public policy research and advocacy think tank registered in Uganda but working in Eastern and Southern African sub-regions. Founded in 1999, ACODE's mission is to make policies work for people by engaging in contemporary public policy research and advocacy and generating alternative policy ideas to improve policy formulation and policy implementation.

ACODE has emerged as one of the leading regional public policy Think Tanks in Sub-Saharan Africa. ACODE has been recognised among the Top-100 Think Tanks worldwide by the University of Pennsylvania's 2019 Global-Go-To Think Tank Index Report<sup>4</sup>.

## PROPOSED AREAS FOR AMENDMENT IN THE LOCAL GOVERNMENTS ACT, CAP 243

### 1. Bye-Laws.

Section 1(a) defines "bye-laws" as rules made by lower local councils under section 39. On the other hand, Regulation 9(8) Part III of the Third Schedule to the Local Government Act empowers Councils to make "bye-laws" regulating the procedure for meetings of the Council and its working committees.

The Difference between Section 39 and Regulation 9(8) above is that Section 39 applies to lower local councils only while Regulation 9(8) applies to both Districts and lower local councils. This provision is ambiguous, because Districts are not lower local councils and thus do not fall within the ambit of councils that can make bye-laws as referred to under Sections 1(a) and 39 and yet under Regulation 9(8), the District Councils are also required to make "bye-laws" to govern meetings of their councils. Referring to the rules of procedure as bye-laws is confusing and should be changed to "rules of procedure".

### Recommendation

- Since Regulation 9(8) applies to both lower local councils and Districts, the words "bye-laws" thereunder should be replaced with "Rules of

Procedure" so as to avoid creating confusion with the bye-laws made under Section 39.

- Procedure of meetings of local councils is governed by rules of procedure. Therefore referring to the "rules of procedure" as "bye-laws" is confusing and should therefore be amended

### 2. Urban Authority and Urban Councils:

Section 1(rA) defines "Urban Authority", while Section 1(s) defines "Urban Council". A review of the two sections reveals that the content therein is the same except City Division included under the Urban Authority definition.

We wish to observe that with the Exception of Kampala Capital City Authority and its City Divisions which are currently governed by the Kampala Capital City Authority Act, all other local Urban Councils in Uganda as are governed by the Local Governments Act Cap 243 and referred to as Urban Councils are not Authorities.

Secondly, the definition of "Urban Council" as provided under Section 1(s) excludes the Urban Administrative Units listed under Section 1(h) and Section 45) that defines a "Local Council" to include local government councils and administrative Unit Councils. We propose that the definition of urban council should include the urban administrative unit councils.

### Recommendations

- Section 1 (rA) is redundant and should be deleted.
- Section 1(s) on "Urban Council" should be aligned to the definition of "Local Council" under Section 1(h) by including the urban administrative unit councils.
- Alternatively since the content under Section 1(s) actually refers to Urban Local Governments as detailed under Section 3 of the Local Government Act, it should be changed from "Urban Council" to "Urban Local Government".

<sup>4</sup>See our website <https://www.acode-u.org/>

### 3. Censure of the Speaker, Deputy Speaker and members of the Executive Committee

Censure of the Speaker/Deputy Speaker: Section 11(6) provides the procedure for removal of a Speaker and Deputy Speaker from office. The existing gap is that once the petition is submitted to the Minister, the law does not provide room for the Speaker/Deputy Speaker to access a copy of the petition whereas under Section 14(3) and 21(3), The District Chairperson and members of the Executive are to be given copies of the petition. Secondly, the law is silent on the speaker/deputy speaker's entitlement to attend and be heard during the proceedings for removal as is the case for the District Chairperson under Section 14(5) and Members of the Executive Under Section 21(5). This violates the right to a fair hearing as enshrined in article 28 (1) of the constitution.

The Speaker is entitled to be served with a copy of the petition so that he or she not only ascertains the allegations against him or her, but also prepares his or her defence before the meeting for removal/censure is convened. The speaker also has a right to be heard during the meeting for censure.

### Recommendations

- Section 6 should incorporate a provision for the Speaker/Deputy speaker to be given a copy of the petition and a provision on the right to be heard during the proceedings for removal. This should apply to the Lower Local Governments as well with inclusion of similar clauses under Section 23A(7) which provides for the removal/censure of the speaker of the lower local Local Government Councils.
- Censure of members of the Executive: Section 21 and 26A, Sections 21 and 26A, provide the procedure for censuring a member of the District and Lower Local Government Executive Committee respectively. However, none of these sections provides the grounds for removal of a member of the Executive Committee.
- It is important to provide grounds for censure of a member such that those seeking to censure are restricted to them and not use any flimsy reasons.
- Section 21 and 26A, should be reviewed for purposes of including grounds for removal of

a member of the Executive Committee which may include [abuse of office, incompetence, physical or mental incapacity, misconduct or misbehaviour, e.t.c)

### 4. Alteration of Boundaries of Local Councils

Evidence shows that the creation of numerous districts has increased opportunities for self-governance and participation in local governance. According to Uganda's Electoral Commission 2016 General Elections Report, there were 1,298,920 elective positions during the 2016 general elections within the local government structures. However, the creation of more administrative units ( Districts, Sub-counties, Municipal councils, Town Councils) has also led to protracted conflicts that stifle local economic development. In addition, the ability of local governments to generate local revenue is greatly undermined with the creation of new local council units as the more viable sources of revenue are taken over by the newly created urban councils.

Currently, the Local Governments Act only provides detailed criteria for declaring an urban area under Regulation 32 of part VI of the third schedule. Regardless of the existing criteria for the alteration of boundaries for all Local Governments, Urban councils and administrative units, there are gaps that need to be addressed. For instance, different communities and political leaders have been demanding alteration of boundaries to create districts, municipal councils, town councils, and other units in total disregard of the criteria required for the alteration of boundaries. As such boundaries are altered without a certificate of financial implication from the Ministry of Finance. As a result, Government is currently stuck with about 300 newly created sub-counties and 200 Town Councils over lack of money to fund their operations<sup>5</sup>.

With regard to approvals for alternation of boundaries, Section 7, sub sections (6), (8) & (9) derived under the LG Act amendment of 2010, on alteration of boundaries as amended in 2010 creates two tiers of approval which may create conflict. For example, 7(6) provides that " a sub county council or city division council may within its area of jurisdiction with the approval of the district or city council and at the request of or in consultation with the relevant parishes or wards and with the approval of the Minister, alter the boundaries

<sup>5</sup><https://www.independent.co.ug/kasajja-we-are-stuck-with-300-newly-created-sub-counties/>

of or create a new parish or ward”. Secondly, the two sections also present contradictions in terms of what should come first, whether it’s the “approval” or the “request and consultation” with the relevant parishes.

## Recommendations

- Before creation of new district or municipality or town council, there should be approval of the line Minister and a certificate of financial implications from the Minister of Finance.
- The consultations between the line Minister and Minister of finance should be included in the existing criteria for alteration of new boundaries for districts, sub-counties and urban councils.
- Thus, the alteration by Sub County or City Division Council, approval of the alteration should only be by the line Minister and Minister of finance. The District or City Division Council should recommend the desires of lower councils to the line Minister.
- Similarly in the case of a Parish or Ward Council, the Sub County, Division or Town Council should recommend to the line Minister for approval.

## 5. Establishment, Functions and Dissolution of Standing Committees

Section 22 of the Local Governments’ Act establishes Standing Committees of Council. This section has issues including:

- a) It only provides the procedure for election of the chairperson and members of the Standing Committee but is silent on the procedure for removing a chairperson or dissolving the committee where the need arises.
- b) The law is also silent on the functions of this Committee and what is currently being followed is what is provided for under the Local Government Financial and Accounting Regulations 2007.
- c) Further, the law is silent on how these Committees should be constituted at the Lower Local Governments level, essentially implying that they too utilise Section 22. However, Section 22(4) prohibits members of the Districts Executive Committee from claiming allowances for taking part in the proceedings of a Committee under this section. This cannot apply to Lower Local Governments, since the Executive

Committee Members apart from the Chairperson are not full time and would thus have to be facilitated by their respective councils to attend and sit in during the Committee Meeting.

d) Furthermore, Section 22(1) has created conflict in many local governments due to the tailored interpretation of secretaries for purposes of forming Committees. Where as Section 22(1) provides that the Standing Committees should not exceed the number of secretaries and according to Section 16(1), the number of Secretaries should not exceed three, some Local Governments assign secretarial posts to the Chairperson and Vice Chairperson. They argue that they have five secretaries and they form five committees accordingly in total disregard of the law.

e) The ACODE Local Government Scorecard Assessments have revealed that the establishment of five Committees has not only constrained the already meagre resources due to the requirement for each committee to sit at least once every two months, but has rendered some committees redundant. In some instances committees have ended up doing the work of the Executive Committee for lack of their own business to handle.

## Recommendations

- Section 22 should be amended to include provisions on how a member of the Standing Committee of Council can be removed and also state the grounds for the removal.
- A separate provision should be created for establishing standing committees at the Lower Local Government level.
- Section 22 should also provide the procedure for dissolving the standing committees if the need arises.
- The functions of these Committees should be clearly provided for in the law, so that it’s clear where their mandate starts and ends.
- In order to avoid ambiguity and misinterpretation by the user Section 22(1) on which Secretaries are being referred to, section 22(1) should be subjected to Sections 16 and 25 which establish the Executive Committees at the District and Lower Local Government level, so that in interpretation of Section 22 it’s clear that one must refer to Section 16 and 25.

## 6. Removal of removal of the Chief Administrative Officer, Deputy Chief Administrative Officer and Town Clerks from Office.

Whereas Section 68 provides the procedures for removal of the Chief Administrative Officer, Deputy Chief Administrative Officer and Town Clerks of Municipal Councils as well as Town Clerks of town councils respectively, the law is silent on the procedure for removal of a Sub-County Chief and Assistant Town Clerk for the Division Councils.

Its important to put in the law clear procedures for removal of the Sub-County Chiefs and Assistant Town Clerks to prevent Councils from taking arbitrary action and causing financial loss to their respective local governments through failed, and, or protracted court battles.

### Recommendation

- Incorporate a Section providing for the removal of the Sub-County Chief and Assistant Town Clerk

## 7. Qualifications and Functions of the Public Accounts Committee

Section 88(1B) provides for the qualifications for a member of the Local Government Public Accounts Committee to be of high moral character and proven integrity and minimum qualification of advanced level certificate or its equivalent.

With the exception of Section 88(7) and (8), the Act is largely silent on the functions of the Public Accounts Committee. This lacuna creates a senario where matters that should ordinarily be handled by the LGPAC end up before the Parliamentary Public Accounts Committee.

### Recommendations

- By virtue of the nature of work to be done by this committee, the above qualification requirements are not sufficient. Its important to consider work experience in a related field as well.
- Drawing from the qualification of Members of the District Service Commission under Section 56 and Resident District Commissioners under

Section 70, Section 88(1B) should be amended to include a requirement to either have a working experience of not less than ten years in a responsible position or to possess considerable experience in a related area, and demonstrated competence in the conduct of public affairs.

- Section 88 should clearly provide for the functions of the Public Accounts Committee.

## 8. Qualification of Coucillors

Section 116(1) provides the qualification requirements for one to become a councillor at District or City Council as being a Ugandan Citizen and a registered voter. Unlike the District Chairperson who has academic qualification requirements, the rest of the councillors do not. Scorecard assessments conducted by ACODE have over time demonstrated that given the fuctions of councils which include review and approval of budgets, development plans and workplans as well as legislation, it is appropriate for Councillors to have minimum academic qualifications in order to effectively perform their tasks. It should be noted that business of council and all documents of council are in the English language. Therefore, councillors who have not attained a certain level of education are not able to make meaning ful contribution in various processes and or comprehend what is written in council documents. Also, research from the scorecard assessments have also indicated a close correlation between level of education and ability to debate and interpret key documents at the District.

According to Sections 10(1)(b), directly elected councillors are expected to represent an electoral area in the District. According to Regulation 3(j) of part of the third schedule to the Local Government Act, one of the grounds for the seat of a member of a local government council falling vacant is if “the member ceases to be resident in the constituency which he or she represents on that council.” As earlier stated, Section 116(1) only provides that for one to become a councillor at District or City Council as being a Ugandan Citizen and a registered voter.

We are of the considered opinion that in order to render one’s seat vacant for ceasing to be resident in the constituency to which he or she represents on the council, its important to first of all make it a requirement for one to be ordinarily resident in the given constiucy before qualifying to be its representative.

## Recommendations

- Section 116(1) should be amended to include a requirement for one to be ordinarily resident in the constituency area which he or she represents on the council.
- The Section should also incorporate an aspect of academic qualification requirements as follows:
  1. for a person to qualify as councillor at the District and City level, he or she should have a minimum of Advanced level or its equivalent.
  2. for a person to Qualify as a Chairperson and Speaker of a lower local government Council, he or she should have advanced level Certificate or its equivalent
  3. for a person to qualify to become a member of a lower local government council, he or she should have a minimum of Ordinary level Certificate or its equivalent

## 9. Sharing Property at Creation of a new Local Government Unit

Section 188 provides that at the time of creating a new Local Government Unit, the Minister shall ensure the equitable sharing of property between the original and new local government

Local Governments have argued that this section is unfair in the sense that original local government unit is not only stripped of revenue but also retains the huge debt burden incurred while it was still a whole and yet the new local government unit is also given start up funds. It has therefore been recommended that the sharing should be both for the assets and debts. The above scenario is worse in the case of sub county councils which are ordered to vacate offices located within a newly created town council and yet they do not have immediate funds to construct their own offices.

### Recommendation

- Section 188 should be amended to include debts, so that the old and new districts share both the property and existing debts.

## 10. Duties of the Chairperson

Section 13 provides that the Chairperson is the political head of the District and details the functions

of that office. In particular, Section 13(5) requires the Chairperson to make a report to the council on the state of affairs of the District at least once a year.

It has emerged that in some councils, aside from the fact that statutory address of council under section 13(5), the Speakers never allow their Chairpersons to address the council even if there are urgent and important issues to make.

It has also emerged during the scorecard assessments conducted by ACODE that many absentee Chairpersons have delegated this duty to their Vice Chairpersons.

## Recommendations

- Its important to incorporate a provision to the effect that the Chairperson may from time to time depending on the matters and their urgency be given room to address the council.
- Section 13 should be ammended to include duties of District Chairperson that cannot be delegated just like functions and powers of a local government council not to be delegated in Fourth Schedule

## OTHER PROPOSALS TO BE CONSIDERED FOR INCLUSION IN THE LAW

### 11. Local Economic Development (LED)

Originally, the decentralization policy and the Local Governments Act had not provided for LED which is now the sixth pillar of the decentralization policy. For example, the second Schedule of the Local Government Act CAP 243 connotes a sectoral approach to service delivery but does not give due guidance for implementation of Local Economic Development which came onboard later. Further, the Local Government Act prescribes local governments as service delivery entities rather than business entities. We are of the view that the effective implementation of LED requires a shift from the current public service to a more business like model.

### Recommendations

- LED should be included in the main law and explained further in the Second Schedule of the

## 12. Local Government Financing

The constitution article 176 (2) (d) states that “there shall be established for each local government unit a sound financial base with reliable sources of revenue”. Also, under article 176 (2),(g), Local Governments are expected to oversee the performance of persons employed by the government to provide services in their areas and to monitor the provision of government services or the implementation of projects in their areas. Similar responsibilities are articulated in LGA Sections 9, 24, 26 and 30.

However, Local Governments have been grappling with inadequate funding of the devolved functions through: ceilings on the wage bill; limited funds for service delivery, political monitoring, technical inspection, planning and budgeting among others. It has also been established that the nominal amount of money sent to local governments has been increasing overtime but this is not commensurate to the devolved roles and functions. In a study conducted by ACODE in 2019, it was established that according to the proposed budget for FY2019/20, UGX 1.066 trillion would be retained by various MDAs in FY 2019/20, yet, these funds are supposed to be allocated to LGs as mandated under the Second Schedule of the LGA (CAP 243)<sup>6</sup>.

To drive the decentralisation agenda calls for financing across the several requirements including local economic development and facilitation of political leaders to monitor the implementation of decentralised services. Therefore, Government should demonstrate commitment to decentralisation through providing adequate financing for the devolved roles and Local Governments should be provided with discretionary funding to run devolved services.

## Recommendations

- The laws should be amended to ring fence a percentage of the national budget to local government financing;
- In the wake of inadequate local revenue in many local governments, Regulation 4 of the first schedule which limits council expenditure on emoluments and allowances of councillors should be amended and increased.

<sup>6</sup>This study report is available at: <https://www.acode-u.org/uploadedFiles/PRS92.pdf>

## 13. Harmonize the laws in conflict with LGA

### 13.1 The Public Finance Management Act

The Public Finance Management Act, 2015, in some respects curtails the powers of the Local Governments enshrined in the Fourth Schedule hence negating the spirit of Decentralization. The PFM Act needs to be urgently reviewed to confer more discretion to local governments over planning, budgeting and expenditure. The Public Finance Management Act 2015 has greatly weakened the Local Governments and in so doing, affected their operations, and functionality. For example;

- Sec 33(3) of the Public Finance Management Act, prescribes that local governments require authority to raise loans contrary to Local Governments Act Fourth Schedule.
- Section 33 (3) of the PFMA states that a Local Government shall not open a bank account without authorization from the Accountant General. This is opposed to regulation 72 under the Local Governments (Financial and Accounting) Regulations, 2007. In light of the fact that LGs are mutating into business entities under LED, there is need to relax procedures for opening bank accounts to ease operations of the districts.
- Section 30 of PMFA, centralizes managing of bank accounts within treasury. The districts do not have control over revenue collected since the Treasury Single Account (TSA) is not under the districts’ mandate. This provision of the PFMA also contradicts R.71 (5) of Local Governments (Financial and Accounting) Regulations, 2007.
- The PFMA in Section 29 requires that the revenue collected by a vote should be paid and forms part of consolidated fund. A vote can retain revenue collected in form of levies, licenses, fees or fines and the vote is authorized through appropriation by parliament to retain the revenue. The retained revenue cannot be utilized since Local Governments have no control over the TSA as per Section 33. This law is also in conflict with the LGA Section 80(3).
- Asset Management; according to Section 34 of the PFMA Act, the convening of board of surveys is appointed by Accountant General

contradicting the Local government financial rules, R.102 where it was a preserve of Chief Executive.

- Virements: The district's role in approving virements by executive committee as provided by the Financial and Accounting regulations (R.25 (2)) is contradicted by Section 22(1) of PFMA which transfers this power to approve to the Minister.
- Supplementary Budgets: The approval of supplementary budget estimates under Local Governments (Financial and Accounting) Regulations, 2007, R.6 (1) (e), R.24, 25(3), 28(4), was supposed to be done by Council. However, Section 18 the PFMA takes away such powers from the local governments and vests it into the Minister responsible for finance.
- The accounting officers now report to Ministry of Finance, State House and are also expected to report to the Ministry of Local Government. There should be one reporting line.

It is our view that the PFMA has:

- Consolidated various powers of LGs in Section 22 on virements, 26(8), Warrants; and LG bank account management, Sec 33(3), authority to raise loans, sec.36; yet these powers infringe on the functions and powers of a local government council not to be delegated (LGA, Fourth Schedule) and touched. These are foundational principles of decentralisation envisaged in Chapter 11 of the constitution.
- Taken away powers of LGs to approve virements, supplementary budgets and re-allocations and vested this power to the Minister of finance. This therefore undermines the budgeting and planning powers bestowed on LGs by article 176 of the Constitution of Uganda;
- This also means that approvals by Councils and DECAs are inconsequential given that the minister can reject what these structures have approved.
- Superseded the LGA in terms of financial matters. It is argued that since over 95 per cent of income in LGs is transfers from the centre; and accounting officers are also appointed by the centre, it is appropriate to have controls of all revenues appropriated by parliament. However, given that there is a shift where LGs are

supposed to run as business entities under LED, there is need for flexibility in planning, budgeting and managing resources generated locally.

## Recommendations

- Harmonize the Local Governments Act, the Public Finance Management Act and the Local Governments (Financial and Accounting) Regulations, 2007.
- Obsolete sections, of the LGA concerning Public Financial Management should be deleted

### 13.2 Income Tax Act

Section 80(3) of the Local Government Act Cap 243 states that "A Local Government may collect fees or taxes on behalf of the Government as its agent; and where a local government acts as an agent, a portion of the funds collected shall be retained by the local government as may be agreed upon between the two parties; and any extra obligation transferred to a local government by the Government shall be fully financed by the government."

Further, the LGA Cap 243 section 80(3) provides for an agency fee to be paid to a collector who collects revenue on behalf of government, in this case, the LGs are collecting PAYE, WHT and VAT on behalf of URA but are not getting this agency fee. This is because URA is guided by the Income Tax Act which does not have such a provision for paying an agency fee.

## Recommendation

- There is need to reconcile both legal frameworks, to either remove the agency fee provision from the LG Act or provide it for it in the Income Tax Act.

### 13.3 Financial relationship between urban councils and the district.

It been noted that Urban Councils especially Municipalities behave as if they are entirely autonomous from the the District Local Governments in contravention of Section. There has been misinterpretation of Section 79 of the LGA to mean that Municipalities are entirely autonomous.

Also, Municipalities do not expect the District Chairperson to supervise what happens in their jurisdiction, yet, Article 183 (3) (c) of the constitution states that the district chairperson shall "coordinate the activities of urban councils and councils of the



lower local administrative units in the district”.

The Local Government scorecard assessments conducted by ACODE have established that the District Councils complain of Municipal Councils (MCs) sending Councillors to the District Councils, yet they do not remit any resources to the District. That these councillors from such urban councils receive allowances from the District Councils yet their constituencies don't contribute to the district councils' local revenue.

Further, given that the MCs are semi-autonomous in terms of planning and budgeting, the district councils do not implement any activities in the MCs. As a result, the elected councillors who represent MCs to the district councils are viewed to have no value on both district and MCs.

### Recommendation:

- Amend Section 79 to include a sub-section of the powers of District Councils over the Urban Councils (MCs);

- The above amendment should also emphasise both technical and political oversight of the DLG over the Municipal Council
- Amend of Section 30(3), 85 of the Local Governments Act and insert sub-sections that require urban councils remit to the district council a percent of the local revenue collected.

## CONCLUSION

This memorandum raises critical issues in the LGA and highlights challenges in the implementation of decentralisation that need to be addressed in order to consolidate the remarkable achievements within the Local Governments Sector. In light of the foregoing analysis, it is important that the Ministry scrutinises the proposals above to inform the on-going amendments of the Local Governments Act. It is our hope that the proposed amendments will provide additional building blocks in the endeavour of strengthening the performance of Local Government Sector to deliver quality services and promote accountability in local governments.



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