



**MEMORANDUM OF ISSUES FROM  
DISTRICT CHAIRPERSONS, CITY AND  
MUNICIPAL MAYORS' MEETING**



DECEMBER 2023

# 1. INTRODUCTION

This policy memo presents a memorandum of issues generated from a quarterly meeting of district chairpersons, city and municipal mayors organised by the Ministry of Local Government with support from ACODE that took place on 15th December 2023 at the Imperial Royal Hotel. The overall objective of the meeting was to share experiences on issues affecting service delivery at the local government level and propose appropriate strategies to address such issues. The specific objectives were; (i) to dialogue and thus bridge the gap between the Ministries Departments and Agencies (MDAs) and the District/ City / Municipal political leaders; (ii) to bring together district political leaders from all parts of the country to share experiences and learn from each other; (iii) to propose strategies for improving service delivery under decentralisation; and (iv) to interact with government agencies and get updates on key policy program interventions and reforms in government. This policy memo seeks to contribute to the improved performance of local governments and service delivery.

## 2. BACKGROUND

The vision of the Ministry of Local Government is to achieve an effective local government system that provides quality, equitable and sustainable services to the population. Its mission is to coordinate and support local governments in a bid to provide efficient and sustainable services, improve the welfare of the people and eradicate poverty. Its mandate is to guide, harmonise, mentor and advocate for all local government's vision of bringing about the socio-economic transformation of the country. The Ministry's strategic objectives over the medium term are to: (i) promote democratic governance, transparency and accountability in local governments; (ii) ensure that local governments deliver quality services to the population efficiently and effectively; (iii) ensure compliance with and adherence to statutory requirements, national standards and policies by local governments; (iv) build capacity of local government councils, relevant to and necessary for efficient and effective service delivery; (v) facilitate realisation of government's poverty reduction initiative among the people and improve their wellbeing.

The local government system in Uganda is provided for under Chapter 11 of the Constitution of the Republic of Uganda covering Articles 176

– 207. The Local Governments Act (LGA) Cap 243 operationalizes the constitutional provisions on the local government system and the decentralization policy. Section 13 and 24 of the LGA, Cap 243 empowers and mandates district chairpersons, city and municipal mayors to perform various governance, supervisory and monitoring functions in their areas of jurisdiction. In performing these duties, deliberate efforts are taken by the ministry to sensitize and empower local government political leaders to embrace and perform their statutory roles. One of these endeavours is through dialogue meetings between the Ministry of Local Government and other government MDAs continuously interacting with the Local Government political leaders. It is against this background that the Ministry of Local Government convened the meeting with district chairpersons, city and municipal mayors from across the country in partnership with the Advocates Coalition for Development and Environment (ACODE) to enhance communication of policy issues between local governments and the central government.

### **3. KEY ISSUES RAISED BY LOCAL GOVERNMENT LEADERS**

#### **3.1 Property sharing between mother districts and cities**

In April 2020, Parliament approved the creation of 15 regional cities in line with Article 179(1)(A) of the Constitution on the alteration of boundaries and Section 7(2a) of the Local Governments Act, Cap 243 on the declaration of cities.<sup>i</sup> Effective 1st July 2020, ten cities<sup>ii</sup> became operational under the Local Government Act and the guidance of the National Urban Policy. While section 188 of the Local Governments Act, Cap 243 requires the Minister of Local Government to ensure the equitable sharing of property between original and new local governments, the political leaders present noted that the matter of property sharing has become contentious between the mother district and the city.<sup>iii</sup> Property sharing is not a new phenomenon; districts have always shared properties with newly created administrative units. However, the emerging concern in the creation of the cities is that the districts need to leave their homes in favour of the cities and move to new locations. Given that Districts are leaving central locations where the majority of the local revenue sources are, districts request to

maintain titled properties within the cities as sources of local revenue for Districts in the spirit of Local Economic Development. Legal opinion has been sought and massive consultations made about the sharing of properties between Cities and Districts and the matter is not yet concluded. The Mayors of the cities on the other hand were concerned that while they were currently recruiting staff by the approved structures, the staff had no space to work from.

### **Recommendations**

- i. The Ministry of Finance Planning and Economic Development (MoFPED) should, in the coming financial year budget (2024/2025), prioritise and allocate funds for the 10 mother districts to kick start building their headquarters.
- ii. The Ministry of Local Government should put in place guidelines for property sharing between cities and districts.

## **3.2 Induction of newly elected local government leaders**

The district chairpersons, cities and municipal mayors raised concerns about the lack of induction of newly elected local government leaders, noting that since the 2021 elections, leaders in some districts had not been inducted. Within the context of Uganda's decentralisation framework, local government leaders and councils hold office for five years before they are subjected to another election.<sup>iv</sup> Suffice it to note that every election cycle brings in a crop of new councillors that require comprehensive induction to settle in, understand their roles and expectations, forge a strong relationship with technical officers, and build competence and confidence in serving their community. Furthermore, the National Local Government Capacity Building Policy, 2012 indicates that elected and appointed officials in local government be inducted into their new functions and roles within one year and six months of their election/ appointment respectively except speakers of the council who should be inducted in their roles as soon as they are elected to ensure smooth conduct of council meetings.<sup>v</sup> With support from partners, the Ministry of Local Government has been able to induct leaders in some local governments. Some local governments have also innovatively inducted their councils. However, the lack of induction in some local governments has resulted in conflicts mostly attributed to limited knowledge of their statutory roles and responsibilities by the elected leaders and role conflict.

### **Recommendation**

- i) The Ministry of Local Government should prioritise the induction of councils in the budget for the Financial Year (2025/2026). Induction of councils should be done immediately after the swearing-in of political leaders.

### **3.3 Staffing in Local Governments**

Local government leaders noted that there are human resource challenges in local governments where the average staffing level in Districts is 57% and 52% is for Municipalities. Local governments miss key personnel such as; District Engineers, District Natural Resources Officers, District Health Officers, Chief Finance Officers, District Planners, District Community Development Officers, and District Education Officers. This is encumbering the implementation of government programmes in the local governments. One of the devolved functions of local governments is administrative decentralisation as evidenced by the appointment of local administration personnel by the council. Local governments, particularly the District Service Commission are charged with the role of recruitment, confirmation, promotion and dismissal of staff.<sup>vi</sup> The challenge of shortage of human resource in local government is majorly attributed to:

- Capacity gap in wage and pension computation: There are capacity gaps among the staff responsible for managing payrolls, including budget preparation, wage analysis, pension and gratuity management, computation, and human resource analytics.<sup>vii</sup>
- Inadequate motivation for staff in hard-to-reach spots: For hard-to-reach spots within local governments, staff are not motivated due to delays in remittances and sometimes lack of access to hard-to-reach allowances.
- The Ministry of Finance, Planning and Economic Development issued a moratorium on the recruitment of civil servants in the Financial Year 2023/2024 to pave the way for a comprehensive audit of the public sector payroll to determine the actual number of civil servants. As such all cities have new structures but they can't recruit due to the ban on recruitment.

### **Recommendations**

- i) The Ministry of Finance Planning and Economic Development should provide a wage bill that is adequate to allow for the recruitment of staff.

- ii) Streamline the coordination between Public Service and MoFPED: Oftentimes, when the Ministry of Public Service clears local governments to recruit, the recruitment is stopped by the Ministry of Finance on account of lack of wages. The coordination between these Ministries should be streamlined to send coordinated information and guidance to local governments each time they seek permission to recruit.
- iii) The Ministry of Finance Planning and Economic Development should lift the ban on the recruitment of civil servants so that local government can recruit.

### **3.4 Recognition and collaboration with local government structures by MDAs**

Local government leaders noted that there are challenges of collaboration and communication with MDAs while implementing activities in local governments. Third schedule, regulation 8 (g) commends councillors<sup>viii</sup> to take part in communal and development activities in his or her electoral area and the district as a whole.<sup>ix</sup> Moreover, chairpersons coordinate and monitor government functions between the district and the central government.<sup>x</sup> However, the leaders indicated that there is continued communication from various MDAs mobilizing local participation in government programs without involving the District Chairpersons and Mayors or responsible councillors. Such actions breed conflicts in local governments and affect the implementation of government programs. Examples include the Petroleum sector, where they have a national policy but the structure does not mention local governments at all although acknowledges that local governments will be taken into account in the development of oil and gas resources and sharing of royalties by the Constitution of the Republic of Uganda. However, they are not part of the stakeholders considered in the structure. This makes local governments more spectators and not contributors in the sector.

#### **Recommendation**

- i. Communication and interventions by MDAs to local governments should ensure there is coordination in communication with relevant local government structures to ensure harmonisation in the implementation of government programs.

### **3.5 Lack of transport for local government**

## **political leaders to monitor government programmes**

Monitoring government programmes including overseeing the implementation of resolutions of the council is the core mandate of local government political leaders. Within the ambit of the Local Governments Act, Chairpersons and mayors are mandated to monitor and coordinate the activities of the district municipal and town councils and lower governments and administrative units.<sup>xi</sup> In addition, Rule 91 C of the Standard Rules of Procedures for local government councils in Uganda requires standing committees of the council to monitor and review the performance of the respective sectors over which they have responsibility. To be able to fulfil these responsibilities, the chairpersons, mayors and committees require transport means to undertake monitoring of government programmes. The Local Governments Act, Cap 243, Chairpersons/mayors and Speakers of district councils are entitled to transport among other things.<sup>xii</sup> However, the District Chairpersons, City and Municipal, Mayors revealed they had not been provided with transport to enable them to monitor government programmes. Worthy to note is that the situation has been exacerbated by a presidential directive banning the procurement of vehicles for Government entities.

### **Recommendation**

- i. Given the nature of responsibility that lies on the District Chairpersons, Cities and Municipal Mayors, the Ministry of Local Government should liaise with the MoFPED to allocate money in the budget for FY 2024/2025 to enable procurement of vehicles to this category of local government leaders.

## **3.6 Parish Development Model (PDM)**

The government of Uganda launched the Parish Development Model to deepen the decentralisation process; improve household incomes; enable inclusive, sustainable, balanced and equitable socio-economic transformation; and increase accountability at local levels. The Model positions the Parish as the epicentre of multi-sectoral community development, planning, implementation, supervision and accountability. Parish is the lowest reference unit for planning, budgeting and delivery of interventions to drive socio-economic transformation.<sup>xiii</sup> However, the local government leaders recognised that the implementation of the model is currently faced with challenges such as ;

- Uncoordinated messaging of PDM: The messaging of the PDM from the technocrats and politicians at the central government and local government levels is uncoordinated and contradicting.
- Disbursement of funds to ill-prepared beneficiaries: The funds are disbursed to beneficiaries irrespective of their readiness to utilize the funds.
- Lack of compliance with guidelines for selecting beneficiaries. This is consistent with the Auditor General's finding to the effect that the PDMIS wealth ranking had inefficiencies and was abandoned leading to reliance on the LCI and PDM SACCO members to select eligible PDM beneficiaries.<sup>xiv</sup>
- Inadequate funds for the administration and monitoring of Parish Development Committees (PDCs) and lack of these funds for leaders at the sub-county and district level which is likely to affect the successful implementation of the PDM.
- One size fits all approach. All parishes have the same allocation irrespective of size and poverty levels Every parish is given 100 million but some parishes are much bigger than others in terms of population and eligibility for the funds.

## Recommendations

- i. All leaders at national and sub-national levels should harmonise the communication to ensure coordinated messaging for PDM implementation.
- ii. Allocate funds for administrative costs and monitoring: The Ministry of Finance, Planning and Economic Development should allocate money to cater for administrative and monitoring costs at all levels and increase funds for PDCs to ensure effective and efficient implementation of PDM.
- iii. Local Government leaders should carry out continuous sensitization of the citizens using harmonised information about PDM so that uniform information is given to communities.
- iv. Emphasise adherence and compliance with established guidelines for the selection of beneficiaries: A comprehensive review of the readiness of each enterprise should be undertaken before the disbursement of funds. The Ministry of Finance should support the Parish Development Committees and PDM SACCOs in undertaking this comprehensive assessment of each enterprise. Funds should



be disbursed as and when enterprises are ready to utilize the funds.

### **3.7 Remuneration for Local Government Leaders**

Remuneration for local government leaders is provided for in the first schedule of the Local Governments Act, Cap. 243 (as amended). In the 1st Schedule, Regulation 1(1)(2), the chairpersons of local governments, speakers of the council, deputy speakers of council and secretaries shall be paid such emoluments and allowances as the councils shall determine subject to the Local Government Financial and Accounting Regulations. The Minister shall fix the minimum emoluments and allowances to be paid in sub-regulation (1).<sup>xv</sup> Relatedly, regulation 2A<sup>xvi</sup> salaries of district and sub-county chairpersons shall be paid from local revenue generated. Moreover, Regulation 4A places a cap on the amount that can be expended on the emoluments and allowances of chairpersons and councillors and this shall not exceed twenty per cent of total local revenue collected in the previous financial year.<sup>xvii</sup> On several occasions leaders have recommended the enhancement of their remuneration at the local government level, however, these efforts have not yet yielded results.

#### **Recommendation**

- i. Review and increase remuneration for elected leaders at the local government level. The Ministry of Local Government, in consultation with the Local Government Finance Commission and the MoFPED, should increase local government leaders' remuneration; salaries, allowances and the ex gratia.

### **3.8 Physical Planning for Urban Authorities**

Within the ambit of the Physical Planning (amended) Act 2020, every part of Uganda is declared a planning area and all developments whether urban or rural should be subjected to approval.<sup>xviii</sup> Physical planning is a core function of urban authorities under Part III of the Second Schedule to the Local Governments Act, Cap 243 (as amended). This notwithstanding, the district chairpersons and city and municipality mayors were concerned that the urban authorities were not satisfactorily performing this function. While leaders noted that there are no resources dedicated to this activity, local governments were allocated UGX 354bn under the Sustainable Urbanisation and Housing programme in the FY 2023/24.<sup>xix</sup> However, the practice of

erecting structures in urban areas without approved building plans is still persistent.

### **Recommendation**

- i. The Ministry of Finance, Planning and Economic Development should increase budget allocation to municipalities and town councils in the next financial year for physical development planning. This will make these local governments liveable, resilient and sustainable to spur social and economic transformation in this country.

## **3.9 Road Maintenance/Funds**

The responsibility of constructing, rehabilitating and maintaining roads not under the central government lies with the local government.<sup>xx</sup> Financing for routine and periodic maintenance of public roads is channelled to designated agencies through the Uganda Road Fund in accordance with the Uganda Road Fund Act, 2008. Section 41 (1) of the Uganda Road Fund Act, 2008, the Minister may designate local governments and urban councils as agencies for the Act. Designated agencies are to be allocated funds for the maintenance, rehabilitation, and development of the categories of roads for which they are designated.<sup>xxi</sup> Following a presidential directive, local governments (districts and municipalities) were allocated UGX one billion for maintenance of roads outside the Uganda National Roads Authority (UNRA) jurisdiction in FY 2023/2024. While there was a road maintenance /rehabilitation grant up to the tune of UGX 1 billion that was disbursed to local governments which leaders are grateful for, they noted that many challenges still abound for the road sector in local governments: (i) many roads have become impassable because of the heavy rains. (ii) the counter guidance from the Minister of Works to local governments to halt the use of UGX 500 million for the maintenance of roads has confused local government leaders. (iii) communities remain relentless on the need for motorable roads irrespective of procedural matters.

Furthermore, the Ministry of Works has not yet issued clear guidelines on the use of the UGX 500 million road rehabilitation/maintenance grant. Town councils which were established in FY 2017/18 have never received road funds for the maintenance of their roads. Local Government leaders have petitioned the Uganda Road Fund (URF) and MoFPED about the failure to release road maintenance funds for the 356 Town Councils that were created in 2017, and 2018. The Executive

Director of Road Fund wrote to the Permanent Secretary MoFPED to provide Indicative Planning Figures (IPF) for the 356 Town Councils worth UGX 21,360,000,000 and the local government leaders await the feedback. In 2017, the government of Uganda spent a total of UGX 318 billion to purchase road maintenance equipment. The road equipment was distributed to 118 districts at the time and each one of them received a road unit comprising one motor grader, one vibro roller, one-wheel loader, one water bowser and two dump trucks. Districts that were created after this procurement had not yet received road equipment under a similar arrangement. Currently, there are 135 districts and 11 cities in Uganda.<sup>xxii</sup>

## Recommendations

- i. The Ministry of Local Governments should liaise with the Ministry of Works and Transport to provide clear guidelines on the utilisation of the road fund
- ii. Parliament should increase the budget allocations to the Uganda Road fund for more coverage of routine and periodic maintenance of District Urban Community Access (DUCA) roads.
- iii. New cities and municipalities should be given a full set of road equipment each.

## 3.10 Local Government Financing

Article 176(2) (d) of the Constitution of the Republic of Uganda provides for each local government to have a sound financial base with reliable sources of revenue. Local Government financing comes from three major sources; locally raised revenue, central government transfers and donor support. Section 83 of the Local Governments Act, Cap 243 (as amended) obliges the central government to remit monies to local government from the consolidated fund every financial year such as; unconditional grants, conditional grants, equalisation grants and revenues from royalties arising from petroleum production. Key issues raised concerning central government grants were:

- i. Section 83 (6) of the Local Governments Act, Cap 243 (as amended) requires the government to remit unconditional, conditional and equalisation grants directly to districts, city, city divisions, municipal, and town councils. However, some newly created Town Councils receive their funds from their respective districts since they don't have votes with the MoFPED. There have been complaints that some districts deliberately delay remitting

these funds to Town councils while some divert the funds for other uses.

- ii. The Uganda Support to Municipal Infrastructural Development (USMID), funded by the World Bank, was designed to enhance the institutional performance of municipalities to improve urban service delivery. In 2019, Uganda secured phase one additional funding worth 360 million dollars to run until 31st December 2023. However, leaders noted that some Cities and Municipalities had not yet received funds that were returned to the Treasury at the end of the last financial year 2022/23. This, they said has affected the timely completion of ongoing projects and contractors are now charging interest on unpaid certificates.
- iii. Mismanagement of procurement by the district procurement committee: There are complaints from some Town councils that their sources of revenue are sometimes awarded at very low prices by the district procurement committees causing financial loss to Town Councils.

## **Recommendations**

- i. The Ministry of Finance, Planning and Economic Development should fast-track the creation of votes for the newly created town councils so that they can access money directly.
- ii. Funds under the USMID Project that were unspent by the local government and returned to the consolidated fund should be re-voted and channelled to the local governments in question.
- iii. The Ministry of Local Government in partnership with the Public Procurement and Disposal of Public Asset Authority should carry out regular capacity building for District and Municipal Contracts Committees to ensure compliance with procurement guidelines.

## Endnotes

- i <https://www.parliament.go.ug/news/4614/parliament-approves-creation-15-cities>
- ii The ten cities are; Arua, Fort Portal, Gulu, Hoima, Jinja, Lira, Masaka, Mbale, Mbarara, and Soroti
- iii Report of the Auditor General to Parliament for the Financial Year Ended 30th June 2021
- iv See Section 170(1) of the Local Governments Act, Cap. 243 (as amended)
- v Government of Uganda (2005) National Local Government Capacity Building Policy. Section 7.1, p.23. Ministry of Local Government
- vi Government of Uganda Local Government Act CAP 243. Section 55
- vii BMAU BRIEFING PAPER (32/22) DECEMBER 2022
- viii Section 75(2), the Public Finance Management Act, 2015 (As amended).
- ix Government of Uganda Local Government Act CAP 243, 3rd Schedule, Regulation 8(g)
- x Government of Uganda Local Government Act CAP 243, Section 13(f)
- xi Government of Uganda Local Governments' Act. Section 13(d)
- xii Government of Uganda Local Governments' Act, CAP 243, 1st Schedule, Regulation 2(b)
- xiii Ministry of Local Government (2021); Implementation Guideline for the Parish Development Model
- xiv See Annual Report of the Auditor General to Parliament for the Financial Year ended 30th June 2023
- xv Government of Uganda Local Governments Act CAP 243 First Schedule, Regulation 1(1)(2)
- xvi Local Government Act CAP 243, First Schedule, Regulation 2A
- xvii Local Government Act CAP 243, First schedule, Regulation 4
- xviii Physical Planning Act 2010, Section 3

- xix The National Budget Speech Financial Year
- xx See Part II, Regulation 4 of the Second Schedule to the Local Governments Act, Cap. 243 (as amended)
- xxi See Section 43 (1) of the Uganda Road Fund Act, 2008
- xxii Otile, O. M. (2021). Parish Development Model: We Need More Focus On Physical Infrastructure Development. Advocates Coalition for Development and Environment (ACODE). Retrieved from [https://www.acode-u.org/vol/article/issue5\\_A4.pdf](https://www.acode-u.org/vol/article/issue5_A4.pdf)

## **ABOUT ACODE**

**The Advocates Coalition for Development and Environment (ACODE)** is an independent public policy research and advocacy think tank based in Uganda. ACODE's work focuses on four programme areas: Economic Governance; Environment and Natural Resources Governance; Democracy, Peace and Security; Science, Technology and Innovation. For the last eight consecutive years, ACODE has been ranked as the best think tank in Uganda and one of the top 100 think tanks in Sub-Saharan Africa and globally in the Global Think Tanks Index Report published by the University of Pennsylvania Think Tanks and Civil Societies Program (TTCSP).

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