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Ministry of Finance, Planning  
& Economic Development,  
P.O Box 8147  
**Kampala, Uganda**

26<sup>th</sup> November, 2021

The Permanent Secretary, Office of the Prime Minister  
The Permanent Secretary, Ministry of Public Service  
The Permanent Secretary, Ministry of Education and Sports  
The Permanent Secretary, Ministry of Health  
The Permanent Secretary, Ministry of Agriculture, Animal Industry and Fisheries  
The Permanent Secretary, Ministry of Local Government  
The Permanent Secretary, Ministry of Trade, Industry and Cooperatives  
The Permanent Secretary, Ministry of Water and Environment  
The Permanent Secretary, Ministry of Gender, Labour and Social Development  
The Permanent Secretary, Ministry of Works and Transport  
The Permanent Secretary, Ministry of Tourism, Wildlife and Antiquities  
The Permanent Secretary, Ministry of ICT and National Guidance  
The Secretary, Local Government Finance Commission  
The Executive Director, Uganda Bureau of Statistics  
The Executive Director, National Planning Authority  
The Executive Director, Uganda Road Fund  
The Executive Director, Uganda National Roads Authority  
The Executive Director, National Information Technology Authority-Uganda

**SUMMARY OF ISSUES RAISED DURING THE RECENTLY CONCLUDED LOCAL GOVERNMENT BUDGET CONSULTATIVE WORKSHOPS FOR FY 2022/23 HELD BETWEEN 19<sup>TH</sup> SEPTEMBER AND 8<sup>TH</sup> OCTOBER, 2021**

As you are aware, this Ministry conducted the Local Government Budget Consultative workshops for FY 2022/23 in twenty four (24) Regional Centres between 19<sup>th</sup> September and 8<sup>th</sup> October 2021.

I would like to thank you for sparing time to attend the above Workshops together with your respective Technical Officers who facilitated various group discussions during the parallel sessions in which; key Policy and Administrative issues under your respective programmes for consideration by the Local Governments while preparing their budgets for FY 2022/23 were discussed.

*Mission*

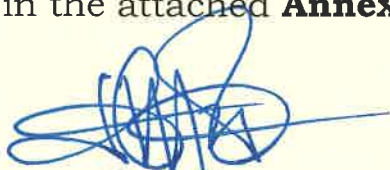
*"To formulate sound economic policies, maximize revenue mobilization, ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development"*

In addition, please extend my sincere regards to your respective Hon. Ministers who shared the policy issues and challenges of your programmes and thereafter presided over the closing sessions. The Sessional Committee Chairpersons for selected Parliamentary Committees also participated at the Workshops. The participants included the Local Government Political Heads (RDCs, LCV Chairpersons and Mayors), Local Government Accounting Officers and Technical Heads of Department, among others.

Arising out of the discussions, I have attached a summary of issues raised during the Local Government budget consultative process for FY 2022/23, particularly those related to Budget preparation, for your consideration.

I wish to emphasize that, there is need to discuss these issues at your respective Programme Working Group (PWG) levels, to pave way for further discussion with my Ministry during the Inter-ministerial Consultations on the Budget for FY 2022/23. These will facilitate preparation of your Programme Budget Framework Paper (PBFP) which is an input to the National Budget Framework Paper for FY 2022/23 to be submitted to Cabinet and thereafter to Parliament for approval.

The purpose of this letter, therefore, is to forward the issues highlighted in the attached **Annex 1** for your appropriate action.



Ramathan Ggoobi

**PERMANENT SECRETARY/SECRETARY TO THE TREASURY**

Copy to: The Rt. Hon. Prime Minister  
The Hon. Minister of Finance, Planning and Economic Development  
The First Lady and Hon. Minister of Education and Sports  
The Hon. Minister of Health  
The Hon. Minister of Local Government  
The Hon. Minister of Water and Environment  
The Hon. Minister of Gender, Labour and Social Development  
The Hon. Minister of Works and Transport  
The Hon. Minister of Agriculture, Animal Industry and Fisheries  
The Hon. Minister of Public Service

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**Mission**

*"To formulate sound economic policies, maximize revenue mobilization, ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development"*

The Hon. Minister of Tourism, Wildlife and Antiquities  
The Hon. Minister of ICT and National Guidance  
The Hon. Minister of State for General Duties, Office of the  
Prime Minister  
The Chief Coordinator, Operation Wealth Creation  
The Chairperson, Parliamentary Sessional Committees  
The Head of Public Service and Secretary to Cabinet  
All District Chairpersons  
All City and Municipal Mayors  
All Resident District/City Commissioners  
All Local Government Accounting Officers

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***Mission***

*"To formulate sound economic policies, maximize revenue mobilization, ensure efficient allocation and accountability for public resources  
so as to achieve the most rapid and sustainable economic growth and development"*



ANNEX 1: MATRIX OF ISSUES RAISED DURING THE LOCAL GOVERNMENT BUDGET CONSULTATIVE MEETING FOR FY 2022\_23

ISSUES	REACTIONS/WAY FORWARD	RESP. CENTER	TIME FRAME	FINANCIAL IMPLICATIONS
<b>CROSS-CUTTING ISSUES</b>				
Alignment of the Budget to the Third National Development Plan (NDP III) Programmes, objectives and interventions	Conduct hands-on training of all the Budget Desk Officers and Heads of Departments in the LGs so that they can use the Template for aligning the Budget to NDP III Plan.	MoFPED, NPA	Immediate	
	Timely feedback from MEPPED and NPA whenever information is submitted to ensure that corrective measures can be addressed promptly.	MoFPED, NPA	Immediate	N/A
Dissemination of the Indicative Planning Figures (IPFs) for FY 2022/23, and Grant Guidelines. Concerns were raised on the resource envelope largely on reducing IPFs despite the increasing cost of service delivery.	LGs requested that the PDM IPFs should be formula based and consider population of the parish, number of parishes and villages/L.C. 1s, and the poverty index.	MoFPED	Medium Term	N/A
Operationalisation of all newly created Administrative Units: Participants argued that for the Parish Development Model to be successfully implemented, there is need for full scale operationalisation of all newly created Administrative units. However, no funding had been provided nor communicated to that effect.	Participants were informed that Cabinet had just approved supplementary funding totalling Ushs. 29.3 Bn for operationalisation of all newly created Town Councils and Sub Counties; and upon approval by Parliament, these funds shall be released to start up the new Administrative Units.	MoFPED, MoLG, Parliament	Immediate	29.3BN
No issued Guidelines for PDM: Participants noted that LGs had received funding for implementation of the PDM but no Guidelines had ever been received nor disseminated; and as such, many LGs are stuck with little or no knowledge of the PDM nor its details.	Cabinet approved the Implementation Guidelines for the PDM at the start of October, 2021 and these would soon be endorsed by the Hon. Minister. MoLG and disseminated in time for implementation of the Revolving Funds.	MoLG	Oct, 2021	
Reporting Template for PDM: Participants requested for a uniform template where Parish Chiefs can enter the collected data in the meantime as Gadgets are awaited	NPA, UBOS, MEPPED and MoLG shall work closely to address this matter	NPA, UBOS, MoLG	Immediate	
The workshops noted that Parish Chiefs seemed to have too much power under the PDM and were concerned with record keeping and accounting for funds under a thin Administrative Structure for a Parish	The power vested in a Parish chief is aimed at limiting unwanted consultations with the Higher LGs, center of responsibility and increased success of the Programme	Parish Chiefs	Immediate	
In some sections, the meetings proposed that the Parish Development Model should be specifically ringfenced for the Active poor since not all the poor can ably participate in the money economy	It was agreed that such matters shall be left to the discretion of the Parish Development Committees, that best understand their local persons.	Parish Development Committee	Immediate	
Transport equipment for monitoring and supervision of Government programmes	Government should provide resources for purchase of transport equipment for Accounting Officers and Political leaders in the next Budget.	MoFPED, MoLG	Medium Term	

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ISSUES	REACTIONS/WAY FORWARD	RESP. CENTER	TIME FRAME	FINANCIAL IMPLICATIONS
PROGRAMME SPECIFIC ISSUES				
<b>AGRO-INDUSTRIALISATION</b>				
<b>Centralization of revenues from fishing licenses:</b> MAAIF has centralized all revenue from fishing activities in the island Local Governments like Buvuma and Kalangala with no share being left for the host DLG.	MAAIF should review revenue sharing arrangements to ensure that a decent share of the revenue from fishing licenses should be remitted to the respective LGs	MAAIF	Medium Term	
<b>Agricultural Extension Workers:</b> Agricultural extension services have resulted into increased performance of the agricultural sector. However, there is need for recruitment of additional extension workers. E.g Kiryandongo District has 6 sub-counties without a single extension worker.	Government should consider recruitment of extension workers in LGs without any extension workers.	MAAIF, MFPED	Immediate	
<b>Quality of Agricultural Outputs:</b> There are challenges for quality management across the entire agriculture value chain. This affects the quality of agricultural products due to poor post-harvest handling	In order to ensure that the products are improved, MAAIF should develop a standard curriculum of climate smart agriculture to train all farmers.	MAAIF, UNBS	Medium Term	
<b>Quality Control of Agricultural Inputs:</b> Local Governments were concerned about the rise in the number of counterfeit agricultural products such as seedlings, crop and animal drugs, farm implements among others. They attributed this to low quality control both for inputs produced locally and imported	The Ministry of Agriculture, Animal Industry and Fisheries should work closely with the enforcement arms such as Uganda Bureau of Standards to protect farmers against counterfeit inputs	MAAIF, UNBS	Medium Term	
<b>Persistent Foot and Mouth Disease</b> has led to a drop by about 40% of the entire local revenue in the LGs within the Cattle Corridor; especially on account of the blanket quarantines on sale of cattle	Participants requested that MAAIF should undertake mass cattle vaccination against FMD in the cattle corridor as opposed to closure of cattle markets that has drastic negative impact on local revenue collection, which has already been affected by the COVID-19 pandemic	MAAIF	Immediate	
Some participants requested that the PDM should not consider use of the e-voucher system used under the ACDP, but has miserably failed the programmes due ease of manipulation of information and supply details	A member of the ACDP Steering committee noted that such informations shall be investigated and addressed in due course	MAAIF	Medium Term	
<b>Unauthorized fishing by the UPDF:</b> The Fishing LGs of Kalangala and Masaka noted that the UPDF had overstepped its mandate of enforcing use of appropriate fishing gear and methods on Lake Victoria; and instead, the army had started directly fishing, without licensing by the host LGs nor MAAIF	MAAIF was requested to investigate allegations of unauthorized fishing by the army. In addition, the institution was requested to continually assess the efficacy of the UPDF's enforcement of appropriate fishing practices and use of proper fishing gears.	MAAIF	Immediate	



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ISSUES	REACTIONS/WAY FORWARD	RESP. CENTER	TIME FRAME	FINANCIAL IMPLICATIONS
<b>Mineral Development</b>				
<b>Alienation of LG from the Mining subsector:</b> Participants stated that all key Mineral resources in LGs are manned by Soldiers, and as such Local Authorities can not monitor activities nor collect any revenues. In addition, most of these companies in these sites are disguisedly operating under Exploration licences and not mining licences on royalties can be claimed by the LGs.	The Political Leaders of the affected LGs were advised to formally petition the Minister of Energy and Mineral development for review and reconsideration of the issues surrounding Mining activities in Local Governments.	MEMD, LG Political Leaders	Medium Term	
<b>Tourism Development</b>				
Participants requested that Government meetings, conferences and events should be mandated to mainstream local tourism in their programmes so as to encourage sustained growth of the Industry	This is a good proposal that should be fast tracked by the Ministry of Tourism, Wild Life and Antiquities for cascading to all MDAs	MOTWA	Medium Term	
<b>Centralized nature of the service of tourism:</b> This service is currently carried out by the Production and Commercial Officers in the LGs. There are no tourism officers recruited in the Local Governments thus the sector is not providing its mandate in the LGs.	The Government through MoFPED and MoPS should provide wage bill for recruitment of tourism officers in Local Governments and provide a grant to support the function of tourism activities.	MoFPED, MoPS	Medium Term	
<b>Unreachable attractions:</b> LGs have tourism attractions that are not reachable by tourists. In most cases, they are hard to reach thus affecting revenue performance in the Country.	CGs and LGs should make efforts to provide access to these sites as well as gazette them such that revenue performance is boosted	UWA, MoWT, LGs	Dec, 2021	
<b>Land fragmentation:</b> Especially in protected areas that are encroached on like Mt. Elgon. This land fragmentation causes many negative effects including higher costs, increased negative externalities, loss of land due to boundaries among others. This land loss is directly related to the number of plots.	There is need for more community sensitization of the population in regards to the benefits of tourism and conservation. In addition, LGs should gazette areas of tourism.	MoTWA & LGs	Medium Term	
<b>WATER, CLIMATE CHANGE AND ENVIRONMENT AND NATURAL RESOURCE MANAGEMENT</b>				
There is wide spread encroachment on natural Forests and wetlands e.g. Nawandigi forest in Butambala that was demolished	i). The community stake of the forest in question was sold to Ambiance Company and hence the community is now encroaching on the remaining part of the forest.		Medium Term	
	ii). Also NFA has inadequate staff to effectively enforce the laws. As such, NFA was requested to formally submit a paper to PSSST, enumerating strategic and operational proposals for sustainable capacity and protection of our Forests and Environment for enhanced service delivery starting FY2022/23	NFA, MFPED	Medium Term	

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ISSUES	REACTIONS/WAY FORWARD	RESP. CENTER	TIME FRAME	FINANCIAL IMPLICATIONS
<b>Lack of Funding for Environmental and Social safeguards:</b> The participants stated that under the ongoing UGIFT programme, the LGs are expected to institute measures in observance of the World Bank principles on Environmental and Social Safeguards which funding is dismal.	The Meetings agreed that going forward, funding for Environmental and Social Safeguards shall be incorporated under DDEG.	MoFPED, MoGLSD	Immediate	
<b>PRIVATE SECTOR DEVELOPMENT</b>				
Participants noted limited sensitization and information about the Emyooga Programme and this was attributed to the mandated MSC, whose Team can only engage a few Local Government Heads and Technocrats in a limited time frame. The locals think this money was given in appreciation for voting the President in the recent elections	MoFPED should review guidelines on sensitization for Emyooga and related programmes to allow for increased participation of HLGs and LLGs in the sensitization of masses on the Emyooga funds as opposed to the MSC, whose presence on ground is too thin	MoFPED	Nov, 2021	
<b>Digital Transformation</b>				
<b>Unreliable Internet connectivity.</b> The participants were concerned that the unreliable internet connectivity and lack of adequate gadgets and tools especially where videos are required, made the virtual platforms like Zoom not very effective means of conducting Government business like trainings and lengthy meetings upcountry	Need to conduct physical training meetings upcountry and NITA-U should look at the issue of improving internet connections across the Country	NITA-U, MoFPED and All MDAs	Medium Term	
<b>TRANSPORT INTERCONNECTIVITY</b>				
<b>Lack of Road Construction Units:</b> Districts indicated a need for a second Road Construction Unit; while Some LGs actually lack a Unit in place despite impassable roads	Requests for Road Construction Units shall always be considered by Ministry of Works upon availability of resources	MoW&T	Medium Term	
Revision of the URF allocation formula based on population and level of economic activities. The Residents pay taxes in KCCA where they work yet reside in the MC but not even a Road Construction Unit exists. There is need to open more roads to decongest Entebbe road and the few tarmacked roads	MoFPED, MoLG & LGFC committed to making adjustments in the future	MoFPED, MoLG & LGFC	Medium Term	
<b>Transport Equipments for LCVs:</b> A number of District Chairpersons have never received transport vehicles yet most DLGs cannot afford purchase of sound vehicles every 5 years.	The MoLG shall have procured Vehicles for 8 District Chairpersons without one, including the newly created Terago and these shall soon be delivered to the rightful beneficiaries	MoLG	DEC, 2021	
<b>Inadequate funds for Road Maintenance:</b> Inadequate funding for road maintenance in LGs which affects the state of the road network especially in times of bad weather and heavy rains.	It was recommended that MoFPED and URF should take into consideration revising the funds allocated to roads maintenance in LGs and should increase funding to LGs to enable them fulfil their mandate.	MoFPED, URF	Medium Term	



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ISSUES	REACTIONS/WAY FORWARD	RESP. CENTER	TIME FRAME	FINANCIAL IMPLICATIONS
<b>Servicing of Road Equipments:</b> The road equipment that were bought for the LGs are not working due to lack of service and simple spares like tyres. There is also a general problem of failure to access excavators and low-beds by LGs from the MoWT regional zonal centres.	MoWT should fast track payment to Victoria Motors who were contracted to service the equipment, increase the number of regional zonal centres and also procure backhoes for LGs which are cheaper than excavators but can do the same work.	MoWT	Immediate	
Lack of supervision vehicles for District Engineer and motorcycles for road inspectors. Some LG Engineers carry out supervision of road works using trucks which is not a good idea.	MoFPED should prioritize procurement of supervision vehicles for Local Government Engineers and motorcycles for road inspectors subject to availability of funding.	MoWT, MoFPED	Medium Term	
<b>SUSTAINABLE URBAN DEVELOPMENT</b>				
<b>Lack of Funding for Physical Plans:</b> Government has failed to fund physical planning and development of masterplans despite high rates of urbanisation. Currently, none of the newly created Cities has a well informed Masterplan	MLHUD should engage the various LGs and offer as much support in the development of physical plan and Masterplans. In addition, the NPA has identified critical interventions for the new Cities and had them incorporated within the PIAPs	MLHUD, MoFPED	Medium Term	
For the new Cities like Masaka City, the current DDEG is too low to undertake any structural developments on time. This is on account of the limited land in the Cities, with all architectural plans allow for the more expensive storied buildings. The current DDEG allocation of 100M, therefore, is too little to construct even ONE acceptable staff quarter	MoLG should consider possibilities of revising the allocation formulae to enable the new Cities attain desired outputs on time	MoLG, MoFPED	Immediate	
<b>Lack of funding for titling of Government property:</b> LGs are expected to protect Government Land starting with securing of Titles but most of them indicated lack of funding for titling of Public Land under their jurisdiction	Guidelines for the DDEG require prioritisation of Titling of Government land under the jurisdiction of respective LGs. In addition, no facilities under Health and Education shall be constructed on untitled Land under the New Presidential Directive relating to the UPDF Army Construction Brigade. LGs and MLHUD should therefore, fast track titling of all Public Land under them	MLHUD, MoFPED, LGs	Medium Term	
<b>HUMAN CAPITAL DEVELOPMENT</b>				
Lack of guidelines on how to implement the Presidential Directive on use of the UPDF Engineers' Brigade, risk of delayed implementation and impact on the local contractors	MoES, MoH and PPDA to finalise the guidelines.	MoES, MoH and PPDA	Immediate	N/A
Participants requested Government to consider a two day public Holiday to ensure mass vaccination at designated centers close to the population, in preparation for reopening of schools and other sectors of the Economy	The Ministry committed to engaging the MOH on the need for public Holidays dedicated to vaccination.	MOH/MOFPED	OCTOBER	

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ISSUES	REACTIONS/WAY FORWARD	RESP. CENTER	TIME FRAME	FINANCIAL IMPLICATIONS
Lack of additional funds release for implementing the Directive to pay Lunch allowances for the Medical workers	The directive was passed in July after the budget for FY 2021/2022 was finalized, however the payroll has been adjusted to cater for the enhancement. In addition, releases for Q2 and Q3 shall administratively be accelerated to match the required funding for Lunch Allowances; as MOPPED fast tracks approval of supplementary budget by Parliament, in time for Q4 release at the latest	MOPPED	Medium Term	
Participants noted that the biggest component of the Wage returned to the Consolidated Fund is for Tertiary and Secondary School Teachers, whose recruitment and Management is external to the LGs and only a reserve for the ESC and the MOES. In addition to lengthy recruitment process, a number of Teachers are posted but not less answerable to LGs and this makes inspection, enforcement of Rules hard especially on absenteeism	MFPED shall engage the ESC, MOES and other stakeholders to ensure that recruitment and management of Teachers in Tertiary and Secondary Schools is under the control of LG, since they already hold the budgets.	MFPED, ESC, MOES	Immediate	
The Govt has only focused on Govt aided Schools and neglected the Private Education Facilities rather than supporting institutions and Private Teachers to remain in business and adequately prepare for the scheduled reopening of schools	Govt shall make review to consider supporting all stakeholders in the Education Sector	MOES	Medium Term	
Participants needed to know whether the Directive by H. E The President on the UPDF Army brigade taking over civil works for the UGIFT funded projects under Health and Education Sectors; shall apply only to World bank or donor funded projects?	The Directive would apply to all civil works irrespective of the source of funding. However, PPDA shall consultatively develop Guidelines for seamless implementation of the Presidential Directive	PPDA, MOES, MOH, MFPED		
Majority of the homesteads in the rural Lower Local Governments did not get learning materials during the Lockdown despite the timely release of funds	Accounting Officer were requested to confirm such allegations and bring them to the attention of the MOES for further investigation and planning purposes	Accounting Officers, MOES	Immediate	
In some sections, representatives of UNATU informed meetings that mass vaccination of Teachers had been abused; with a number of Teachers securing vaccination cards without necessarily taking the jabs	The Meetings were informed that the RDCs had already started undertaking mass mobilisation of teachers with stern warnings against anyone found in possession of fake vaccination cards. In addition, all LG leaders and MOH were asked to jointly investigate these claims for the safety of our Children, Learner and population at large	RDCs, MOH	OCT, 2021	
A number of Teachers are leaving the profession and the Accounting Officers and DEOs should make effort to update records or else schools may open with fewer or no teachers in a number of schools	UNATU was asked to work with MOES to fast track preparation of Teachers for effective reopening of schools through mobilisation, refresher courses and materials where possible	UNATU, MOES	DEC, 2021	

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ISSUES	REACTIONS/WAY FORWARD	RESP. CENTER	TIME FRAME	FINANCIAL IMPLICATIONS
Participants argued that Staff ceiling for most of the Education Institutions were no longer commensurate with the increased population and school enrollments for most areas; and as such, the staff ceilings should be lifted to allow increased recruitment of Teachers and access to payrolls	The Meetings learnt that staff enrollment was still adequate at 8 & 21 for Teachers for primary and Seed Secondary Schools respectively. In addition, MOES has increasingly posted several Teachers and LGs were asked to contact MOES to reconcile gaps	LGs, MOES	Medium Term	
A number of schools and Education facilities built by private parties and or NGOs have failed to be coded under the MOES	It was observed however, that the priority funding pressure is to increase salaries for Science Teachers and as such cannot ably code new schools until there is enough funding for both Wage and Non Wage	MOES	Immediate	
A number of LGs have unsuccessfully followed up on efforts to secure a Technical School for each Constituency, while others completely lack Technical schools in their District	The policy is for Each Constituency to have a Technical School and that these considerations shall be made upon availability of NWR and Wage Devt budgets. In the meantime, the LGs should encourage students to apply for vacancies in neighbouring Technical Schools.	MOES	Medium Term	
<b>COMMUNITY MOBILISATION AND MINDSET CHANGE</b>				
<b>Lack of Barazas to the community:</b> Barazas were effective ways through which accountability could be made to the community. OPM implemented barazas as a pilot on understanding that Local Governments should adopt and include them in their workplans	DINU has a component of barazas which will be implemented in the Northern Local Governments where it covers	OPM	Medium Term	
<b>Lack of provision of facilities for breast feeding mothers at work places:</b> Local Governments requested that at least a facility or special rooms should be created to allow breast feeding mothers to breast feed their babies while at workplace without interruption. This will motivate them and thus lead to good working relationship among Officers	Government, through the Ministry of Local Government and Ministry of Gender, Labour and Social Development should provide special rooms where breast feeding mothers can breast feed their babies without interruption	MoPS, MoLG	Medium Term	
Mindset change was only appropriated Ushs. 9 Bn of the required 900 Bn in FY 2021/22 yet it is a critical pillar of the PDM	It is the MoGLSD to take lead on this Pillar and in Liaison with the Parliamentary Committee on Gender, should fast track increased funding for this pillar			
The funding for Mindset Change under PDM, totalling to Ushs. 8.8 Bn for FY2021/22 was all Appropriated at the MoGLSD. How possible would the MoGLSD reach the grassroots yet LGs have been left with no funding.	The MoGLSD is charged with development and dissemination of Guidelines for the Minset Change Pillar and how best these funds shall be ably spent between the Center and the LGs	MoGLSD	Nov, 2021	
<b>DEVELOPMENT PLAN IMPLEMENTATION</b>				
Most of the newly created LGs are not coded in the PBS and as such cannot be directly budgeted for during Budget preparation	Parliament has not approved funding for operationalisation of new Administrative units and as such, these can not be reflected in the PBS. However, MOFPED/MOLG shall engage Parliament on the need for funding of new Administrative Units	MoFPED/MoLG/ PARLIAMENT	DEC, 2021	

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ISSUES	REACTIONS/WAY FORWARD	RESP. CENTER	TIME FRAME	FINANCIAL IMPLICATIONS
Participants noted lack of Approval and certification of LG Development Plans despite the NDP III being in its second year of implementation	The NPA committed to Approving and Certifying outstanding LG Development Plans by End of October, 2021	NPA	Oct, 2021	
Some Saving groups deposited funds as a prerequisite for accessing Emyooga funds, unfortunately they neither received the Emyooga money nor their deposit refunded	CAOs take up matter and provide information to MoFPED			
More programs are implemented in district with "Powerful figures" in government institutions. Also a number of Contractors do not want to account to the officers at LG level and only respond to orders from the center/line ministries	All contractors should be accountable to the LGs. In addition, Accounting Officers were advised to always inform the Hon. MPED, in writing for his follow up, on specific Cases where contractors are not responding to LG pleas	CAOs/Town Clerks, MPED		
The Members wanted to know the implications of the two new NDP III Programmes (Legislature and Administration of Justice) on the already approved NDP III and the LG Budgets	The NPA shall develop the two new Programmes under an addendum to the NDP III and not necessarily issuance of a new NDP III. As such, future budgets shall have further realignment in relation to the new two programmes	NPA	Immediate	
The funds available in the Budget for recruitment of Parish chiefs were released under Non Wage Recurrent yet the LGs are expected to recruit Parish Chiefs on a Permanent basis. As such, a number of them were being recruited on a temporary basis	All recruitments for the Parish Chiefs should be on a Permanent basis. To avoid irregularities, the PSST shall soon issue a circular granting permission for recruitment of Parish Chiefs on contract basis using the NWR under Production Department for FY2021/22 and thereafter regularisation on permanent basis starting FY2022/23	MoFPED	Immediate	N/A
Allocation of PDM Funds in the Budget: Participants questioned the rationale behind equal allocation of Funds for each Parish yet some are more populated than others and/or worse off. A case in point was a Parish in Kayunga DLG whose entire population had been displaced by Floods to other neighbouring Parishes yet Funds are still allocated to it. It was proposed that future allocations should be based on the number of people in the Parish.	Noted that in future, more parameters would be incorporated into the formula for allocation of Funds under the PDM.	MoLG	Nov, 2021	
<b>Dwindling resources in LGs:</b> Over the Financial Years, IPFs to LGs have been reducing over years. This is therefore, not sufficient to support the Programme based approach as per NDP III. In addition, MoFPED should not allocate funds to programmes that do not fall under Local Governments. This is because not all the 20 programmes are applicable to LGs	LGs recommended that there should be stability in resource allocation in LGs so as to support the program based approach	MoFPED	Medium Term	
<b>Realignment of the current LG staff structures:</b> MoFPED began the process of moving toward PBB by implementing the PBS in order to transform the budget from an output-based to a more result and performance-based approach. However, these programmes are not aligned to the current staff structures in LGs.	Government through NPA should re-align the current staff structures in LGs from departments to programmes so as to implement the new programmes planning approach	MoFPED, NPA	DEC, 2021	




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ISSUES	REACTIONS/WAY FORWARD	RESP. CENTER	TIME FRAME	FINANCIAL IMPLICATIONS
<b>Alignment of all Government Systems to NDP III:</b> Overtime, budgeting for results has significantly improved but financial resource alignment to plans still requires strengthening. In view of the above, all Government systems for instance PBS, IFMS, IPFS among others need to be harmonized with the new programmes planning approach of NDP III on time in order for the votes to submit their budget framework papers and quarterly performance reports	NPA and MoFPED should consider harmonizing and aligning all the Government systems to NDP III so as to ease the reporting process	MoFPED, NPA, MoPS	Immediate	
<b>Delayed release of funds by the MoFPED:</b> The last minute funds released by the MoFPED disorganizes the way the budget approval is always done. This is on account that the said funds are sometimes released to LGs towards the close of financial year. This does not give LGs ample time to plan and implement their activities and results into unspent balances at the close of financial year and un finished projects	Government through MoFPED and URF should always release funds to LGs on time to ease planning and implementation. This will also reduce on unspent balances and finished projects in LGs	MoFPED, URF, OPM	Immediate	
<b>Returning of unspent balances:</b> There is delayed returning of unspent balances especially for UGIFT funds which does not come on time thus affecting the implementation of UGIFT projects. These funds sometimes come towards the end of the financial year thus being returned back again.	These delays are caused by non-submission of the requirements to have the supplementary processed. The requirement include among others the progress report, coloured photographs of the project and a reconciliation of the unspent balances with the AGO's office. LGs were encouraged to always submit the above required information on time to enable the Ministry process the supplementary on time		April, 2021	
<b>Unstable IFMS in various LGs:</b> Most Local Governments still face the challenge of unstable IFMS which delays service delivery such as payment of salaries, invoicing funds to Lower Local Governments, warranting among others.	LGs should take advantage of the regional treasury centres and if possible, diversify the connectivity of the various internet service providers.			
<b>Delayed submission of quarterly performance reports:</b> The delayed reporting of quarterly performance reports by LG Votes is sometimes due to delayed upload of financial performance data by MoFPED and/or system challenges as well as poor internet connectivity.	The challenges in the reporting system will be addressed with immediate effect.	MoFPED	Immediate	
Most of the Unspent funds were under UGIFT and this was due	The MFPED Committed to improving seamless system operations to reduce delays in processing of requests and approvals from the Center	MoFPED	Immediate	
	LGs were advised to regularly invite the various prospective donors into their budget preparatory meetings to ensure timely incorporation of information	Accounting Officers	OCT, 2021	



ANNEX 1: MATRIX OF ISSUES RAISED DURING THE LOCAL GOVERNMENT BUDGET CONSULTATIVE MEETING FOR FY 2022\_23

ISSUES	REACTIONS/WAY FORWARD	RESP. CENTER	TIME FRAME	FINANCIAL IMPLICATIONS
to delayed approvals from the Centre MDAs. In addition, a number of OGTs and External funding remain unspent due to delayed approval of requests for supplementary budgets by the MoFPED.	MoFPED to engage URF on deadlines for release of funds; failure of which these would be automatically released to the LGs in time for absorption within the respective FY Accounting Officers should often hold periodic meetings with Heads of Departments to fast track procurements and contracts. Where low absorption of funds by the end of the Year is projected, these should be brought to the attention of MoFPED and other relevant Central Govt MDAs for timely resolution, reconciliation and adjustments in future budgets	MoFPED/URF  CAOs/TCs	OCT, 2021	
Participants questioned the rationale behind OPM being more an implementer and less of an overseer of operations by other Agencies.	MoFPED should engage OPM on the need for limited implementation of programmes in LGs to ensure increased Monitoring and Evaluation of Government Agencies	MoFPED, OPM		
The participants noted that the current Local Government Annual Performance assessment neglects Lower Local Governments yet their activities impact highly on the performance of Higher Local Governments. It was requested that in future, the assessments should be cascaded to the LLGs	OPM informed Meetings that development of the Tool is underway and starting FY2022/23, under which LLGs shall be sampled and later rolled out. However, MoFPED offered to engage OPM on this given that it is the duty of HLGs to appraise LLGs. It is therefore, the duty of Accounting Officers in MC and Cities and DLGs to supervise and assess LLGs or else it would be reversing Decentralization	OPM, MoFPED	DEC, 2021	
<b>PUBLIC SECTOR TRANSFORMATION</b>				
Lack of Approved Structures for the operationalization of new Cities	Need for Ministry of Public Service and Local Government to issue approved Structures to enable new Cities operate as centres of excellence	MoPS, MoLG	DEC, 2021	
Participants were dissatisfied with the uneven salary enhancements for Science cadres in disregard of other Categories and requested Government to address the existing Disparities in salary by fast tracking salary enhancement for other non science cadres	MoPS committed to increasing all salaries for Public Servants and over the next Five years, more categories of Civil Servants shall be increased in a phased manner upon availability of resources	MoPS	Medium Term	
Participants noted Inadequate wage ceilings in some of the Departments, which restricts meaningful recruitment of key staff for the Departments without filled positions	Given that Funds for Wage were returned to the CF, LGs were requested to always under take comprehensive Wage Analysis to allow for readjustments of Grant allocations and move resources where they are better needed and can be absorbed on time	Planners/CFOs & HoDs	Medium Term	
Wage shortfalls for Recruitment of Parish Chiefs: In a number of LGs, the funding available is insufficient to cater for recruitment of Parish Chiefs in all Vacant posts yet LGs have been asked to ensure 100% recruitment.	The MoLG advised that the respective DSCs should run adverts for all the vacant posts. However, appointment letters should be issued in a phased manner upon confirmation of additional funding	MoLG, MoPS	Medium Term	



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ISSUES	REACTIONS/WAY FORWARD	RESP. CENTER	TIME FRAME	FINANCIAL IMPLICATIONS
<b>Technical trainings:</b> Participants requested that Technical trainings by the NPA and MoFPED should be much longer and not just days especially on matters of Budgeting and Planning and as such requested for more physical trainings on the alignment of Budgets to the NDP III	It was noted that there was no time for more trainings on Alignment of Budgets to the NDP III and that LGs with challenges should contact Desk Officers at the NPA and MoFPED. In addition, Participants were asked to embrace ZOOM and other Virtual and/or digital platforms for future trainings and consultations. Further, the existing logistical challenges cannot allow for direct training for each Officer in LGs and as such the Planners shall preferably be trained as Trainers of Trainers and the rest of the support shall be remotes.	NPA, MoFPED, Central Govt MDAs, Planners.	Nov, 2021	
The Meetings noted that whereas we are now under Programme Approach to Planning and Budgeting, the Local Government Annual Performance Assessment Manual was still structured along the already disbanded Sectors	The Meetings were informed that much as the Manual shall remain as it is for the next round of assessment, the assessment results shall be released in a Programme Approach manner and consistent with the NDP III Programmes	OPM	Medium Term	
There are continued delays in payment of Salaries, Pension and Gratuity by a number of LGs despite MoFPED releasing funds on time, with some LGs having a record of not paying any pensioners in single year.	It was guided that MoFPED shall soon write to perennial culprits requesting them to handover their current records of Pensioners for ease of reconciliation by the Ministry.	MoFPED, Affected LGs	Medium Term	
	The IPPs had been found to have many challenges leading to inconsistencies in data and a more efficient new System, the Human Capital Development Information System, shall soon be rolled out by the MoPS. In addition, asked LGs to engage the center on seamless harmonisation of records and dissemination of information.	MoPS		
	In the meantime, LGs were requested to engage the MoPS, MoFPED on seamless harmonisation of records and dissemination of information relating to Wages, Pension and Gratuity	LGs, MoFPED, MoPS		
	Guided that the respective Heads of Human Resource in the LGs should prepare retiring staff 6 months before date of effectiveness	Heads of Human Resource in LGs		
	There was commitment that MoFPED shall work closely with the Ministry of Public Service to disseminate the formulae for generating pension and gratuity payments.	MoFPED/MoPS		
Some of the new Town Councils have no Town Clerks and participants had requested that their recruitment should be fast tracked for purposes of seamless supervision of all Parish Chiefs	UNATU should compile and submit to MoFPED, schedules of pensioners with challenges on accessing their Wage, Pension and Gratuity. The same should be copied to PS MOES, MoPS, MoLG	UNATU/MOES, MoPS, MoLG		
	The Meetings learnt that recruitment of Parish Chiefs was a directive that can not be delayed any further and as such all were reminded to ensure 100% recruitment of Parish Chiefs by October, 2021	ACCOUNTING OFFICERS	OCT, 2021	
In some circles, it was argued that formation of new Administrative Units (like Cities) had led to disruptions in salary payments for the staff coming from areas that were annexed and payrolls not updated on time	Affected LGs were requested to work with MoPS to seamlessly resolve migration of staff payrolls between the old and new Administrative Units	LGs/MoPS		
<b>GOVERNANCE AND SECURITY STRENGTHENING</b>				

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ISSUES	REACTIONS/WAY FORWARD	RESP. CENTER	TIME FRAME	FINANCIAL IMPLICATIONS
LGs raised the concern of not being involved in the design and implementation of government projects. This hinders proper supervision and effective monitoring of these projects during their implementation.	Government is encouraged to involve Local Governments during the design, implementation and evaluation of all projects. This will ensure proper utilization of the resources allocated to these projects and any deviation from the expected project can easily be rectified.	MoPFED, MoLG, MoES, MoH		
<b>Operationalization of new Administrative Units:</b> Delayed operationalization of these new administrative units. In addition, there were also a number of conflicting circulars from Central Government Institutions regarding the operationalization of the newly created Units.	CG Institutions should harmonize all their positions before they are communicated to LGs. Secondly, while they were informed that the funding of these Lower Local Governments will be done in the medium term, Government should be cognizant of the pressure that is being placed upon Accounting Officers by the elected leaders and immediately provide funds for these units.	MoPFED, MoLG		
The mother LGs were being treated unfairly in terms of office space because in addition to the new Cities or Town Councils taking over the premises of the District LGs or Sub Counties respectively, the startup funds from the Ministry of Finance are still given to the same displacing LGs.	The Ministry of Finance is to reverse the policy by ensuring that the startup funds are given to the displaced mother Local Governments to enable them construct their administrative blocks.	MoPFED, MoLG		
Councilors' remuneration and allowances are not sufficient to ensure effective service delivery and active involvement in various Government Programs under implementation. In addition, these allowances are subjected to tax which further demotivates them.	Councilors should be paid their remunerations by the CGs so as to avoid over constraining LG limited resources. Alternatively, Government should enhance LG funding to facilitate improved remuneration for the Councilors.	MoPFED, MoLG		
LGs were also concerned that when they make submission to the MoFPED, feedback takes long and sometimes they are not notified when action is taken on their submissions.	MoFPED should put in place feedback mechanisms on the PBS and IFMS that automatically notifies LGs on submission status such that they take action immediately.	MoFPED	Immediate	
The outbreak of Covid-19 pandemic led to poor performance in Local Revenue collections thus affecting the planned activities. In addition, Local Revenue performance is affected by failure by town councils to remit revenue collections to District LGs.	Government should find alternative ways of providing additional resources to facilitate LGs whose Local Revenue collections drastically reduced due to the adverse effects of Covid-19. In the same vein, there is need for additional Budget support to LGs to effect decentralization of services.	MoFPED		