

VOTE: 147 Local Government Finance Commission(LGFC)

V1: VOTE OVERVIEW

i) Vote Strategic Objectives

- a)Contribute to improvement of the state of funding for all LGs in the National Budget
- b)Promote equity in resource allocation among all Local Governments
- c)Support all Local Governments to improve local revenue performance and streamlining revenues from the natural resources
- d)Enhance the institutional capacity of the Local Government Finance Commission to effectively perform its mandate

ii) Snapshot of Medium Term Budget Allocations

Table V1.1 Overview of Vote Medium Term Allocations (Ush Billion)

<i>Billion Uganda Shillings</i>	FY2022/23 Proposed Budget	MTEF Budget Projections			
		2023/24	2024/25	2025/26	2026/27
Recurrent Wage	1.619	1.619	1.619	1.619	1.619
Non Wage	4.022	4.022	4.022	4.022	4.022
Devt. GoU	0.157	0.157	0.157	0.157	0.157
ExtFin	0.000	0.000	0.000	0.000	0.000
GoU Total	5.798	5.798	5.798	5.798	5.798
Total GoU+Ext Fin (MTEF)	5.798	5.798	5.798	5.798	5.798
<i>A.I.A Total</i>	0	0.000	0.000	0.000	0.000
Grand Total	5.798	5.798	5.798	5.798	5.798

Table V1.2: Medium Term Projections by Programme and Sub-Subprogramme

<i>Billion Uganda Shillings</i>	2022/23	MTEF Budget Projection			
	Proposed Budget	2023/24	2024/25	2025/26	2026/27
14 PUBLIC SECTOR TRANSFORMATION					
01 Finance and Administration	3.534	3.804	3.804	3.804	3.804
02 Local Government Financing	0.466	0.196	0.196	0.196	0.196
Total for the Programme	4.000	4.000	4.000	4.000	4.000
18 DEVELOPMENT PLAN IMPLEMENTATION					
02 Local Government Financing	1.798	1.798	1.798	1.798	1.798
Total for the Programme	1.798	1.798	1.798	1.798	1.798
Total for the Vote: 147	5.798	5.798	5.798	5.798	5.798

V2: MEDIUM TERM BUDGET ALLOCATIONS BY DEPARTMENT AND PROJECT

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Table V2.1: Medium Term Projections by Department and Project

<i>Billion Uganda Shillings</i>	2022/23	MTEF Budget Projection			
	Proposed Budget	2023/24	2024/25	2025/26	2026/27
Programme: 14 PUBLIC SECTOR TRANSFORMATION					
Sub-SubProgramme: 01 Finance and Administration					
<i>Recurrent</i>					
001 Governance and leadership	3.377	3.647	3.647	3.647	3.647
<i>Development</i>					
1651 Retooling of Local Government Finance Commission	0.157	0.157	0.157	0.157	0.157
Total for the Sub-SubProgramme	3.534	3.804	3.804	3.804	3.804
Sub-SubProgramme: 02 Local Government Financing					
<i>Recurrent</i>					
001 Governance and leadership	0.466	0.196	0.196	0.196	0.196
<i>Development</i>					
N / A					
Total for the Sub-SubProgramme	0.466	0.196	0.196	0.196	0.196
Total for the Programme	4.000	4.000	4.000	4.000	4.000
Programme: 18 DEVELOPMENT PLAN IMPLEMENTATION					
Sub-SubProgramme: 02 Local Government Financing					
<i>Recurrent</i>					
001 Grants Management	1.005	0.920	1.045	1.045	1.045
002 Sustainable services	0.793	0.878	0.753	0.753	0.753
<i>Development</i>					
N / A					
Total for the Sub-SubProgramme	1.798	1.798	1.798	1.798	1.798
Total for the Programme	1.798	1.798	1.798	1.798	1.798
Total for the Vote: 147	5.798	5.798	5.798	5.798	5.798

V3: VOTE MEDIUM TERM PLANS

Planned Outputs for FY2022/23 and Medium Term Plans

Plan FY2022/23	MEDIUM TERM PLANS
Programme Intervention: 140101 Build LG fiscal decentralization and self-reliance capacity	

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<p>Produce Advisory Notes to the President on local government financing</p> <p>Carry out stake holder engagements on LG financing</p> <p>Increase awareness on HIV AIDS, Covid and malaria and reduce on the stigma for employees and staff of the Commission</p> <p>Carry out Induction for staff and new members of the Commission</p> <p>Staff development performance agreements prepared monitored and appraised</p> <p>Conduct LGFC Institutional Assessment and findings adopted and implemented</p> <p>Carry out restructuring of the Commission with new structure and job compliments developed Capacity Needs Assessment for directorates, departments and individuals undertaken.</p> <p>Evaluate the Financing Gaps in Physical planning land management function at the local government level.</p>	<p>Improve service delivery, efficiency and value for money through LGFC and LG capacity.</p> <p>Undertake Capacity Development for 26 technical officers(12 male and 14 male)staff and Members of the Commission- enhance Human Resource and Secession Planning.</p> <p>Develop and undertake Rewards and Sanction Management for staff and Members of the Commission</p> <p>Contribute to increase and equity of all Local Government funding from the national budget</p>
<p>Programme Intervention: 180106 Deepening the reduction of informality and streamlining taxation at national and local government levels</p>	
<p>Automation of local revenue management followed up.</p> <p>Implementation of guidelines for LR mobilization and generation across the Country with special emphasis on regional development.</p> <p>Conduct policy dialogue on local revenue management and enhancement through the LRECC.</p> <p>Carry out action research on effective utilization of locally raised revenue in Local Governments.</p> <p>Explore opportunities for sustained local investments in LGs (LED) explored .</p> <p>Establish a framework for realization for revenue from natural resources.</p>	<p>Research on the alternative financing using Public Private Partnerships</p> <p>Revenues from Natural Resources Streamlined</p> <p>Local revenues through computerization of revenue register in all LGs across the country increased</p> <p>Disseminate the framework for setting of fair tax and fees rates to all LGs</p> <p>Support LGs in the development of revenue charging policies.</p>
<p>Programme Intervention: 180120 Strengthen the alignment of the Sector, MDA and LG Plans to the NDP III</p>	
<p>Carry out negotiations between LGs and Program Lead Institutions with decentralized services.</p> <p>Facilitate the local government budget consultative workshops.</p> <p>Provide feed back and Validation of Budget Analysis Reports for local governments on budget releases and expenditure</p> <p>LG TPCs capacities enhanced to partake effective budget formulation</p> <p>Review the Grants allocation formula and models light of sector policies reviewed to in-build crosscutting issues like poverty, HIV/AIDS, gender and environment</p> <p>Grants allocation formulae reviewed to make them responsive to Program policies</p>	<p>Regularly Assess Allocation formula & models in light of sector policies reviewed to observe equity and in-build crosscutting issues-poverty, HIV/AIDS, climate change, gender and environment.</p> <p>Contribute to increase and equity of all Local Government funding from the national budget and Evaluate LG funding on Climate Change.</p> <p>Establish and maintain appropriate systems for data collection, analysis and interpretation</p> <p>Produce statistical reports as required by the directorates and reconcile and cross check captured data for possible errors</p> <p>design and implements research projects and evidence-based initiatives for the LGFC.</p>

V4: Highlights of Vote Projected Performance

Table V4.1: Budget Outputs and Indicators

Sub SubProgramme:	02 Local Government Financing			
Department:	001 Grants Management			
Budget Output:	560006 Advisory Services			
PIAP Output:	Adequacy for and equity in financing of LGs			
Indicator Name	Indicator Measure	Base Year	Base Level	2022-2023

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				Target
% increase in grants to LGs.	Percentage	2019-20	12.5%	17%
Department:	002 Sustainable services			
Budget Output:	560008 Revenue Mobilization			
PIAP Output:	Enhanced Local Revenue			
Indicator Name	Indicator Measure	Base Year	Base Level	2022-2023
				Target
Percentage of LG Budgets financed by LR (Average)	Percentage	2019-20	15%	37%
Proportion of LGs implementing the Local revenue enhancement management plans	Percentage	2019/20	20%	45%

V5: VOTE CROSS CUTTING ISSUES

i) Gender and Equity

OBJECTIVE	Gender and Equity in allocation of resources among LGs
Issue of Concern	Non-observance of gender and equity issues in planning and budgeting leading to wide inequities.
Planned Interventions	Review grants allocation formula & models in light of sector policies to in-build crosscutting issues like poverty, HIV/AIDS, gender & environment Negotiating on gender-enhancing conditional grant funded programs between MDAs with Conditional grants
Budget Allocation (Billion)	0.1
Performance Indicators	Number of Recommendations implemented from the Negotiations

ii) HIV/AIDS

OBJECTIVE	HIV Interventions
Issue of Concern	There is no deliberate strategy for HIV/AIDS in the Commission
Planned Interventions	Staff sensitization programmes on HIV/AIDS policy and capacity building
Budget Allocation (Billion)	0.02
Performance Indicators	Number of Staff that have sensitized on HIV/AIDS

iii) Environment

OBJECTIVE	Environment issues in Planning and budgeting for LGS
Issue of Concern	Non-observance of environmental issues during planning and budgeting and allocations
Planned Interventions	Assessing the LGs budgets (especially projects profiles on their attention to environmental and social safeguards)
Budget Allocation (Billion)	0.1
Performance Indicators	LGs supported in adhering to the Environmental and social safeguard's guidelines

iv) Covid

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OBJECTIVE	Copying mechanisms in Covid 19 Environment
Issue of Concern	Inadequate post Covid measures on staff performance
Planned Interventions	Undertake Systems Re-Engineering efforts adopt to post COVID and performance Improvement Support COVID 19 Interventions through sensitization and provision of equipment's LGFC will negotiate with MDAS on copying mechanisms of supporting service delivery
Budget Allocation (Billion)	0.1
Performance Indicators	Number of Recommendations implemented on Covid 19