

VOTE: 147 **Local Government Finance Commission (LGFC)**

V1: VOTE OVERVIEW

i) Vote Strategic Objectives

- 1)Contribute to improvement of the state of funding for LGs in the National Budget.
- 2)Promoting transparency and equity in resource allocation among LGs
- 3)Enhance local revenue performance
- 4)Enhance the institutional capacity of the LGFC 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>	FY2024/25		FY2025/26	MTEF Budget Projections			
	Approved Budget	Spent by End Sep	Proposed Budget	2026/27	2027/28	2028/29	2029/30
Recurrent Wage	1.619	0.402	1.619	1.700	1.785	1.874	1.968
Non Wage	8.239	1.950	8.390	9.816	11.289	12.110	14.531
Dev. GoU	0.360	0.000	0.360	0.414	0.455	0.546	0.656
ExtFin	0.000	0.000	0.000	0.000	0.000	0.000	10.001
GoU Total	10.218	2.352	10.369	11.930	13.529	14.530	17.155
Total GoU+Ext Fin (MTEF)	10.218	2.352	10.369	11.930	13.529	14.530	27.156
<i>A.I.A Total</i>	0.000	0	0	0.000	0.000	0.000	0.000
Grand Total	10.218	2.352	10.369	11.930	13.529	14.530	27.156

Table V1.2: Medium Term Projections by Programme and Vote Function

<i>Billion Uganda Shillings</i>	FY2024/25		2025/26	MTEF Budget Projections			
	Approved Budget	Spent by End Sep	Proposed Budget	2026/27	2027/28	2028/29	2029/30
14 Public Sector Transformation							
02 Local Government Financing	2.560	0.371	8.849	10.152	11.484	12.126	14.270

VOTE: 147 **Local Government Finance Commission (LGFC)**

Total for the Programme	2.560	0.371	8.849	10.152	11.484	12.126	14.270
17 Regional Balanced Development							
02 Local Government Financing	0.099	0.000	0.250	0.293	0.336	0.353	10.425
Total for the Programme	0.099	0.000	0.250	0.293	0.336	0.353	10.425
18 Development Plan Implementation							
02 Local Government Financing	1.789	0.423	1.270	1.486	1.709	2.051	2.461
Total for the Programme	1.789	0.423	1.270	1.486	1.709	2.051	2.461
Total for the Vote: 147	4.448	0.795	10.369	11.930	13.529	14.530	27.156

VOTE: 147

Local Government Finance Commission (LGFC)

<i>Recurrent</i>							
004 Revenue and Research	0.000	0.000	0.250	0.293	0.336	0.353	0.424
Total for the Vote Function 02	0.099	0.000	0.250	0.293	0.336	0.353	0.424
Total for the Programme 17	0.099	0.000	0.250	0.293	0.336	0.353	0.424
Programme: 18 Development Plan Implementation							
Vote Function: 02 Local Government Financing							
<i>Recurrent</i>							
001 Grants Management	0.841	0.275	0.000	0.000	0.000	0.000	0.000
002 Sustainable services	0.948	0.148	0.000	0.000	0.000	0.000	0.000
004 Revenue and Research	0.000	0.000	1.270	1.486	1.709	2.051	2.461
Total for the Vote Function 02	1.789	0.423	1.270	1.486	1.709	2.051	2.461
Total for the Programme 18	1.789	0.423	1.270	1.486	1.709	2.051	2.461
Total for the Vote: 147	10.218	2.352	10.369	11.930	13.529	14.530	17.155

VOTE: 147 **Local Government Finance Commission (LGFC)**

V3: VOTE MEDIUM TERM PLANS

Planned Outputs for FY2025/26 and Medium Term Plans

FY2025/26	
Plan	MEDIUM TERM PLANS

Programme Intervention: 140601 Enhance Institutional Coordination and Administrative Efficiency

VOTE: 147 Local Government Finance Commission (LGFC)

<p>1) Conduct Commission and Subcommittee meetings to strengthen oversight and decision-making.</p> <p>2) Undertake Commission restructuring and develop new job structures and complements.</p> <p>3) Strengthen leadership and management for improved strategic direction and coordination within the LGFC.</p> <p>4) Attract, develop, and retain well-motivated staff through capacity-building initiatives.</p> <p>5) Train staff and drivers in first aid, defensive driving skills, and other key competencies.</p> <p>6) Conduct annual team-building activities to enhance teamwork and morale.</p> <p>7) Implement LGFC rebranding to boost institutional visibility and credibility.</p> <p>8) Develop and implement the LGFC Balanced Scorecard to improve organizational performance.</p> <p>9) Prepare and manage financial reports, procurement plans, and internal audits for accountability.</p> <p>10) Monitor LGFC initiatives and reforms to ensure alignment with strategic goals.</p> <p>11) Coordinate and implement LGFC work plans for HIV/AIDS, TB, climate change, gender equity, and ICT.</p> <p>12) Conduct benchmarking to identify and adopt best practices for local government finance management.</p>	<p>1) Improve service delivery, efficiency and value for money through LGFC and LG capacity.</p> <p>2) Enhance the LGFC rebranding campaign to improve stakeholder awareness and institutional visibility.</p> <p>3) Establish regular media engagements to communicate LGFC initiatives and achievements to the public.</p> <p>4) Increase advocacy efforts with stakeholders to support local government reforms and secure additional funding.</p> <p>5) Strengthen internal monitoring mechanisms to evaluate and refine LGFC reforms and initiatives.</p> <p>6) Develop a comprehensive training program for staff focusing on leadership, management, and technical skills.</p> <p>7) Roll out defensive driving and first aid training for drivers to enhance safety and emergency preparedness.</p> <p>8) Implement team-building initiatives annually to foster collaboration and enhance workplace morale.</p> <p>9) Strengthen strategies to attract, retain, and develop a motivated and skilled workforce.</p>
--	---

Programme Intervention: 170107 Implementation of LG Revenue Mobilisation Strategy

<p>Assess potential sources of revenue</p> <p>Strengthen the implementation of the legal frameworks for LG funding</p>	<p>Property rates management and Royalties management</p> <p>Explore flexibility in the use of conditional grants to align them with LG priorities.</p> <p>Reassess the allocation formula to better address regional disparities.</p> <p>Advocate for increased discretionary funding for LGs.</p>
--	---

VOTE: 147 Local Government Finance Commission (LGFC)

Programme Intervention: 180202 Strengthen Local Government Revenue Mobilization

<p>1) Conduct 4 tax awareness campaigns carried out in local governments for enhanced local revenue performance and improve on compliance in tax payment by specifying the roles and obligation of communities/taxpayers in revenue collection and management. Conduct quarterly Local Revenue Enhancement Coordinating Committee meetings</p> <p>2) Conduct quarterly follow up technical support on the implementation of IRAS</p> <p>3) Conduct 1 action research study on identified barriers to LR mobilization compliance</p> <p>4) Undertake Capacity building on LR best practices in the region.</p>	<p>1) Develop expenditure structure/policy for royalty fees</p> <p>2) Conduct media campaigns on local revenue enhancement</p> <p>3) Sustain automation of local revenue collection LGs</p> <p>4) Conduct regional meetings on local revenue mobilization and generation.</p>
---	---

V4: Highlights of Vote Projected Performance

Table V4.1: Key Service Areas and Indicators

Programme:	14 Public Sector Transformation			
Vote Function:	02 Local Government Financing			
Department:	001 Finance and Administration			
Key Service Area:	000005 Human Resource Management			
PIAP Output:	Human Resources managed			
Programme Intervention:	140601 Enhance Institutional Coordination and Administrative Efficiency			
Indicator Name	Indicator Measure	Base Year	Base Level	FY2025/26
				Proposed
No. of staff supported to undertake their roles and responsibilities	Number	2023/24		39
Key Service Area:	000006 Planning and Budgeting services			
PIAP Output:	Planning and budgeting undertaken			
Programme Intervention:	140601 Enhance Institutional Coordination and Administrative Efficiency			

VOTE: 147

Local Government Finance Commission (LGFC)

Vote Function:	02 Local Government Financing			
PIAP Output:	Planning and budgeting undertaken			
Indicator Name	Indicator Measure	Base Year	Base Level	FY2025/26
				Proposed
No. of Ministerial Policy Statements developed	Number	2023/24		1
No. of Physical Progress Reports prepared	Number	2023/24		4
No. of quarterly Physical Progress reported prepared	Number	2023/24		4
Key Service Area:	000014 Administrative and Support Services			
PIAP Output:	Leadership and management strengthened			
Programme Intervention:	140601 Enhance Institutional Coordination and Administrative Efficiency			
Indicator Name	Indicator Measure	Base Year	Base Level	FY2025/26
				Proposed
Number of top management monitoring visits conducted	Number	2023/24		4
Key Service Area:	000019 ICT Services			
PIAP Output:	Information and communication technology uptake enhanced			
Programme Intervention:	140601 Enhance Institutional Coordination and Administrative Efficiency			
Indicator Name	Indicator Measure	Base Year	Base Level	FY2025/26
				Proposed
No. of staff provided with End user ICT support	Number	2023/24		38
Key Service Area:	000022 Research and Development			
PIAP Output:	Decentralized Services Receiving at Least 60% of Required Funding			
Programme Intervention:	140401 Build LG decentralization and self-reliance capacity			
Indicator Name	Indicator Measure	Base Year	Base Level	FY2025/26
				Proposed
Percentage of Decentralized Services Receiving at Least 60% of Required Funding	Percentage	2023/24		39%
Key Service Area:	000026 Grants Management			

VOTE: 147

Local Government Finance Commission (LGFC)

Vote Function:	02 Local Government Financing			
PIAP Output:	Share of National Budget Allocated to Local Governments			
Programme Intervention:	140401 Build LG decentralization and self-reliance capacity			
Indicator Name	Indicator Measure	Base Year	Base Level	FY2025/26
				Proposed
Percentage share between the central and local governments	Percentage	2023/24		15.9%
Key Service Area:	000056 Data Management			
PIAP Output:	Reduced disparities in funding levels among local governments, ensuring more equitable distribution of financial resources.			
Programme Intervention:	140401 Build LG decentralization and self-reliance capacity			
Indicator Name	Indicator Measure	Base Year	Base Level	FY2025/26
				Proposed
No. of local governments below the national average for service delivery.	Number	2023/24		86
Project:	1651 Retooling of Local Government Finance Commission			
Key Service Area:	000003 Facilities and Equipment Management			
PIAP Output:	Institutions retooled			
Programme Intervention:	140601 Enhance Institutional Coordination and Administrative Efficiency			
Indicator Name	Indicator Measure	Base Year	Base Level	FY2025/26
				Proposed
%ge of required equipment installed	Percentage	2023/24		50%
Programme:	17 Regional Balanced Development			
Vote Function:	02 Local Government Financing			
Department:	004 Revenue and Research			
Key Service Area:	000045 Support to Local Governments			
PIAP Output:	Local revenue mobilized and generated			
Programme Intervention:	170107 Implementation of LG Revenue Mobilisation Strategy			

VOTE: 147 Local Government Finance Commission (LGFC)

Vote Function:	02 Local Government Financing			
PIAP Output:	Local revenue mobilized and generated			
Indicator Name	Indicator Measure	Base Year	Base Level	FY2025/26
				Proposed
Amount of Local Revenue collected	Number	2023/24		344564177314
No. of new Local Revenue tax payers registered	Number	2023/24		1774684
Key Service Area:	000058 Stakeholder Management			
PIAP Output:	Local revenue mobilized and generated			
Programme Intervention:	170107 Implementation of LG Revenue Mobilisation Strategy			
Indicator Name	Indicator Measure	Base Year	Base Level	FY2025/26
				Proposed
Amount of Local Revenue collected	Number	2023/24		344564177314
No. of new Local Revenue tax payers registered	Number	2023/24		1774684
Programme:	18 Development Plan Implementation			
Vote Function:	02 Local Government Financing			
Department:	004 Revenue and Research			
Key Service Area:	560008 Revenue Mobilization			
PIAP Output:	Local Government own source revenue growth			
Programme Intervention:	180202 Strengthen Local Government Revenue Mobilization			
Indicator Name	Indicator Measure	Base Year	Base Level	FY2025/26
				Proposed
Percentage increase in local revenues year-over-year	Percentage	2023/24		6%
Percentage increase in own source revenue	Percentage	2023/24		%

V5: NTR Projections(Uganda Shillings Billions)

Revenue Code	Revenue Name	FY2024/25	Projection FY2025/26
142119	Sale of bid documents-From Private Entities	0.000	0.015
142159	Sale of bid documents-From Government Units	1,500,000.000	0.000
Total		1,500,000.000	0.015

VOTE: 147 **Local Government Finance Commission (LGFC)**