



clgf

COMMONWEALTH LOCAL GOVERNMENT FORUM



Meeting the challenges of the Aberdeen Agenda –

*an assessment of local governance and
democracy in Uganda*



Preface

In October 2007 members of the CLGF Board, accompanied by senior Uganda local government leaders, presented HE President Museveni, in his capacity as Chairman of the 22007 CHOGM with the interim findings of this report. We also asked him, taking into account his role as a Patron of CLGF, to highlight the important role of local government in transforming Commonwealth societies at the 2007 CHOGM. It is intended that this report is officially made available to CHOGM delegations and receives widespread distribution throughout the Commonwealth and beyond. We further hope that at the Kampala CHOGM, Heads of Government will re-affirm their support for the *Commonwealth Aberdeen Principles on Good Practice for Local Democracy and Good Governance* and encourage all member states to undertake a review on how the principles are being applied, building on the successful methodology developed in Uganda.

All too often commitments or declarations made at international conferences are forgotten, or not followed up. This has not been the case with the CLGF's Aberdeen principles which were formally incorporated as part of the Commonwealth's fundamental political values at the 2005 CHOGM and have been taken up at national and local level. It is the CLGF's hope that, by undertaking regular reviews on how the principles are being followed, national and local governments will identify both strengths and weaknesses in their own local government structures and systems and ways on how improvements can be made. CLGF will be pleased to assist its members in this process and look at ways to promote greater local democracy and good governance.

We are grateful to all those who made this report possible, in particular Dr John Kyaga-Nsubuga, Uganda Management Institute, Dr Yasim Olum, Makerere University and Philip Amis from the University of Birmingham, UK, as well the Uganda Local Government Association and the Ministry of Local Government, Uganda. CLGF is also appreciative of the generous support provided for the study by the Westminster Foundation for Democracy and the Commonwealth Secretariat.



Carl Wright
Secretary-General
CLGF

Contents

1 Introduction	2
2 The enabling environment for democracy	3
3 Participation and openness for local democracy	7
4 Equity	11
5 Continuous improvement	13
6 Conclusions and recommendations	14
Annex 1: The Aberdeen Agenda: Commonwealth principles on good practice for local democracy and good governance	16
Annex 2: Budget cycle	16
References	17
Acronyms	17

This report was commissioned by CLGF and prepared by Dr John Kiyaga-Nsubuga, UMI, Dr Yasim Olum, Makerere University with the support of the Commonwealth Secretariat Political Affairs Division and the Westminster Foundation for Democracy.

1 Introduction

This paper outlines how far Uganda has moved in implementing the Commonwealth Principles on Good Practice for Local Democracy and Good Governance, commonly known as **The Aberdeen Agenda**. These principles reflect the consensus CLGF members reached in 2005 in Aberdeen, Scotland, on what is important for sound representative and participatory local democracy and good governance.

They were subsequently endorsed by Commonwealth Heads of Government as part of their commitment to fundamental political values, and are intended to guide Commonwealth member states on core principles for promoting local democracy and governance to ensure that local development is participatory and citizen-focused, benefits local citizens and that the citizens have a major say in their governance. While recognising that the Commonwealth member countries have different histories, political systems and socio-economic conditions, the *Aberdeen Agenda* provides the basic guidance to those countries on how best to configure their local government systems to ensure that local citizens are well governed.

This report provides an overview of how Uganda has been implementing the principles that are contained in the Aberdeen Agenda. The report is part of efforts to develop a methodology to analyze the state of local democracy in Commonwealth countries. These efforts are expected to lead to the capture of good practice and to promote reforms for improving local governance using the 12 principles of the Aberdeen Agenda to guide the process.

Like many other Commonwealth members countries Uganda had been implementing the principles contained in the Aberdeen Agenda before the Agenda was formulated. Furthermore, enhancing local democracy and governance, which is the central tenet of the *Aberdeen Agenda*, constitutes only one function of Uganda's local government system-albeit an extremely important one. Other key functions Uganda's local government system serves include enhancing service provision and reducing poverty. This report, therefore, outlines how the local government system is configured to achieve all those goals, how the system is functioning and what is required to improve it in terms of governance and local democracy. Three questions are asked with respect to each of

the principles, namely: Is there are legislation in place for it? Is the principle in operation on the ground? What action is required to make the system work better?

The report was developed between July and October 2007 through a multi-stage methodology, with financial support from the Westminster Foundation for Democracy and the Commonwealth Secretariat. Its Terms of Reference (TORs) were collectively developed by a committee comprising representatives from the Commonwealth Local Government Forum, Ministry of Local government (MoLG), Uganda Local Governments Association (ULGA) and two national and one international consultant, who discussed it at length. Research was conducted through an extensive desk review in which various background documents comprising the Constitution, the Local Governments Act (LGA), various local government regulations, assessment and synthesis reports, evaluations and other relevant documents were reviewed.

Discussions were held with key informants on their perceptions on how the system was functioning with respect to promoting local democracy and governance. Iterative discussions were held by the team through electronic media as the findings emerged as to accuracy and implications within the overall ambit of the TORs, which culminated into a consensus generating meeting by the team in October 2007 to review the draft report. Thereafter the report was presented at a national verification workshop in October, 2007, which brought together a broad cross section of local government stakeholders and partners for further review, comments and input. Finally, the report was discussed at the CLGF Policy and Resources Committee Meeting in October 2007 in Kampala before being presented to the Ministry of Local Government.

The report is organised in six sections. Section one provides the introduction. Section two outlines the enabling environment for local democracy; section three highlights the framework for participation and openness for local democracy; section four looks into issues of equity while section five highlights what has been and is being done to continually improve how the Local government system functions. Section six provides the recommendations emerging from the discussion.

2 The enabling environment for local democracy

2.1 Constitutional and legal recognition for local democracy

A constitution is a contract between the people and their leaders specifying how the people should be governed as well as the rules of the political system. A pro-people constitution should be fair to all citizens¹. Local democracy in Uganda is explicitly recognised in the national 1995 Constitution. Chapter eleven, Article 176 (1) defines the district as the basic unit in the system of local government in Uganda, under which there shall be such lower local governments and administrative units as parliament may determine.

Article 176 (2) (b) further states: “Decentralisation shall be the principle applying to all levels of local government and in particular, from higher to lower local government units to ensure peoples’ participation and democratic control in decision making”.

Article 176 (3) also states: “The system of local government shall be based on democratically elected councils on the basis of universal adult suffrage in accordance with clause (4) of article 181 of this Constitution.²

The current Constitution was formulated in 1995 after a lengthy two-year consultative process both across the country and in the constituent assembly. It reflects the basic principles of rights and governance to which Ugandans collectively agreed. In a short span of time it has helped to address many of the serious governance problems the country had been facing in the past, and it has provided a strong platform on which Uganda’s robust local government system has been built.

Uganda’s local government system is based on devolution of powers, functions and responsibilities to popularly elected Local governments³. Local governments have powers to make and implement development plans based on locally determined priorities; to make, approve and execute their own budgets; to raise and utilise resources according to their own priorities; to appoint statutory committees, boards and commissions; to make ordinances and by-laws which are consistent with the Constitution and other existing laws, ordinances and by-laws; to hire, manage and fire personnel; to manage their own payroll and separate personnel systems; and to implement a broad range of decentralised services previously handled by the centre⁴. All this is in sharp contrast to the centralising tendencies of earlier post-independence Governments⁵.

This extensive devolution of powers is intended to improve service delivery, promote good governance, develop, broaden and deepen political and administrative competence at local level, democratise society through inclusive, representative and gender-sensitive decision-making, and alleviate poverty through collaborative efforts between central and local governments, donors, non-government organisations (NGOs), community based organisations (CBOs), the private sector and other stakeholders⁶.

The adoption of devolution of power to popularly elected local governments as the bedrock of Uganda’s decentralisation strategy can be attributed to three major domestic crises the

regime had to address when it came to power in 1986: an institutional crisis that had long paralysed the functioning of the central government; a legitimacy crisis that had created a large chasm between the populace and government; and the inconsistency between the people-centred administrative system the National Resistance Movement (NRM) had set up in liberated areas during the 1981-85 civil war and the highly centralised structures it inherited on taking power. Devolution was intended to enable people to have a real say in matters that affected them, improve service delivery and local administration and enhance the legitimacy of Central Government at the same time.

The intention of the law as enshrined in the 1995 Constitution was to ensure that functions, powers and responsibilities are devolved to the lowest levels to ensure participation of the people, in decision-making, planning, monitoring and evaluating programmes that are implemented for their benefit. This decisive shift of power from the centre has created unprecedented opportunities for citizens to have a real say in their governance, but it has also generated significant challenges, including how to ensure that citizens effectively use their powers. Nevertheless, the culture of basing actions on the constitution and the legal framework is progressively catching on.

2.2 Political freedoms to elect local representatives

Local government councils are popularly elected by adult suffrage through secret ballot. The method of electing political representatives has changed over time. In the past, due to limitation of funds, the law allowed for elections at village and parish levels to be conducted using the lining-up method. Names of candidates would be suggested and seconded for every office and the candidates would then be given a chance to introduce themselves and provide information about their activities and suitability for the intended office. The electorate then verified and discussed the merits and demerits of the candidates, which was followed by queue voting. The candidates were not allowed to campaign or to look behind to see who was standing behind them. After counting, the candidate who got more than half of the votes was declared the winner. The village councillors would afterwards meet at the parish level and form an electoral college, and undertake a similar exercise. Those elected at the parish level would meet at the sub-county and elect their representatives, and this process would continue up to the National Resistance Council (NRC) level. Several elections were held using this arrangement.

Notwithstanding its simplicity and low cost, the method of lining up behind candidates generated a lot of controversy because it, obviously, undermined the secrecy principle. This was corrected through a recent amendment to the LGA which made secret ballot mandatory in all elections at all local government levels. Section 111(1) of the LGA states:

“All elections at local government and administrative unit levels shall be by secret ballot using one ballot box for all candidates”.

2 The enabling environment for local democracy

Without doubt, the culture of periodic elections has taken root at both lower and higher levels throughout the country. An issue that is not yet clear, though, is how the recent turn over to multi-party politics will affect local elections and representation. Political representation at local level during the NRM 'movement' system was based on individual merit, but the multiparty system requires candidates to promote their parties' agendas instead. Reconciling the two concepts is likely to generate major challenges because of the country's limited experience with multiparty politics.

However, although the process has been improved upon following the introduction of secret ballot in the new electoral arrangement, there have been persistent reports of intimidation, violence, voter buying, ballot stuffing, and rigging. These same challenges manifested themselves during the 2006 presidential, parliamentary and local elections after the country had shifted from 'no-party' political system to the current multiparty political system⁷. Local and national elections have generated a lot of heat and animosity between candidates from different political parties vying for local and national positions.

In general, local councils have brought people together to solve their common development problems which include roads, water, health, security, schools and agriculture. They have also contributed enormously in ensuring that security prevails in their areas of operation, and have been instrumental in watching over the behaviours of public officers. Of late, however, the perceived value of local councils as indicated by declining attendance numbers at village meetings. Several reasons have been advanced for this low attendance, including the perception by many people that local governments are in reality mere appendages of the central government. Others see little gain to be obtained from the local council system altogether.

Generally, local councils have gained respect from a cross-section of Ugandans and internationally as organs of local governance and popular participation. The system and the statute that embeds it have provided a framework in which the power of decision-making has been decentralised to the local populace to promote popular democracy. This decentralised political environment has shifted the balance of power from an essentially top-down flow of decisions and plans to a bottom-up approach, at least in principle. This shift has enabled Uganda to transform the formerly powerless and indifferent citizenry of the 1970s and early 1980s into a potent political force that is capable of driving the local development agenda.

However, the principle of representative democracy which has allowed citizens to elect their leaders is not working flawlessly. In many cases the electorate has been hoodwinked into electing unscrupulous politicians into office on the basis of extravagant promises and outright bribery with money and material 'gifts' such as soap, sugar, clothes and the like. This has been possible due to the extensive poverty across the country, especially in the countryside. Local citizens also do not have adequate information and knowledge about their local economies, which would have enabled them to determine what local political leaders can realistically deliver.

It would greatly help if the citizens generally had a better

understanding of the nature of the local economy and its resources and if, prior to the elections, information was widely disseminated on the programmes that are in the pipeline so that unscrupulous politicians do not hoodwink the people into believing that they would bring them about once elected.

2.3 Partnership and cooperation between spheres of government

The intricate nature of Uganda's local government system requires a well-defined framework for regulating the relationship between the different spheres of government. The starting point is the distinction in the roles and functions assigned to central and local governments, on the one hand, and the relationship between higher and lower local governments, on the other. Of course, legislated relationships do not necessarily play out as anticipated, and this, as will be discussed, has been and still is a major challenge in making the system work as a unit.

(i) Relations between central and local government

Central government is required to protect the Constitution; set national policies and standards; inspect, monitor, supervise and coordinate the implementation of its policies by local governments. It also has responsibility to make laws to ensure national order and harmony; issue regulations and guidelines to be followed by local governments; give guidance to local governments; and evaluate the impact of development programmes. Most of these activities are carried out by line ministries under the overall coordination of the Ministry of Local Government. Local governments, on the other hand, are required to implement central government policies and decisions; develop and implement local development plans based on local priorities; follow the law and central government regulations and guidelines when implementing local development programmes and activities; promote local democracy, good order and harmony in local development; and evaluate the impact of their policies, plans and activities.

Central government is not expected to interfere in the affairs of any local government as long as that local government maintains good order and follows the Constitution and other government laws, guidelines and regulations. However, central government may *intervene* in the operations of local government in the following situations:

- The Inspector General of Government (IGG) may investigate any activities relating to mismanagement or abuse of office and take or recommend appropriate action against a local government or any of its officials;
- The Auditor General may investigate any activity relating to financial impropriety in a local government and report to Parliament;
- The Ministry of Local Government and line ministries may take appropriate action against a local government or any of its officers that fail to follow the Constitution, as well as other Government policies, laws, regulations and guidelines;
- The Resident District Commissioner may advise the Chairperson to instruct the Internal Auditor to carry out a special audit and submit a report to the Council, and

2 The enabling environment for local democracy

- The President of Uganda may temporarily take over the operation of a local government which fails to maintain good order, or to follow the constitution and national laws.

There was considerable confusion in the early stages of decentralisation due to misinterpretation of 'devolution' by some local government leaders to mean virtual independence of local governments from central government control. This was eventually overcome through extensive sensitisation.

Although central government capacity to set national policies and standards has greatly improved, problems are still encountered over coordination of implementation of central national programmes at local level, providing adequate assistance to local governments and, especially, measuring the impact of development programmes. On their part, local governments also have major capacity weaknesses in implementing their programmes, arising principally from financial and human resource constraints, although, of course, the weaknesses differ significantly from local government to local government. Thus, capacity development at central and local government levels is a major challenge that has to be overcome.

The system has other challenges. Although the intention of the decentralisation policy was to make central and local governments partners in development, in reality the power relationship between the two levels of government is decidedly lopsided in favour of central government. This imbalance has allowed central government to overload local government with responsibilities which it has neither the resources nor the capacity to execute effectively. Although the resources available to local governments by the centre are supposed to be negotiated, actually the centre dictates both the nature and size of resources local governments should receive and how they should be utilised (i.e. conditional grants). This means, in effect, that the fiscal powers of local governments over resource allocation are severely circumscribed. Furthermore, the centre retains control over two thirds of the national budget even though all service delivery functions were decentralised to local governments, and it has aggrandised its powers further by recentralising the appointment and control over all government accounting officers. Given these circumstances, and considering that local governments are definitely not in position to execute their mandate effectively, it might be necessary to re-examine the distribution of responsibilities and resources between the two levels of government to ensure local governments can discharge their responsibilities effectively.

Higher local governments are required to provide guidance and support to lower local governments and to incorporate the development plans of lower local governments into their own. But higher local governments are finding it increasingly difficult to provide the required guidance and support to lower local governments because of increasingly limited resources. The reduction in local revenue due to the abolition of graduated tax, which used to constitute up to 80% of their local revenue (and subsequent inability to find a comparable replacement so far), has made resourcing their supervision of local governments nearly impossible. Service delivery is being compromised as a result.

To their credit the Uganda Local Governments Association

(ULGA) and the Urban Authorities Association of Uganda (UAAU), the two umbrella bodies of local governments in Uganda, have done a commendable job in aggregating and championing the interests of local governments in their interaction with central government, development partners and other stakeholders. In addition to providing support to their members they have regularly provided input into the drafting of legislation and in determining the fiscal transfers. However, the capacity of both organisations needs to be built further, particularly in advocacy and negotiation, to enable them to influence further positive change in these areas.

(ii) Relations between higher and lower local governments

Local governments implement central government policies and local council decisions following the 1995 Constitution and other government laws, regulations and guidelines. Local governments report to the centre by providing feedback on their activities through statutory reports to relevant ministries; participating in sector reviews; submitting by-laws and ordinances to the ministry responsible for local government for verification and approval; facilitating central government coordination, inspection and oversight; and providing input to national planning and budgeting processes.

Cooperation between and among local governments is catered for within the legal framework. Section 8 of the Local Governments Act explicitly states that two or more district council may, in accordance with article 178 of the Constitution cooperate in the areas of culture and development, and may form and support trust funds or secretariats. It further states that a local government council may concur with any other local government council in appointing a joint committee for any matter in which they have a common interest.

Surprisingly, collaboration between and among local governments is not very common in Uganda even though it is legally provided for in the legislative framework and benefits are self evident. If anything, local governments (especially urban ones) are more likely to want to establish twinning arrangements with external counterparts. It is difficult to believe that local leaders do not see the value that is likely to accrue from collaboration with other local governments in their vicinity. The most likely explanation is that local governments in Uganda have become so accustomed to looking upwards for resources, guidance and support that they have been 'immunised' from looking for solutions through collaboration with other local governments. This could change if good practices are regularly identified and widely disseminated to provide local governments with local experiences that they can benchmark.

(iii) Consultation between central and local governments

A great deal of consultation takes place between central and local governments on progress of the implementation of national programmes at the local level. This consultation happens during annual sector reviews, periodic conferences, ad hoc meetings and the Joint Annual Review of Decentralisation (JARD) that is organised by the Ministry of Local Government (MoLG). The JARD is a major undertaking that brings together MoLG, sector ministries, local governments, civil society organisations, development partners and other stakeholders to assess progress made,

2 The enabling environment for local democracy

identify challenges being encountered and agree on the way forward. Through this process it has been possible to drive the decentralisation implementation and service delivery process forward and to keep it on course. The consultative nature of these processes should be commended because it has helped to build trust among all the stakeholders and to generate consensus on the way forward on several occasions.

The main problem with these consultative processes, however, is the sheer magnitude of their cost and the disruption they cause to local administration and development management. Senior local government officials frequently have to leave their stations to travel to Kampala (the capital) to meet different ministry officials at different periods. It is not uncommon for local government officials to attend a meeting in Kampala organized by one line ministry and, while on their way back to their stations to be summoned back to Kampala by another line ministry to discuss other development matters! The JARD has tried to minimize this disruption by bringing all stakeholders in the local governments system together once a year but this has not satisfactorily addressed the problem of frequent disruptions in local government operations. One solution to this is for central government to use video conference and other ICT modalities to maintain regular contact with local governments. This would be at reasonable cost and with less disruption. Another possible solution is to coordinate central government ministries better than at present. Local governments receive many directives and accountability requirements that cause extensive duplication, overlap and fatigue among local governments.

2.4 Defined legislative framework

The Local Governments Act, the authoritative legislative framework on decentralisation in Uganda, was enacted in 1997. The purpose of the Act was to amend, consolidate and streamline the existing law on local governments in line with the 1995 Constitution to give effect to the decentralisation and devolution of functions, powers and services; to provide for decentralisation at all levels of local governments to ensure good governance and democratic participation in and control of decision-making by the people; to provide for revenue and the political and administrative set up of local governments; and to provide for election of local councils and for any other matters connected to the above.

Between January 2001 and May 2006 the Act was amended ten times to respond to developments in the implementation of the decentralisation programme and to streamline local administration in the country⁸. These adjustments are indicative of the steep learning curve the local government system has gone through and the flexibility of the legal framework in adjusting to changing realities. If this experience is anything to go by, amendments to the legal framework will be a regular feature until the local government system matures and stabilises.

The LGA provides a detailed legislative framework for the set up and operation of the local government system in Uganda. The main features of the legislative framework are as follows:

- a) **Local governments:** The local governments system is based on the district as the main unit under which there are lower local governments (sub-county, municipal, municipal division and town councils). Kampala city has a separate legal status as an autonomous local government, with divisions (local governments) and parishes and wards (administrative units). Local governments are body corporate.
- b) **Local government councils:** A Local government council is the highest political authority within its area of jurisdiction and has planning, administrative, financial management, budgeting, legislative and judicial powers which it exercises in accordance with the Constitution, the LGA and central government policy. Local government councils operate through legally mandated executive committees and statutory organs (i.e. District Service Commissions, District/City Contracts Committees, and Local Government Public Accounts Committees).
- c) **Administrative units:** This embraces other local government structures that do not have body corporate status, namely: village, parish, ward (in urban areas) county councils.

Schedule 2 of the LGA clearly distinguishes between the roles played by the central government and local governments. The main role of the central government is to set national policy and standards; to inspect, supervise, monitor and co-ordinate activities of local governments to ensure that they comply with national policies and standards; and to mentor and to give assistance and advice to local governments. Local governments, on the other hand, are responsible for implementing a broad range of devolved services listed in parts 2-5 of the same Schedule, in addition to any lawful others they may wish to undertake for the development of their respective areas. The division of responsibilities is sufficiently detailed to minimize confusion of roles, although role confusion sometimes occurs in practice.

Amending the law to address unforeseen contingencies or emerging issues is healthy, provided it does not jeopardise local government operations. For example, amending the law to disband District Tender Boards (DTB) and replace them with local government contract committees under the control of accounting officers was clearly necessary because the tender boards had been turned into instruments of cronyism to which people were appointed by local government councils in reward for political support during elections. The law should be amended only after extensive analysis of its likely implications in order to mitigate potential adverse effects. For example, considerable controversy followed the abolition of graduated tax in 2006 (notwithstanding that it was abolished due to legitimate reasons including its regressive nature and difficulty in collection), because the resultant loss of revenue plunged local governments into a financial crisis from which they have not recovered to date. Thus, it would be helpful if amendments to the law were made only after thorough analysis of their likely impact on local government operations, and ensuring local governments are given adequate time to make necessary adjustments before the amendments take effect.

3 Participation and openness for local democracy

3.1 Citizen participation in local decision-making

While previous emphasis used to be placed on electoral and representative democracy at the national level, increasing attention is now directed at citizen participation and efficient, transparent and accountable systems at the local level, following realization that previous centrally driven interventions have not translated into much improvement in the livelihoods of ordinary citizens. Most citizen participation in decision-making in Uganda is exercised during the planning and budgeting process.

Local governments are required by law to prepare three year development plans, which incorporate the plans of lower local councils. The budgeting and planning process is highly participatory and 'bottom-up' in design. The process starts around October and should take into consideration the three-year development plan. Planning and budgeting ends in June when Council approves the budget and local development plan. The institutions responsible for planning and budgeting are the council executive, the technical planning committee, the budget desk, the standing committees of council and the council itself.

The local government council is the planning and budgeting authority and is facilitated in its work by the executive headed by the chairperson. The chairperson makes policy proposals for consideration by the council, after which they are translated into plans by the technical planning committee chaired by the local government accounting officer (ie Chief Administrative Officer or Town Clerk) and comprising all heads of department.

The budget desk is chaired by the Chief Finance Officer (CFO) while the local government planner costs the plan based on the available budget envelope. The draft plan and budget are then forwarded to the responsible committees of Council for review and subsequent presentation to the Council for approval. Money cannot be spent without approval by the Council. Harmonised Participatory Planning Guides have been rolled out to all local governments and the Planning Guidelines for higher local governments have been reviewed, all to strengthen community participation in the planning and budgeting processes. As a result, there has been marked improvement in community participation in local planning and budgeting.

NGOs have been given an official role on the newly established district and local environment committees, among others, to allow for a plurality of voices in the society and help embed representative democracy. However, it remains to be seen whether the non-partisan nature of the initial RC system will be sustained under the pressure of representing the population along political party lines.

Local governments also have user committees through which citizens participate in local development. User committees (i.e. school management committees, health unit management committees, water management committees) were designed to be a key management tool in local service delivery.

In addition, the citizens' influence on local decision-makers has been enhanced by the development of a larger number and/or

tiers of sub-national governments. At the same time, the smaller units of sub-national governments have influence over higher level sub-national governments because the law requires higher local governments to incorporate the development plans of lower local governments into their own. The development of user boards and citizen participation in infrastructure and service provision priorities and implementation is in its infant stages, although the presence of school boards is common in the country.

The challenges of citizen participation are well known. Citizens cannot participate in public affairs, even over matters that affect them directly, unless they are empowered. Empowerment refers to the process through which peoples' freedom of choice and action is expanded to enable them to have more control over resources and decisions that affect them⁹. People at the grassroots lack sufficient knowledge and organisation, which exposes their agenda to risk of elite capture. Secondly, participation is not cheap or linear, and it is costly in terms of getting the right type of information to the right people at the right time to facilitate appropriate decision making. Furthermore, not all ideas get included in the development plan during bottom-up participatory planning and budgeting process, which leads to unfulfilled expectations. One method that has been adopted to minimise the latter problem has been to provide local governments with indicative planning figures (IPFs) showing the available resource envelope within which to plan. It would greatly help if citizens were sensitized on their rights and obligations, and on the basic elements of the local economy, so that they are not taken for granted or easily hoodwinked (as is often the case).

A major premise on which Uganda's local government system was built was that local citizens would participate effectively in making decisions over local development in addition to holding their leaders to account. It was also assumed that elected leaders would always work in the best interest of their electorate. The reality has turned out to be different. In most cases citizens have little understanding of their local economies, find the planning and budgeting process complicated and are easily hoodwinked by unscrupulous politicians who are more interested in advancing their own interests. Although the requirement to publicise the fiscal transfers received from the centre is observed by nearly all local governments, there is little evidence that local citizens across the country have all the information they need and or that they are sufficiently empowered to make informed decisions.

It is imperative, therefore, for citizens and their leaders to be regularly provided with adequate information on the nature and resources of their local economies, and to have their capacity enhanced so that they can participate in deciding over local investments. Local governments should be assisted to develop effective communication strategies to enable this to happen.

3 Participation and openness for local democracy

3.2 Open local government – Accountability

To ensure accountability in the management of public funds, local governments are required to keep proper books of accounts and to produce statements of final accounts within four months of the end of each financial year. New financial and accounting regulations were issued to guide local governments on how to comply with these requirements and have been amended to streamline financial management further.

The Auditor General is required to audit books of accounts and financial statements of local governments, and must then submit audit reports to several authorities including parliament, the ministers responsible for local government and for finance, the relevant local governments, the Local Government Public Accounts Committee (LGPAC), and the Local Government Finance Commission (LGFC). To prevent collusion, internal audit departments in local Governments report directly to their councils, not to their respective administration. Councils keep track of local government financial transactions and tender awards through mandatory monthly and quarterly reports that must be submitted to the relevant sectoral committees for scrutiny. Also, RDCs, who represent the central government in districts, are empowered to monitor financial management within local governments. They are empowered to “advise the Chairperson to instruct the Chief Internal Auditor to carry out special audit and submit to Council”, or to “draw the attention of the Inspector General of Government to a need to investigate any cases of mismanagement or abuse of office”¹⁰. The Auditor General may, then, conduct a surprise audit of the relevant local government finances.

The above is an administrative arrangement for upward accountability. For downward accountability to be effected, those standing for political office should declare their political programmes and benchmarks against which they should be measured. Furthermore, the local citizens should be regularly informed about how resources are being expended and the impact arising thereof. In one way, the citizens are informed about this through their representatives in local government councils who, through various council committees, scrutinise local plans, budgets and expenditures. However, the citizens are rarely aware of this due to limited feedback from their councillors and also have only limited means of holding their councillors to account, except perhaps during elections when their only option is either to return their councillors or to vote them out. The councillor turnover during local elections is as high as 80% indicative of pent up citizen fury and frustration which could have been contained had there been means through which leaders periodically provided feedback to the citizens on progress in implementation of their electoral manifestos. The limited level of popular participation at the lower local levels might be the single most important explanations for the current weakness of the accountability framework.

The experience of more developed countries suggests that a vibrant civil society that is able to keep local governments on their guard is essential to enhance downward accountability.

Civil society in Uganda is weak, so its strengthening would go a long way to close this major accountability gap. Accounting mainly to central government, however effectively, is not enough.

A recent decision by government to re-centralise the appointment of local government accounting officers (CAOs and Town Clerks) has re-ignited the debate over how the accountability issue should best be handled. Until 2006 local government accounting officers used to be under the control of local political leaders. While this was good for downward accountability it placed the accounting officers under tremendous local political pressure to vary established regulations and procedures, especially over allocation of resources. The accounting officers who resisted this pressure did so only at their peril since they were not transferable anywhere else. Central government has addressed this by re-centralising their appointment and disciplining (principally to protect them from hostile local politicians), but this has had the unintended effect of shifting the philosophical basis of decentralisation by devolution. This conflict between philosophy and practice (and its potential consequences) is being debated widely but no consensus has yet emerged over how it should be resolved.

3.3 Open local government – Transparency

Information to the public on the financial management of local governments has increased, including publication of central transfers; public budget workshops to which the public is invited; publication of plans, budgets and accounts; and discussion of related issues through the media. In an important sense, therefore, the local government system is transparent.

Guidelines issued to local governments by MOLG and line ministries require them to publish the fiscal resources that have been transferred to them from the centre as well as those which are locally generated, and how these resources have been expended. Budget workshops, to which the public is invited, also serve as information dissemination avenues. Local government plans, budgets, accounts and accountability reports are also public documents which the public accesses through their council representatives. The Freedom to Information Act also provides a legal basis for citizens to demand access to unclassified information. And, finally, local development issues are frequently covered in the media, particularly by local radio. In those respects, therefore, the local government system is transparent and the citizens should be well informed.

In fact, the reality is different. First, the primary avenue through which the citizens are supposed to be informed about decisions and investments made by their local governments is through their representatives to council. For the representatives to do this they have to have the facility to travel through their constituencies to provide feedback and solicit the views of their electorate. Resources for this facilitation should come from locally generated revenue which has always been inadequate and which, as indicated above, is has dwindled in the past year due to the abolition of graduated tax. Thus, currently, local government councillors

3 Participation and openness for local democracy

are immobilised due to lack of these resources. Secondly, even if ordinary citizens were supplied with all information on local development issues it is doubtful that many of them would interpret it usefully, due to the low literacy levels, and lack of effective civic education. Lack of civic education and sensitisation on their local economies has prevented ordinary citizens from coming to grips with local development issues in a manner which would enable them to demand accountability from their local governments. Finally, although local citizens have been very much involved in developing plans for their local areas through a participatory approach, participatory budgeting has not yet been incorporated into local development processes as yet. This means that the citizens have little idea whether they are obtaining value from the investments that are made on their behalf, especially given that outputs are given more prominence than impact in the evaluation of local government accomplishments.

What all this points to is that, in addition to the urgent requirement for development of a national civic programme and sensitisation of citizens on the nature of their local economies, local governments need to develop effective strategies for communicating their decisions and activities to the citizens beyond those that are currently in use. The peoples' representatives should also be adequately facilitated to enable them to provide regular and effective feedback to their constituents. Equally importantly, CSOs should be strengthened to provide effective checks on local governments to ensure transparency and accountability in local government operations.

3.4 Scrutiny of the executive

Elected Local government officials, comprising council members and the executive (which is part of Council), have clearly defined responsibilities which constitute the basis upon which they are scrutinised and held responsible for their actions. Local government councils as a whole are responsible for setting local priorities and policies, approving local development plans, and monitoring and supervising the implementation of local and central government policies in their area of jurisdiction.

Individual councillors are required to maintain close contact with their electoral areas, consult the people on their needs and the issues they wish to be addressed and present them to council for consideration, report to their electorate the decision taken by Council on their views and proposals, and the actions taken to develop their area and the local government as a whole. They are also required to take part in self-help, group or communal development activities in their electoral area and the local government as a whole, and (iv) monitor the implementation of programmes, projects and activities in their respective areas.

On the other hand, the council executive (which comprises the chairperson, his/her deputy and three members appointed by the chairperson from among the councillors) is responsible for several actions which include (i) initiating and formulating policy (with technical assistance from appointed officials) for approval by the Council (ii) overseeing the implementation of council policies by local government technical staff (iii)

considering and evaluating the performance of the council at the end of each financial year against approved work plans (iv) mobilising people, materials and technical assistance to facilitate local development (v) reviewing financial reports and making appropriate recommendations to council (vi) serving as a communication channel between central government, the district programme and project beneficiaries and other stakeholders, and (vii) generally monitoring and supervising the implementation of work plans, programmes and projects and other activities undertaken by central government, the district, local governments and non-governmental organisations in the local area.

The performance of the executive and council against this tall order is scrutinised in several ways. First, the performance of the local government which they are in charge of indicates to a significant extent the degree of their effectiveness as local leaders. This performance is assessed through technical annual assessments carried out by MOLG through its inspection department against agreed performance indicators. Local governments that meet the performance indicators are rewarded with a 20% increase in their allocation the following year, while those that fail to meet the indicators are penalised by a 20% reduction in their allocations. This mechanism has been found to be very effective in spurring local development activity and compliance with central government regulations and guidelines, and in increasing the activity level of local government councils to prevent their local governments from appearing on the 'negative' list. In essence, its main focus is on technical verification of the efficacy and efficiency of the administrative measures in place.

Secondly, the executive is scrutinised by RDC. In addition to coordinating the administration of central government services in the district, the RDC advises the district chairperson on matters of a national nature that may affect the district or its plans and programmes, particularly the relations between the district and the central government. Furthermore, the RDC monitors and inspects the activities of local governments and advises the chairperson as appropriate. But more importantly, the law (LGA Cap 243, Sec.71) requires the RDC to (i) advise the chairperson to instruct the chief internal auditor to carry out a special audit and submit a report to the council (ii) draw the attention of the Auditor General to the need for special investigation audits of the local government council (iii) draw the attention of the IGG to a need to investigate any cases of mismanagement or abuse of office, and (iv) draw the attention of any relevant ministry to the divergence from or non-compliance with government policy by any council within his or her area of jurisdiction. These statutory requirements have kept many local councillors on their toes and, where they have been over-enthusiastically applied, have caused considerable tensions between them and local district local chairpersons and other local government officials. Part of the problem is the apparent duplication and overlap in roles.

Third, local government councillors are subject to the Leadership Code Act, 2002 (just like national political leaders, and central and local government technical staff). Each of them is required to submit to the Inspector General of Government

3 Participation and openness for local democracy

a written declaration of his or her income, assets and liabilities, and the names, income, assets and liabilities of his or her spouse, children and dependents within three months of assuming office, and thereafter every two years during the month of March. Failure to comply with this requirement may lead to his/her removal from office in addition to further action. Although these provisions have been applied with respect to a number of high profile leaders, there is a general feeling that the IGG's office lacks adequate capacity to enforce the leadership code in its entirety and with respect to every person who falls in the leadership category in the country.

Finally, the Uganda Local Governments Association has developed a Charter on Accountability and Ethical Code of Conduct¹¹ to enhance accountability, transparency and

integrity within local governments. This is a major step forward for a system that had long been accustomed to being only regulated from the centre. Self-regulation is essential for curbing excesses and developing professionalism within an organisation, and its application by local governments on themselves is a very good practice and an important development which portends well for the future of the system.

But it is important for citizens to be able to hold their leaders to account. A clear requirement for this is for the councillors to be properly facilitated so that they can regularly interface with the citizens and explain to them how they are using the mandate given to them, and how taxes (assuming the citizens pay taxes) are being utilised.

Box 1: Village-level participatory planning in Kabarole District

The poor usually face problems in participating effectively in local development planning due to lack of self-esteem and confidence, and also due to inadequate guidance and support. Kabarole district in Uganda, Western Uganda has addressed this problem using facilitators that have been trained in participatory planning and socio-economic and gender analysis (SEAGA) methodologies. SEAGA assists in the understanding of how development policies and programmes are likely to affect the economic activities and socio-cultural relationships among different local community groups.

In 2004 in Karambi sub-country, participatory planning tools were used during community meetings which allowed deeper analysis of the needs that had to be prioritised for support from the non-sector capacity grant (NSCG) and other programmes. A facilitator who was well schooled in participatory and SEAGA methodologies was appointed the planning local person (PLP) to help the citizens respond to the multiple problems facing the sub-county, including malnutrition, unsafe drinking water and food insecurity. The PFP involved the whole community at village level in identifying solutions to these problems as well as the resources available to address them. He separated the men, women and youth into distinct groups after realising that not all members would participate fully if they remained as one group.

Each group was guided in drawing a 'village resource map' indicating important resources in the village such as water sources, forests, grazing areas, schools, Churches, clinics, farms, good planting materials, markets and trading centres. Participants agreed on the symbols to be used to represent the different resources on the maps. They were also asked to identify what was required to improve the situation and indicate it on the map, which enabled them to identify their own resources and priority development areas. Finally the groups were brought together, the maps were integrated and village resource and needs assessment maps were drawn.

The maps were forwarded to the parish and sub-county for integration into the sub-county's three-year development plan. The resource maps provided important information about local perceptions on how to solve local development problems, and provided the basis for demanding services from the sub-county local government. The community resolved to carry out this exercise on an annual basis on the first Sunday of April.

Three important lessons were learnt from this exercise. First, participatory planning encourages effective community participation and appreciation of local development challenges and opportunities. Second, village resource maps prepared by the local people themselves generate local ownership, alert local communities to local features and resources, and make development planning more precise and relevant to the community. Finally, planning that takes account of gender issues and the needs and interests of all members promotes community cohesion, empathy and shared vision.

Source: Ministry of Local government (ASPS/MOLG in Collaboration with the PMA Secretariat), Handbook on PMA/Non-Sectoral Conditional Grant Good Practices (February 2007)

4 Equity

4.1 Inclusiveness

Society in Uganda in general is undergoing an important transition in relation to the issue of inclusion of socially disadvantaged groups in national and local development processes. This transition is being engineered to ensure that marginalised groups are not left out with respect to allocation of authority, power and resources. The local government legal framework is very clear on this. Membership to local government councils is deliberately engineered to ensure representation of previously marginalised groups. Women must constitute at least 30% of every local government council; each council must also have two representatives of the youth, one of whom must be female, and two representatives of the disabled, one of whom must also be female.

Women have their respective pyramidal council structures parallel to the LC system. This system reflects government's desire to mobilise these marginalised social groups and to promote their participation in local decision-making. Legislation over inclusive decision-making does not, of course, necessarily lead to equal participation of all marginalised groups in local politics. Inclusiveness and equal participation are two different things. Given the limited alternative opportunities for women and other marginalised groups to participate in development activities outside council structures, they understandably feel constrained, disadvantaged and frustrated. However, although the impact of this affirmative action is yet to be established, its progressiveness is self-evident. The challenge is to give real effect to this affirmative action so that it can generate real positive change and benefits for, in addition to elevating the social standing of, the affected groups. Increases in numbers or percentages to representative bodies is of little consequence if they cannot help the marginalised groups to overcome the underlying bias against them in the allocation of power, social goods and values.

Fortunately, local governments have been sensitised, and some have been trained, in mainstreaming gender issues in local development planning. CSOs have played a key role in this, including by training women leaders in advocacy, negotiation and articulation. The ultimate test, however, is how to ensure that all this leads to improved access to resources and services by the marginalised groups. One of the major problems is that the resources available to local governments to address these are too limited. While *national* pro-poor policies have made a real difference in improving access to basic services such as education, health and water and sanitation – except in the northern region where two decades of insurgency have made it impossible for people to live normal livelihoods – *local* government pro-poor interventions, where they have been made, have not made that much of a difference owing to limited resources and poor execution. Examples abound of shoddy construction of access roads, drainage channels, and market and slum improvement schemes which have not added that much value. If anything, questions are being asked whether current service delivery interventions are making a real difference for the poor or whether they are, in fact, not abetting further inequality¹². A hard look needs to be taken at this.

4.2 Adequate and equitable resource allocation

4.2.1 Inter-governmental fiscal transfers

There are three types of fiscal transfers from central to local governments that have been established to facilitate implementation of Uganda's decentralisation policy: *unconditional, conditional, and equalisation grants*. Revenue from these sources is supplemented by locally raised revenue.

Unconditional grants, which are determined on the basis of population (85%) and area size, (15%) are intended to permit local governments considerable discretion in resource allocation in pursuit of their development objectives. However, local governments are required to give priority in allocation to the five national Priority Programme Areas (PPAs) of primary education, primary health care, agricultural extension, feeder roads and safe and clean water. Conditional grants, on the other hand, are directed at pre-determined programmes within the PPAs and are supposed to be based on mutual agreement between the central government and the relevant local governments regarding their access and utilisation¹³. Conditional grants include a wage component for decentralised staff that previously belonged to the centre. Equalisation grants are a subsidy, or special provision, disbursed from the central government to the least developed local governments to enable them to meet the minimum standards of social service delivery. This grant became operational in FY 1999/2000¹⁴.

Although the levels have risen significantly, there have been persistent complaints from local government officials about the mismatch between the magnitude of the decentralised services local governments are responsible for and the fiscal transfers from the centre to fund those services, and the fact that central government retains nearly two thirds of total national collections even though most services are provided at local level. This imbalance in resource distribution is one of the major factors in the limited service delivery at the local level. A further source of imbalance in resource allocation springs from the allocation formula that was used at the beginning of decentralisation. The original design of fiscal transfers from the centre was based on officers in post in each district rather than on the full establishment of each district. As a consequence, those districts that did not have a full establishment were shortchanged. This was supposed to be corrected when the districts were restructured in 2005 but persistent underfunding has perpetuated the imbalance. Furthermore, the cost of service delivery has never been clearly established and, therefore, the resources local governments receive are not pegged to the actual cost of service delivery. The Local Government Finance Commission (LGFC) has been tackling these issues by, among other things, undertaking a revenue sharing study to determine how much it costs to deliver a service and to consider the fairness of the revenue sharing arrangement among the local governments themselves. A great deal of work is required to ensure that resources are distributed equitably, and also that local governments have adequate resources to provide the services and manage the

4 Equity

responsibilities they are charged with. Clearly, civic education has to be extended to central government officials as well so that they can appreciate the necessity of providing local government resources with sufficient resources to implement the decentralised services.

4.2.2 Locally generated revenue

Central government fiscal transfers are supplemented by local revenue generated from graduated and property taxes, market dues, rates and other legal revenue sources. Local governments are also permitted to borrow by way of bonds, debentures or directly from commercial banks, up to 25% of locally raised revenue. However, stringent conditions are attached in order to discourage local governments from borrowing. The minister responsible for local government must approve any borrowing exceeding 10% of what a local government may legally borrow; the local government's books of accounts for the previous year must have been certified by the Auditor General; the borrowing local government must guarantee that it will meet its obligations, including salary payments, while repaying the loans; and the money borrowed must be invested in the national PPAs. No local government has borrowed money on these terms as yet, which suggests that the conditions are too stringent and may have to be loosened to enable local governments to take advantage of them.

The Local Governments Act also provides for sharing of local revenue among local governments. Sub-counties (not districts) collect revenue, retain 65% of their collections and are required to remit the balance to districts. Sub-counties, in turn, are required to remit 25% of what they have retained to village councils, 5% to parish councils, and 5% to their respective county councils. Municipal divisions are required to remit 50% of their local collections to their respective municipalities. Likewise, Kampala city divisions must remit 50% of their collections to Kampala city council (KCC).

The constitution empowers local governments to levy, charge, collect and appropriate fees and taxes for investment in infrastructure service delivery. The fees and taxes levied, charged, collected and appropriated include rents, rates, royalties, stamp duties, personal graduated tax, cess, market dues and fees on registration and licensing. Only funds that have been budgeted for and approved by council can be spent.

Local revenue sources presently constitute less than 10% of total local government funding. In the rural areas local governments used to depend mainly on graduated tax but this tax was abolished in 2006 and has been replaced with local service and hotel taxes, which local governments are yet to fully understand and apply. This is further complicated by the underdeveloped private sector which does not as yet generate enough taxable revenue. The local governments Act and the Constitution gave local governments autonomy to formulate and approve their own budgets and fund them through own generated revenues, grants and donations. The central

government is not supposed to transfer any extra responsibility to local governments without also transferring the necessary funds, although this is observed to be in breach considering the mismatch between the decentralised services and the limited fiscal transfers from the centre. A local government council has the power to borrow or raise loans, provided the amount so raised does not exceed 25% of the locally generated revenue and will not infringe on the statutory requirements of the council.

4.3 Equitable services

Providing services equitably has been and still remains a major challenge to local governments in Africa in general¹⁵ and Uganda is no exception. First, as indicated above, the cost of service delivery has not been yet been established across the board and is not taken into account when determining local government fiscal transfers. Rather, the deciding factor is the available resource envelope, and this is aggravated by late transfer of resources at times.¹⁶ Secondly, national standards of service delivery have been established only in a few social service areas, such as primary education and health. Given these scenarios local governments are hard pressed to cope. It is essential, therefore, to complete establishment of the national standards of service delivery and to link them to fiscal transfers to local governments to enable Government to address the 'unfunded mandates' problem that characterises the current arrangements.

On the positive side, service delivery has been expanded to broaden access, a strategy that has inbuilt equity. The Universal Primary Education (UPE) programme has corrected the imbalance that existed in primary school enrollment, which had been decidedly in favour of boys.¹⁷ Some special variants of the programme have targeted children who are especially disadvantaged, such as the Alternative Basic Education for Karamoja (ABEK) which allowed access to children in the pastoral and arid Karamoja region in the north east of the country. Reasonably well equipped health centres have been established at sub-country level, with basic drugs and well trained doctors and health workers. Water points have also been established within 500 meters in most rural areas (except in very hard to reach areas) to reduce the time women spend collecting water.

Furthermore, local council courts have been established at village, parish and sub-county levels to dispense local justice. This was because people at the grassroots were finding serious difficulties in obtaining justice through the regular court system, which they do not trust anyway. Two assessments done so far indicate that local council courts are doing a great job and are trusted by the population.

5 Continuous improvement

A key feature of the development of the government system in Uganda has been the continuous efforts that have been made to improve its administration and governance over time. Devolution of power to popularly elected local government comprising extensive political, administrative, service delivery and poverty reduction functions, and responsibilities was virtually unprecedented in Uganda's history, and it called for sustained efforts to build the technical competencies of local governments in key functional areas (eg human resource management, financial management, accounting, procurement, etc.) on the one hand, and developing the capacity of elected officials to carry out their roles and functions effectively, on the other. Developing, broadening and deepening local democracy and civic competence in the process has not been easy and the entire system has gone through a steep learning curve. What has really made the difference is that the development of the system has gone through a series of progressive and sequenced steps in which emphasis has been put on refining structures, systems and processes to keep the system constantly aligned to the overall objective of enhancing democracy and governance and improving service provision.

There were two major problems that had to be overcome initially in order to make the system work. On the one hand, there was widespread scepticism that 'unschoolled' citizens could actually plan, budget, set development priorities and oversee the overall development of their areas. The assumption was that highly technical matters could only be handled by 'properly' trained people. On the other hand, there was serious concern within various government ministries, departments and agencies that local governments were too lacking in administrative, managerial and functional competencies to be entrusted with making decisions over substantial investments. This led to foot dragging in the implementation of decentralisation and, in a few cases, to outright opposition to the decentralisation policy itself.

To overcome these concerns a three year pilot was carried out under the District Development Project (DDP) starting in 1998 to test the feasibility of building local capacity at the parish level to allocate local investments through participatory planning as a basis for alleviating poverty. Parish councils were given indicative planning figures (IPFs) to guide them, in addition to basic training on planning and budgeting. The emphatic success of this project put to rest all earlier fears over the ability of lower local governments to plan, and manage financial resources effectively, and was instrumental in winning over even the most ardent doubters about the overall merits of the decentralisation policy. The lessons from the DDP have been mainstreamed into local government systems through the successor Local Government Development Programme (LGDP) since 2001.

The primary responsibility for building the capacity of local government elected and appointed (technical) officials, as well as strengthening local government structures and systems, lies with the Ministry of Local Government. Other line ministries also lend a hand with respect to their respective mandates and sectors. From 1993 to 2002 MoLG executed this mandate

through the Decentralisation Secretariat which developed most of the early regulations and guidelines and carried out country-wide sensitization seminars and training programmes for both types of officials. These functions were mainstreamed into the ministry's operations after the secretariat was wound up. MoLG has developed a handbook for local government councillors (2006) which spells out in detail the roles and responsibilities of local government councillors and how the councillors should relate to technical staff.

The initial capacity building phase was supply driven because the basic elements of the system were just being set up. In the last couple of years a demand-driven approach has been adopted. MoLG has developed 28 generic training modules and short-listed over 40 training providers to provide local governments with adequate choice. The capacity development grant under LGDP is one of the instruments through which local governments access resources to complement their own in-house capacity building. The problem is that the local governments' own training budget is the first item that is usually cut whenever there is a financial squeeze, which, unfortunately, is invariably the case.

It was assumed during the formulation of the decentralisation policy that local government leaders would always put the interests of their electorate ahead of their own, but this has not always transpired. It was this which prompted MoLG to disband the district tender boards and replace them with contracts committees because they had been turned into instruments of cronyism and patronage. The appointment and disciplining of local government accounting officers was also recentralized to protect them from undue pressure from some political leaders over allocation of local resources. It is too early to determine the overall impact of this on the system because, while it has lifted some of the pressure off the accounting officers, it has created the potential for reduction in downward accountability. In fact, if appropriate measures are not put in place it is quite possible that the same cronyism and patronage could resurface even under the control of technical officers. After all, they also operate in the same corrupt environment. It might be necessary, therefore, to take a hard look at the potential impact of the recentralization of the accounting officers because, first, it runs counter to the devolution principle and accountability to the community, and secondly, it might not solve the problem in the long run.

Conclusions and recommendations

6.1 Conclusions

The discussion above highlights several underlying themes that have to be taken into account when considering how Uganda's local government system is operating in the context of the principles of the Aberdeen Agenda, and how to make it function better. On the one hand, Uganda's decentralisation policy and the manner in which it being implemented has greatly transformed society from what it used to be. The comprehensive and robust legislation has laid a very solid foundation on which local democracy and governance have been built and can be deepened. Also, there is ample evidence of local democracy and governance on the ground: citizens elect their representatives to vibrant local councils; the local government system is significantly transparent and accountable; local leaders are open to scrutiny; decision making is participatory and inclusive; and, to the extent possible, efforts are made to provide services equitably.

On the other, there are two major challenges that prevent local government from operating to its full potential. The low level of civic education among the population constrains them from participating fully in the development of their areas. Local governments are saddled with a whole range of service delivery responsibilities for which they do not have adequate resources or capacity. This impacts significantly on peoples' perceptions of the extent to which local government can solve their problems.

All the elements mentioned above are intertwined, meaning that addressing some requires taking action on others as well. This is to be expected considering that Uganda is undergoing very rapid social transformation which requires continuous adjustments on several fronts. Several interventions, therefore, have to be made to deepen local democracy so that citizens can access better services and lead improved livelihoods.

6.2 Recommendations

6.2.1 Enabling environment

(i) Although the Constitution and Local Governments Act clearly articulate the unbounded freedom of the electorate to elect their representatives and to be governed by their consent, this freedom is often circumscribed during elections when candidates influence the political choice of the electorate by making extravagant promises and dishing out material goods. The electorate should be protected from undue influence by making them aware of the state of the local economy, the resources available to local government and the programmes that are in the pipeline prior to election campaigns.

(ii) Central government must make regular contact with local governments in fulfilment of its constitutional coordination and oversight role and function. The experience so far indicates that these contacts which take place through the Joint Annual Review of Decentralisation (JARAD), sector reviews, periodic conferences and ad hoc meetings, are expensive and disruptive of local administration and development management. It would be prudent to maintain regular contact

with local governments through video conference and other ICT related modalities to cut costs and minimize the disruptions caused by repeated face-to-face meetings between central and local government officials.

(iii) Although the roles, responsibilities and powers of central government and local government are clearly delineated in the constitution and the Local Government Act, the reality is that sometimes the operational boundaries are not all that clear to officials at both levels. Furthermore, because local council elections in Uganda tend to register a very high turnover among elected officials (up to 80%), those officials tend to confuse their roles and those of their appointed counterparts which necessitates extensive and expensive sensitization seminars after every local government elections. It would be more fruitful to undertake comprehensive and continuous civic education to spread knowledge countrywide about, among other things the distinction in central and local government roles, functions and responsibilities, as well as the different but complementary roles and functions of elected and appointed local government officials. This would produce a citizenry that is well aware of its roles and responsibilities, as well as the nature and character of their local government system. In addition, it would reduce the necessity for repeated and expensive sensitisation.

(iv) The multiparty political dispensation is capable of easing conflict over the local development agenda. Appropriate civic education should be carried out to prepare local citizens and their leaders to be proactive players within the multiparty framework.

(v) The LGA has been amended several times to address emerging implementation issues, and this is a healthy development. But the repeated amendments have, in certain cases (such as recentralisation of accounting officers), had the unintended effect of shifting the philosophical basis on which the local government system is structured. It may be necessary in the future to make a comprehensive overhaul of the Act to reduce conflicts within the system and to ensure that all sections of the Act remain aligned to the devolution principle. Consideration should also be given to the fact that amending the law every time a conflict situation arises may not be the answer; taking appropriate administrative measures could address the problem.

6.2.2 Participation and openness

(i) Although much desired, citizen participation in local development is difficult to sustain on a continuous basis. It is essential to make the planning and budgeting process at lower levels less abstract and more cognizant of local features and resources. This will generate local ownership of development plans and make local development planning more relevant to the community- two elements that are crucial to sustaining citizen participation in local development

(ii) Downward accountability by local government officials is an essential ingredient of local democracy and good governance, but it is weak in Uganda because local citizens have limited knowledge about the operations of their local governments as well as their rights and obligations; local

government accounting officers report to the centre; and the line between payment of taxes and demand for services has been broken as a result of the abolition of graduated tax without a comparable replacement. The solution lies in undertaking comprehensive civic education to empower the citizens; restoring the requirements for local government accounting officers to report to local government councils (but other measures to protect them from undue influence and pressure); and establishing a tax structure at local government level that can spur local citizens to demand political, administrative and service delivery accountability.

(iii) Local governments should be assisted to develop and implement effective communication strategies so that citizens are regularly informed about local development issues.

(iv) Local elected officials should be required to publicly declare their development agenda against which they should be held accountable. Information on the local economy and development programmes that are in the pipeline prior to the election campaign to prevent local politicians from taking credit for the work of their predecessors.

(v) Evaluation of local development should focus on impact and not so much on outputs.

(vi) Officials that abuse their powers or abet provision of sub-standard service should be severely sanctioned and prevented from occupying a public office again.

6.2.3 Equity

(i) While affirmative action may raise the number and promotion of representatives of marginalized groups (e.g. women, people with disabilities etc) in local government decisions structures, the real issue is whether such action makes a qualitative change in the well-being of those people in the local context. It is, therefore, important to pay as much

attention to the quality of representation as to the numbers and percentages of representatives of those groups. Representatives of marginalized groups should be provided with communication and negotiation skills, in addition to being helped to effectively participate in local planning and budgeting processes.

Local governments should be required to include pro-poor policies in their development plans and budgets.

Resource allocation (both at central and local government levels) that is intended to address equity issues should be significant in terms of the total resource envelope.

6.2.4 Continuous improvement

(i) Local government officials, in addition to being exposed to regular training, should be kept in regular contact (through publications, travel, video-conferences) with their counterparts in other countries to help them keep abreast of current issues in local democracy, governance and development management.

(ii) Case studies on good practice within the country should be documented and disseminated to promote benchmarking and peer learning among local governments.

(iii) New initiatives should be piloted before they are rolled out to shorten the learning curve for the rest of the system.

(iv) A special fund should be set up to be accessed by local governments on a competitive basis. Development of innovative approaches to local development problems should be the primary consideration for award.

(v) Flexibility should be built into local government systems, structures and processes to enable them to respond to changing circumstances relatively easily.

Box 2: Collaboration between parishes in Kayunga District

Local governments in Uganda are distinct entities and undertake their development as such. But there are occasions which demand collaboration between them for the good of their respective communities. Some sub-counties have creatively addressed the challenge of limited funds for community projects alliance between or among different parishes to implement a single project of benefit to several communities. This has enabled those parishes either to complete projects for which funds would otherwise not have been sufficient, or to leverage resources from their district. Kayuga district in Central Uganda is one such case.

The road that transects Kyakoye and Kibuzi parishes in Busaana sub-county, Kayunga district, was in a very bad state and needed urgent repair. The two parishes identified the road as a priority, as it also leads to the market, but the Programme for Modernization of Agriculture (PMA)/NSCG allocations for each parish were too small for either parish to undertake construction of the road on its own. To get around this problem the two administrative units of the two parishes met and agreed to pool resources and develop one project. This agreement was formally communicated to the sub-county council, and the sub-county and district local government were requested for additional funds for the project. The decision of both parishes to prioritise construction of the road was taken up and integrated into the sub-county and district plans. A construction firm was awarded the contract and advised to use labour-intensive construction methods from which members of the community benefited.

Four lessons were learnt from this collaboration. First, collaboration between local governments in pooling their resources to solve common problems results into more meaningful projects that have a more visible impact. Second, projects that benefit more than one community stand a better chance of leveraging complementary resources from higher local governments. Third, different communities can work towards a common cause if they can anticipate real value from their combined effort. Fourth, use of labour-intensive construction methods creates employment opportunities for the community and contributes to community ownership of the project.

Source: Ministry of Local government (ASPS/MOLG in Collaboration with the PMA Secretariat), Handbook on PMA/Non-Sectoral Conditional Grant Good Practices (February 2007)

Annex 1 and 2

Annex I

The Aberdeen Agenda: Commonwealth Principles on Good Practice for Local Democracy and Good Governance

Constitutional and legal recognition for local democracy: Local democracy should enjoy constitutional and legal recognition

The ability to elect local representatives: Citizens should be able to elect their local representatives in conditions of political freedom.

Partnership between spheres of government: There should be cooperation and partnership among local, regional/provincial and national spheres of government.

Defined legislative framework: Local democracy should ensure local government has appropriate powers in accordance with the principle of subsidiarity.

Opportunity to participate in local decision-making: all citizens should be able to participate actively in the local democratic process.

Open local government – accountability: Local government should be accountable to the community it serves.

Open local government – transparency: the local decision making process should be open and transparent.

Openness to scrutiny: The work of the executive should be open to scrutiny.

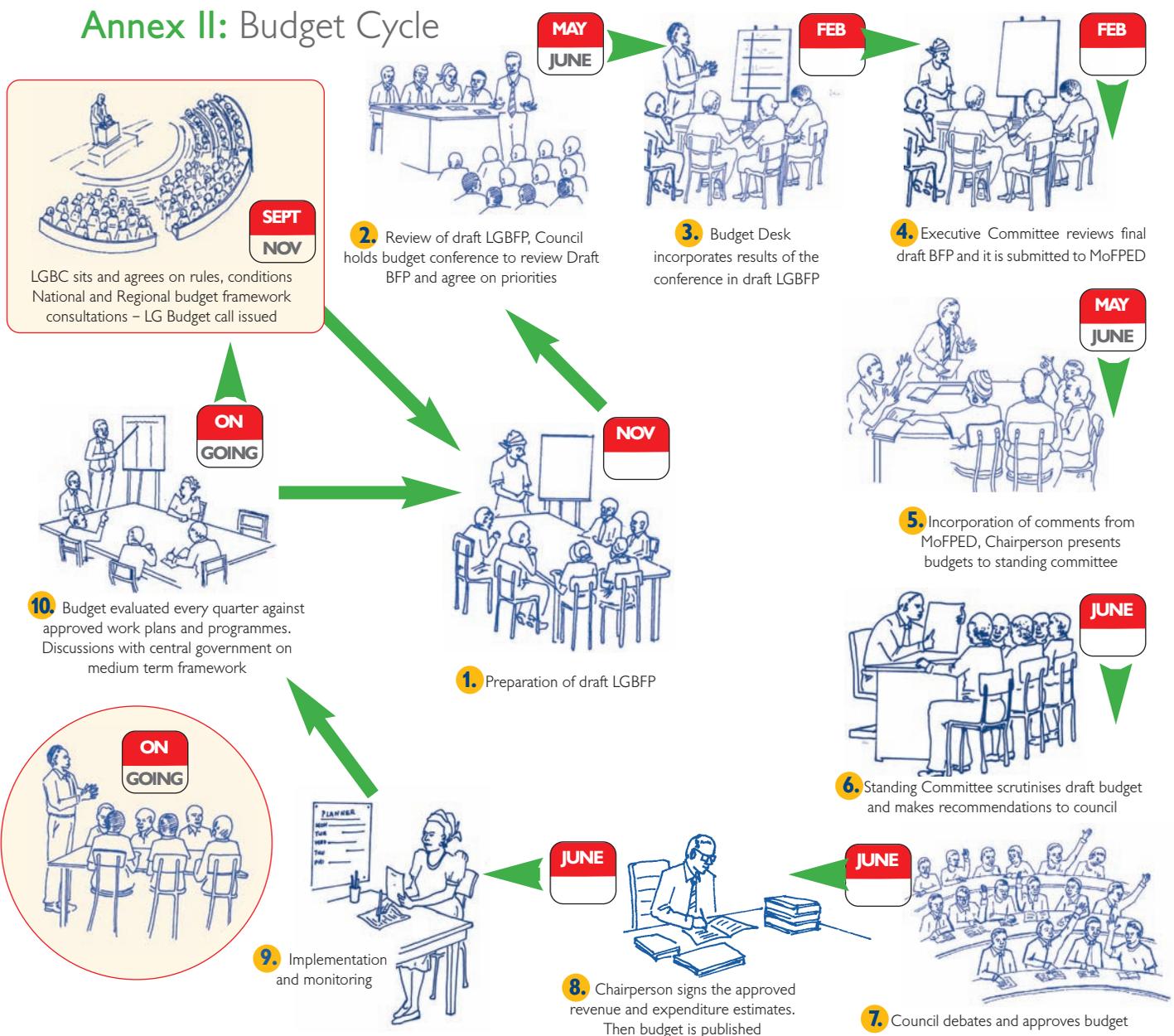
Inclusiveness: The process of local decision-making must reflect the social, economic, environmental and cultural needs of the entire community.

Adequate and equitable resource allocation: In order to respond to the needs of the local community.

Equitable service delivery: The distribution of services should reflect the diverse needs of the local community.

Building strong local democracy and good governance: Commitment to continuous capacity development of democratic local government.

Annex II: Budget Cycle



References and Acronyms

References

- 1 See Mujaju Akiiki B. (2004) "Towards a National Resistance Movement Constitution in Uganda", in Samuel S. Mushi, Rwekasa Mukandala and Saidi Yahaya-Othman (eds.) *Democracy and Social Transformation in East Africa* (Nairobi, Kampala and Dar-es-Salaam: East African Educational Publishers), p.16.
- 2 The clause referred to states: "All Local government Councils shall be elected every four years." (The period was extended to 5 years through amendment to the Local governments Act).
- 3 There are six types of Local governments in Uganda's system of decentralised governance. These are: Kampala city (1), District Councils (79), Sub-county Councils (900), City Division Councils (5), Municipal Councils (13), Municipal Division Councils (34), and Town Councils (92).
- 4 For the list of decentralised services, see Schedule 2 of the *Local Governments Act, 1997*.
- 5 Although the independence constitution had given considerable autonomy to various Local governments the Central Government re-centralised powers through the 1967 Constitution to the extent that the minister of Local government determined the composition of District Councils in addition to approving District bye- laws. Successive Ugandan Governments maintained this state of affairs until the NRM regime came to power.
- 6 Republic of Uganda, *Decentralisation in Uganda: The Policy and Its Philosophy*, Booklet # 1 (Kampala: Ministry of Local government, May 1993). Republic of Uganda, *Decentralisation in Uganda: The Policy and its Implications Booklet # 2* (Kampala: Ministry of Local government, April 1994).
- 7 Uganda has five main political parties, namely; NRM-O, FDC, UPC, DP, and JEEMA
- 8 The amendments comprise: The Local Governments (Amendment) Act, 2001, Act 13 of 2001; The Local governments (Amendment) Act, 2001, Act 17 of 2001; The Local governments Revenue (Amendment) Regulation S.1 No. 39 of 2001; The Local governments (Amendment of Schedules) Instrument, S.1 No.48 of 2001; The Local governments Finance Commission Act, 2003, Act No. 18 of 2003; the Local governments Emoluments and Allowances (Amendment of First Schedule to Local governments Act) Regulations, S.1 No. 51 of 2004; The Local governments (Rating) Act, No.8 of 2005; The Local governments (Amendment) Act, 2005, Act No. 20 of 2005; The Local governments (Amendment) Act, 2006, Act No.2 of 2006; and The Local governments (Functions of a Town Board) Instrument, 2006, S.1 No. 21 of 2006. All the amendments have been consolidated in the reprint of the Local governments Act Cap 243 which was issued on February 15, 2006, save for The Local governments (Functions of a Town Board) Instrument, 2006, S.1 No. 21 of 2006.
- 9 Deepa Narayan (ed.), *Empowerment and Poverty Reduction: A Sourcebook* (World Bank, Washington D.C., 2002), p. 14.
- 10 *Local Governments Act, 1997*, Section 72(2) (b) and (c).
- 11 Uganda Local governments Association (2006), Revised Charter on Accountability and Ethical Code of Conduct for Local governments.
- 12 Ministry of Finance, Planning and Economic Development (June 2007), *Public Service Delivery in Uganda: Abetting or Containing Inequality? Discussion Paper 13*.
- 13 Although this requirement is stipulated by Article 193 (3) of the Constitution, its breach by the Ministry of Finance, Planning and Economic Development has been a constant irritant to Local governments. See: C.G. Kiwanuka-Musisi, President, Uganda Local Authorities Association, 'Emerging Issues in the Implementation of Decentralisation', a paper presented at the National Forum on the Implementation of Decentralisation, International conference Centre, Kampala, November 15-19, 1999, p.13; and the Resolutions by the Uganda Local Authorities Association at the same forum (resolution no.7).
- 14 See: Mrs M.C. Mudouli, Director/Budget, Ministry of Finance, Planning and Economic Development, 'Implications of the 1999/2000 Budget for Local governments with Special Reference to Unconditional and Conditional Grants', a paper presented at the National Forum on the Implementation of Decentralisation, International Conference Centre, Kampala, November 15-19, 1999.
- 15 John Kiyaga-Nsubuga (2007), *Local Democracy, Good Governance and Delivering the MDGs in Africa: Report of the Africa Regional Symposium held in Kampala, Uganda, April 2006*, pp. 57-80.
- 16 Numerous instances have been reported when local governments have received money from the centre in the very month they are supposed to account its utilization.
- 17 In 2004 it was established that as a result of the UPE programme nationwide statistics for school enrolment of boys and girls were almost the same for the age group 6-12 at 91%. In the early 1990s net primary enrolment for the same age group was estimated at about 60% with girls lagging almost 5% behind boys. Ministry of Finance, Planning and Economic Development (June 2007), *Public Service Delivery in Uganda: Abetting or Containing Inequality? Discussion Paper 13*, p. 10.

Acronyms

ABEK	Alternative Basic Education for Karamoja
CHOGM	Commonwealth Heads of Government Meeting
CLGF	Commonwealth Local Government Forum
CSOs	Civil Society Organisations
DDP	District Development Project
DTB	District Tender Board
FARs	Finance and Accounting Regulations
IGG	Inspector General of Government
JARD	Joint Annual Review of Decentralisation
KCC	Kampala City Council
LGA	Local Government Act
LGDP	Local Government Development Programme
LGFC	Local Government Finance Commission
LGPAC	Local Government Public Accounts Committee
MOLG	Ministry of Local Government
NGOs	Non-Governmental Organizations
NRC	National Resistance Council
NRM	National Resistance Movement
PPAs	Programme Priority Areas
RCs	Resistance Councils
RDC	Resident District Commissioner
ULGA	Uganda Local Governments Association
UPE	Universal Primary Education

a, sans-serif
man, Times serif
Courier, mono
s New Roman, times serif
Helvetica, sans-serif
Helvetica, sans-serif



clgf

Commonwealth Local Government Forum

CLGF, 16a Northumberland Avenue, London WC2N 5AP T: +44 (0)20 7389 1490 F: +44 (0)20 7389 1499 E: info@clgf.org.uk W: www.clgf.org.uk