



TRANSPARENCY  
INTERNATIONAL  
UGANDA



# Budgeting for Improved Service Delivery; FY 2025/26 LBGCC

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BUKOMANSIMBI, GOMBA, LWENGO

KALUNGU, LYANTONDE, KYOTERA, MAKINDYE AND

NANSANA

## About CSBAG & Partners



A CSO coalition formed in 2004 to influence government resource mobilization, allocation and utilization.

Has 100 members, 40% are sub-national CSOs.

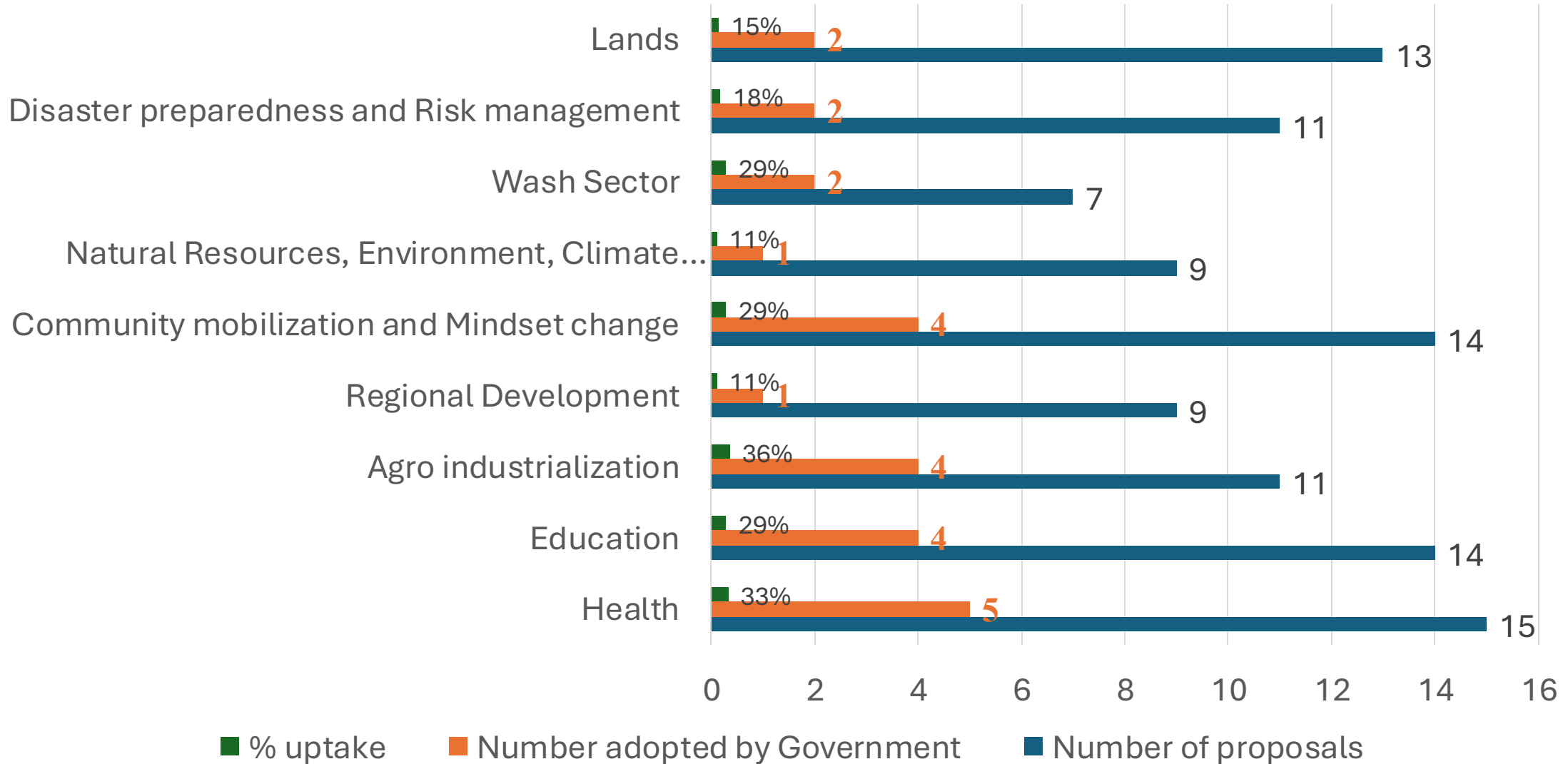


Operating in 14 sub-regions of Uganda namely, Ankole, Kigezi, Bukedi, Bunyoro, Karamoja, Acholi, Lango, Bugisu, Teso, Tooro, Busoga, and West Nile



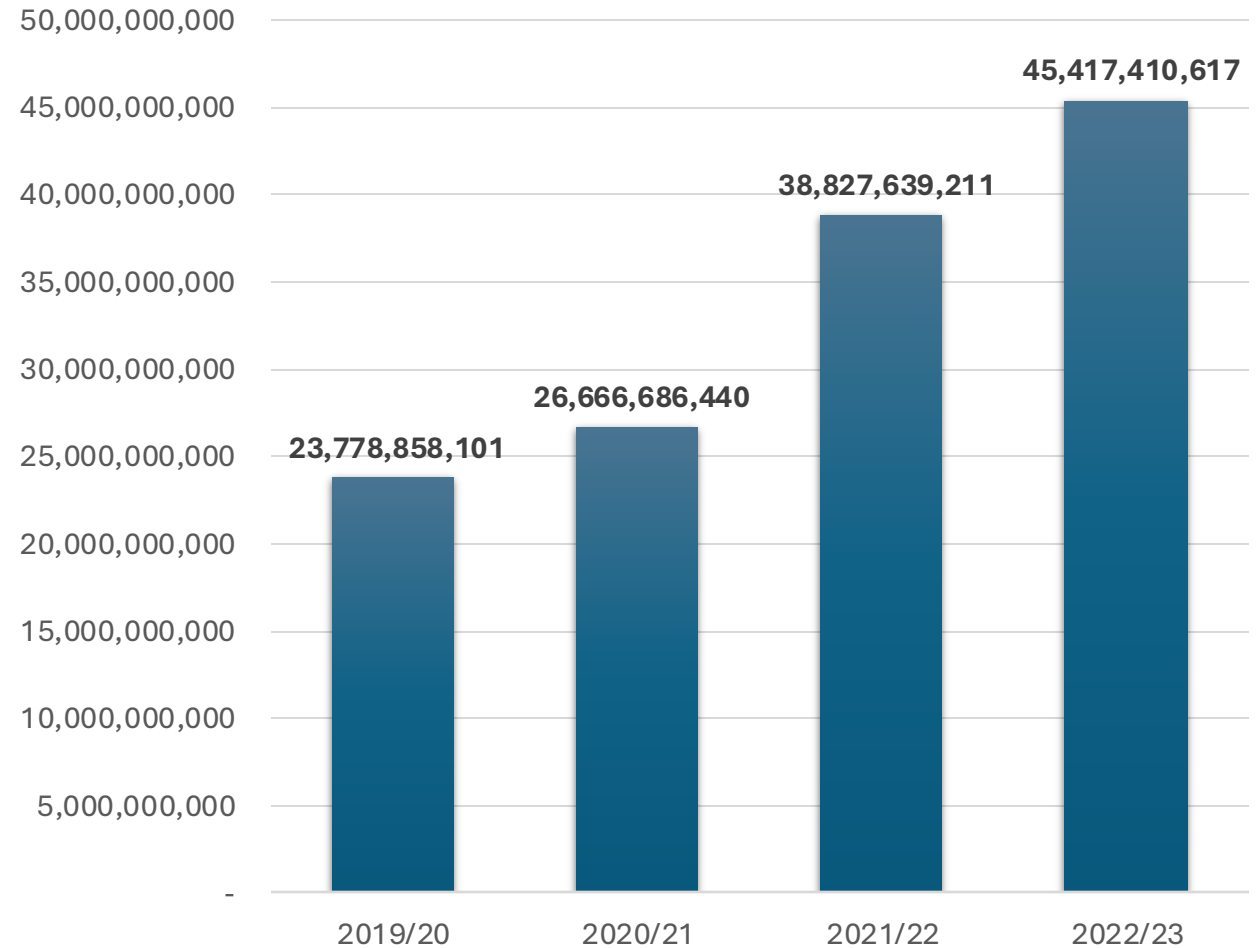
For LGBC FY 2025/26 we collaborated with 80 CSOs to represent citizen views

# Citizen Participation in the Budget process FY2024/25 -CSO Proposal Uptake FY 2024/25



# 1. Notable progress in the Implementation of IRAS

- 1,436,117 taxpayers registered on IRAS
- Ugx 338 bn assessed through IRAS
- UGX 170bn approximately collected through IRAS
- All local revenue sources are configured and collected on IRAS
- Properties valuation has been conducted in 112 Local governments
- Ugx 1.3 trillion worth of rateable values of properties assessed through IRAS
- 750 champions enrolled( IRAS Superusers)
- 12,000 staff trained



Source; LG finance commission

# Enhanced Revenue Physical Accountabilities- Kyotera, Kalungu, Makindye



# Boosting Household Incomes

- i. Parish Development Mode1 - UGX 1.077 trillion (financial inclusion pillar).
- ii. Emyooga SACOs - UGX 100 billion of which UGX 20bn are for teachers SACCOs.
- iii. UGX 13.2bn for Special grants for Persons with Disability.
- iv. UGX 8.7bn towards the Youth Livelihood Programme (YLP).
- v. UGX 3bn to Jua-kali Enterprises to transition into Formal Economy.
- vi. UGX 5bn as Enterprise Funds for Older Persons.
- vii. UGX 121.218bn towards Social Assistance Grants for Empowerment (SAGE).
- viii. Support to Microfinance Support Centre Limited - UGX 50.07bn of which UGX 30bn is for onward lending.
- ix. UGX 13.056 bn has been allocated to the Uganda Women Entrepreneurship Programme (UWEP) as a revolving fund.
- x. UGX 342.23bn has been earmarked for enhancing growth and productivity opportunities for women enterprises (GROW).

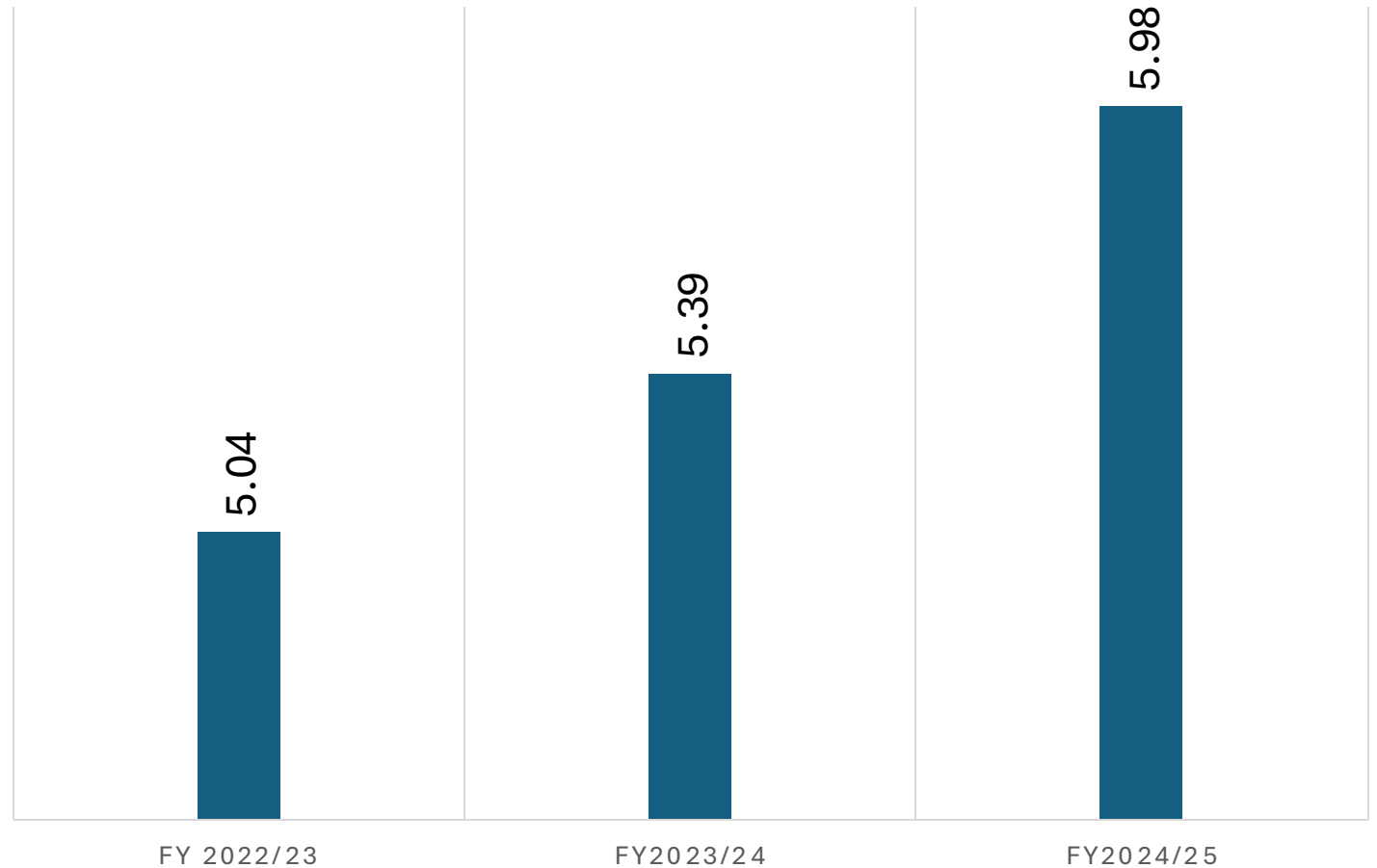
## 2. Increase in Funding for Local Governments

We applaud the Government for increasing the budget for Local Governments from **UGX 5.04 trillion in FY 2022/23 to UGX 5.39 trillion in FY 2023/24 to 5.98 trillion in FY 2024/25.**

The government has also provided an additional **UGX 1 billion to each district** for the rehabilitation of the declining District, Urban, and Community Access Roads (DUCAR).

This will improve connectivity, boost trade, and enhance revenue collection in Local Governments

ALLOCATIONS TO LOCAL GOVERNMENT (UGX TRILLIONS)



*Source; Background to the budget*

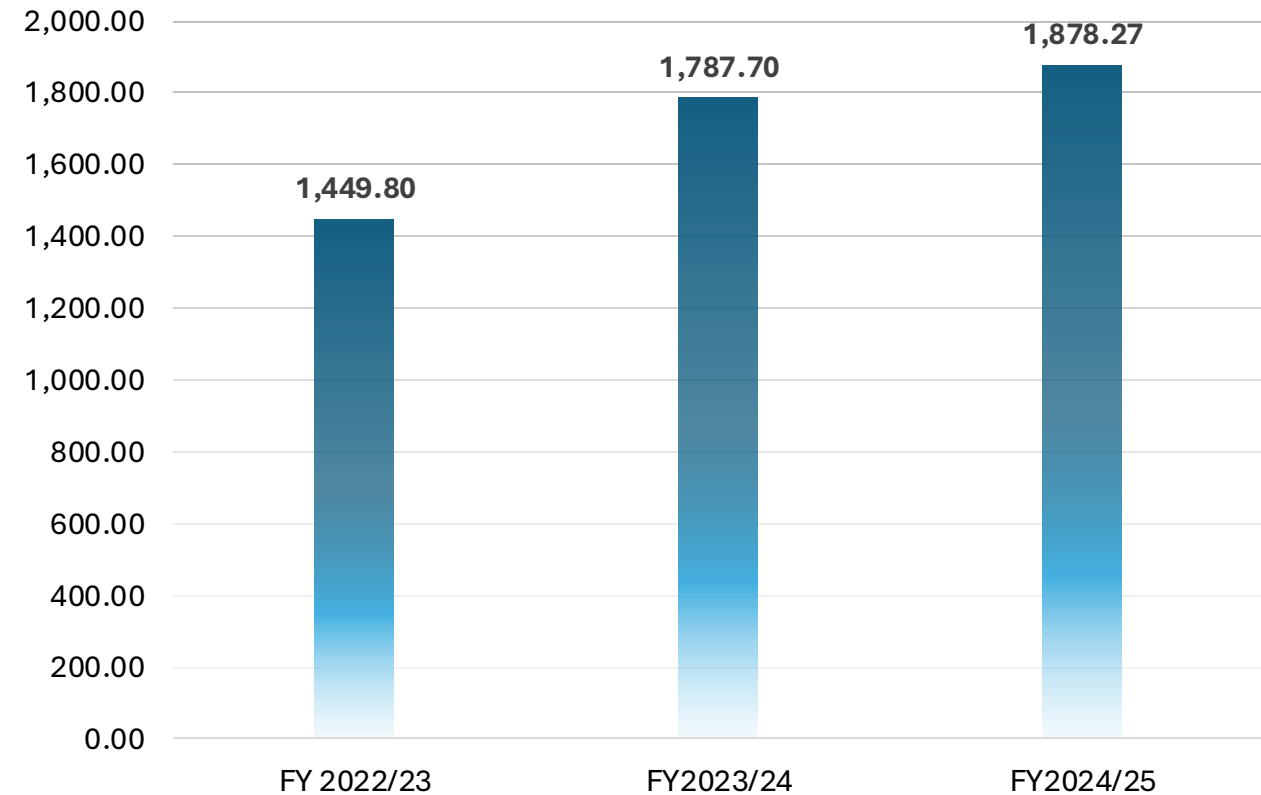
### 3. Increase in budget allocation for Agro-Industrialization

We note the increased budget for Agro agro-industrialisation from **UGX.1,787.7** for FY 2023/24 and to **UGX 1,878.27** for FY 2024/25 with an increased focus on commercialisation and value addition in agriculture.



Water Irrigation system in Nsambya-Kalisizo rural in Kyotera district

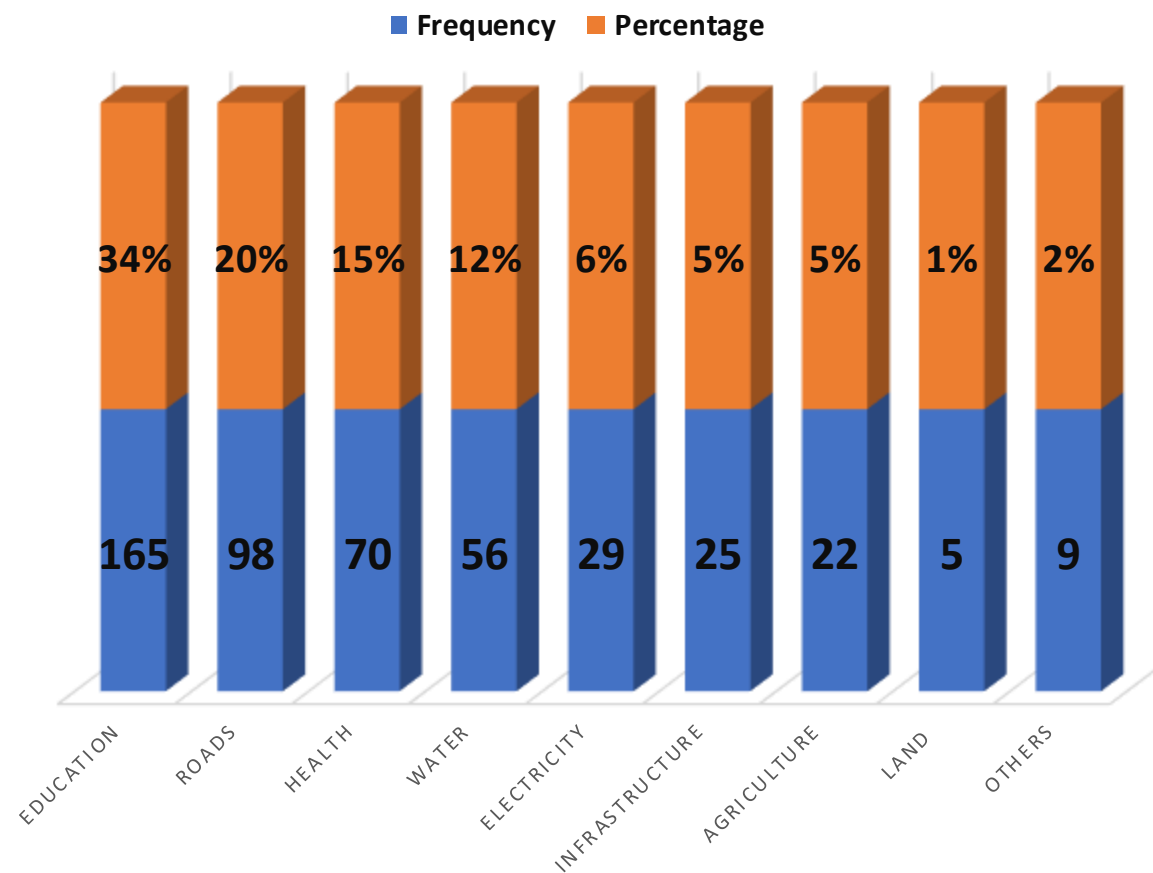
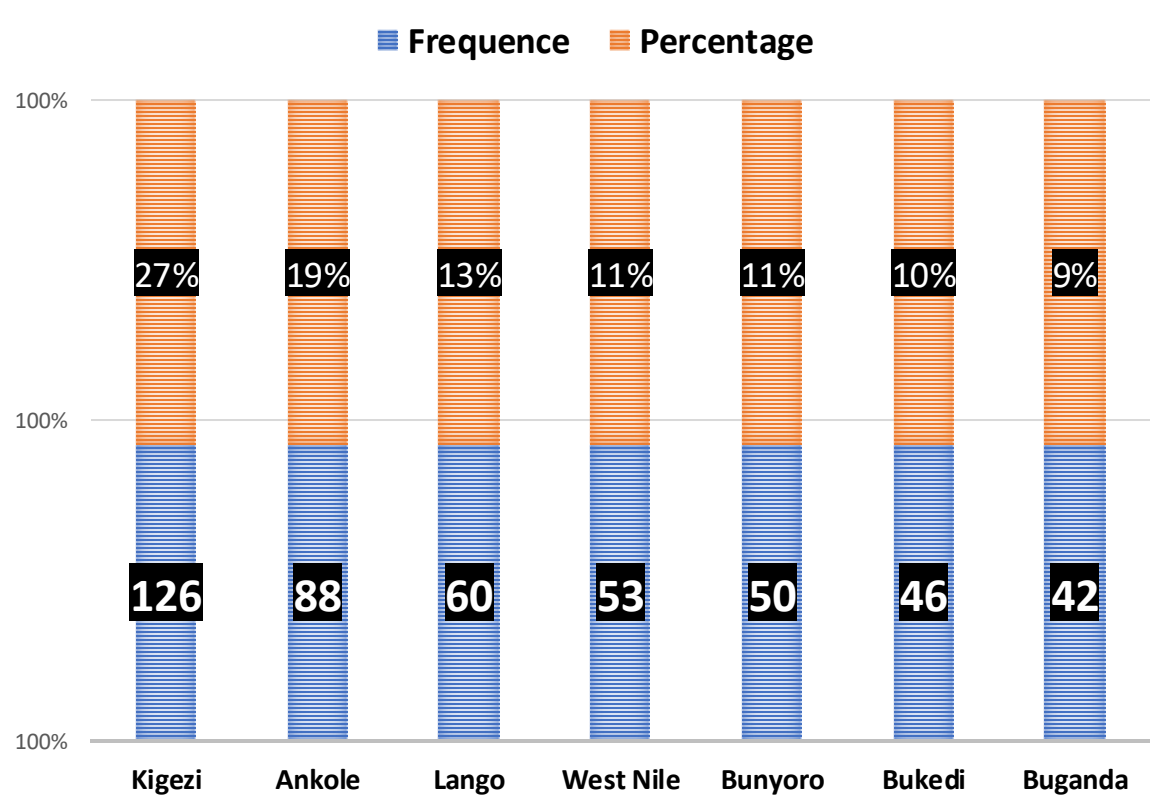
ALLOCATIONS TO AGRO-INDUSTRIALIZATION "UGX BILLIONS"



**CITIZENS CONCERNS AND PROPOSALS  
FOR FY2025/26**

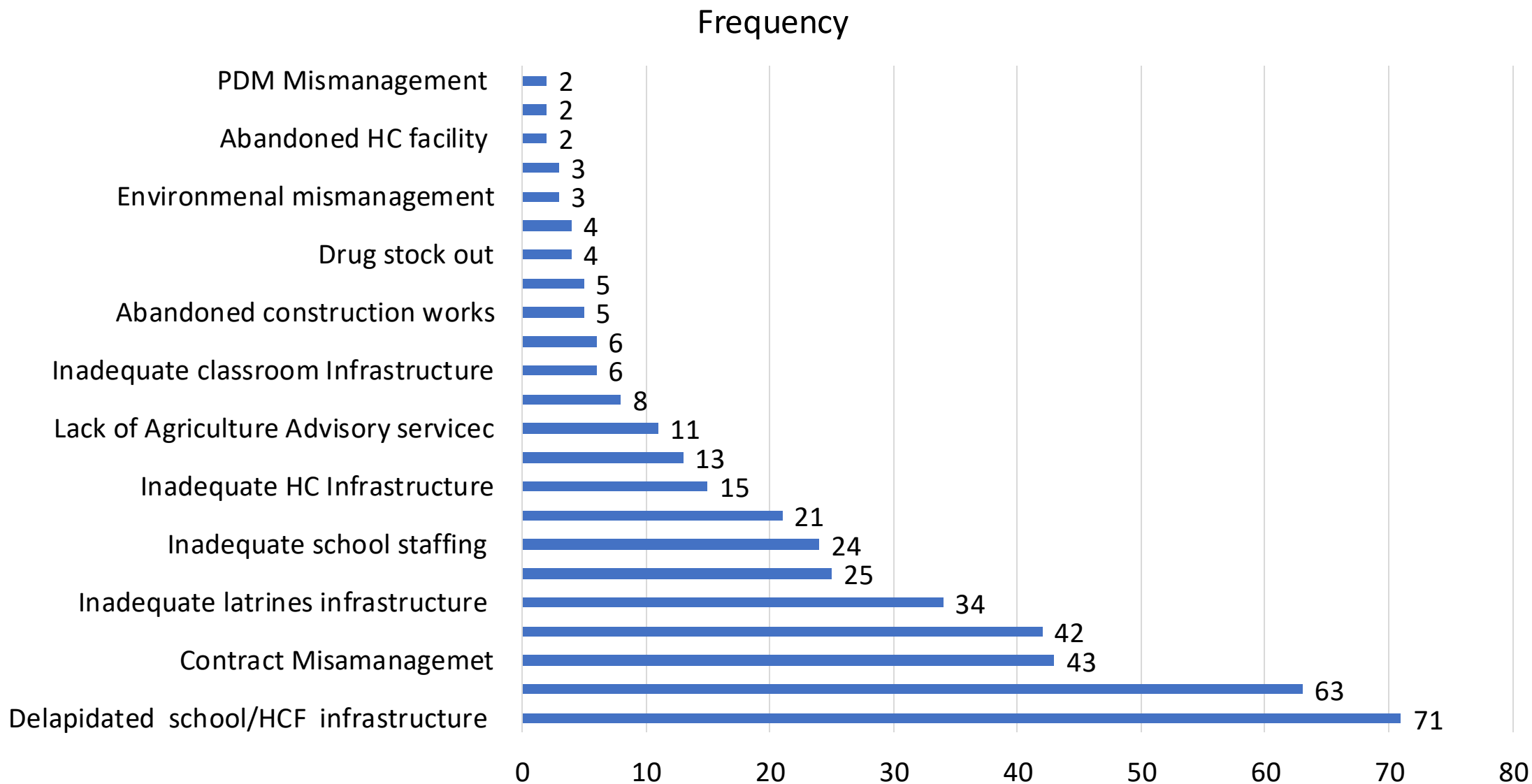
# Poor state of service delivery in LGs-CFP report

We are currently working with OAG on the rollout of CFP. We have so far received **465** service delivery concerns from **20 districts** mostly on education, roads, health and water.

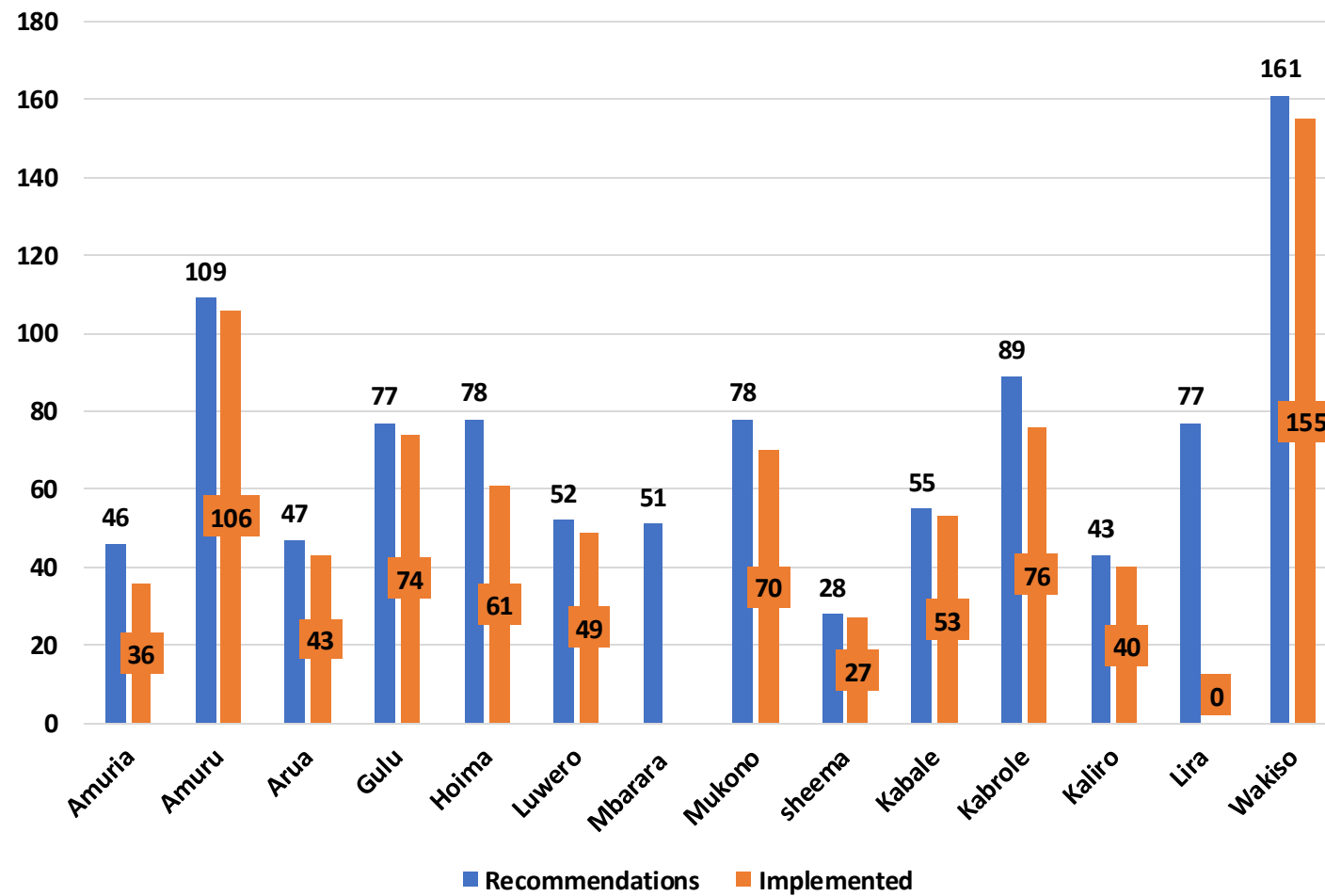


Source; CFP Data collection tool-CSBAG

# Poor state of service delivery in LGs-CFP report



# 3. Non-implementation of Audit Recommendations by LGs



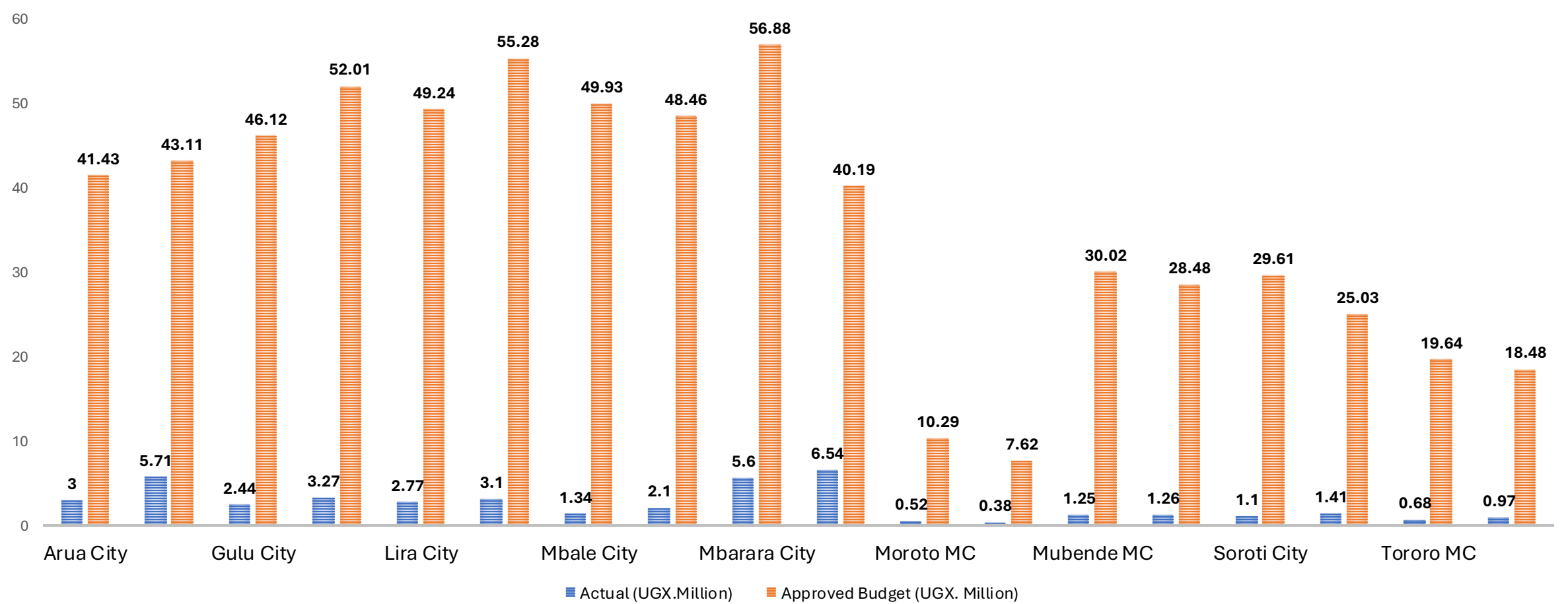
## Recommendations

1. The OAG needs to fast-track the establishment of the Audit Recommendation Tracking Tool to enable local governments to follow up on all audit recommendations for their implementation.
2. The MoFPED to ensure the timely release of funds to enable Local Governments to implement their projects on time.
3. DLGs should strengthen the District Council’s Oversight Role. DLGs should provide enough resources for oversight functions, particularly for the standing committees, the LGPACS and the audit department.
4. The issue on payroll & Non-eligible employees

Source; Analysis of the implementation of the auditor general’s recommendations in LGs to enhance accountability report, ACODE 2023

# Low revenue generation in Local Governments

**Local revenue collections are meagre despite various interventions** due to challenges such as inadequate data on taxpayers, lack of automation in revenue collection, poor transparency, accountability, and insufficient gadgets for revenue collection.



# INTEGRATED TRANSPORT INFRASTRUCTURE AND SERVICES PROGRAM

## 1. Poor District Urban Community Access Roads (DUCAR) transport system

The overall physical performance of the DUCAR maintenance was poor at 34.2% due to inadequate and late disbursement of funds received, hampering economic activity

### Recommendations:

- i. The Ministry of Works and Transport needs to operationalize regional mechanical workshops and create more to reduce the cost of accessing them.
- ii. The ITIS Programme needs to prioritise the allocation of additional financial resources towards the maintenance of national and DUCAR networks.

DUCAR Agency	Annual Budget (000, Ug shs)	% of Budget released (Q1-Q2)	% of Release spent	Physical performance Score (%)	Remarks
<b>District Local Governments Road Maintenance</b>					
Gomba	414,466	50.0	31.8	14.8	Poor performance
Kole	317,528	50.0	33.5	25.2	Poor performance
Manafwa	194,614	50.0	100.0	0.0	Poor performance
Mitooma	342,755	50.0	12.0	13.3	Poor performance
Moyo	386,964	50.0	21.7	5.1	Poor performance
Ntoroko	258,492	50.0	65.1	58.7	Fair performance
Soroti	475,907	50.0	90.7	28.8	Poor performance
<b>City Road Maintenance</b>					
Gulu City	1,314,737	35.0	100.0	52.7	Fair performance
Hoima City	591,076	35.0	42.6	76.1	Good performance
Jinja City	1,384,261	35.0	66.0	50.2	Fair performance
Masaka City	1,046,505	35.0	16.6	25.0	Poor performance
<b>Municipal Council Road Maintenance</b>					
Mukono MC	1,025,018	35.0	80.8	60.0	Fair performance
<b>Overall performance</b>				<b>34.2</b>	<b>Poor</b>

*Source: Integrated Transport Infrastructure Services Programme, Semi-Annual Budget Monitoring Report FY2022/23*

## The poor state of road infrastructure- Bridges, roads, and ferries

- A key component of regional development lies in the strength and reliability of transportation networks that connect remote regions to vital services and markets.
- Dilapidated bridges including the Katonga-Gomba through Kalungu (Bugomola), among others present a significant obstacle to transport.
- We appreciate commencement of Masaka-Mutukula works, but roads such as Masaka- Villa Maria-Kalungu are also in need of urgent attention.



*UP; Bugomola spot  
Below; Masaka- Villa Maria*

## Inadequate and poor state of WASH in Health Care Facilities and learning Institutions

38.8% of HCFs have limited or no access to safe water, 81.5% have limited, and 9.7% have no sanitation access. While 20.9% of the facilities have no or limited safe disposal of medical waste

WASH in some schools is deplorable. This has resulted in learners especially the girls either dropping out or missing school.

**Recommendation;** Local Governments should integrate the WASH in HCF costed plans in their District plans to facilitate resource mobilization and allocation.

The Ministry of Health and the Local Government Finance Commission should progressively review the PHC grant guidelines to improve financing health promotion, environmental health and community health services.



**Boys toilet at Bigada P/S in Kakuuto- Kyotera**

# REGIONAL DEVELOPMENT PROGRAM.



## 1. Corruption and inefficiency of statutory Boards and Commissions in LGs

- Several studies indicate structural and operational gaps in the functionality of various accountability organs at the Local Government level. In addition, DSC, DLB and the contracts committees have been implicated in corruption scandals in most districts.
- The IGG report on the cost of corruption in Uganda notes that corruption in Uganda is estimated to be **UGX. 9.144 trillion** a year
- **Recommendation:**
  1. *Prioritizing and allocation of resources in the budget for induction of members of statutory bodies through the Ministry of Local Government (MoLG)*

# ***Low staffing Levels in Local governments***

- Districts have been operating with minimal staff way below the recommended average of **55%**.
- In Mayuge District, the teach-to-pupil ratio stands at **1:120** instead of the approved **1:55**. Same cases were reported in Kyotera and Kalungu Districts
- The salary disparities between science and arts teachers have led to some of the arts teachers opting for early retirement.

## **Recommendation (s)**

- 1. MoFPED should prioritize providing the wage bill for local governments to recruit staff, especially for critical departments such as health and Education. In addition, Staff members who have been in acting positions for over 6 months should be confirmed.*
- 2. The government should also consider enhancing the salaries of Arts teachers to improve their morale and stop the mass exodus of Arts teachers leaving the profession.*

# Poor Domestic and Urban Waste Management

- Uganda is grappling with a growing waste management crisis, particularly in urban centres, driven by rapid population growth, urbanization, and industrial expansion. For example, according to KCCA, Kampala city generates between **2000 to 2500** tonnes of waste per day, and only **1300 to 1500** tonnes of the generated waste is collected.
- Leading to pollution, flooding, and the contamination of water systems.

## Recommendation (s)

- Strengthen waste collection, recycling, and disposal systems to reduce pollution, particularly in urban and peri-urban areas. Provide more waste collection services in underserved areas and set up recycling stations in communities.
- Sensitize communities on modern methods of managing waste



*Irresponsible dumping in Mutukula T/C- February 2024 before a clean up exercise was conducted.*

# Induction of Local Government Leaders

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The end of FY 2025/26 is expected to usher into office new Local Government leaders following the elections that will be held in February 2026.

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According to the MoLG, the average turnover in the **2021** elections was **85%** but the ministry was able to only induct 25 districts (**2** were inducted fully, **10** cities and 12 Municipalities). The Ministry of Local Government requires at least **UGX 17 billion** to carry out the induction of districts and city councillors.

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**Recommendation;** *The Ministry of Finance, Planning and Economic Development should prioritise funding for the induction of newly elected political leaders by allocating the required **17 billion** to the MoLG. This will go a long way in enhancing their capacity to exercise their legislative and oversight mandate in the budget execution*

## Limited access to water for production

- Actual installations of micro-scale irrigation systems are minimal, standing at only **15%**. The majority (**85%**) of the districts monitored did not absorb the disbursed funds, partly due to late or failed farmer contributions, late initiation of procurements, and late completion of works.
- Without addressing these systemic and operational challenges, small-scale farmers may be left behind, unable to achieve year-round agricultural production and productivity for improved outcomes as we work to advance from a subsistence economy.

### Recommendations

- MAAIF should reduce the co-financing percentage of farmers from **25%** to **10%** to increase the uptake of the microscale irrigation systems among farmers.

## **1. Lack of mainstreaming Climate change into the local government plans**

- Uganda passed the National Climate Change Act in 2021 to give legal force to international climate agreements, providing a framework for climate response measures.
- Implementing these policies in LGs remains challenging, particularly in integrating climate change considerations into local development plans because the insufficient skill and knowledge regarding climate change
- For instance, tracking climate-related expenditures has been difficult, as highlighted in the PEFA 2023 findings.

### **Recommendations.**

- The LGs with support from the MWE prioritize the development of District Climate Change Action Plans that address specific vulnerabilities while leveraging on locally-led capacities per the National Climate Change Act 2021.



**Water challenges at Kamuwunga P/S- Photo credit Zainab Ssendo**

# Inadequate access to safe water supply and sanitation facilities in rural and urban areas.

The recent Uganda Demographic Health Survey Report 2022 indicated that **25.5%** of households spend 30 minutes or more on round trips to collect water.

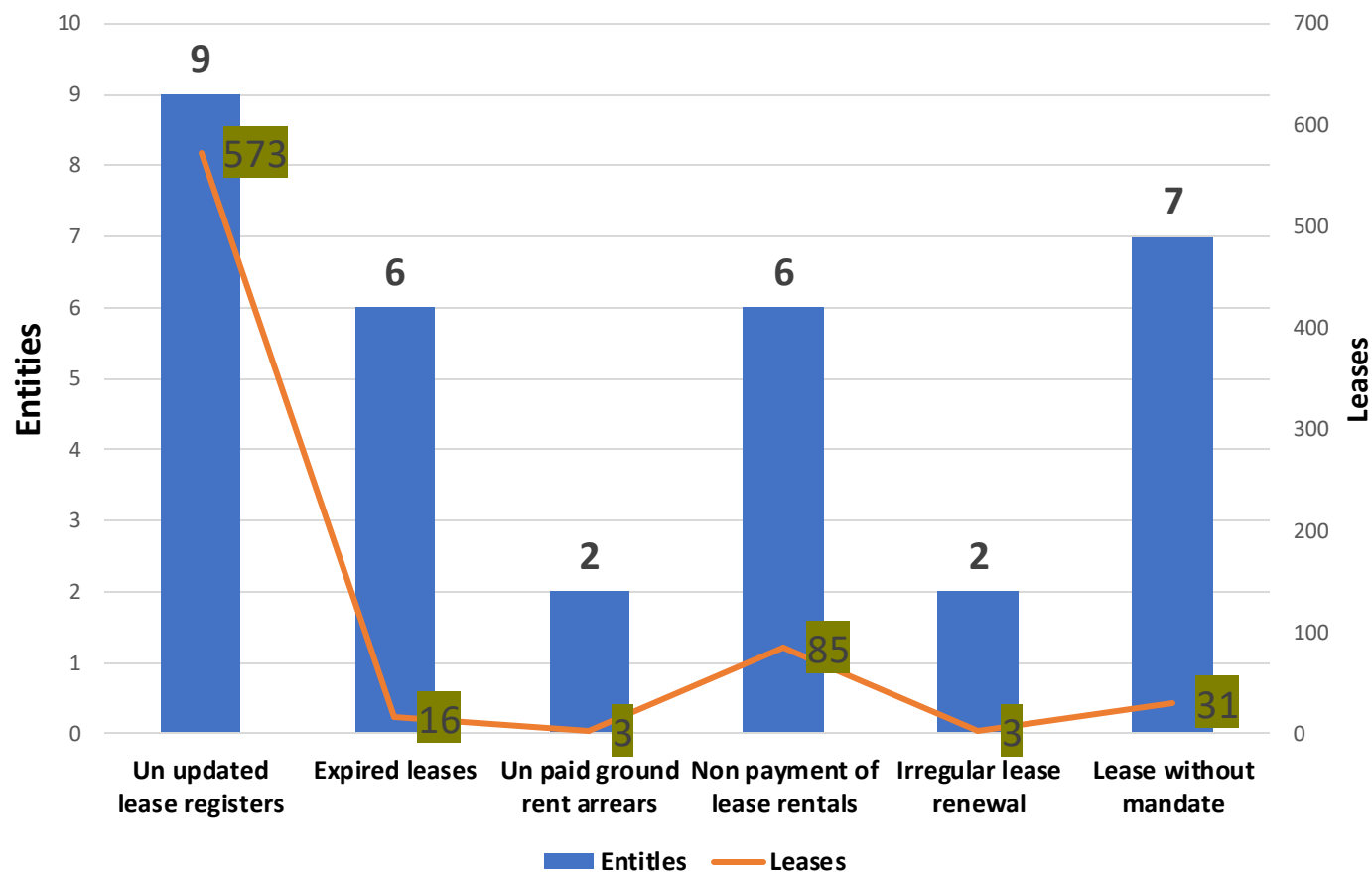
Access to water as of June 2023, access to safe water in Lyantonde district was estimated at 43%, with Lyakajura sub county scoring as low as 6%. The limited access to safe water sources has exposed Women and adolescent girls in communities that are often responsible for water collection to gender-based violence risks.

In rural areas, **23%** of Ugandans still practice open defecation while sanitation coverage is still relatively low.

## Recommendation

Ministry of Water and Environment should prioritise providing access to safe water supply targeting the underserved communities in local government.

# Poor public land management practices in LGs



- A review of the OAG report shows numerous anomalies in the management of public land in LGs, these include

1. Failure to include land acquisition and compensation strategic Plans
2. Budgeting, funding, and absorption of funds, for land acquisition
3. Noncompliance in land acquisition with the relevant laws
4. Failure to register and acquire land titles of public land
5. Non-utilization of land and use of land for unapproved use
6. Lease of public land
7. Failure to record and report government land

**Recommendation;** LGs should conduct a land audit and ensure that government land is being used in line with the law.

Source: Author's construction using data from the OAG report FY 2021/22



# Thank you

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