



Budgeting for Improved Service Delivery; FY 2025/26 LBGC



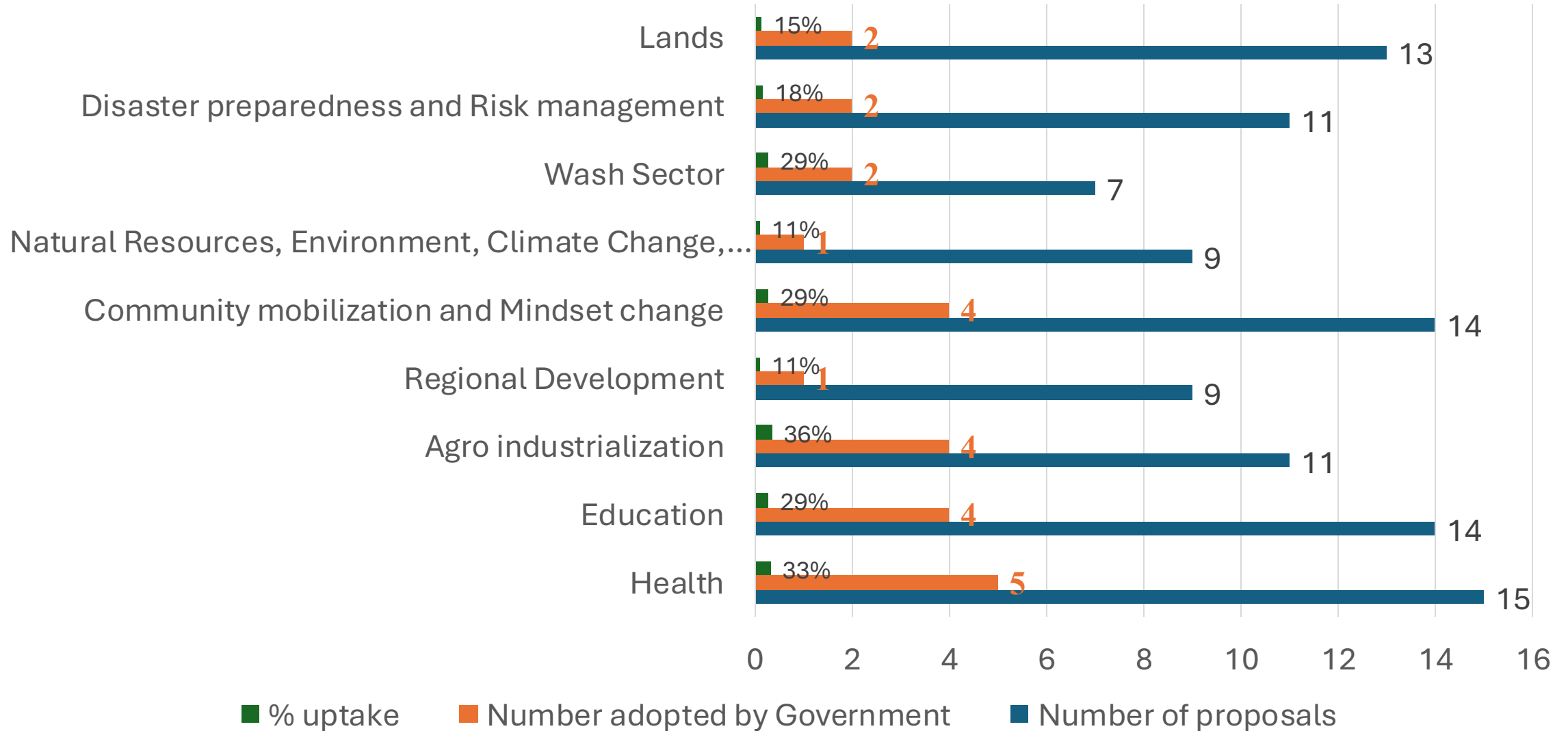
Government Response to CSOs Service Delivery Concern Raised in FY 2024/25



- In 2023, CSBAG members and partners participated in 24 Local Government Consultative workshops
- We commend the Government for addressing some service delivery concerns that were raised in previous LG consultative workshops and other noted actions mentioned below



Citizen Participation -CSO Proposal Uptake FY 2024/25

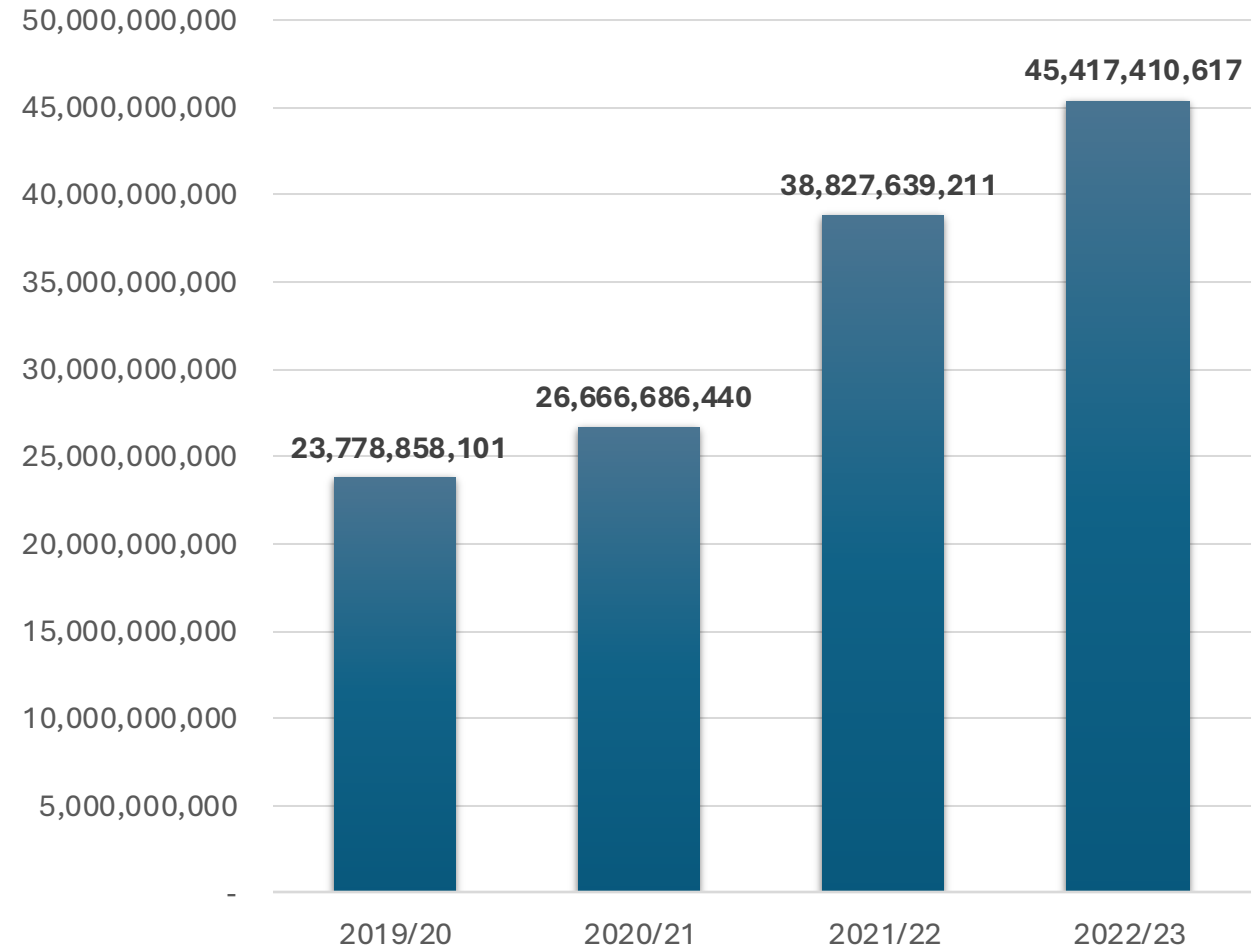




Notable progress in the Implementation of IRAS



- 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



Notable progress in the Implementation of IRAS-Select LGs



No	LG	2019/20	2020/21	2021/22	2022/23
	Lira City	1,771,203,300	1,843,000,000	2,770,000,000	3,100,000,000
	Gulu city	1,121,675,953	2,405,781,078	2,436,000,000	3,265,394,378
	Arua City	2,534,000,000	961,668,815	3,000,909,908	5,707,000,000
	Kitgum MC	507,711,251	337,135,054	517,589,304	667,516,152
	Apac MC	158,040,000	175,610,643	180,056,680	185,774,227
	Zombo District	191,034,000	898,251,000	1,091,250,000	1,100,000,000

Source; LG Finance Commission

BOOSTING HOUSEHOLD INCOME

- 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).



Increase in Funding for Local Governments

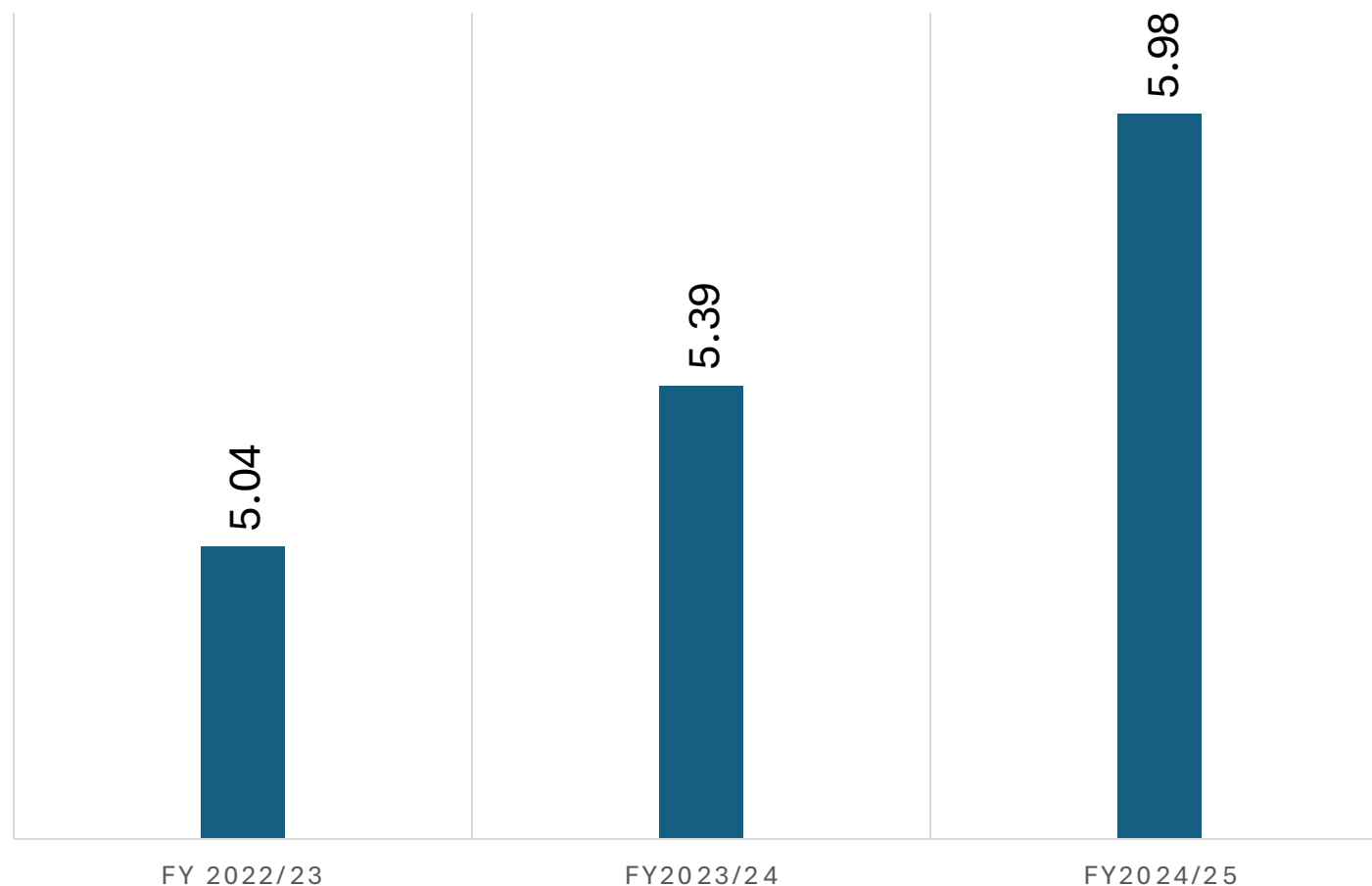


We applaud the Government for increasing the budget for Local Governments from **UGX 5.04 trillion in FY 2022/23 to UGX 5.39 trillion in FY 2023/24 to 5.98 trillion in FY 2024/25.**

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

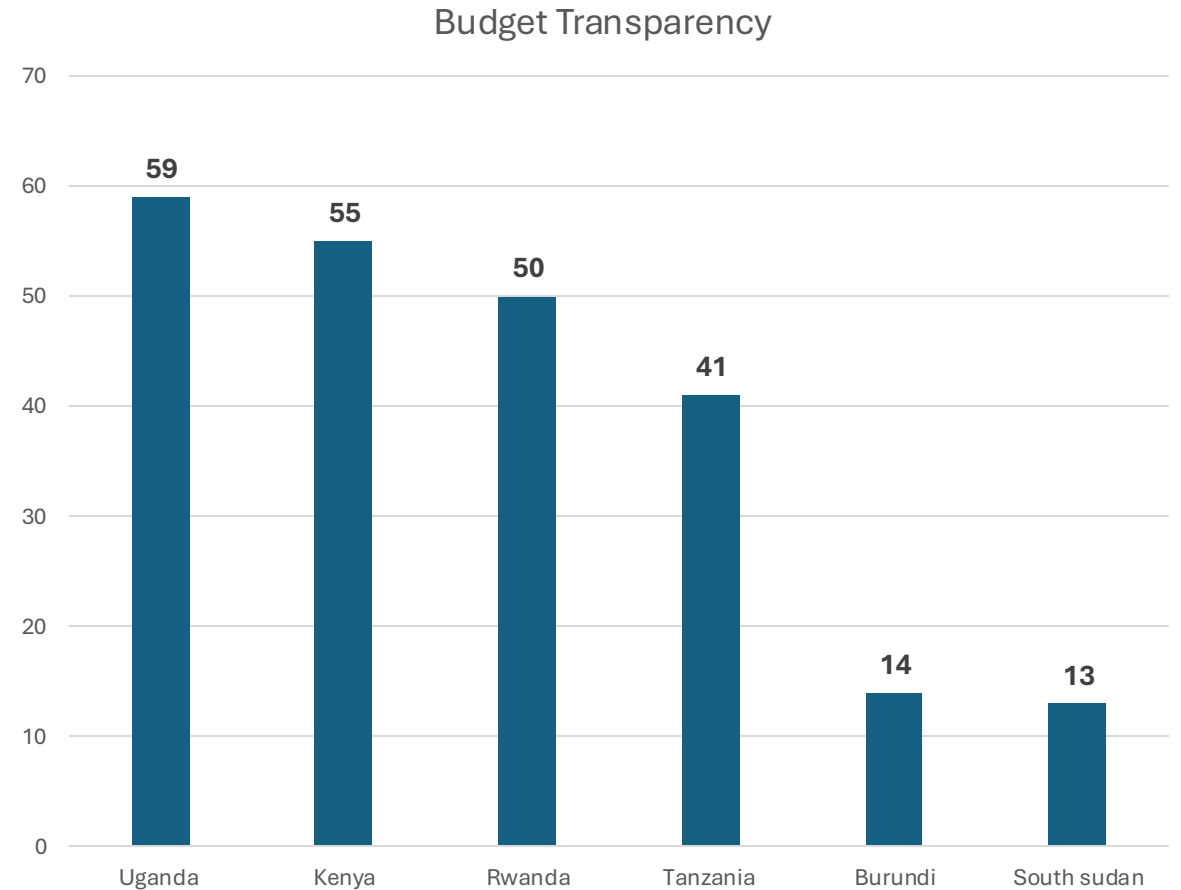
ALLOCATIONS TO LOCAL GOVERNMENT (UGX TRILLIONS)



Source; Background to the budget

Budget accountability and transparency

- We would also like to acknowledge the Government of Uganda for its commitment to upholding transparency in the budget process.
- This recognition is evident in the **Open Budget Survey Report 2023**, which ranked Uganda as the leader in East Africa regarding budget transparency.
- Uganda received a commendable score of **59 out of 100**, showcasing its dedication to transparency and accountability.



Source: Open Budget Survey, 2023



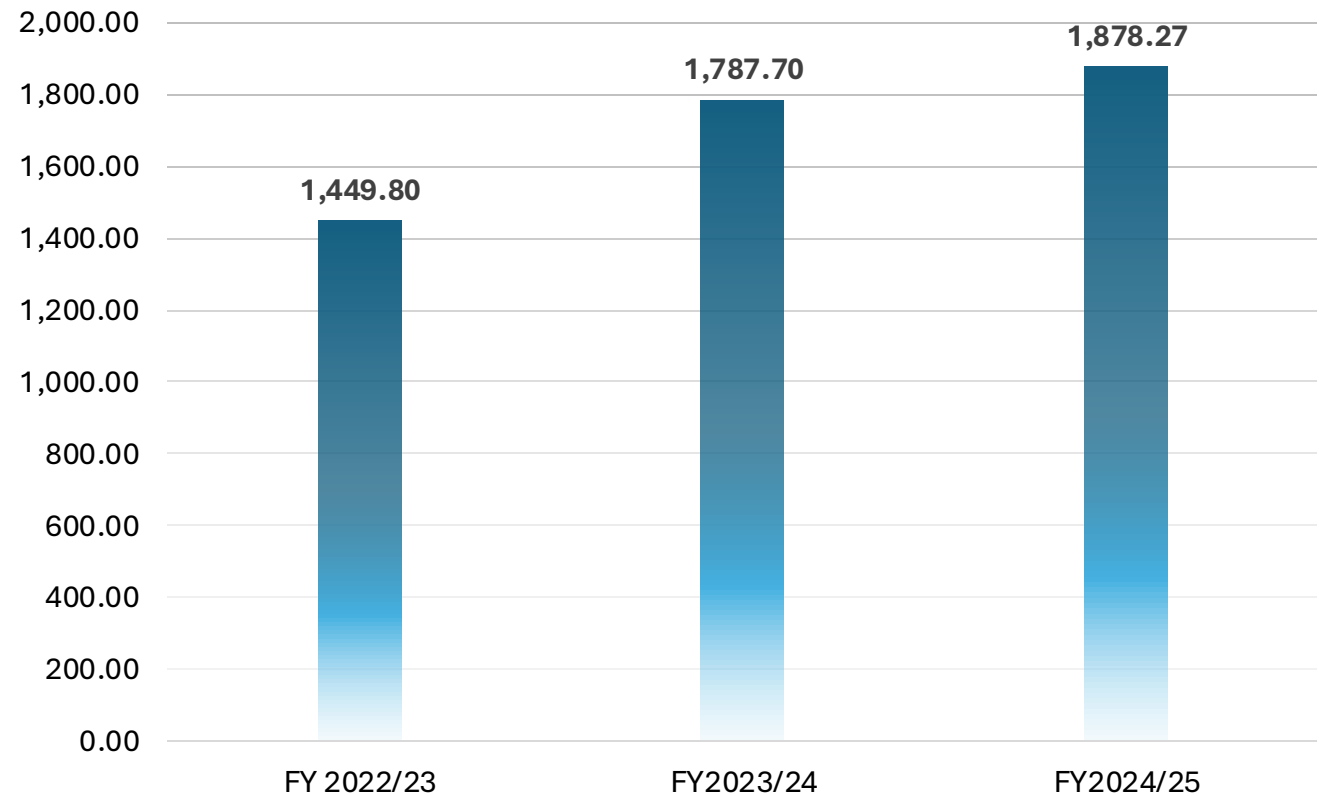
Increase in budget allocation for Agro-Industrialization



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.

We appreciate the government for allocating **Shs 427.21 billion** to procure and distribute 1544 million doses of vaccines against foot and mouth disease as a mechanism of pest, vector and disease control and prevention

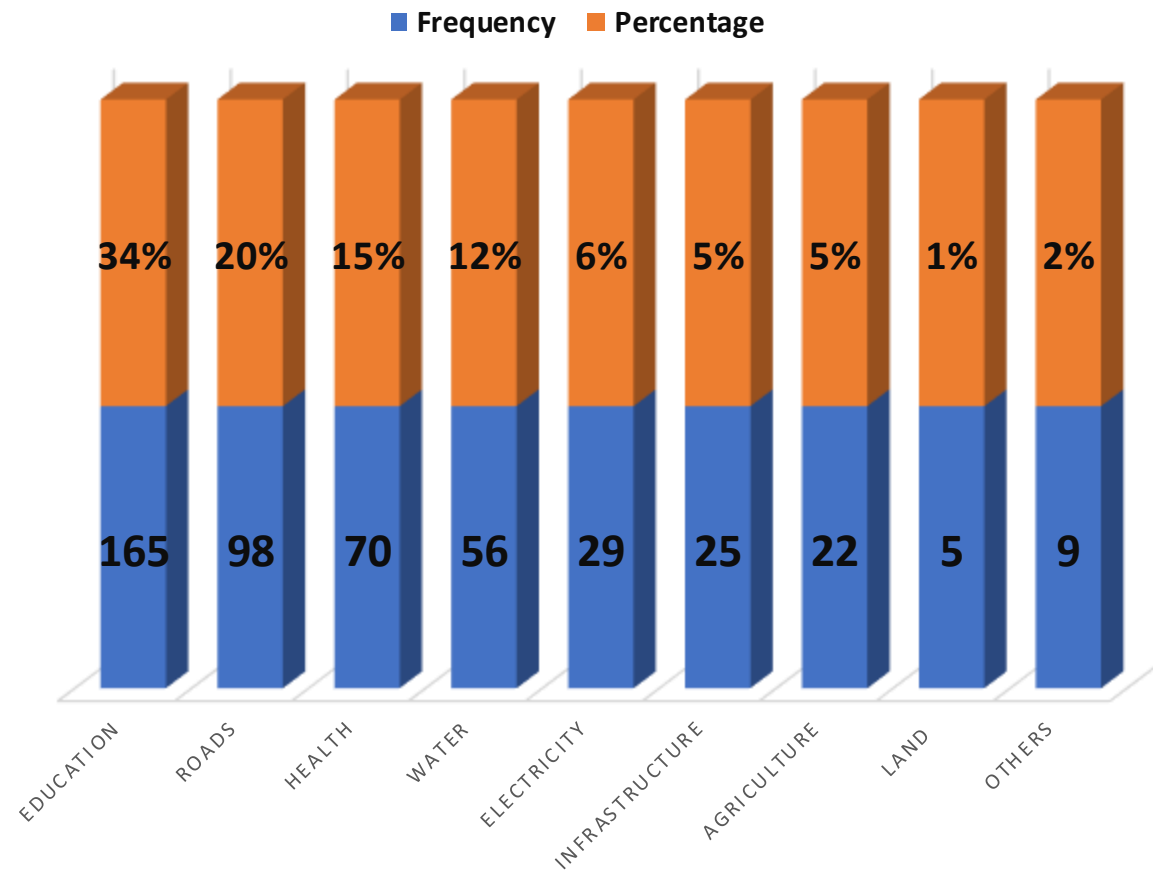
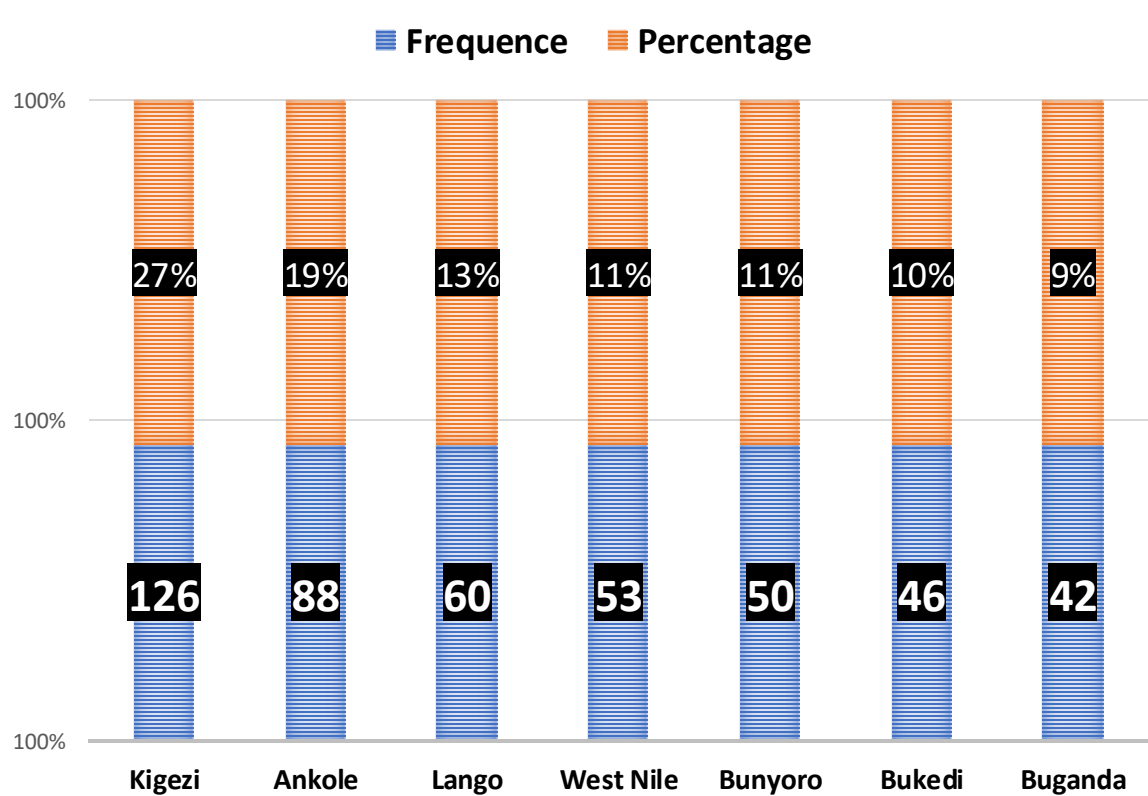
ALLOCATIONS TO AGRO-INDUSTRIALIZATION "UGX BILLIONS"



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

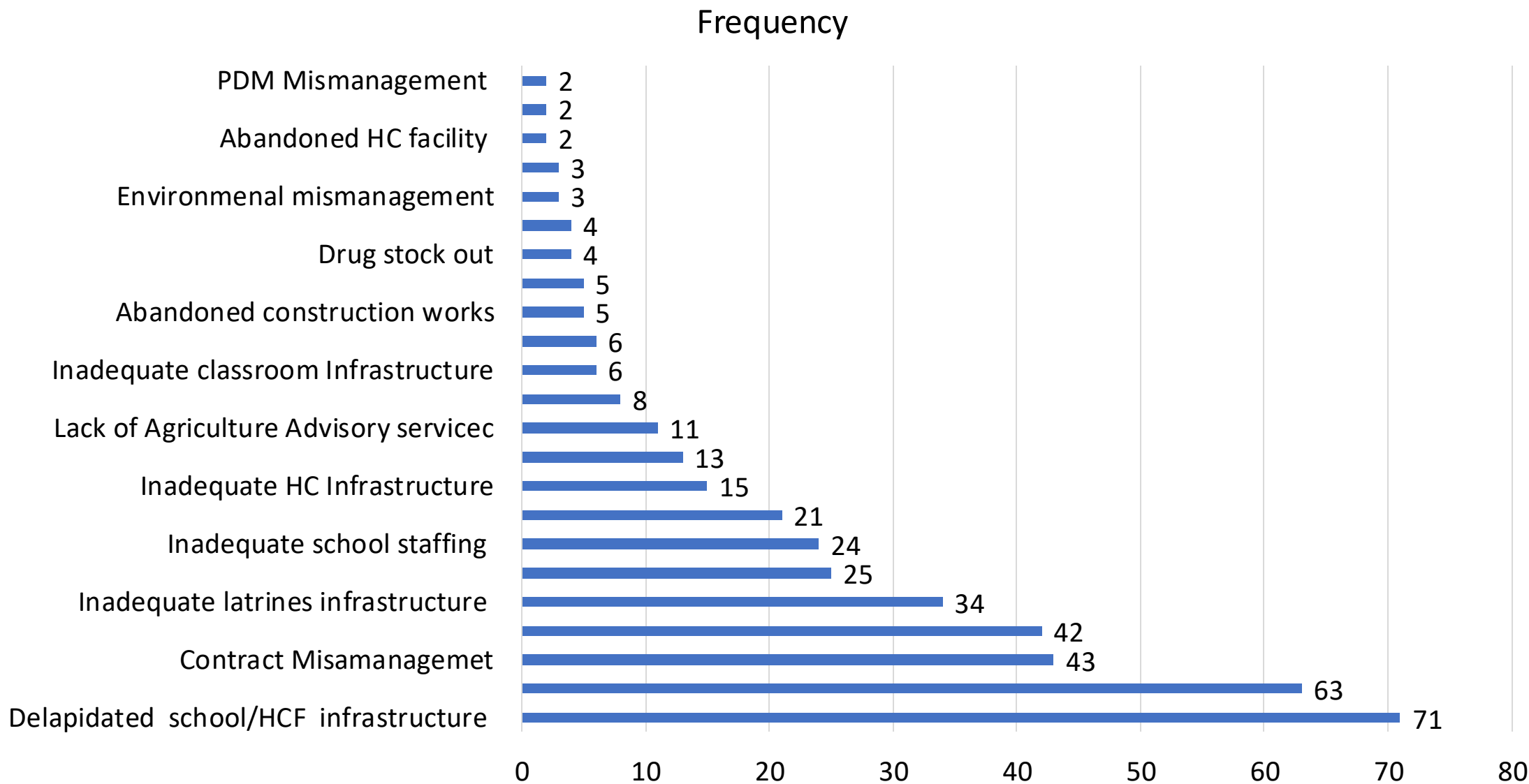
Poor state of service delivery in LGs-CFP report

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.



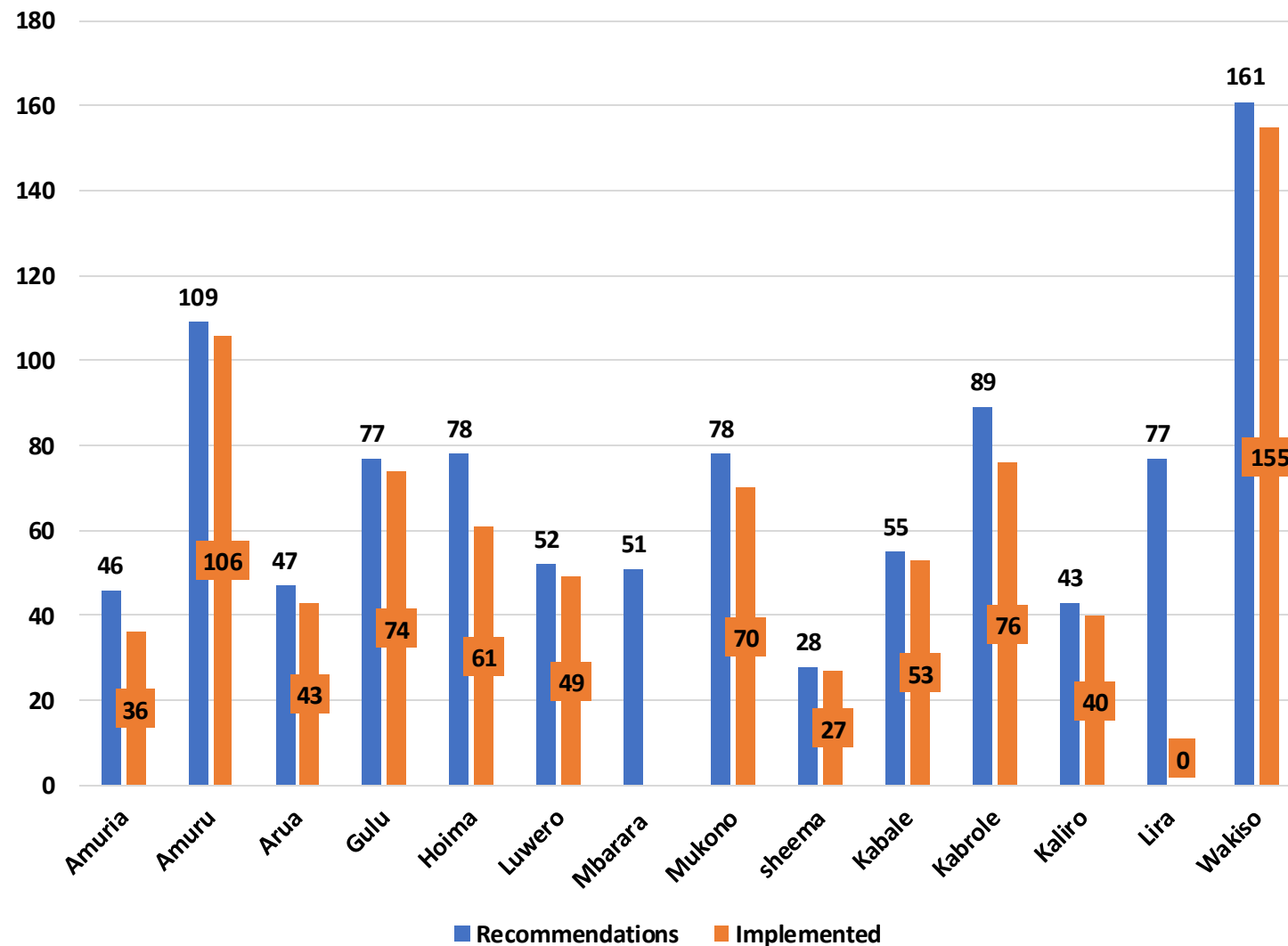
Source; CFP Data collection tool-CSBAG

Poor state of service delivery in LGs-CFP report



Source; CFP Data collection tool-CSBAG

Non-implementation of Audit Recommendations by LGs

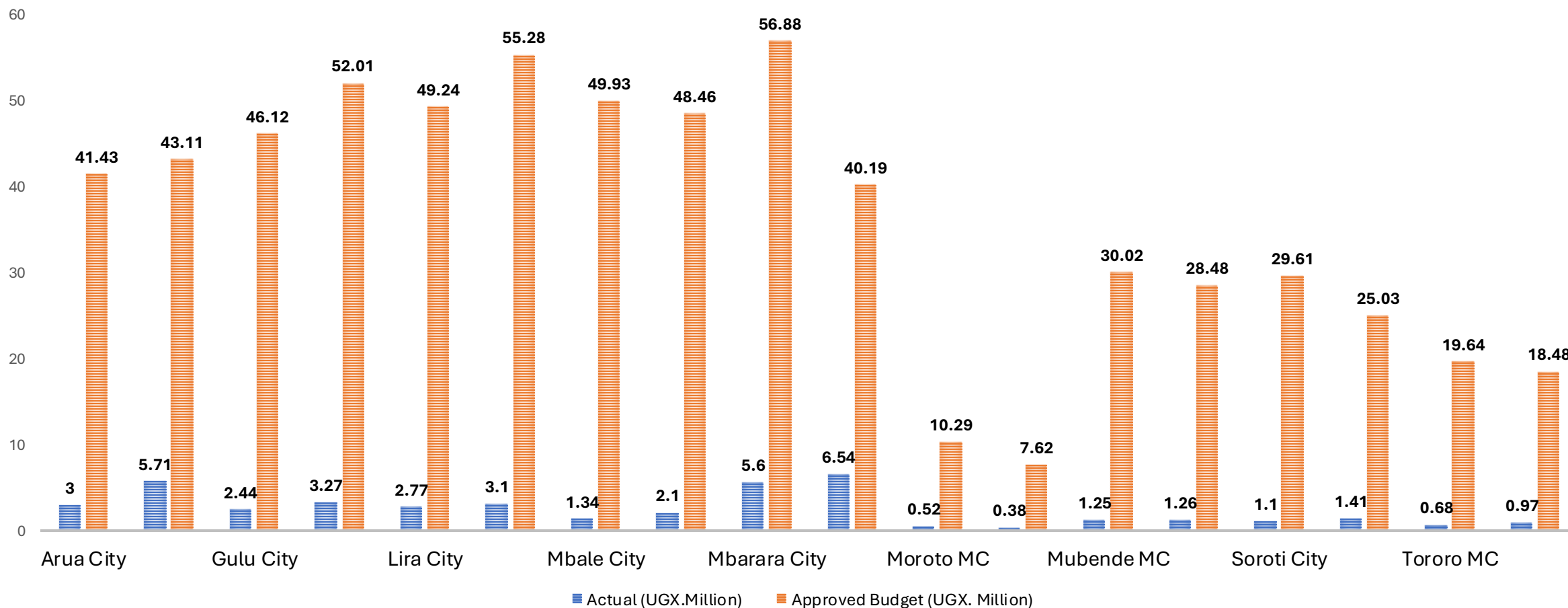


Recommendations

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.

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.



Low revenue generation in Local Governments

	Local Revenue (UGX) FY 2021/22			Local Revenue (UGX) FY 2022/23		
	Planned	Realized	Percentage	Planned	Realized	Percentage
Masindi DLG	1,263,517,388	943,457,214	75%	1,200,000,000	969,689,498	81%
Nwoya DLG	616,930,800	415,250,194	67%	860,000,000	439,613,348	51%
Amuru DLG	1,380,535,524	1,314,226,405	95%	1,710,483,000	1,120,654,701	66%
Nebbi DLG	784,439,352	636,897,724	81%	1,097,485,000	668,367,651	61%
Arua DLG	426,145,850	334,609,800	79%	426,145,490	320,723,900	75%
Arua City	3,025,192,686	3,000,909,098	99%	3,086,298,562	1,355,045,570	44%
Kapchorwa	266,229,452	266,229,452	100%	226,229,451	311,330,829	138%
Kween DLG	245,249,248	245,249,248	100%	268,911,100	267,576,370	100%
Bukwo DLG	374,939,000	157,463,974	42%	374,939,000	127,886,290	34%
Average	931,464,367	812,669,234	87%	1,027,832,400	620,098,684	60%

Recommendations

- i. More emphasis be placed on payer registration and facilitation of efforts to mobilise business communities to comply.
- ii. Invest in capacity-building programs for local government officials to use new technology to improve their revenue collection skills and enable them to collect projected revenue targets.

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
District Local Governments Road Maintenance					
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
City Road Maintenance					
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
Municipal Council Road Maintenance					
Mukono MC	1,025,018	35.0	80.8	60.0	Fair performance
Overall performance				34.2	Poor

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

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- ii. The ITIS Programme needs to prioritise the allocation of additional financial resources towards the maintenance of national and DUCAR networks.
- iii. Redefine allocation of 1 billion shillings to districts to rehabilitation and maintenance.



Community of barmola working on their road from Anyongo Tu-ping to Alem P/S in Bala –Kole district

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

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

Some health facilities do not have access to clean and safe water for the patients and the staff. Most of them rely on rain water harvest

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

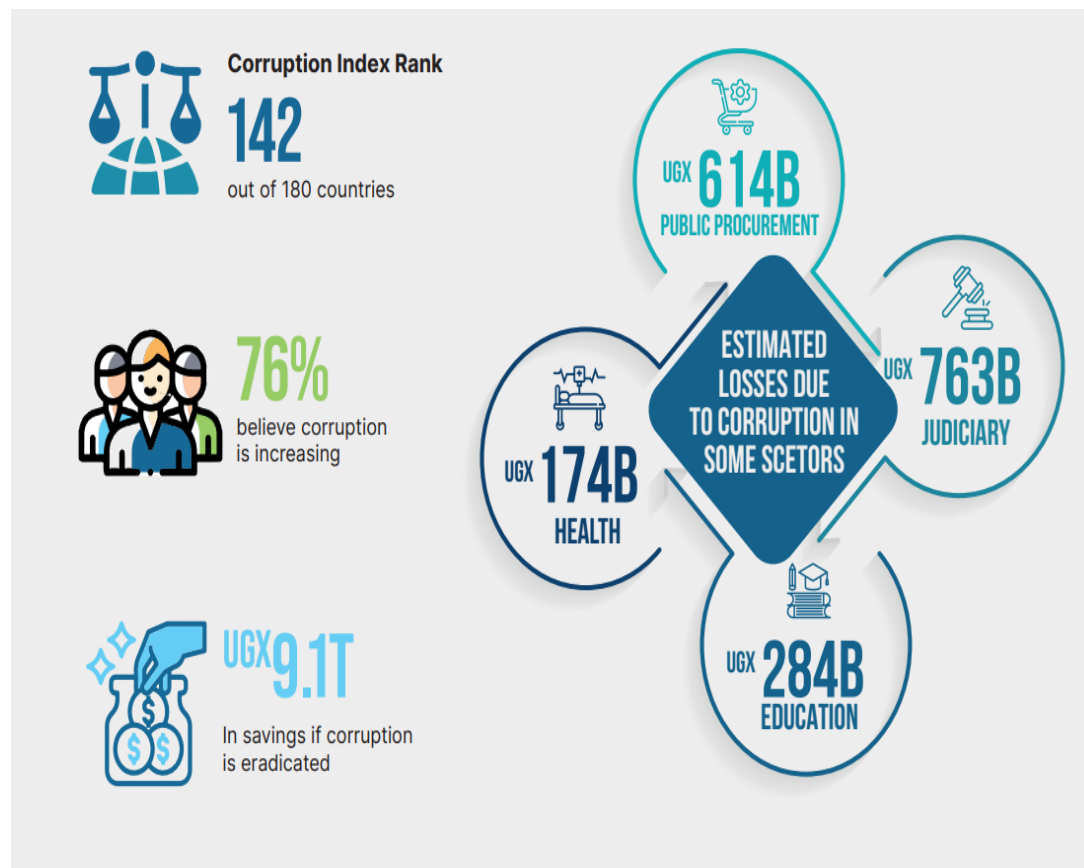
LGs should prioritize clean and safe water at the health facilities and schools

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.

District	Water coverage %	No. functional water source	No. non functional water source	Functionality %
Alebtong	67	1058	296	73
Dokolo	81	907	229	76
Kaabong	87	416	87	82
Kotido	75	644	159	74
Kole	62	908	165	81
Otuke	61	440	153	66

Source: MoWE

Did you know: Agwata has 1% access to safe water, 22 functional water sources serving 27,691 meaning each water source serves 1,258 people.



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)*
2. Retool all operational committees of the districts for effective service delivery.

Implementation of affirmative Action

- Procurement and distribution of goats in the FY 2022/2023 in Karamoja. 25.38bn was released
- 1.16bn was not utilized
- Each beneficiary was meant to receive 16 goats to fasten the multiplication of numbers.
- The beneficiaries received less than number and some receiving 1 goat.

Fund released (bn)	No. of goats to be procured	Funds utilized (bn)	Goats procured	Variance in shillings (bn)	No. of goats not procured
25.38 bn	73,900	24.22bn	73,708	1.16bn	192

Source: OAG report 2022/23

Beneficiary analysis Goats and Iron sheets

Sampled beneficiaries	No. Interviewed	No. that received goats	Amount (bn)	No. not reached	Reasons for not reaching
107	76	1116	0.39bn	31	Relocated to unknown address
	36	182	72.99mn		<ul style="list-style-type: none"> 934 goats worth 0.31bn is claimed to have been rustled or died The breed could not survive the Karamoja region's weather conditions

- Iron sheets procured and distributed
- 35,164 iron sheets procured
- 15,272 (43%) distributed
- 21,332 (57%) worth 1.47bn in the OPM store at Namanve
- Out of 55 beneficiaries sampled, 24 were interviewed and received 2,043 iron sheets while 31 beneficiaries could not be traced.
- Out of the 24 interviewed, 17 did not have houses on which to use iron sheets

Low staffing Levels in Local governments

- Districts have been operating with minimal staff way below the recommended average of **55%**.
- 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.*

Induction of Local Government Leaders

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.

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.

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



Eggplants under drip irrigation on a demonstration plot. Water was obtained from a dam; Photo credit-MoWE

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 Buyende District was at **39%**, Buvuma District (**35%**) and Kakumiro (**31%**). 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 in the regions of Karamoja, West Nile, Acholi, Teso, Elgon, and Bunyoro are still below the national coverage.

Recommendation

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

Conclusion

We would like to express our sincere appreciation to the Government of Uganda, especially the Ministry of Finance, Planning, and Economic Development, for providing a platform for Civil Society Organizations to contribute their views. We also encourage local governments to engage CSOs and other stakeholders in their district budget conferences, fostering more inclusive and participatory budgeting processes.

**Thank you,
Apwoyo matek
Shalom!**
