



## ADVOCATES COALITION FOR DEVELOPMENT AND ENVIRONMENT

### CALL FOR EXPRESION OF INTEREST

#### **Terms of Reference for a study to Identify the factors responsible for unspent balances on the Unconditional Grant Wage to Local Governments in Uganda**

##### 1. Introduction

The Advocates Coalition for Development and Environment (ACODE) with funding from the Democratic Governance Facility (DGF) is desirous of undertaking a study to examine the factors responsible to high levels of unspent balances of Unconditional Grant (UCG) wage returned by local governments to the consolidated fund. The study seeks to establish why in spite the availability of funds availed to Local Governments meant for staffing, most of them continue to expreince understaffing and funds are returned to the consolidated funds. Research findings by ACODE's regular scorecard assessment has concluded that understaffing in Local Governments is one of the major constraints to efficient service delivery to citizens in Uganda. The low levels of staffing are largely blamed on a limited wage bill that does not afford local governments to recruit and retain qualified staff yet local governments perennially return unspent funds under the UCG wage to the consolidated fund.

##### 2. Statement of the Problems

The current staffing levels across Local Governments stands at 56 per cent and 57 per cent for Districts and Municipal Councils respectively; and 49 per cent for key strategic positions<sup>1</sup>. In addition, 80 per cent of the filled positions are administrative and support staff, leaving a vast majority of core technical positions vacant. Optimum delivery of services and catalyzing Local Governments as agents of local development and transformation cannot be ensured with such skills gaps and shortages of human resources. The magnitude of the staffing shortfall becomes even greater when considered in light of the current expansion of Local Government Units<sup>2</sup>.

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<sup>1</sup> The Key Strategic Positions in LGs are: Accounting Officer; 13 Heads of Departments; Sub County Chiefs and Parish Chiefs

<sup>2</sup> GoU (2019). "Positioning Local Governments as Key Drivers of Sub-national Development. Draft Position Paper . Kampala: Ministry of Local Government.

According to the Local Government Performance Assessment Report FY 2018/19, 5 out of 144 Local Governments had filled heads of department positions. Failure to fill heads of department positions was attributed to among others: structural rigidities wherein some of the departments there is no provision for principal positions e.g. in education; delay by Local Governments to submit a request for clearance and sometimes by Ministry of Public Service to grant clearance; failure to attract and retain some cadres e.g. District Engineers; and political interference in the recruitment process among others.<sup>3</sup> Furthermore, there are reports/allegations that some district leaders have embraced tribalism and don't not want to recruit sons and daughters from outside their localities and have to wait until their own children graduate from unviersities.

Also, experience has shown that local governments have faced challenges relating to the absorption of the UCG wage. During the FY 2018/19, Local Governments returned UGX 86 billion to the treasury. On average districts return UGX 2-4 billion every financial year meant for the UCG wage. This is one of the votes that returns the highest amount of money to the central treasury. Some Local Governments claim that the wage ceiling impedes them from recruiting the necessary staff while others that have requisite resources are not able to recruit and deploy staff thus failing to absorb the funds. ACODE would like to undertake a study to establish the factors responsible for this contradiction and generate policy proposals for governments to take appropriate decisions that would improve performce of Local Governments in Uganda.

### **3. Main Objective**

The overall objective of the study is to identify the factors responsible for unspent balances on the wage grants to local governments.

#### **3.1. Specific Objectives**

- 3.1.1. To analyse the patterns and trends of wage grants to local governments for the period 2015/16 to 2019/20
- 3.1.2. To analyse the patterns and trends of unspent balances on wage grants to local governments for the period 2015/16 to 2019/20
- 3.1.3. To identify the limitations local governments face in the utilisation of wage grants.

### **4. Scope**

The study will largely involve analysis of budget data for the period 2015/16 to 2019/20 supplemented with a few key informant interviews and document review. Some of the documents to be reviewed include but not limited to,

- a) National Budget for target financial years

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<sup>3</sup> [https://budget.go.ug/sites/default/files/Final%20LGPA%202018\\_19%20National%20Synthesis%20report-compressed.pdf](https://budget.go.ug/sites/default/files/Final%20LGPA%202018_19%20National%20Synthesis%20report-compressed.pdf)

- b) Ministerial Policy Statements
- c) Audit Reports for Local Governments
- d) Local Governments' Annual Performance Reports
- e) Budget framework papers for the target financial years

## **5. Eligibility**

ACODE is looking for a consultant to undertake the assignment. The Consultant should have a minimum of a master's degree in Economics, economic policy or its equivalent. The consultant should have knowledge of public finance management and experience in conducting similar studies.

## **6. Duration**

The assignment will be completed within one month. Interested persons/firms should send in their technical and financial proposals (PDF Format) by 5:00 pm on 8<sup>th</sup> October, 2020, to [acode@acode-u.org](mailto:acode@acode-u.org) / [jmbabazi@acode-u.org](mailto:jmbabazi@acode-u.org)