

## PERFORMANCE OF DISTRICT LOCAL GOVERNMENT COUNCILS AND THE CHALLENGES TO EFFECTIVE SERVICE DELIVERY

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This policy brief summarises key issues generated from the induction of district councils conducted between November and December 2021. The purpose of this policy brief is to highlight issues raised during the induction and make recommendations to the Ministry of Local Government and other stakeholders to address them.

In partnership with the Uganda Local Governments Association (ULGA), ACODE has been implementing the Local Government Council's Scorecard Initiative (LGCSCI) since 2009. LGCSCI is a social accountability initiative that seeks to deepen local governance by strengthening the political accountability of elected local leaders and citizens' demand for excellence in the provision of service delivery by their local governments. The initiative has several components: policy research, capacity building of local government stakeholders, policy outreach and advocacy, and partnerships and networking. Between November and December 2021, ACODE in partnership with the Ministry of Local Government (MoLG) and ULGA undertook induction of district council leaders that included district chairpersons, speakers of the council, and district councillors in 20 selected districts.<sup>1</sup>

The main objective of this training was to improve the effectiveness of the District Councils and individual Councillors in performing their roles. The training

<sup>1</sup> These districts include Sheema, Mbarara, Rukungiri, Kabale, Kabarole, Moroto, Nakapiripirit, Jinja, Tororo, Arua, Gulu, Mbale, Apac, Lira, Hoima, Mukono, Wakiso, Luwero, Soroti, and Agago.

covered various thematic areas namely: decentralization and the local government system; leadership development, patriotism and mindset change; development planning, budgeting, procurement, and financial management; inclusive budgeting; urbanization, physical planning and management of urban areas; human resource management in local governments; local economic development and the Parish Development Model; legislation, the recent reforms & local administration of justice; management of Councils and the rules of procedure; communication and conflict management; and mainstreaming cross-cutting issues in local governments among others.

During the induction, several policy issues were highlighted. This brief synthesises the issues that emerged during the induction and makes propositions on how they can be addressed by the different actors both at the national and sub-national levels.

### Key Emerging Issues

**Unresolved issues involving the creation of new local governments and administrative units:** According to section

### Highlights

- Unresolved issues involving the creation of new local governments and administrative units
- Lack of startup funds to operationalize newly created administrative units
- Lotting of projects during procurement of contractors
- Exclusion of Standing Committees of Council from joint monitoring of UglIFT Projects
- Poor local revenue mobilization and administration
- Lack of involvement of District Councils in the procurement planning and budgeting for essential medicines and health supplies for the districts
- Lack of uniform interpretation and application of laws and regulations
- Inadquate human resource

188 of the Local Governments Act (1997, as amended), “at the creation of a new local government unit, the Minister shall ensure the equitable sharing of property between the parent and new local governments”. Similarly, Section 4 of the LGA, classifies cities as local governments equivalent to districts. However, the creation of 10 regional cities was undertaken with no guidance on allocating or sharing immovable assets that initially belonged to the districts from which the cities were created.<sup>2</sup> This has become a contentious matter between the 10 regional city councils and the parent districts whose council resolutions created the cities. The Attorney General in a letter dated October 18, 2021, advised the 10 districts that assets owned by the parent districts be transferred to newly created cities. Chairpersons of the districts from which cities were created were dissatisfied with the opinion of the attorney general<sup>3</sup> and on November 15, 2021, petitioned the Attorney General requesting him to revise his legal opinion. This matter has not been resolved yet.

#### **Lack of startup funds for relocation of administrative headquarters of parent districts from which cities were created:**

The creation of cities resulted in the alteration of boundaries that required district administrations to move their operation to other areas out of the cities’ jurisdiction. For instance, Jinja District relocated to Kagoma County, Arua to Ayivu Sub-county, Gulu to Awach, Soroti to Katine, Mbale to Busoba Sub-county, Lira to Ogur sub-county, Hoima to Kitoba Sub-county, and Mbarara to Bwizibwera sub-county among others. The 10 districts that were affected by the creation of the cities were not provided startup funds just like newly created districts. The district leaders have been agitated by the lack of support by the central government to relocate to new areas.

#### **Lack of start up funds to operationalise newly created administrative units:**

Prior to 2021, government approved the creation of 364 subcounties and 352 town councils. However during the induction it was observed that these subcounties and town councils were not operational on the account of lack of funding. It was further reported that these

subcounties lack approved budgets and work plans that affected their take off.<sup>4</sup>

#### **Lotting of projects during procurement of contractors:**

Another serious concern that prominently emerged during the training of the district leaders was the lotting of contracts during the procurement for construction works for seed schools and health centres IIIs under the Uganda Intergovernmental Fiscal Transfers (UgIFT) programme. There were reports where a single contractor is given a contract to construct infrastructure on four different sites in the implementation of the UgIFT programme. District leaders reported that this has caused several delays in the delivery of construction works thus affecting timelines for the completion of projects. This has contributed to challenges such as incomplete and abandoned construction projects, especially where contractors are overstretched. It was further noted that local contractors have limited capacity to undertake and successfully deliver some of these projects. Some local governments complained that contracting under this program is done by the central government ministries, yet local governments can undertake their procurement processes. This concern was mainly registered in the districts of Kabarole, Mbarara, Hoima, and Kabale among others.

#### **Exclusion of Standing Committees of Council from joint monitoring of UgIFT Projects:**

Reports from the district councils indicated that standing committees are excluded from participating in joint monitoring for the UgIFT programme projects. Section 1.3(ii) of the Program Operations Manual provides the categories of district leaders responsible for monitoring including Chairperson/Mayor, Executive, and Standing Committees. Additionally, a circular issued by the PSST to all local government Accounting Officers (May 24, 2020; Ref: BPD 86/107/01) on contract management and safeguard requirements under UgIFT requires that there should be joint contract supervision and management. It provides for monthly joint monitoring of construction sites with all project management teams, political leaders, and community leaders and monthly site meetings among others. On the contrary, it was reported that monitoring of UgIFT projects is a

preserve of the technical officers and the District Executive Committees.<sup>5</sup> This practice disregards the circular on contract management and safeguards requirements under UgIFT which mandates all political leaders, technical officers, and members of the community to participate in the monitoring.

#### **Poor local revenue mobilization and administration:**

Most local governments are faced with the challenge of poor local revenue mobilization and administration. This has severely affected the financing and functioning of local councils. Given that the District Councils are expected to operate within 20 per cent of local revenue realized by the local government from the previous fiscal year to run their business,<sup>6</sup> some local governments collect meagre revenue that cannot allow them to conduct all the business of councils. It was reported that this is even worse in lower local councils where they are not able to realise resources to hold at least four mandatory council meetings. Some district councils reported that they struggle to realise resources to enable them to hold a minimum of six council meetings as a requirement of the law and all the meetings of standing committees.<sup>7</sup> Also due to inadequate local revenue, members of the council have not been able to regularly undertake service delivery monitoring.

#### **Lack of involvement of District Councils in the procurement planning and budgeting for essential medicines and health supplies for the districts:**

Through the induction of the district councils, it was observed that the National Medical Stores (NMS) shares the Indicative Planning Figures (IPFs) directly with the Chief Administrative Officers, District Health Officers, and Health Units In-charge to guide the procurement planning and budgeting for essential medicines and health supplies for the districts. However, the district chairpersons and the councillors are not always involved in this process yet they are expected to verify the quantities of the health supplies, monitor the quality of health service delivery, and demand accountability from the district health technical teams regarding the management of medicines and health

<sup>2</sup> Republic of Uganda – The Consolidated Auditor General’s Report for FY 2020/2021, p.44.

<sup>3</sup> The 10 parent districts whose council resolutions created 10 regional cities that commenced operations on July 1, 2020 included; Mbarara, Kabarole, Hoima, Arua, Gulu, Lira, Soroti, Mbale, Jinja, and Masaka.

<sup>4</sup> See, Report of the Public Service and Local Government Committee of Parliament on Status of Funding for Subcounties and Town Councils, January 2019

<sup>5</sup> Also see MoFPED (2020). The 2nd Joint Monitoring Report of Seed Secondary Schools and Upgrade of Health Centre IIs to III conducted (October 2020), p.4.

<sup>6</sup> See First Schedule, Regulation 4 of the Local Governments Act, Cap 243.

<sup>7</sup> See Section 28 and the Third Schedule, Part III of the Local Governments Act, Cap 243.

supplies in the district. Not participating in the procurement planning and budgeting processes makes it difficult for the district chairpersons and the councillors to provide adequate oversight, demand accountability, and effectively get involved in the health commodities supply chain management activities in their respective constituencies.

**Lack of uniform interpretation and application of laws and regulations:** It was observed that the district councils did not have a uniform interpretation of the Local Governments Act and the Standard Rules of Procedure for Local Government Council, particularly on the composition of the District Executive Committee and the Standing Committees of Council. Most Councils had 5 secretaries as opposed to 3 as stipulated in the LGA as amended.<sup>8</sup> This was common in some districts such as Mbarara, Lira, Rukungiri, Mbale, and Sheema. By implication, having 5 secretaries would mean that councils constitute a minimum of 5 standing committees which contravenes Section 16(c) of the Local Governments Act (1997 as amended) and has a cost implication.

**Inadequate human resource:** Some districts did not carry out planned recruitment of staff resulting in poor absorption of released funds for the wage bill. Consequently, the unspent wage balances were returned to the consolidated fund, and yet there are staffing gaps to be filled in local governments that should boost the delivery of public services in local governments. The reasons for failure to recruit included: councils' interference with the District Service Commissions' (DSC) work, non-functional DSCs and delays by service commissions, and failure to attract qualified cadres for key positions. In Jinja, for example, the Council unlawfully resolved that the DSC should hire only natives of Jinja while in Moroto District, the lack of a DSC led to the return of UGX 540 million meant for the wage bill for FY 2020/2021 to the treasury. In Soroti District, the failure to recruit secondary school teachers was attributed to delayed action by the Education Service Commission. Nakapiririt District, for example, has reportedly failed to attract a district engineer despite advertising the position for several years.

## Conclusion

The local governments raised several concerns that require the attention of the line Ministries, Agencies, and Departments. Some of these challenges could be addressed administratively while others require the collaboration of various MDAs and a review of institutional and legal frameworks. The line ministries particularly the Ministry of Local Government should work with the relevant stakeholders to ensure that issues raised by local governments are addressed to foster effective service delivery.

## Recommendations

In light of the issues raised above, this policy brief makes the following recommendations:

The Ministry of Local Government should:

- Develop a standard policy for sharing immovable assets between parent districts, and cities created by the districts.
- Develop guidelines providing startup funds for new cities and parent districts that relocate as a result of the creation of new cities or alteration of their borders. This can be considered under the Discretionary Development and Equalisation Grant (DDEG)<sup>9</sup>
- Strengthen the capacity of local governments in their revenue mobilization, generation, and administration to address challenges relating to community mobilization, local revenue projections, updating revenue registers, revenue assessments, use of manual systems, and closing leakages will be a step in the right direction. Investment in digitizing local revenue administration will also be a step in the right direction.
- Initiate the review of Section 75 and Schedule 6 of the Public Finance Management Act 2015 to explicitly provide for non-petroleum natural resources such as sand, gold, stones, and forests among others. There is a need to enforce provisions of the law on royalties by local governments.
- Coordinate with National Planning Authority to ensure that districts

incorporate the health supply chain aspects in their strategic and annual work plans.

- Disseminate the circular on the interpretation and application of Section 16 (2)(c) and Section 22 (1) of the Local Governments Act (1997 as amended). This will ensure uniformity and consistency in the composition of the District Executive Committee and the Standing Committees of the Council.
  - Engage Ministry of Public Service to prioritise training of DSCs and district councils on their roles and responsibilities in the recruitment and deployment of staff to ensure that they execute their mandate and minimize unnecessary interference and role conflict.
  - Engage the Ministry of Health to strengthen the guidelines and provide for political supervision for effective management of health supply systems.
  - Strengthen inter-institutional coordination and reporting for efficiency in service delivery in local governments.
- The Ministry of Finance, Planning, and Economic Development should:
- Always produce a certificate of financial implication for the creation of new administrative units and guarantee the availability of resources before such units are created.
  - Provide startup funds to operationalize newly created administrative units in local governments, cities, and parent districts that created the 10 regional cities.
  - Review the guidelines for implementation of UglIFT and the performance of contractors under the lotting arrangement to reconsider the project sites given to one contractor to enable timely execution of construction works.
  - Disseminate the UglIFT Program Operations Manual to local councils.

<sup>9</sup> See MoLG (2022). Discretionary Development Equalisation Grant (DDEG) Budget and Implementation Guidelines (FY 2022/23). <https://budget.go.ug/sites/default/files/DDEG%20Guidelines%20-.pdf>

<sup>8</sup> Republic of Uganda – Section 16(c) of the Local Governments Act, Cap 243 (1997).