



Decentralisation: A Good Thing Being Abused?



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List of Acronyms

ACODE	Advocates Coalition for Development and Environment
CHOGM	Commonwealth Heads of Government Meeting
LC	Local Council
LG	Local Government
MP	Member of Parliament
MSF	Medicines San Frontiers
NAADS	National Agricultural Advisory Services
NGO	Non- Governmental Organisation
RDC	Resident District Commissioner
STON	State of the Nation
TTI	Think Tank Initiative
ULGA	Uganda Local Governments Association

Introduction¹

Various official documents enjoin local government units to help enhance effective and transparent governance in Uganda. Decentralisation is the policy under which local governments operate. Local governments here refer to district councils, city council, municipalities, city and division councils, town councils, and sub-county councils. The decentralisation policy in Uganda evolved over a number of years. The Local Governments (Resistance Councils) Statute, 1993, provided the basis for decentralisation and empowerment of popularly elected local leaders to make own decisions. The 1995 Constitution (Article 176) and the Local Governments Act, CAP 243, provide for the district to be the central unit of decentralisation. Decentralisation aims to involve the people in their governance – in decision-making, in identifying their own problems, in setting priorities and planning their implementation and monitoring, in ensuring better use of resources, and in ensuring value for money.

The Constitution sets out several principles to guide Uganda's decentralisation policy.

1. The system shall ensure that functions, powers and responsibilities are devolved and transferred from the central

government to local governments in a coordinated manner.

2. Decentralisation shall be a principle applying to all levels of local government units to ensure people's participation and democratic control in decision-making.
3. The system shall ensure the full realisation of democratic governance at all local government levels.
4. A sound financial base with reliable sources of revenue shall be established for each local government unit.
5. Appropriate measures shall be taken to enable local government units to plan, initiate and execute policies in respect of all matters affecting the people within their areas of jurisdiction.
6. Persons in the service of local government shall be employed by the local governments.
7. Local governments shall oversee the performance of persons employed by the government to provide services in their areas and to monitor the provision of government services or the implementation of projects in their areas.

The decentralisation policy is designed to achieve a number of objectives.

- a) Transfer real power (devolution) to local governments, thus reducing the workload on central government officials.
- b) Establish decentralisation as the guiding principle applied

¹ The information in this introduction is heavily adapted from *Political Pluralism, Democratic Participation and Representation at Local Government Level in Uganda: A Handbook on Key Concepts for Civil Society, Media and Local Councillors* by Elijah Dickens Mushemeza for Konrad Adenauer Stiftung, Kampala, 2009.

to all levels of government to ensure citizens' participation and democratic control in decision-making.

- c) Achieve good governance, which is a prerequisite for better performance of public servants.
- d) Bring political and administrative control over services to the point where they are actually delivered, thereby improving accountability and effectiveness, and promoting people's feeling of ownership of programmes and projects executed in their areas.
- e) Free local managers from central constraints and, as a long-term goal, allow them to develop organisational structures tailored to local circumstances.
- f) Improve capacities of councils to plan, finance and manage the delivery of services to their constituents.

The principles and objectives of decentralisation are clear and sound. But are they being followed? First, some facts. From the table below, Uganda had 79 district councils in 2007. Since then, several new districts (about 30 more) and municipalities have been created.

Local Governments in Uganda

Category	Number
A/District councils	79
B/City council	1
C/City division councils	5
D/Municipal councils	18
E/Municipal division councils	37
F/Town councils	83
G/Sub-county councils	853
Total	1,076

Source: Ministry of Local Government, June 2007

The state of local governments and their ability to contribute to the strengthening of democracy and accountability formed the subject of debate at the 8th State of the Nation (STON) Platform on May 7, 2010. The guest speakers were Lt. Hannington Basakana, the chairman of Jinja District, and Mr. Raphael Magyezi, the secretary general of the Uganda Local Governments Association (ULGA). Mr. Magyezi spoke on behalf of Mr. John Wycliffe Karazaarwe, president of ULGA, who also is the chairman of Ntungamo District. STON members Bruce Balaba and Thomas Tayebwa were the main discussants.

A series of questions informed the discussion.

- I. How valid is the argument that creating new districts is important for ensuring efficient and effective service delivery?
- II. Over the last couple of years, major decisions have been taken resulting into increasing recentralisation. The proposed regional tier legislation will further diminish the powers and functions of local governments. How come local governments have not been able to tackle this apparent recentralisation?
- III. Could the country experience the growth of ethnic nationalism driven by the clamour for ethnic-based districts?
- IV. Could there be alternative options by which the incumbent government can achieve the political advantages associated with granting districts and yet avoid the fragmentation of the country?
- V. How come district leaders either individually or through the local government association have not played a visible role in demanding accountability from the central government? Local government leaders have been quiet on major accountability scandals such as CHOGM and the Global Fund.
- VI. What are the proposals that could inform any policy actions to strengthen local governments as active defenders of democracy and accountability?

Summary of Discussion

The two-hour discussion raised a number of issues affecting the effective functioning of local governments:

- underfunding,
- interference from central government,
- creation of new districts, and
- accountability.

Lt. Hannington Basakana began by invoking the principle of non-subordination guaranteeing autonomy between one local government and another, especially lower and higher. Essentially, the principle says that lower councils have the power to make decisions on matters affecting them without recourse to the higher local government. He then delved into why local governments are not effectively helping to strengthen governance and accountability in the country. He suggested that this was due largely to underfunding and interference by the central government (the centre).

Underfunding

Local governments are underfunded and this has implications, Lt. Basakana said. Ensuring that adequate resources match devolved functions is a challenge, said Mr. Magyezi of ULGA. Local governments, especially the key unit of the district, overwhelmingly depend on central government transfers for their revenue. A whopping 94 percent of Jinja District revenue, for example, is transfers from the central government. The district generates a mere 2 percent of its revenue. The structure of the budget, at least for Jinja District although the same could be said for most districts, is skewed toward consumption. Some 54 percent of the Jinja District budget goes to pay wages, with “a dismal” 19 percent funding development. “Annually, I receive Shs1.2 billion under NAADS [the National Agricultural Advisory Services scheme] with per capita expenditure being Shs3,000,” the Jinja District chairman said. “This money is too little in relation to the existing NAADS structure.”



Lt. Hannington Basakana (left) presenting his paper on the role of local governments in strengthening democracy and governance in Uganda. Taking notes is Mr. Magyezi Raphael.

With the abolition of graduated tax ahead of the 2006 elections, local governments were left without a clear source of local revenue. Successor taxes – although the government will not call them that – have their own limitations. “Local service tax captures a small section of the population,” Lt. Basakana said. “Hotel tax is for a few places like Kampala [that have many hotels], not Pader or Butaleja districts.” He added that other revenue sources such as markets, car parks, boda boda are characterised by “a lot of politics making tax collection a bit difficult”.

Interference from Central Government

Instances of central government interference abound beyond making it difficult for local governments to collect taxes and dues from boda boda cyclists and market women. Unconditional grants are neither unconditional nor adequate, Chairman Basakana said. Such grants are always followed by a letter from the Ministry of Finance saying we should “prioritise wages/salaries”. Ministry sector policies also hamper the freedom of local governments to plan. We got cash for construction of facilities in schools and the Ministry of Local Government said money must be spent on toilets whether that was our priority or not, Lt. Basakana said. That was a point echoed by Mr. Norbert Mao, the chairman of Gulu District and a STON member. “[Allocation of] most of our money is decided upon in Kampala, leaving us with little flexibility,” he said. “We would have

flexibility if districts collected a fair amount of own revenue. Government takes decisions in Kampala, oblivious of needs in districts. If you are given money for latrines in schools and you already have latrines, you return the money!”

The central government has thus essentially recentralised decisions and functions on a number of fronts in a move justified by one participant, who is an assistant RDC, thus: “We need guided dictatorship – if money is for roads, it must be used for roads. Most councillors are interested in allowances.” Chief administrative officers are now appointed by the central government through the Public Service Commission. Formerly, the district service commissions appointed them. Also, the district chairpersons are paid by the central government instead of the pay coming from the district coffers. “Recentralisation of some functions,” Mr. Magyezi said, “is mainly in reaction to lessons learnt over time by the government and the need to bridge the gaps identified in the system.” The gaps include corruption and mismanagement of public resources and inadequate capacity in some areas at both the technical and policy levels. One could argue, however, that the response to these inadequacies is not for the central government to take back devolved powers and functions but rather to help the local government units to improve their capacity. To take away powers is the easy way out. It leaves the problem intact, which has raised suspicion as to the intentions of the central government.



Thomas Tayebwa (with microphone) discussing Lt. Basakana's paper on the role of local governments in strengthening governance and democracy in Uganda at the 8th session of the state of the nation platform. Looking on is Godber Tumushabe (center) and Lt. Hannington Basakana (right)

Discussant Thomas Tayebwa said that recentralisation is a deliberate policy because the central government “cannot allow local governments to become too strong” for fear they could become alternative power centres. Said Mr. Tayebwa: Why recentralise revenue collection if you want local governments to be strong? “Recentralisation is a signal that the government is no longer committed to decentralisation,” Mr. Mao, who also is the president-general of the opposition Democratic Party, said. “It is a means of control.”

It could therefore be argued that the central government's clawing back of devolved functions and powers is anti-democratic. Although not making the anti-democratic point, Mr. Magyezi explained clearly where and how local governments fit in Uganda's unsteady march toward greater democracy. He said: Local governments are the organs which are used by the people to exercise their right to elect leaders of their choice to manage affairs of their localities. The electoral process

provides for regular, free and fair elections at all levels of local councils and this is a key factor for strengthening local democracy. The system of decentralisation permits participation of the communities in planning, budgeting and supervision of projects and programmes of government in their areas. The development plans of the local governments, including local capacity building plans, are tailored to meet local requirements, because each area has unique peculiarities and challenges. The local authorities are entrusted with the mandate to initiate, formulate and oversee implementation of policies, bye-laws and ordinances to ensure good governance.

With such powers, one would expect the local governments to push back at the interference of the central government. But not really. “Many district chairpersons have no guts yet the Local Government Act gives them a lot of powers,” Mr. Mao said. “We kicked MSF [Médicins sans Frontiers, a medical charity] out of Gulu and they ran around, to State House, until they

came back to talk to us.” Another STON participant very familiar with the functioning of local governments, Mr. Fred Bamwine, an assistant RDC, also criticised local government leaders for not taking advantage of their powers. This is partly because the elected leaders, say councillors, do not read documents and thus may not fully know what they can do and cannot do.

Further complication of the work of local governments comes from otherwise well-intentioned projects initiated by the central government. The problem lies in the fact that projects such as UPE, *entandikwa* have been announced, almost always by President Museveni, in the heat of national electoral campaigns. “New projects tend to come at election time and people misunderstand them because they think such projects are a gift [in exchange of votes],” Chairman Basakana said. “Even NAADS, people think it is *akasiimo*. So they are not inspired to do much, to take full advantage.”

Creation of New Districts

Interference from the central government manifests itself further in the constant creation of new districts. “As new districts are created,” Lt. Basakana said, “old ones suffer in terms of project rollover.” When a new district is created, the School Facilities Grant, for example, goes to the new district yet promises had already been made to the old (mother) district or districts depending on whether the new entity was carved out of one

or more districts. Creation of new districts also means that the general development budget of the older districts suffers even more because salaries have to be paid, as a priority, to employees in the new districts. Mr. Magyezi said that the multiplicity of administrative units is not a waste of public resources as some argue. “They are demanded by the people to bring services closer to them.” Besides, he added, creation of districts is provided for in the law and the people have a right to demand a district if they follow the proper procedure. “Bottom line is whether the new districts can provide services to the people,” he said.

Several participants took issue with Mr. Magyezi’s position. If districts are demanded by the people, who exactly generates these demands and why? “Demand is generated from the top,” said Mr. Tayebwa. In Bushenyi, the split up of the district creating four new ones on top of the existing one to make five, was reportedly initiated by Planning Minister Ephraim Kamuntu. “Then they go tell the people that your children will get jobs.” President Museveni told people in Bushenyi that he would add them women MPs, more graders. “The government should change its policies on service delivery to be based on population size, not local government administrative units,” Mr. Tayebwa said. That was a point that got widespread support. Resources are allocated to districts, not to people in the districts, a participant observed. The government should look at population numbers than administrative units and allocate resources accordingly. That should



Mr. Raphael Magezi, the secretary general of the Uganda Local Governments Association (ULGA) who represented John Wycliffe Karazaarwe, the president of ULGA delivering a key note address at the 8th session of the state of the nation platform.

reduce the clamour for districts. As it is, district units are becoming “centres of building a dictatorship” with entrenched district internal security officers and sometimes councillors. With a touch of sarcasm, a participant said that “districts are centres of administration – helping the centre to administer – not service delivery”. Balkanisation of districts is a political project aimed at political survival, declared another. That prompted Mr. Magezi of ULGA to say: “We should set up viability parameters to ensure the new districts can deliver services instead of wholesale condemnation.”

The proposed regional tier, a participant suggested, should take effect quickly to help the new small districts become viable, to which Lt. Basakana responded: the regional tier will not help the problems of local governments. It will simply aggregate them at that level. “We started establishing a private sector-led economy without a private sector,” a participant said, further mulling what to do to improve things. “And the public service has shrunk because of structural adjustment. So employment is in politics. Let us spend on public works and building factories to create real employment.”

Accountability

Accountability refers to “one’s responsibility to the people for actions taken in the management of public resources and exercise of public duty in a given time”. Local accountability is not only in well written and balancing figures of public expenditure in local governments, which they are required by law to present to the accountability institutions every year, said Mr. Magezi. It also requires that the local government officials show value and results in the management of public resources entrusted to them. There must be something on the ground that moves the society from one level of development to a higher one as a result of the actions of every public officer. The main form of accountability expected of local governments is the delivery of quality and efficient public services. This must be done in an equitable manner, ensuring adequate attention to the

marginalised groups and minorities through affirmative action for their concerns in the development process. At the presentation of the budget every year, the Local Government Council, through its chairperson/mayor must give an account of the extent of implementation of undertakings agreed on in the previous year, through a presentation on the State of Affairs of the Local Government. The individual councillor is also required at least twice a year to meet his/her electorate and give them an account of the time spent in council, as well as consult them on development programmes and policies. The public barazas, citizens score cards, and public hearings on the budget are good examples, which have been initiated in some local councils. Councils have a political oversight and social accountability function. They supervise, monitor, and evaluate programmes of the various technical departments and other government projects in their areas of jurisdiction.

There are also statutory bodies at local government level, such as the public accounts committees, which are part of the institutional mechanism in place to strengthen accountability.

To ensure accountability in his district, Chairman Basakana said he presides over the budget performance review annually. He also delivers the state of the district address to account for performance. A district public accounts committee tracks the implementation of the work plans, most of which are informed by the three-year district plan. All districts are required by law to have three-year plans as the framework for implementation of programmes.

The general assessment, though, was that there is too much corruption within the local governments. Inadequate capacity has only made matters worse because not all political supervisors understand the technical aspects about which they are expected



A section of participants at the 8th session of the state of the nation platform on May 7, 2010 at Protea hotel in Kampala.

to supervise the technocrats. Chief administrative officers and other technocrats can decide to run the districts without the councils because councillors are not reading documents, said one participant familiar with the workings of local administrative units. This situation allows for abuses to go undetected and unpunished. “We have serious issues with competence,” another participant said. “It is one thing to read a budget, but does one understand it?” Lt. Basakana said there was indeed corruption within local governments but the extent is exaggerated. “We pay salaries on time.” His Gulu counterpart Mao said the cause of accountability could be helped if districts shared as much information with the public as possible. “In Gulu,” he said, “we have opened a public information office together with Gulu NGO Forum to make information public.”

ULGA's Role

Lt. Basakana listed other challenges facing local governments to include staffing where, for example, “local people want local jobs”, a situation that has meant that employees have very little exposure because they operate within the same area almost all their working lives. Also, civil servants end up being political. “It is politicians who appoint you, supervise you,” he said. “So you have to be political for job security.”

Because of the many challenges the local governments face, the role of the Uganda Local Governments Association inevitably came up for analysis. Why can't ULGA help develop capacity for local governments to be able to make the centre more accountable? The push for accountability should not be directed at the local governments alone. ULGA should be a family of local governments, not a forum that sits to pass a resolution for President Museveni to run again as has happened, a participant quipped. “It owes services to the people of Uganda not the politicians.”

Mr. Magyezi said that ULGA's main objective is to strengthen the unity and efficiency of local governments in the delivery of public services. “Our focus,” he said, “is in the areas of advocacy for decentralised democracy, capacity building for the local government practitioners, influence on government policy and legislation on local governance, and providing association members services to local authorities.” He also called for co-operation between local governments and civil society organisations because “civil society organisations are a key pillar of a modern democratic state”. Indeed, ACODE, in partnership with ULGA, is monitoring local government performance. The findings could help inform the setting of new performance standards for local governments.

Conclusion

Decentralisation is a beauty and is irreversible in the democratic process in this country, whatever the shortcomings, said Lt. Basakana optimistically. Local governments should be seriously funded and should have a say in the formula of how money is shared between the centre and the districts. “At heart of this discussion is the struggle for democracy,” said Chairman Mao. “I believe in LC I. But the collapse of LC I is the biggest claw back on democratic gains in Uganda.”

Some Salient Points

- Highest percentage of district budgets goes to pay salaries/wages
- Local service and hotel taxes raising negligible amounts
- Central government should empower LGs, not recentralise powers
- District heads not taking full advantage of their powers
- Base service delivery on population size, not LG units
- Regional tier will only aggregate LG problems, not solve them
- Build factories, spend on public works to create jobs outside of politics
- Civil society should do more to monitor LG performance
- LGs should provide as much information to the public
- Functioning LGs central to democracy in Uganda

Annex; List of participants

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About State of the Nation Platform

The State of the Nation platform is a national policy forum to promote upward and downward policy conversation on contemporary public policy and governance issues in Uganda. The platform brings together individual leaders and professionals in the public sector, the private sector, civil society, the media and other interest groups into a policy discourse on contemporary policy and governance issues in the country. As an innovation in policy outreach and communication, the platform is a hybrid of ACODE's breakfast dialogue format, interactive panel discussions and outreach through media. This policy outreach initiative has been conceived and is made possible with core funding support to ACODE provided under a grant from the Think Tank Initiative (TTI).

The State of the Nation platform as a policy dialogue fora is defined by five core features:

A core group of persons selected based on their professional backgrounds and achievement, public roles, active leadership in their social groups and interest in public policy and governance issues. Because of the individual influence and positions of its individual members, this core group acts as the brain trust of the State of the Nation platform and provide a policy feedback loop between citizens and policy makers.

Local Level Segment is an innovative elements of the State of the Nation platform as a strategy for downward and upward policy engagement. The district fora aims at localizing national policy debates and putting them into the local context.

Students Segment are organised to nurture and encourage a new generation of young leaders in the country, special segments of the State of the Nation Platform are from time to time organized targeting students and student leaders. Like the District segment of the platform, the students' segment are organized in the different parts of the country and attendance is by invitation.

All proceedings of the various State of the Nation platform are fully recorded. ACODE has entered into partnership with a number of media houses (TV and Radio) to ensure that the proceedings are broadcasted to a wider audience. In addition, the proceedings are also produced in the form of video and audio podcasts and loaded on the internet so that they can be accessed through ACODE and other partner websites.

The participants in the State of the Nation platform have been built into a citizens network linked through electronic media, in particular, e-mail, cell phone and shot message texts. Building on the lessons from previous policy campaigns, the participants are mobilized into a network of citizens exchanging views and ideas on contemporary public policy and governance issues, helping members leverage key policy and decision making centers to increase the impact of their work, and generating consensus on issues of national importance.



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