

UCLG COUNTRY PROFILES

Republic of Uganda

(Jamhuri ya Uganda)



Capital: Kampala

Inhabitants: 30.900.000 (2007)

Area: 236.040 km²

1. Introduction



The Republic of Uganda is a country in East Africa, bordered on the east by Kenya, on the north by Sudan, on the west by the Democratic Republic of Congo, on the southwest by Rwanda, and on the south by Tanzania. The southern part of the country includes a substantial portion of Lake Victoria, within which it shares borders with Kenya and Tanzania. Uganda takes its name from the Buganda kingdom, which encompasses a portion of the south of the country including the capital Kampala.

34,260,000 inhabitants are living in the country which area is 241,040 sqkm. The others general indicators are in the table below.

Uganda embarked on its ambitious decentralization path in the early 1990s, the country had just emerged from a series of brutal dictatorial regimes and civil wars and all structures related to local governance had been destroyed.

A key policy objective of Uganda's decentralization policy has been named as "empowerment of local populations via democratization, participation, accountability, responsibility, efficiency and effectiveness" for the long-term goal of improving conditions of life for the population.

Table 1: General Indicators

Human Development	Human Development Index	0,493	
	Total GDP (millions \$US)	44 692	
	GDP/per capita (units of \$ US)	1728	
	Annual Growth	5,9	
	Life Expectancy	46,8	
	Literacy (%)	Men	78,8
		Women	59,2
		Access Internet/1000 ctzn)	4,88
Decentralization	Communalized Population	100%	
Political system	Presidential		
Regime	Unitarian		



2. Territorial structure

Local Government in Uganda is based on the local council system with the 79 Districts as the primary unit spread across four administrative regions: Northern, Eastern, Central and Western. Under the District are Lower Local Governments, which include Sub-counties and Town Councils. In urban areas local governments comprise the City Council, Municipal Councils, and municipal divisions. These Local Governments are corporate bodies that can sue and be sued in their name. Below local governments are administrative units comprising countries, parishes, wards and villages. These are not body corporates. The Council is the supreme political authority in Local Governments and has legislative and executive powers.

Table 2 below enumerates the number of different levels of local governments and administrative units in Uganda at the time of this study.

There is no forthcoming plan for restructuration of the administrative structure.

Table 2: Administrative and territorial organisation

Territorial Division		Local Govt.	Constituency
Name.	No		
City council	1	Yes	No
District	79	Yes	No
Municipality	13	Yes	No
Sub-country	900	No	Yes
County-council	151	No	Yes
Town council	87	Yes	No
Municipal division	34	No	Yes
Parish/ Ward	5,225	No	Yes
Village	44,402	No	Yes

3. Institutions and local democracy.

Political parties participate at local elections taking place every four years as per the constitutional provision. According to the constitution (article 181 sect. 4 & 5) election of all local government councils takes place at least sixty days before the termination of the existing council. This timetable has been duly followed although there have been some minor discrepancies in election of councilors for administrative units.

In conformity with the movement political system that has been operating in Uganda for all the time of decentralization reforms, local political election has been based on individual merit and this has been one the biggest threat to decentralization. Individual merit system has brought a perpetuation of politically motivated corruption at the local level. Politicians used their individual savings to campaign and vie for political offices. Therefore, after election these politicians have the obligation to recover their investments and this has been the main cause for corruption in local governments. Local councils are composed of directly elected representatives that include those representing spatial constituencies as well as those representing special interest sections of the population. At the higher local government level, councilors include:

- The directly elected Chairperson,
- Direct councilors representing lower local governments,
- Directly elected Women councilors who must constitute one third of all council members,
- Two councilors representing youths (between 18-30 years - one Male and one Female) elected by the youths under electoral colleges system,
- Two councilors representing People with Disability (one Male and one Female) elected under electoral college system,



-Two councilors representing the elderly (50 years and above) who are appointed by the LLG executive committee and approved by the council.

At the village level, a directly elected chairperson is the village executive. Upon election, the chairperson appoints a small committee of members that include the vice-chairperson, and a number of secretaries which include that for finance, security, women, youths, and that for people with disability etc. All adults above the age of 18 years in the village constitute the village council.

At the HLG, the district/ city council is the highest political authority within the area of jurisdiction of the local government. These councils have planning, legislative and executive powers. A district council has powers of making laws as long as they are not inconsistent with the constitution or any other laws made by the national legislature. The district chairperson is the political head of the district and answerable to the council. A HLG council is supposed to meet at least once every two months and the meetings are open to the public. The Speaker presides at all meetings of the council.

In each HLG there is an executive committee consisting of the chairperson, vice chairpersons and such a number of secretaries not exceeding five as the council may decide. The Vice chairperson and the secretaries are nominated by the chairperson from among the members of the council and approved by the council. Local government councils appoint standing and other committees from members of the council. No council member belongs to more than one committee and the number of members on each committee should not be more than nine.

The situation in the LLG is very similar to that in HLGs. The council is the highest political authority, with similar arrangements for election of the chairperson and councilors. There is also the executive committee and standing committees as there are the position of speaker and deputy speaker. The only difference with HLGs is that at the LLG level, only the position of chairperson is full-time

4. The local staff

In response to emerging capacity requirements in local governments as a result of decentralisation, considerable effort and progress has been made by central government in consolidating the administration of the local government system through restructuring, recruitment of qualified personnel, development and issuance of appropriate legislation and guidelines by the center, and building capacity of personnel in several functional areas. This has resulted in much improved performance across all local governments compared to the situation ten years ago. However, improvements in performance are not uniform across all governments, and even functional capacity differs significantly among different departments within each local government.

At the inception of decentralisation, Government introduced a separate personnel system in the management of LG staff. The aim was to strengthen the capacity to deliver functions and services that fell within their mandate. The terms of service of staff in the central government and their counterparts in the districts were harmonised.

With the devolution of more functions and powers it became imperative to revisit the current structures of Local Governments in order to develop those that are service



demand-driven to match the mandates, functions, and responsibilities as devolved to the local governments under Schedule 6 of the Constitution of Uganda and Schedule 2 of the Local Governments Act 1997. It is against the above background that the Government of Uganda undertook the re-organisation and rationalisation of organisational structures, both at the Central and Local Governments levels. This is part of the overall Public Service Reform Programme which is aimed at creating a public service that is more efficient and effective in delivering services at affordable costs.

A review of Local Government structures was first carried out in 1995. At that time, Local governments were sharing responsibilities and functions in service delivery with the Central Government. However, the Constitution of Uganda and the Local Governments Act introduced fundamental changes in the administration and management of Local Governments. This rendered current structures unresponsive to the new responsibilities and functions. It was, therefore, deemed necessary to review those structures in relation to the Constitution of Uganda and the Local Governments Act. Furthermore, the restructuring of the Central Government Ministries and Departments (1998) off-loaded many functions and responsibilities from the Centre to Local Governments. Apart from external relations, defence, security, and immigration, the Central Government is principally responsible for policy formulation and coordination, setting

national standards and regulations, inspection and monitoring, the provision of technical advice and support to Local Governments.

Virtually all service delivery functions have now been transferred to Local Governments. Besides, since 1995, many other Programmes have been implemented by local governments including Poverty Eradication Action Plan; Plan for Modernisation of Agriculture; Divestiture of non-core functions; and Sectoral Investment Plans. All of these have called for a review of Local government's structures so as to make them correspond to the devolved accountability, responsibilities and functions in tandem with the era of Results-Oriented Management (ROM).

The table below shows that over 70% of public servants in Uganda work in the local governments. However, 77.6% (127,427) of the staff in local governments are primary teachers demonstrating the emphasis Government has put on Universal Primary Education (U.P.E).

5. The relations between central government and local government

While much has changed in the way Local Governments deal with the center, not as much has changed in the way line ministries are dealing with LGs, and the situation varies from ministry to ministry. Current practices reveal that ministries still need to fully re-orient their activities to support Local Governments in

Table 3: Human resources

Number of LG staff	Level of qualification by category	Regime (public or private Law, career job positions)	Recruitment procedure (part. for higher positions)	Existing Training programmes
164,196 (70.3% of total civil service)	Most jobs are held by university graduates	All staff are career civil servants. Jobs of permanent secretaries are contractual.	Jobs are openly advertised and competed for.	The training institutions have relevant courses for civil servants.

Source: Ministry of Public Service



implementing decentralization. They need to set more relevant and supportive guidelines and standards in planning and execution of sector priorities by local governments, before ensuring that national policies are adhered to.

Ultimately, the success of the implementation of a policy reform like decentralization that brings together a large range of stakeholders rests on the existence of effective coordination to ensure cohesion of initiatives. The Ministry of Local Government, which has the responsibility for these tasks, has recently initiated strengthening of its institutional and human resource capacities, for this purpose

The municipal movement is playing a big role between the local government and the central government. Local government associations are relatively well organized in Uganda. All higher local governments and about two-thirds of lower local governments are paid up members of local government associations. There are two wings of associations, one for rural local governments (the Uganda Local Authorities Association- ULAA) and the other for the urban local governments (the Urban Local Authorities Association of Uganda). Each of these associations is well established with almost full membership of its eligible constituents. Recently there were efforts to amalgamate the two associations to become one (Uganda Local Government Association (ULGA) but the process was never completed, and instead it resulted into more division between the two wings. Today the two associations have established different secretariats and run different program agendas. However some of the urban local authorities are members to both associations. Both Associations are recognized members of the African Union of Local Authorities.

However it is important to highlight that although Local government associations in Uganda have been active in these debates, their participation is on ad hoc basis and they have therefore very little influence on government policies and programs. Their involvement always comes too late to influence the design and direction of government policies and programs.

6. Local finances

The locally generated revenue is diversified and important. But also the government transfer. Transfers to local government started in financial year 1993/94 when recurrent budget was decentralized in a phased manner starting with 13 district local governments and using a vote system. In 1994/ 95 the first batch of 13 districts which received funds under a vote system in 1993 received a block Grant and 14 new districts were enlisted on the vote system. In 1995/96 the second batch of districts also graduated to the Block grant and the remaining 12 districts joined the vote system. By 1996/97 all 39 districts in the country were then receiving block grants as financial transfers from the central government. In 1995, fiscal decentralization was guaranteed by a constitutional provision which determined the framework of distribution of national resources to local government and made it one of the key roles of the presidency to provide financial resources to finance decentralized services. The constitution also requires parliament to determine an allocation criteria which should ensure incremental disbursement of central government resources to local governments.

The fiscal transfer system in Uganda is built around 4 main areas, namely: (i) unconditional grants (ii) conditional recurrent grants, (iii) conditional (sectoral and non-sectoral) development grants and



(iv) equalization grants. The growth in number and diversity of transfer mechanisms to local governments from the center has encountered disbursement problems downstream and high transaction costs. To address this challenge the government formulated the Fiscal Decentralization Strategy (FDS) that allows local governments some flexibility and/or discretion to reallocate resources between and within sectors during planning and budgeting process and aims to improve resource allocation, planning, budgeting and budget execution. While a lot has been achieved since the FDS was launched, this is increasingly an area in need of further attention. Most LG budgets are still composed of more than 80-85% of conditional grants.

About the local generated revenue, robust local revenues are an important indicator of a sustainable decentralization program as this is one of the few sources of discretionary funding for local priorities available to local governments. As such, local revenue forms a core means of building an independent and accountable local governance system. It is also a secure source of funds to compliment service delivery. When the public pay their taxes, they are more inclined to hold politicians to account for their conduct. Councilors on the other hand will be more likely to respond to the needs and priorities of the public if:

- The public pays directly for their political representation, whom they elect, through local elections,
- The existing infrastructure owned by a local government is sustained by that local government through local revenues,
- Local governments, through their own revenues, contribute towards their investments and services over time.

In Uganda, local revenue mobilization therefore remains critical input for sustainable implementation of the decentralization policy. What is evident is that those local governments with strong local revenue collection have greater scope for autonomy, and this in principle should enable them to be more responsive to the needs and priorities of their citizens. The constitution avails various sources of local revenue to local governments, which vary from area to area - based on economic practices, natural endowments, among other things.

Traditionally, major local revenue sources in Uganda, in order of importance have been Gradated Tax, Property Tax, business Licenses, Market dues and others. Gradated Tax alone, contributed over 80% of Local revenue for rural Local Governments and about 30% for urban LGs. Unfortunately this source has been scrapped by the central government without putting up any replacement to compensate for the great loss in local revenue. The scrapping has mainly been

Table 4: Proportion of Unconditional Grant to Total Transfers, budget data

Year / billion Ushs	1997/8	1998/9	1999/0	2000/1	2001/2	2002/3	2003/4	2004/5
			0					
Unconditional Grant	54.3	64.4	66.8	79.1	73.3	77.4	82.8	87.5
Conditional Grant	170.6	220.9	320.2	418.8	537.3	588.2	655.1	714.5
Equalization Grant	0.0	0.0	2.0	4.0	4.4	4.3	3.5	3.5
Total Transfers	224.9	285.3	389.0	502.0	615.0	669.9	741.5	805.5
UCG as % of total	24.1%	22.6%	17.2%	15.8%	11.9%	11.6%	11.2%	10.9%
CG as % of total	75.9%	77.4%	82.3%	83.4%	87.4%	87.8%	88.4%	88.7%
EG as % of total	0.0%	0.0%	0.5%	0.8%	0.7%	0.6%	0.5%	0.4%

Source: LGFC; Comparative Analysis of Decentralization East Africa



for political reasons. This development has had negative impact on the ability of local governments to function.

Unfortunately, whilst central government transfers has been growing in significance as the main source of revenues for funding decentralized service delivery, local revenues have been declining over the past several years. The percentage of locally raised revenue of total local government funding has continued to fall each financial year. In some local governments local revenue account for as low as 3% of the total budget. As a result, local governments are too dependent on central government transfers and donor funds to finance their budgets. This trend certainly presents a challenge for the development and sustainability of decentralization. Available data for example shows that whereas LGs' local revenues totaled to Ushs 86 billion FY 97/98, this figure declined to Ushs 78 billion in FY 99/2000 and even further to approximately Ushs 34 billion in 2002/03.

Since 1997, local revenue has been declining, both in absolute and in relative terms. As a result, local governments have become increasingly reliant on central grants. Since an increasing proportion of central government grants are provided as conditional grants, this reliance on central government imply a declining autonomy of local governments.

Government has undertaken a number of initiatives aimed at enhancing local revenue mobilization. They include the following:

- initiatives to improve revenues from property tax in Urban Authorities and Rural Local Governments (Districts and Sub-Counties),
- effective mobilization involving all levels and incentives linked to the meeting of set targets,
- donor – funded programs which have specific components for supporting local revenue enhancement activities have been undertaken by the ministry of local government,
- A new legislation, the Local Governments (Rating) Act, 2005, has been enacted but it will need to be popularized and operationalized in order to broaden local revenue sources,
- Best practices studies in local taxation have been conducted and studies on how to improve the tax sources have been launched,
- Harmonization and deregulation of business licensing has been undertaken in various local governments on a pilot basis.

Continued sensitization on sources and collection methods is critical. Mechanisms for ensuring effective tax collection need to be refined. However, there is a great need to follow up and to implement the required changes.

Table: 5 Percentage of Locally generated revenue over local Government annual budget.

Financial Years	97/8	98/99	99/00	2000/01	2001/02	2002/03
% of local revenue over annual LG budget	30%	25%	18%	15%	12%	11%

Source: Ministry of Local Government, Joint Annual Review of Decentralisation, Paper Five

Table 6: Financial Indicators for Uganda (2004-2006)

Denomination	Years		
	2004	2005	2006
Total National Public Expenses (% GDP)	22%	20%	19.5%
Total local Public Expenses (% GDP)	2.96%	5.1%	4.1%
Local Public Expenses / National Public Expenses	13.4%	25.5%	21.0%



Apart from this, certain organisations are supporting the local government. For instance, USAID's support to decentralization in Uganda began with a pilot activity in Gulu and Kamuli Districts focusing on capacity building for the elected and appointed officials and representatives of civil society. The aim was to increase local government capacity to deliver services and to expand civil society involvement in decision making and governmental oversight. USAID's approach in building the capacities of both the demand and supply sides of the service delivery partnership was both unique and strategic. During the pilot program, 524 elected, appointed and civil society representatives were trained in the three thematic areas of local governance and leadership, financial management and budgeting, and gender mainstreaming. The same audience was also the target of a separate but connected mentoring effort designed principally to enhance the understanding and applicability of the training in the trainees' workplaces.

7. Local Proficiencies

The Constitution and the Local Government Act are explicit in defining the range of services and functions for each level of government under decentralization. In general local governments are responsible for implementation/ delivery of most of the basic services including primary health, primary education, water and sanitation, feeder roads, agriculture production, Planning, local administration of justice etc. The Central Government under section 97 of the Local Governments Act is responsible for policy development and guidance, capacity development, quality assurance, monitoring, inspection and supervision roles.

In practice there has been overlaps in actual implementation for instance in the

area of monitoring and supervision. Most sector Ministries presently have their own mechanisms of monitoring and supervision instead of using the Ministry of Local Government LG monitoring and evaluation system: the Local Government Information and Communication System (LoGICS and the Local government Financial Information and accountability System (LoGFIAS).

The above scenario is mainly due to the conditional nature of most sector- wise programs which puts the responsibility for sector implementation under the responsibility of line ministries. In this case decentralization and sector programs are seen to be pulling in opposite directions. As said, different line ministries have established different support systems for implementation of sector activities by LGs. Overall, these parallel approaches have to a large extent led to uncoordinated supervision, which, many local governments claim, led to excessive amounts of time being spent on "upward accountability".

To finance the transferred responsibilities, the legal framework provides for conditional, unconditional grants, and equalization grants. The bulk of funds (about 88%) transferred from Central Government to LG are Conditional Grants. These are broadly categorized into recurrent and development (sector earmarked and discretionary). Within the conditional grants, the larger proportion (78.9% in 2004/05) is recurrent in nature and also earmarked for specific activities determined at the national level. Non-sectoral / unconditional development grants have increased in relative terms from 1% in 1997/98 to approximately 41.3% in 2004/05 of the development transfers although they still remain a small proportion.

To address some of the conflicts in fiscal matters, Government prepared the *Fiscal*



Decentralization Strategy (FDS) with the objective to promote local government autonomy and widening of participation in decision making. Present discussions are increasingly reflecting the need for coordinated supervision and inspection, as well as the need for clear and simplified procedures for corrective steps in cases of mismanagement in LGs.

Authority and responsibility to plan, budget, and deliver services are devolved to districts and their sub-units. Elected representatives at the various levels are in place to take decisions and to exercise oversight functions on the implementation by the LG –staff.

In practice however the differentiation between forms of decentralization is not as distinct as it is presented in theory. For example, while the characteristic version of decentralization in use is, by all intents and purposes, devolution, there are strong elements of delegation that can still be traced in Uganda. For example, a number of the “decentralized” services that are handled by local governments are designated as “delegated” from the central government.

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8. Conclusion

The current dispensation or system of decentralization introduced in 1993 was the outcome of a review of the Resistance Councils system and related statutory instruments that started in 1987. The Resistance Councils and Committees Statute underwent further review and refinement between 1993 and 1995 and led to the development of the existing decentralization policy framework, borne out of the desire to make local governments not only units of democratic political administration but also centers of effective planning, implementation and management of development services.

Of all different forms of decentralization, devolution promises the strongest contribution to democratic governance and participation at the local level. For example, in Uganda the devolution policy allows substantial discretionary authority to local governments to do what they want, bound only by a) broad national policy guidelines, b) their own financial, human & material capacities and c) the physical environment within which they must operate.