



Ministry of Lands, Housing and Urban Development

**Final Synthesis Report on Performance
Assessments of Twenty-Two Cities/
Municipal Local Governments and the
Ministry of Lands, Housing and Urban
Development for Financial Year 2021/22**

September 2023

Confidentiality and Disclaimer Clause

This synthesis report on performance assessments of twenty-two Cities/ Municipal Local Governments and the Ministry of Lands, Housing and Urban Development for the Financial Year 2021/22 is strictly confidential and is addressed solely to the Ministry of Lands, Housing and Urban Development and the World Bank. KPMG cannot be held responsible for its unauthorized copying and distribution. The Ministry of Lands, Housing and Urban Development is respectfully reminded that this report contains potentially sensitive information and should be kept secure.

The conclusions, findings and opinions expressed in this report are those of KPMG unless identified as those of other parties. We have produced the report specifically for the purposes stated and its interpretation, use or application for other purposes imposes no obligations on KPMG.

A report of this kind is dependent on the completeness, accuracy and reliability of data received from a variety of sources. KPMG makes no warranty or claim as to the accuracy of the information on which this report is based and cannot be held responsible for any inaccuracies so arising. No representation or warranty, expressed or implied, is or will be given by KPMG, or its respective directors, partners, employees, or consultants or any other person, as to the accuracy or completeness of this report and, as far as permitted by law and except in the case of fraud by the party concerned, no responsibility or liability is accepted for the accuracy or sufficiency thereof, or for any errors, omissions, or misstatements, negligent or otherwise, relating thereto. In particular, but without limitation, (subject as aforesaid), no representation or warranty is given as to the achievement of intended outcomes as a result of the implementation of recommendations, and nothing in this report is or should be relied on as a promise or representation as to the future. Accordingly, KPMG, nor any of the respective directors, partners, employees, or advisors, nor any other person, shall be liable for any direct, indirect, or consequential loss or damage suffered by any person as a result of relying on any statement in or omission from this report and any such liability is expressly disclaimed.

Contents

Acronyms	8
1 Executive summary	10
1.1 Introduction	10
1.2 Background to the assignment	10
1.3 Our understanding of the objectives of the assignment	11
1.4 Summary of findings on meeting the Minimum Conditions for the Municipal Development Grant	11
1.5 Summary of findings on meeting the minimum conditions for the Municipal Institutional Strengthening Grant	17
1.6 Summary of findings on meeting the Minimum Conditions for Refugee Host Areas	18
1.7 Summary assessment results of the 22 Cities/ MLGs on the Performance Measures	20
1.7.1 Performance measures for the Municipal Development Grant	20
1.7.2 Performance measures for Municipal Infrastructure Investment	21
1.8 Summary findings on the performance assessment of the Local Governments under the refugee window	22
1.9 Summary findings on the performance assessment of MoLHUD	22
1.10 Funding allocation to the MoLHUD	23
1.11 Undisbursed funds over the USMID-AF Program period	24
1.12 Conclusion	24
2 Background	25
2.1 Background to the assignment	25
2.2 Objective of the assignment	25
2.3 Scope of the assessment	25
2.4 Assignment geographical area	27
3 Approach to the assignment	28
3.1 Approach	28
3.1.1 Field visits	28
3.1.2 Team composition	28
3.1.3 Debriefing session	28
3.1.4 Post field corroboration	28
3.2 Data collection methods	29
3.2.1 Engagement with key stakeholders prior to commencement of the assignment	29
3.2.2 Interviews and meetings held at the Cities/ MLGs	31
3.2.3 Documentary review	31
3.2.4 Field inspections	31
3.2.5 Assessment tools	32
3.3 Schedule of visits to the 22 Cities/ MLGs and the MoLHUD	32
3.3.1 Northern and Eastern region – Team 1	32
3.3.2 Western and Central region – Team 2	32
3.3.3 MoLHUD – Team 3	32
4 Findings on the assessment of Minimum Conditions	33
4.1 Functional capacity for City/ MLG development planning and budgeting (Minimum Condition A)	33
4.2 Availability of core staff responsible for designing and implementation of infrastructure projects (Minimum Condition B)	35
4.3 Capacity in financial management and internal audit (Minimum Condition C)	35

4.4	Municipal procurement function (Minimum Condition D)	41
4.5	Functional capacity in Environmental and Social Impact Management (Minimum Condition E)	42
4.6	Transparency and accountability practices in Cities/ MLGs (Minimum Condition F)	43
4.7	Program specific (Minimum Condition G)	44
4.8	Municipal Institutional Strengthening	46
4.8.1	Institutional Strengthening Plan (Minimum Condition A)	46
4.8.2	Adherence of the MLGs' annual work-plan/ budgets and expenditure for USMID funds to the eligible expenditures specified in the POM (Minimum Condition B)	46
5	Findings on Performance Indicators for MDG	47
5.1	Performance results	47
5.2	Municipal Physical Development Planning, Budgeting and City/ MLG Human Resource Management (Performance Measure I)	54
5.2.1	City/ MLG Physical Planning Function	54
5.2.2	Functionality of City/ MLG Physical Planning Committee on timely consideration of investment applications	59
5.2.3	Detailed physical planning in Cities/ MLGs	61
5.2.4	Cities/ MLGs and action area planning	61
5.2.5	Implementation of Physical Planning and Urban Management Information System (PPUMIS)	61
5.2.6	Implementation of City/ MLG infrastructure that are linked to the approved City/ MLG Physical Development Plans	62
5.2.7	City/ MLG naming of streets, numbering of plots, surveying and demarcating roads	62
5.2.8	Participatory and integrated planning and budgeting	63
5.2.9	Integration of City/ MLG annual work plan and approved five-year development plans	63
5.2.10	City/ Municipal annual statistical abstracts availability and application	64
5.2.11	City/ MLG Human Resource Planning and Management Performance	64
5.3	Revenue mobilization (Performance Measure II)	67
5.3.1	Establishment of a database, publicity of information, and issuance of demand notes for own source revenue collection	67
5.3.2	Performance on City/ Municipal Own Source Revenue (OSR)	67
5.3.3	City/ MLG local revenue administration, allocation, and transparency	68
5.3.4	MLG local revenue administration, allocation and transparency	68
5.4	Improved procurement (Performance Measure III)	68
5.5	Accounting and core finance management (Performance Measure IV)	69
5.5.1	Timely submissions of complete monthly financial reports	69
5.5.2	Staffing and functionality of the Internal Audit Unit	69
5.5.3	City/ MLG performance on maintaining detailed and updated fixed assets registers	69
5.5.4	Cities/ MLG audit opinion	69
5.6	Budget execution/ implementation of infrastructure projects for improved urban service delivery (Performance Measure V)	70
5.6.1	Performance on timely and appropriate certification of works	70
5.6.2	Performance on timely payment of contractors and suppliers	70
5.6.3	Monthly and quarterly supervision of project investments in Cities/ MLGs	71
5.6.4	Response and support to private sector concerns	71
5.7	Monitoring, enhanced accountability, transparency, and communication (Performance Measure VI)	73
5.7.1	Functionality of City/ MLG Councils on monitoring and enhanced accountability	73
5.7.2	Grievance and complaints handling in Cities/ MLGs	74

5.7.3	City/ MLG transparency and disclosure of information to citizens	74
5.7.4	City/ Municipal Development Forums formation and functionality	75
5.7.5	Preparation and presentation of bi-annual IGG report to CDF/ MDF	76
5.8	Improved functional capacity in Environmental and Social Management (Performance Measure VII)	76
5.8.1	Planning, designing and compliance to environmental and social management procedures	76
5.8.2	Implementation, supervision, monitoring and compliance to environmental management procedures, and environmental and social performance	78
5.8.3	Environmental and social mitigation certification of completed projects	78
5.8.4	Gender and vulnerability/ inclusion issues	78
5.8.5	Implementation of land acquisition framework	79
5.9	Assessment of Municipal infrastructure investment performance	79
6	Performance results on the assessment of the MoLHUD	82
7	Results on implementation by refugee host LGs of selected infrastructure investments in refugee host areas	110
7.1	Findings on minimum conditions	110
7.2	Analysis of findings on performance measures for the refugee host LGs	110
8	Performance trends over five years of assessment (2017/18, 2018/19, 2019/20, 2020/21 and 2021/22)	112
8.1	Individual municipal performance over the five years of assessment	112
8.2	Overall City/ MLG combined performance in the seven thematic areas over the five years of assessment	114
8.3	Overall City/ MLG performance under the individual indicators of performance over five years of assessment	116
9	Key recommendations	121
9.1	Urban and physical planning	121
9.1.1	Use of the Program Budgeting System	121
9.1.2	Implementation of the new City Staff and Establishment structure	121
9.1.3	MLGs relationship with and functionality of the District LGPAC	121
9.1.4	Cities/ MLGs without valid and approved PDPs	121
9.1.5	Physical Planning and Urban Management Information Management System in eight (8) USMID MLGs	121
9.2	Revenue mobilization	121
9.2.1	Revenue databases	121
9.2.2	Local revenue administration, allocation, and transparency	121
9.3	Accounting and core financial management	122
9.4	Procurement	122
9.5	Execution/ implementation of infrastructure projects	122
9.5.1	Proper record keeping	122
9.5.2	Timely and appropriate certification of works	122
9.5.3	Regular supervision of projects	122
9.6	Monitoring, enhanced accountability, transparency, and communication	122
9.6.1	Functionality of the C/MDFs	122
9.6.2	Discussion of service delivery issues	123
9.6.3	Functionality of City/ MLG One Stop Shop Centre	123
9.6.4	Support to private sector growth and implementation of Commercial Office budget	123
9.7	Environment and social management	123

9.7.1	Monthly monitoring of implemented projects	123
9.7.2	Incorporation of ESHS issues in bidding and contract documents	123
9.7.3	Gender and vulnerability/ inclusion issues mainstreamed	123
Annexes		124
Annex 1:	Final assessment tools	124
Annex 2:	City/ Municipality Assessment Schedule	166
Annex 3:	Schedule of information requested from government ministries and institutions	168
Annex 4:	Schedule of information requested from Cities/ MLGs	171
Annex 5:	Analysis of own source revenue of the 22 Cities/ MLGs between FY 2019/2020 and FY 2020/2021	180
Annex 6:	Budgets and amounts spent on operations and maintenance costs in the 22 Cities/ MLGs	181
Annex 7:	Letter from Ministry of Lands, Housing and Urban Development on suspension of minimum conditions	182

List of tables

TABLE 1: PERFORMANCE ON THE CITIES/ MLGs ON MINIMUM CONDITIONS 1, 3, 4, 8 AND 13	12
TABLE 2: INFORMATION PROVIDED ON MINIMUM CONDITION 5 SPECIFIC TO MOROTO MLG	13
TABLE 3: PERFORMANCE OF CITIES/ MLGs ON MEETING THE MINIMUM CONDITIONS UNDER MUNICIPAL DEVELOPMENT GRANT - DLI 1	15
TABLE 4: PERFORMANCE OF CITIES/ MLGs ON MEETING THE MINIMUM CONDITIONS UNDER INSTITUTIONAL STRENGTHENING GRANT - DLI 4	17
TABLE 5: ASSESSMENT RESULTS ON MEETING THE MINIMUM CONDITIONS FOR THE REFUGEE WINDOW	19
TABLE 6: SUMMARY ASSESSMENT RESULTS ON PERFORMANCE MEASURES	20
TABLE 7: COMBINED PERFORMANCE ASSESSMENT RESULTS FOR CITY/ MUNICIPAL INFRASTRUCTURE INVESTMENT PERFORMANCE	21
TABLE 8: SUMMARY ASSESSMENT RESULTS ON CROSS-CUTTING PERFORMANCE MEASURES FOR LGs IN THE REFUGEE HOST AREAS	22
TABLE 9: SUMMARY OF FUNDING ALLOCATIONS UNDER DLIs 5, 6 AND 7	23
TABLE 10: SUMMARY OF UNDISBURSED FUNDS OVER THE USMID-AF PROGRAM PERIOD	24
TABLE 11: SUBMISSION DATES OF THE ANNUAL PERFORMANCE CONTRACT FOR THE PAST FOUR (4) YEARS OF ASSESSMENT INCLUDING FY 2021/22	34
TABLE 12: SUBMISSION DATES OF THE ANNUAL PERFORMANCE REPORT FOR FY 2020/21	36
TABLE 13: SUBMISSION DATES OF QUARTER 4 BUDGET PERFORMANCE REPORT FOR FY 2020/21	37
TABLE 14: CHALLENGES ENCOUNTERED BY CITIES AND MLGs IN EXECUTION OF THE INTERNAL AUDIT FUNCTIONS	39
TABLE 15: SUBMISSION DATES OF A BUDGET THAT INCLUDES A PROCUREMENT AND DISPOSAL PLAN FOR FY 2021/22	41
TABLE 16: CHALLENGES ENCOUNTERED BY CITIES/ MLGs IN EXECUTION OF PLANNED PROJECTS/ PROGRAMS	45
TABLE 17: RESULTS OF THE ASSESSMENT ON PERFORMANCE MEASURES IN THE 22 CITIES/ MLGs	48
TABLE 18: STATUS/ PROGRESS ON THE PHYSICAL PLANNING FUNCTION AT THE 22 CITIES/ MLGs	55
TABLE 19: RESULTS OF THE ASSESSMENT OF MLG LOCAL INFRASTRUCTURE TARGETS AND BUDGET EXECUTION	80
TABLE 20: COMBINED PERFORMANCE ASSESSMENT RESULTS FOR MUNICIPAL INFRASTRUCTURE INVESTMENT PERFORMANCE	81
TABLE 21: RESULTS OF THE ASSESSMENT OF DLI 5	83
TABLE 22: RESULTS OF THE ASSESSMENT OF DLI 6	105
TABLE 23: RESULTS OF THE ASSESSMENT OF DLI 7	106
TABLE 24: RESULTS OF THE CROSS-CUTTING PERFORMANCE MEASURES FOR THE REFUGEE HOST LGs	111
TABLE 25: CITIES'/ MLGs' PERFORMANCE OVER THE FIVE YEARS OF ASSESSMENT	112
TABLE 26: CITY/ MLG PERFORMANCE IN THE SEVEN THEMATIC AREAS OVER THE FIVE YEARS OF ASSESSMENT	114
TABLE 27: CITY/ MLG PERFORMANCE UNDER THE INDIVIDUAL INDICATORS OF PERFORMANCE OVER FIVE YEARS OF ASSESSMENT	116

Acronyms

AF	Additional Financing
APA	Annual Performance Assessment
AWP	Annual Work Plan
BCA	Building Control Act
BoQs	Bills of Quantities
CAO	Chief Administrative Officer
CC	Contracts Committee
CDF	City Development Forum
CDO	Community Development Officer
CSC	City Service Commission
CSI	Circular Standing Instructions
DDP	District Development Plan
DLG	District Local Government
DLI	Disbursement Linked Indicator
DSC	District Service Commission
EIAs	Environment Impact Assessments
ESMP	Environmental and Social Management Plan
FY	Financial Year
GoU	Government of Uganda
HLG	Higher Local Government
IDA	International Development Agency
IFMS	Integrated Financial Management System
IGFTS	Intergovernmental Fiscal Transfer System
IGG	Inspector General of Government
IPFs	Indicative Planning Figures
LDG	Local Development Grant
LLG	Lower Local Government
LG	Local Government
LST	Local Service Tax
MDP	Municipal Development Plan
MDF	Municipal Development Forum
MDG	Municipal Development Grant
MEO	Municipal Environmental Officer
MLG	Municipal Local Government
MoFPED	Ministry of Finance, Planning and Economic Development
MoLG	Ministry of Local Government
MoLHUD	Ministry of Lands Housing and Urban Development
MoU	Memorandum of Understanding
MPS	Ministry of Public Service
M&E	Monitoring and Evaluation
MIS	Management Information System

NEMA	National Environmental Monitoring Authority
NDP	National Development Plan
NPA	National Planning Authority
NPPB	National Physical Planning Board
OAG	Office of the Auditor General
OBT	Output Budgeting Tool
O&M	Operation and Management
OPM	Office of the Prime Minister
OSR	Own Source Revenue
PAC	Public Accounts Committee
PAD	Project Appraisal Document
PBS	Program Budgeting System
PDP	Physical Development Plan
PDU	Procurement and Disposal Unit
PFMAA	Public Finance Management and Accountability Act
PfR	Program-for-Results
PIP	Performance Improvement Plan
PPC	Physical Planning Committee
PPDA	Public Procurement and Disposal Act
PPUMIS	Physical Planning and Urban Management Information System
PS	Permanent Secretary
PST	Program Support Team
PTC	Project Technical Committee
PWDs	Persons with Disabilities
RIA	Regulatory Impact Assessment
SFG	School Facilitation Grant
TC	Town Clerk
TPC	Technical Planning Committee
ToR	Terms of Reference
UERB	Uganda Engineers Registration Board
UGX	Uganda Shillings
UIPE	Uganda Institution of Professional Engineers
UNUF	Uganda National Urban Forum
URF	Uganda Road Fund
USMID	Uganda Support to Municipal Infrastructure Development
VfM	Value for Money

1 Executive summary

1.1 Introduction

This is a final performance assessment synthesis report for the consultancy assignment for conducting performance assessments of the twenty-two cities/ Municipal Local Governments (MLGs) participating in the Uganda Support to Municipal Infrastructure Development (USMID) Program, and the Ministry of Lands, Housing and Urban Development (MoLHUD) for the FY 2021/22 under the USMID Additional Financing (USMID-AF) Program. The 22 Cities/ MLGs include: Arua, Entebbe, Fort Portal, Gulu, Hoima, Jinja, Kabale, Lira, Masaka, Mbale, Mbarara, Moroto, Soroti, Tororo, Kamuli, Kasese, Kitgum, Mubende, Apac, Busia, Lugazi and Ntungamo.

This report provides information about the background to the assignment; objectives of the performance assessment; the scope of the performance assessment; the findings on the Minimum Conditions and Performance Measures; an input into the key annual Program results monitoring, evaluation and reporting on City/ MLG systems and management tools; actual institutional and infrastructure performance improvements; and recommendations regarding capacity gaps and performance challenges that need to be addressed.

This report captures the objective and requirement of the Program for Results (PforR) to leverage the institutional and delivery performance of Cities/ MLGs and the MoLHUD, while ensuring that expanded urban infrastructure is developed. According to the signed Financing Agreement for the USMID-AF Program, performance assessments for the FY 2021/22 will only inform funding for the MoLHUD under Disbursement Linked Indicators (DLIs) 5, 6 and 7 on achievement of specific performance measures under the respective DLIs. For the Cities/ MLGs, the assessment has focused on verifying achievement of the Disbursement Linked Results (DLRs) under DLIs 1, 2, 3 and 4, and providing recommendations on institutional systems and human resource capabilities with respect to implementation of the USMID-AF Program.

1.2 Background to the assignment

Following the successful implementation of the first phase of the USMID Program, Government of Uganda spearheaded by MoLHUD received additional financing to the tune of USD 360 million from the World Bank/ International Development Agency (IDA), to implement the second phase of the Program, USMID-AF, for a period of five (5) years that commenced in the fiscal year 2018/19. Additional financing for the USMID Program was one of the recommendations made by the USMID Program mid-term review that was conducted in May 2016. The additional funding has supported municipal infrastructure development and institutional capacity enhancement for the 22 participating Cities/ MLGs of Arua, Entebbe, Fort Portal, Gulu, Hoima, Jinja, Kabale, Lira, Masaka, Mbale, Mbarara, Moroto, Soroti, Tororo, Kamuli, Kasese, Kitgum, Mubende, Apac, Busia, Lugazi and Ntungamo; and the MoLHUD; and also supported the eight (8) refugee hosting District Local Governments, namely, Adjumani, Moyo, Yumbe, Arua, Isingiro, Kiryandongo, Kamwenge and Lamwo. This performance assessment that has been conducted for the Cities/ MLGs and MoLHUD for the FY 2021/22 is the final assessment to be conducted under the five (5) year period of the USMID-AF.

Given that this is a Program for Results, performance assessments have been undertaken for all the 22 participating Cities/ MLGs and the MoLHUD for the respective years of assessment, since inception of the USMID Program, before funding can be allocated. The amount of disbursements to the Cities, MLGs and MoLHUD has been contingent upon the satisfactory achievement of DLIs, that is; DLIs 1 to 4 that focus on the 22 Cities/ MLGs' performance on institutional and service delivery themes; DLIs 5 to 7 that focus on the central level (MoLHUD) results to strengthen the functioning of the entire urban Local Government (LG) system, including providing support to the rest of the remaining MLGs; and DLI 8 that focuses on improving planning, land tenure security, and small scale infrastructure investments targeting refugees and host communities.

1.3 Our understanding of the objectives of the assignment

The overall objective of the performance assessments was to verify achievement of the DLRs and to provide recommendations on institutional systems and human resource capabilities with respect to implementation of the USMID-AF Program. The performance assessments were based on specified minimum conditions and performance measures that are derived from the Government of Uganda laws and guidelines including among others the Physical Planning Act 2010, Local Governments Act CAP 243, Finance and Accounting Regulations 2007, Public Procurement Act 2003 and Regulations 2006, the National Gender Policy, the National Environment Policy, Local Government Finance and Accounting Regulations 2007, the Local Government Finance and Accounting Manual 2007, the budget guidelines issued by the Ministry of Local Government, and guidelines for implementing sector specific policies and conditional grants, among others.

The five broad objectives for conducting the assessments were as detailed below:

- 1) Assessment of minimum conditions at each of the 22 Cities/ MLGs and establish whether they have met the indicators of minimum conditions of access to funding under the USMID-AF Program.
- 2) Assessment of the performance measures for the 22 Cities/ MLGs and determine the Cities/ MLGs that have the institutional systems and human resource capabilities with respect to implementation of the USMID-AF Program.
- 3) Performance assessment of the MoLHUD to determine allocation of funds under DLIs 5, 6 and 7.
- 4) Assessment of the eight (8) Local Governments under the refugee window.
- 5) Enable MoLHUD to identify critical gaps in the Cities/ MLGs that need to be addressed.

1.4 Summary of findings on meeting the Minimum Conditions for the Municipal Development Grant

Respective Cities/ MLGs were assessed to establish whether they had in place the minimum pre-requisite systems and management tools. The results of the performance assessment indicated the following:

a) Minimum conditions that relate to use of the Program Budgeting System (PBS)

1. During the previous performance assessments for the FYs 2018/19, 2019/20, and 2020/21 the minimum conditions 1, 3, 4, 8 and 13 that relate to the PBS were suspended until such a time when Government of Uganda (GoU) provides assurance that the PBS is fully functional, and the systemic issues have been fully addressed and have no significant effect on the Cities'/ MLGs' reporting capacity. This position has been adopted for the current year of assessment (FY 2021/22).
2. All the 22 Cities/ MLGs did not meet minimum conditions 3 and 4 (minimum conditions were already suspended).
3. Thirteen (13) Cities/ MLGs met minimum conditions 1 and 8. This is a decline from the previous year (FY 2019/20) assessment where 18 Cities/ MLGs met minimum condition 1, and 19 Cities/ MLGs met minimum condition 8. The nine (9) Cities/ MLGs that did not meet minimum conditions 1 and 8 during the current assessment include Arua, Fort Portal, Gulu, Hoima, Masaka, Kitgum, Soroti, Tororo, and Lugazi.
4. Minimum condition 13 that also relates to the PBS was met by all the 22 Cities/ MLGs.

Table 1 below indicates performance of the 22 Cities/ MLGs on the five minimum conditions that relate to the PBS.

Table 1: Performance on the Cities/ MLGs on minimum conditions 1, 3, 4, 8 and 13

MLGs	Minimum Conditions				
	MC 1 (LG has submitted an annual performance contract of the current FY (2021/22) by 30 June 2021)	MC 3 (LG has submitted the annual performance report for the previous FY (2020/21) on or before 31 July 2021)	MC 4 (LG has submitted the quarterly budget performance report for all the four quarters of the previous FY (2020/21) on or before 31 July 2021)	MC 8 (LG has submitted a Budget that includes a Procurement and Disposal Plan for the current FY (2021/22) by 30 June 2021)	MC 13 (The LG annual work-plan/ budget for USMID adheres with the investment menu provided for in the POM)
Arua	3 July 2021 (Not Met)	4 September 2021 (Not Met)	4 September 2021 (Not Met)	3 July 2021 (Not Met)	Met
Entebbe	30 June 2021 (Met)	3 September 2021 (Not Met)	3 September 2021 (Not Met)	30 June 2021 (Met)	Met
Fort Portal	7 July 2021 (Not Met)	30 August 2021 (Not Met)	30 August 2021 (Not Met)	7 July 2021 (Not Met)	Met
Gulu	1 July 2021 (Not Met)	13 September 2021 (Not Met)	13 September 2021 (Not Met)	1 July 2021 (Not Met)	Met
Hoima	1 July 2021 (Not Met)	31 August 2021 (Not Met)	31 August 2021 (Not Met)	1 July 2021 (Not Met)	Met
Jinja	26 June 2021 (Met)	27 August 2021 (Not Met)	27 August 2021 (Not Met)	26 June 2021 (Met)	Met
Kabale	29 June 2021 (Met)	8 September 2021 (Not Met)	8 September 2021 (Not Met)	29 June 2021 (Met)	Met
Lira	28 June 2021 (Met)	19 August 2021 (Not Met)	19 August 2021 (Not Met)	28 June 2021 (Met)	Met
Masaka	4 July 2021 (Not Met)	3 September 2021 (Not Met)	3 September 2021 (Not Met)	4 July 2021 (Not Met)	Met
Mbale	24 June 2021 (Met)	27 October 2021 (Not Met)	27 October 2021 (Not Met)	24 June 2021 (Met)	Met
Mbarara	26 June 2021 (Met)	27 August 2021 (Not Met)	27 August 2021 (Not Met)	26 June 2021 (Met)	Met
Moroto	29 June 2021 (Met)	9 September 2021 (Not Met)	9 September 2021 (Not Met)	29 June 2021 (Met)	Met
Soroti	13 July 2021 (Not Met)	22 August 2021 (Not Met)	22 August 2021 (Not Met)	13 July 2021 (Not Met)	Met
Tororo	1 July 2021 (Not Met)	14 August 2021 (Not Met)	14 August 2021 (Not Met)	1 July 2021 (Not Met)	Met
Kamuli	29 June 2021 (Met)	8 October 2021 (Not Met)	8 October 2021 (Not Met)	29 June 2021 (Met)	Met
Kasese	30 June 2021 (Met)	1 September 2021 (Not Met)	1 September 2021 (Not Met)	30 June 2021 (Met)	Met
Kitgum	1 July 2021 (Not Met)	8 September 2021 (Not Met)	8 September 2021 (Not Met)	1 July 2021 (Not Met)	Met

MLGs	Minimum Conditions				
	MC 1 (LG has submitted an annual performance contract of the current FY (2021/22) by 30 June 2021)	MC 3 (LG has submitted the annual performance report for the previous FY (2020/21) on or before 31 July 2021)	MC 4 (LG has submitted the quarterly budget performance report for all the four quarters of the previous FY (2020/21) on or before 31 July 2021)	MC 8 (LG has submitted a Budget that includes a Procurement and Disposal Plan for the current FY (2021/22) by 30 June 2021)	MC 13 (The LG annual work-plan/ budget for USMID adheres with the investment menu provided for in the POM)
Mubende	28 June 2021 (Met)	6 September 2021 (Not Met)	6 September 2021 (Not Met)	28 June 2021 (Met)	Met
Apac	25 June 2021 (Met)	9 September 2021 (Not Met)	9 September 2021 (Not Met)	25 June 2021 (Met)	Met
Busia	26 June 2021 (Met)	13 August 2021 (Not Met)	13 August 2021 (Not Met)	25 June 2021 (Met)	Met
Lugazi	5 July 2021 (Not Met)	16 September 2021 (Not Met)	16 September 2021 (Not Met)	5 July 2021 (Not Met)	Met
Ntungamo	25 June 2021 (Met)	6 August 2021 (Not Met)	6 August 2021 (Not Met)	25 June 2021 (Met)	Met

b) Performance on the other minimum conditions by the Cities/ MLGs

All 22 Cities/ MLGs met all the other minimum conditions under the Municipal Development Grant (MDG). Following the Quality Assurance Review of the performance assessment process conducted by the IVA, by a Quality Assurance team lead by the World Bank Consultant in June 2023, one (1) MLG (Moroto) provided additional information for minimum condition 5. Specific details are documented in **table 2** below.

Table 2: Information provided on minimum condition 5 specific to Moroto MLG

MLG	Specific areas of consideration	MC
Moroto	<p><u>Submission of information to the PS/ST on the status of implementation of Internal Auditor General or Auditor General findings</u></p> <ul style="list-style-type: none"> At the time of conducting the assessment on 25 October 2022, there was no evidence at MoFPED indicating that Moroto MLG submitted the status of implementation of Internal Auditor General or Auditor General findings for the FY 2020/21 to MoFPED before the deadline of 30 April 2022. A document titled “management responses on issues raised in the Auditor General’s report for Moroto Municipal Council for the FY ended 30 June 2021” was submitted to Parliament of Uganda - Office of the Chairperson of the Local Governments Accounts Committee on 4 May 2022. Following the Quality Assurance Review conducted by the Quality Assurance team and respective findings under this area of assessment, the IVA conducted another review at the MoFPED in July 2023. Records reviewed at the MoFPED registry and at the Treasury Inspection Unit indicated submissions by 21 Cities/ MLGs by 30 April 2022, except for Moroto MLG. The MoFPED registry indicated that responses to issues 	MC 5

MLG	Specific areas of consideration	MC
	<p>raised in the Internal Auditor General's report for Moroto MLG for the FY 2020/21 were received on 13 January 2023.</p> <p>— On 5 July 2023, a submission letter dated 14 April 2022 and titled "submission of Auditor General's responses for the year ended 30 June 2021" and a hard copy report was availed by the Moroto MLG Town Clerk to the IVA. The submission letter had a stamp from the Accountant General's Office indicating receipt of the report by the Office. Our subsequent interactions with the Internal Auditor General indicated that although Moroto's submission was the only one not recorded in the MoFPED registry (like the other 21 Cities/ MLGs), and a hard copy report was not available at the MoFPED, the stamp on the submission letter provided was an indication of receipt of the report by the Accountant General's Office on 14 April 2022.</p>	

Table 3 below indicates performance of the 22 Cities/ MLGs on meeting the minimum conditions under MDG - DLI 1.

Table 3: Performance of Cities/ MLGs on meeting the minimum conditions under Municipal Development Grant - DLI 1

MLGs	Minimum conditions													
	Functional Capacity for Municipal Development Planning and Budgeting	Core staff responsible for designing and implementation of infrastructure projects	Functional Capacity in Finance Management and Internal Audit					Procurement Function		Functional capacity in environment and social management	Transparency and accountability	Program specific		
	Submission of annual performance contract of the current FY by 30 th June 2021	Town Clerk, Engineer, Physical Planner, Procurement Officer, Principal Treasurer, Environmental Officer, Community Development Officer, Officer in Economic Planning Unit, Commercial Officer	Submission of annual performance report for previous FY on or before 31 st July 2021	Submission of quarterly budget performance report for all four quarters of the previous FY on or before 31 st July 2021	Provision of information to PS/ST on status of implementation of Internal Auditor General or Auditor General findings for the previous FY by April 30, 2022	The audit opinion of LG Financial Statement for the previous FY (2020/21) is not adverse or disclaimer	Municipal Internal Audit function executed in accordance with LGA section 90 and LG Procurement Regulations, and PFMAA	Submission of budget that includes a Procurement and Disposal Plan for the forthcoming FY by 30 th June 2021	Contracts Committee in place	Functional system for environmental and social impact management	Good governance and anti-corruption framework, complaints handling system and established & launched MDF	MLG signed Participation Agreement/MoU with MoLHUD	MLG annual work-plan/ budget for USMID adheres with the investment menu provided for in the POM	Adherence to eligible expenditures for use of USMID funds in the previous year
Arua	MC SUS	MET	MC SUS	MC SUS	MET	MET	MET	MC SUS	MET	MET	MET	MET	MC SUS	MET
Entebbe	MC SUS	MET	MC SUS	MC SUS	MET	MET	MET	MC SUS	MET	MET	MET	MET	MC SUS	MET
Fort Portal	MC SUS	MET	MC SUS	MC SUS	MET	MET	MET	MC SUS	MET	MET	MET	MET	MC SUS	MET
Gulu	MC SUS	MET	MC SUS	MC SUS	MET	MET	MET	MC SUS	MET	MET	MET	MET	MC SUS	MET
Hoima	MC SUS	MET	MC SUS	MC SUS	MET	MET	MET	MC SUS	MET	MET	MET	MET	MC SUS	MET
Jinja	MC SUS	MET	MC SUS	MC SUS	MET	MET	MET	MC SUS	MET	MET	MET	MET	MC SUS	MET
Kabale	MC SUS	MET	MC SUS	MC SUS	MET	MET	MET	MC SUS	MET	MET	MET	MET	MC SUS	MET
Lira	MC SUS	MET	MC SUS	MC SUS	MET	MET	MET	MC SUS	MET	MET	MET	MET	MC SUS	MET
Masaka	MC SUS	MET	MC SUS	MC SUS	MET	MET	MET	MC SUS	MET	MET	MET	MET	MC SUS	MET
Mbale	MC SUS	MET	MC SUS	MC SUS	MET	MET	MET	MC SUS	MET	MET	MET	MET	MC SUS	MET
Mbarara	MC SUS	MET	MC SUS	MC SUS	MET	MET	MET	MC SUS	MET	MET	MET	MET	MC SUS	MET
Moroto	MC SUS	MET	MC SUS	MC SUS	MET	MET	MET	MC SUS	MET	MET	MET	MET	MC SUS	MET
Soroti	MC SUS	MET	MC SUS	MC SUS	MET	MET	MET	MC SUS	MET	MET	MET	MET	MC SUS	MET
Tororo	MC SUS	MET	MC SUS	MC SUS	MET	MET	MET	MC SUS	MET	MET	MET	MET	MC SUS	MET
Kamuli	MC SUS	MET	MC SUS	MC SUS	MET	MET	MET	MC SUS	MET	MET	MET	MET	MC SUS	N/A

MLGs	Minimum conditions													
	Functional Capacity for Municipal Development Planning and Budgeting	Core staff responsible for designing and implementation of infrastructure projects	Functional Capacity in Finance Management and Internal Audit					Procurement Function	Functional capacity in environment and social management	Transparency and accountability	Program specific			
	Submission of annual performance contract of the current FY by 30 th June 2021	Town Clerk, Engineer, Physical Planner, Procurement Officer, Principal Treasurer, Environmental Officer, Community Development Officer, Officer in Economic Planning Unit, Commercial Officer	Submission of annual performance report for previous FY on or before 31 st July 2021	Submission of quarterly budget performance report for all four quarters of the previous FY on or before 31 st July 2021	Provision of information to PS/ST on status of implementation of Internal Auditor General or Auditor General findings for the previous FY by April 30, 2022	The audit opinion of LG Financial Statement for the previous FY (2020/21) is not adverse or disclaimer	Municipal Internal Audit function executed in accordance with LGA section 90 and LG Procurement Regulations, and PFMAA	Submission of budget that includes a Procurement and Disposal Plan for the forthcoming FY by 30 th June 2021	Contracts Committee in place	Functional system for environmental and social impact management	Good governance and anti-corruption framework, complaints handling system and established & launched MDF	MLG signed Participation Agreement/MoU with MoLHUD	MLG annual work-plan/ budget for USMID adheres with the investment menu provided for in the POM	Adherence to eligible expenditures for use of USMID funds in the previous year
Kasese	MC SUS	MET	MC SUS	MC SUS	MET	MET	MET	MC SUS	MET	MET	MET	MET	MC SUS	N/A
Kitgum	MC SUS	MET	MC SUS	MC SUS	MET	MET	MET	MC SUS	MET	MET	MET	MET	MC SUS	N/A
Mubende	MC SUS	MET	MC SUS	MC SUS	MET	MET	MET	MC SUS	MET	MET	MET	MET	MC SUS	N/A
Apac	MC SUS	MET	MC SUS	MC SUS	MET	MET	MET	MC SUS	MET	MET	MET	MET	MC SUS	N/A
Busia	MC SUS	MET	MC SUS	MC SUS	MET	MET	MET	MC SUS	MET	MET	MET	MET	MC SUS	N/A
Lugazi	MC SUS	MET	MC SUS	MC SUS	MET	MET	MET	MC SUS	MET	MET	MET	MET	MC SUS	N/A
Ntungamo	MC SUS	MET	MC SUS	MC SUS	MET	MET	MET	MC SUS	MET	MET	MET	MET	MC SUS	N/A

**** MC SUS – Minimum Condition Suspended**

1.5 Summary of findings on meeting the minimum conditions for the Municipal Institutional Strengthening Grant

Each City/ MLG was assessed to establish whether it had an approved Institutional Strengthening Plan (ISP) and adhered to eligible expenditures for the use of funds in the previous year. The results of the performance assessment indicated the following:

1. All the 22 Cities/ MLGs had in place their ISPs prepared and approved by their respective Councils.
2. All the 22 Cities/ MLGs adhered to eligible expenditures for use of funds in the previous year (FY 2020/21).

The performance of the 22 Cities/ MLGs on the minimum conditions for the Municipal Institutional Strengthening Grant is presented in **table 4** below.

Table 4: Performance of Cities/ MLGs on meeting the minimum conditions under Institutional Strengthening Grant - DLI 4

Cities/ MLGs	Minimum Conditions	
	Municipal Institutional Strengthening Plan in place	Municipal Institutional Strengthening Plan spent according to eligible expenditure
Arua	Met	Met
Entebbe	Met	Met
Fort Portal	Met	Met
Gulu	Met	Met
Hoima	Met	Met
Jinja	Met	Met
Kabale	Met	Met
Lira	Met	Met
Masaka	Met	Met
Mbale	Met	Met
Mbarara	Met	Met
Moroto	Met	Met
Soroti	Met	Met
Tororo	Met	Met
Kamuli	Met	Met
Kasese	Met	Met
Kitgum	Met	Met
Mubende	Met	Met
Apac	Met	Met
Busia	Met	Met
Lugazi	Met	Met
Ntungamo	Met	Met

1.6 Summary of findings on meeting the Minimum Conditions for Refugee Host Areas

The annual performance assessment results for each of the eight (8) LGs in the refugee host areas were obtained from the individual LG performance assessment reports for the FY 2021/22. The LG assessments were conducted by Office of the Prime Minister (OPM). The results of the assessment indicated the following:

- (i) According to the OPM reports, except for Lamwo LG, all the seven (7) LGs met the cross-cutting minimum condition 5 – “*the audit opinions of the LG financial statements were not adverse or disclaimer*”. However, our review of the audited financial statements for Lamwo LG for financial year ended 30 June 2021 obtained from the Office of the Auditor General’s website indicated that the LG obtained a clean audit opinion. We have therefore considered the position for Lamwo LG as presented by the OAG where the audit opinion was not adverse or disclaimer.
- (ii) Two (2) LGs (Isingiro and Lamwo) met cross-cutting minimum condition 6.
- (iii) All the eight (8) LGs met cross-cutting minimum condition 7 and four (4) LGs (Adjumani, Arua, Isingiro and Moyo) met cross-cutting minimum conditions 8 and 9. These are the minimum conditions affected by the PBS that were suspended from the financial year 2017/18.

Previous findings on performance assessment of Refugee Hosting Districts

During the performance assessments conducted for the FY 2019/20, it was observed by the MoLHUD and the World Bank that the performance assessment of the Refugee Hosting Districts (RHDs) is based on the OPM assessment reports, and yet the purpose for which OPM conducts assessments differs from the purpose for which USMID assessments are conducted. Specifically, under the OPM assessments the results of the annual performance assessments inform appointment of Accounting Officers and allocation of development funds, irrespective of whether the cross-cutting minimum conditions under financial management and reporting are complied with or not, while under the USMID assessments, the cross-cutting minimum conditions are the minimum access conditions for funds disbursement under DLI 8.

In September 2019, the cross-cutting minimum conditions 7, 8 and 9 which are closely related to the PBS were suspended until such a time when GoU provides assurance that the PBS is fully functional, and the systemic issues have been fully addressed and have no significant effect on the LGs’ reporting capacity.

In addition, during the FY 2019/20 performance assessment, the IVA recommended that the LGs in the RHDs are only assessed on accountability requirement 6 - audit opinion of LG financial statement (now crosscutting minimum condition 5) which is independently assessed by the OAG, to ensure that the objectives of the programme are achieved, and to be fair to all the eight (8) RHDs. This recommendation was premised on the inconsistencies noted in reporting on the minimum access condition 5 (now cross-cutting minimum condition 6) for the LGs in the RHDs, which negatively impacted the funding allocations and disbursements to the respective RHDs. MoLHUD and the World Bank agreed to this position and funding allocations to the RHDs were computed based on achievement of accountability requirement 6 - audit opinion of LG financial statement (now cross-cutting minimum condition 5). During the previous performance assessment for the FY 2020/21, this position was maintained to inform the allocation of funds to the RHDs. The same position has been maintained for the current year of assessment (FY 2021/22).

The performance of the eight (8) LGs in the refugee host areas on the cross-cutting minimum conditions is indicated in **table 5** below.

Table 5: Assessment results on meeting the minimum conditions for the refugee window

Minimum conditions	Adjumani	Arua	Isingiro	Kiryandongo	Moyo	Yumbe	Kamwenge	Lamwo
The audit opinion of LG financial statement (issued in January 2022) is not adverse or disclaimer (Cross-cutting Minimum Condition 5)	Met	Met	Met	Met	Met	Met	Met	* Met
LG has provided information to the PS/ST on the status of implementation of Internal Auditor General or Auditor General findings for the previous FY by end of February 2021 (Cross-cutting Minimum Condition 6)	Not Met - submission was on 15 April 2021	Not Met - submission was on 31 May 2021	Met	Not Met - submission was on 8 and 20 April 2021	Not Met - submission was on 28 April 2021	Not Met - no evidence of submission	Not Met - submission was on 15 April 2021	Met
LG has submitted an annual performance contract for the forthcoming year by 31 August 2021 (Cross-cutting Minimum Condition 7)	Met (MC SUS)	Met (MC SUS)	Met (MC SUS)	Met (MC SUS)	Met (MC SUS)	Met (MC SUS)	Met (MC SUS)	Met (MC SUS)
LG has submitted the annual performance report for the previous FY on or before 31 August 2021 (Cross-cutting Minimum Condition 8)	Met (MC SUS)	Met (MC SUS)	Met (MC SUS)	Not Met - submission was on 26 October 2021 (MC SUS)	Met (MC SUS)	Not Met - submission was on 7 September 2021 (MC SUS)	Not Met - submission was on 20 October 2021 (MC SUS)	Not Met - no evidence of submission (MC SUS)
LG has submitted the quarterly budget performance report for all the 4 quarters of the previous year by 31 August 2021 (Cross-cutting Minimum Condition 9)	Met (MC SUS)	Met (MC SUS)	Met (MC SUS)	Not Met - submission was on 26 October 2021 (MC SUS)	Met (MC SUS)	Not Met - submission was on 9 September 2021 (MC SUS)	Not Met - submission was on 20 October 2021 (MC SUS)	** Not Met - no evidence of submission for quarter four reports (MC SUS)

* Whereas the OPM report for Lamwo LG indicated that the audit opinion was not readily available as at January 2022, our review of the audited financial statements for Lamwo LG for financial year ended 30 June 2021 indicated that the LG obtained a clean audit opinion stating that “the financial statements of Lamwo District Local Government for the financial year ended 30 June 2021 are prepared, in all material respects, in accordance with section 51 of the Public Finance Management Act, 2015 and Financial Reporting Guidelines, 2018”. Reference: <https://www.oag.go.ug/reports/1189>

** Lamwo LG submitted quarterly budget performance reports for quarters one, two and three to MoFPED on 16 November 2020, 5 February 2021 and 1 June 2021 respectively. There was no evidence of submission of the quarter four/ annual performance report to MoFPED.

1.7 Summary assessment results of the 22 Cities/ MLGs on the Performance Measures

1.7.1 Performance measures for the Municipal Development Grant

The assessment on performance indicators for the MDG was designed to leverage the institutional and delivery performance of Cities/ MLGs to determine disbursements of funds from the World Bank and the actual allocation to each City/ MLG, in direct proportion to the achievement of such results by the Cities/ MLGs. However, according to the signed Financing Agreement for the USMID-AF, the current assessment for the FY 2021/22 will not result in disbursement of funds to the Cities/ MLGs. The performance assessment results/ scores will instead provide indicators on the progress and challenges encountered towards the process of strengthening the City/ MLG institutional, human resource and infrastructure capacities regarding the different performance indicators. The results of the performance assessment indicated that Masaka City scored the highest performance assessment score of 82%, followed by Mubende MLG scoring 81.1%, Apac MLG scoring 78.5%, Tororo MLG scoring 76.6%, and Hoima City scoring 76.5%; while Arua City scored the lowest performance assessment score at 57.2%. Overall, the performance of the 22 Cities/ MLGs was an average score of 70.72%, lower than the final performance target score of 90% under the USMID-AF Program (percentage target score for FY 2021/22). **Table 6** below provides a summary on performance of the individual Cities/ MLGs on each of the performance measures.

Table 6: Summary assessment results on performance measures

Performance Measures	Arua	Entebbe	Fort Portal	Gulu	Hoima	Jinja	Kabale	Lira	Masaka	Mbale	Mbarara	Moroto	Soroti	Tororo	Kamuli	Kasese	Kitgum	Mubende	Apac	Busia	Lugazi	Ntungamo	MLG/ City Average Score
Municipal Physical Development Plan, Five-year Development Plan, Budgeting and Human Resource Management (Max. 20 points)	18	19	19	20	18	20	19	20	20	19	20	19	20	20	18	20	19	19	19	18	15	16	18.86
Revenue mobilization (Max. 12 points)	6	4	9	10	11	3	9	6	5	9	9	5	7	11	6	10	12	11	11	6	4	5	7.68
Procurement (Max. 10 points)	2.2	7.7	6.2	5.8	6.5	8.06	6.8	6.2	6.99	8.5	6.99	6.4	7.9	6.6	5.1	5.3	2.5	7.1	6.5	7.1	5.3	6.2	6.27
Accounting and core financial management (Max. 14 points)	9	14	9	9	14	11	14	9	14	10	14	5	9	12	7	14	12	14	9	10	14	14	11.22
Execution/ implementation (budget allocation) (Max. 16 points)	0	4	4	4	6	8	4	8	16	10	2	7	10	8	8	5	11	6	12	9	2	11	7.05
Monitoring, enhanced accountability, transparency & communication (Max. 13 points)	13	10	8	11	10	11	10	10	11	11	11	11	8	10	10	10	10	13	11	8	11	8	10.27
Environmental and social issues (Max. 15 points)	9	11	11	9	11	11	11	11	9	7	7	8	9	9	6	11	9	11	10	6	9	11	9.36
Totals	57.2	69.7	66.2	68.8	76.5	72.1	73.8	70.2	82	74.5	70	61.4	70.9	76.6	60.1	75.3	75.5	81.1	78.5	64.1	60.3	71.2	70.72

1.7.2 Performance measures for Municipal Infrastructure Investment

Performance assessment of City/ Municipal infrastructure investment centred on verifying the capacity to deliver City/ municipal local infrastructure targets indicated in the approved budgets. The measure was targeted at assessing the City/ Municipal institutional strength and capacities in anticipation of increased delivery of services and performance, given the additional funding received under USMID-AF. Overall, the City/ Municipal infrastructure investment performance of the 22 Cities/ MLGs was an average score of 73.6% (out of the 100% allocated to infrastructure investment performance). **Table 7** below indicates the combined performance assessment results for City/ municipal infrastructure investment performance.

Table 7: Combined performance assessment results for City/ municipal infrastructure investment performance

No.	City/ MLG	Local infrastructure targets and budget execution score (50 Points)	Value for Money score (50 Points)	Total MLG infrastructure investment performance score (100 Points)
1	Arua	48	38.7	86.7
2	Entebbe	44	39.6	83.6
3	Fort Portal	42	19.7	61.7
4	Gulu	48	43.9	91.9
5	Hoima	46	36.2	82.2
6	Jinja	39	22.5	61.5
7	Kabale	41	35.1	76.1
8	Lira	46	30.8	76.8
9	Masaka	42	39.2	81.2
10	Mbale	27	32.2	59.2
11	Mbarara	46	34.6	80.6
12	Moroto	46	30	76
13	Soroti	35	40.1	75.1
14	Tororo	31	21.9	52.9
15	Kamuli	45	21.8	66.8
16	Kasese	42	26.6	68.6
17	Kitgum	46	36.4	82.4
18	Mubende	50	42.3	92.3
19	Apac	39	36.1	75.1
20	Busia	43	21	64
21	Lugazi	43	21.9	64.9
22	Ntungamo	43	15.6	58.6
Total scores		932	686.2	1,618.2
Average score		42.36	31.19	73.6

1.8 Summary findings on the performance assessment of the Local Governments under the refugee window

The annual performance assessment results for each of the eight (8) LGs in the refugee host areas were obtained from the individual LG performance assessment reports for the FY 2021/22. The results in the reports were based on the performance assessment conducted by OPM. The assessment results on cross-cutting performance measures indicated that Isingiro scored the highest assessment score of 85%, while Kiryandongo scored the lowest assessment score of 50%. **Table 8** below provides a summary of the performance assessment scores attained by each of the eight (8) LGs.

Table 8: Summary assessment results on cross-cutting performance measures for LGs in the refugee host areas

No.	Local Government	Performance assessment results
1	Adjumani	61%
2	Arua	75%
3	Isingiro	85%
4	Kiryandongo	50%
5	Moyo	64%
6	Yumbe	66%
7	Kamwenge	58%
8	Lamwo	62%

1.9 Summary findings on the performance assessment of MoLHUD

MoLHUD was assessed to establish the following aspects to qualify for receipt of funds under DLIs 5, 6 and 7:

- (i) Execution of annual MoLHUD system development and institutional strengthening activities for Program Cities/ MLGs, including physical planning and valuation services (DLI 5);
- (ii) Target Cities/ MLGs with Ag. Town Clerks/ Town Clerks in place (DLI 6); and
- (iii) Support by MoLHUD for physical planning, land tenure security and urban infrastructure development in the refugee host areas of Arua, Adjumani, Moyo, Yumbe, Kiryandongo, and Isingiro (DLI 7).

The results of the assessment indicated the following:

1. MoLHUD scored 91 marks out of the total 100 marks allocated to achievement of specified targets under system development and institutional strengthening activities for Program Cities/ MLGs executed (DLI 5). The performance attained by MoLHUD is above the target score of 90% allocated for the current year of assessment (FY 2021/22) as per the Financing Agreement;
2. All the 22 Cities/ MLGs had Ag. Town Clerks/ Town Clerks in place who were appointed by the Permanent Secretary Ministry of Local Government, thus full compliance under DLI 6; and
3. One (1) out of the two (2) performance indicators under specified targets for the Ministry's support to physical planning, land tenure security and urban infrastructure development in the refugee host areas was achieved/ met (DLI 7).

1.10 Funding allocation to the MoLHUD

Below we provide a summary of the funding allocation to the MoLHUD computed in accordance with the USMID PAD and the Financing Agreement for additional financing for USMID Program.

DLI 5 – Execution of annual MoLHUD system development and institutional strengthening activities for Program Cities/ MLGs, including physical planning and valuation services (SDR 4,305,995). The allocation for DLI 5 has taken into consideration compliance by MoLHUD in execution of annual MoLHUD system development and institutional strengthening activities for Program Cities/ MLGs. The actual amount disbursed is based on the percentage of implementation as compared to the targeted average score of 90%. The disbursement under this DLI for the FY 2023/24 that was planned for the FY 2022/23 in accordance with the Financing Agreement is **SDR 4,305,995**, which is the total balance of funds outstanding for DLI 5 under the USMID-AF Program.

DLI 6 – Program Cities/ MLGs with Town Clerks in place (SDR 862,667): The allocation for DLI 6 has taken into consideration Program Cities/ MLGs having a Town Clerk in place. All the 22 Program Cities/ MLGs had a Town Clerk in place. The disbursement under this DLI for the FY 2023/24 that was planned for the FY 2022/23 in accordance with the Financing Agreement is **SDR 862,667**, which is the total balance of funds outstanding for DLI 6 under the USMID-AF Program.

DLI 7 – Results achieved on physical planning, land tenure security and urban infrastructure development in refugee host areas (SDR 3,816,564): The allocation for DLI 7 has taken into consideration compliance by MoLHUD in providing support for physical planning, land tenure security and urban infrastructure development in the refugee host areas. MoLHUD did not meet one (1) out of the two (2) targets and is therefore eligible to receive half (1/2) of the funding allocation for the financial year in line with the guidance included in the PAD. The disbursement under this DLI for the FY 2023/24 that was planned for the FY 2022/23 in accordance with the Financing Agreement is **SDR 1,908,282** (SDR 3,816,564 x (1/2)).

A summary of the funding allocations to MoLHUD is indicated in **table 9** below.

Table 9: Summary of funding allocations under DLIs 5, 6 and 7

DLI	Description of DLI	Funding allocation in SDR	Funding allocation in USD
5	Annual MoLHUD system development and institutional strengthening activities for Program Cities/ MLGs executed	4,305,995	5,669,359
6	Town Clerks in place in target Cities/ MLGs	862,667	1,135,805
7	Results on MoLHUD support to physical planning, land tenure security and urban infrastructure development in refugee host areas	<u>1,908,282</u>	<u>2,512,482</u>
Total funding allocation for FY 2023/24		<u>7,076,944</u>	<u>9,317,646</u>

Note: All amounts presented in USD have been translated at a rate of 1SDR=US\$ 1.31662 (BOU ruling rate on 22 September 2023)

1.11 Undisbursed funds over the USMID-AF Program period

Funds worth **SDR 7,258,171.70 (USD 9,556,254.02)** remain undisbursed to the Cities/ MLGs and MoLHUD at the end of this fifth annual performance assessment. The undisbursed funds are due to specific performance targets not being achieved by the Cities/ MLGs and MoLHUD over the Program period. Specific details are indicated in **table 10** below.

Table 10: Summary of undisbursed funds over the USMID-AF Program period

DLI	Description of DLI	Undisbursed funds in SDR	Undisbursed funds in USD
1	Program Cities/ MLGs have met all the minimum conditions	-	-
2	Program Cities/ MLGs have strengthened their institutional performance in the seven thematic areas	4,470,381.5	5,885,793.7
3	Assessment of infrastructure investment performance	864,352.4	1,138,023.6
4	Cities/ MLGs have met minimum conditions under the Municipal Institutional Strengthening Grant	3,333.1	4,388.4
5	Annual MoLHUD system development and institutional strengthening activities for Program Cities/ MLGs executed	-	-
6	Town Clerks in place in target Cities/ MLGs	-	-
7	Results on MoLHUD support to physical planning, land tenure security and urban infrastructure development in refugee host areas	1,908,282.0	2,512,482.2
8	Results achieved on planning and infrastructure investments in Program LGs hosting refugees	<u>11,822.7</u>	<u>15,566.0</u>
Total undisbursed funds		<u>7,258,171.70</u>	<u>9,556,254.02</u>

Note: All amounts presented in USD have been translated at a rate of 1SDR=US\$ 1.31662 (BOU ruling rate on 22 September 2023)

1.12 Conclusion

The overall performance assessment for the Cities/ MLGs for the fifth year of assessment is an average score of 70.72%, lower than the final performance target score of 90% under the USMID-AF Program (percentage target score for FY 2021/22). All the 22 Cities/ MLGs met all the minimum conditions under the MDG.

The performance assessment results for infrastructure investment for the fifth year of assessment indicate an average score of 73.6%, lower than the average performance of 75.2% attained during the previous year of assessment (FY 2020/21).

A score of 91% was achieved in the current assessment period of the MoLHUD, which is higher than the previous period performance assessment score of 88% and the target score for the period of assessment of 90% as per the Financing Agreement. In addition, the MoLHUD fully complied with the targets under DLI 6 and implemented one (1) out of the two (2) performance indicators under specified targets applicable for the current period of assessment under DLI 7. MoLHUD is therefore eligible to receive funding under DLIs 5, 6 and 7 in direct proportion to achievement of results.

2 Background

2.1 Background to the assignment

The USMID-AF Program is a follow-on operation to the USMID Program that was successfully implemented from financial year 2013/14 to financial year 2017/18 in fourteen (14) MLGs. The recommendation of USMID-AF was based on the conclusion that the benefits from the USMID Program needed to be consolidated in order to ensure sustainability of achievements made in institutional capacity and infrastructure investments, and that more resources were required for sustainability especially in building strong Municipal own source revenue enhancement opportunities. Accordingly, Government of Uganda, spearheaded by MoLHUD received additional financing amounting to USD 360 million from the World Bank/ IDA to implement the second phase of the Program (USMID-AF) for five years that commenced in the fiscal year 2018/19.

The USMID-AF Program finances four (4) major activity areas namely: (i) Urban infrastructure investments with associated investment servicing costs (USD 245 million); (ii) Institutional strengthening for the MLGs (USD 10 million); (iii) Institutional strengthening for MoLHUD and program management and coordination (USD 45 million); and (iv) Support to refugee hosting Local Governments (USD 60 million).

For the respective years of assessment, disbursements to participating Cities/ MLGs and the MoLHUD have been based on their annual performance results, measured/ assessed during annual performance assessments, where the performance-based approach is employed to incentivize the Cities/ MLGs and MoLHUD to focus on delivering results. The amount of credit disbursements has been contingent upon the satisfactory achievement of DLIs 1 to 4 for the Cities/ MLGs; DLIs 5 to 7 for MoLHUD; and DLI 8 for refugee hosting LGs.

The assessment for the FY 2021/22 is the final assessment to be conducted under the USMID-AF Program and will result in disbursement of funds to MoLHUD only, in accordance with the signed Financing Agreement for the USMID-AF. According to the Financing Agreement, only MoLHUD will receive funding under DLIs 5, 6 and 7 based on assessment results under the respective indicators of performance.

2.2 Objective of the assignment

The overall objective of the performance assessments was to verify achievement of the specified disbursement linked results by the 22 Cities/ MLGs and the MoLHUD, and to provide recommendations on institutional systems and human resource capacities with respect to implementation of the USMID-AF Program.

2.3 Scope of the assessment

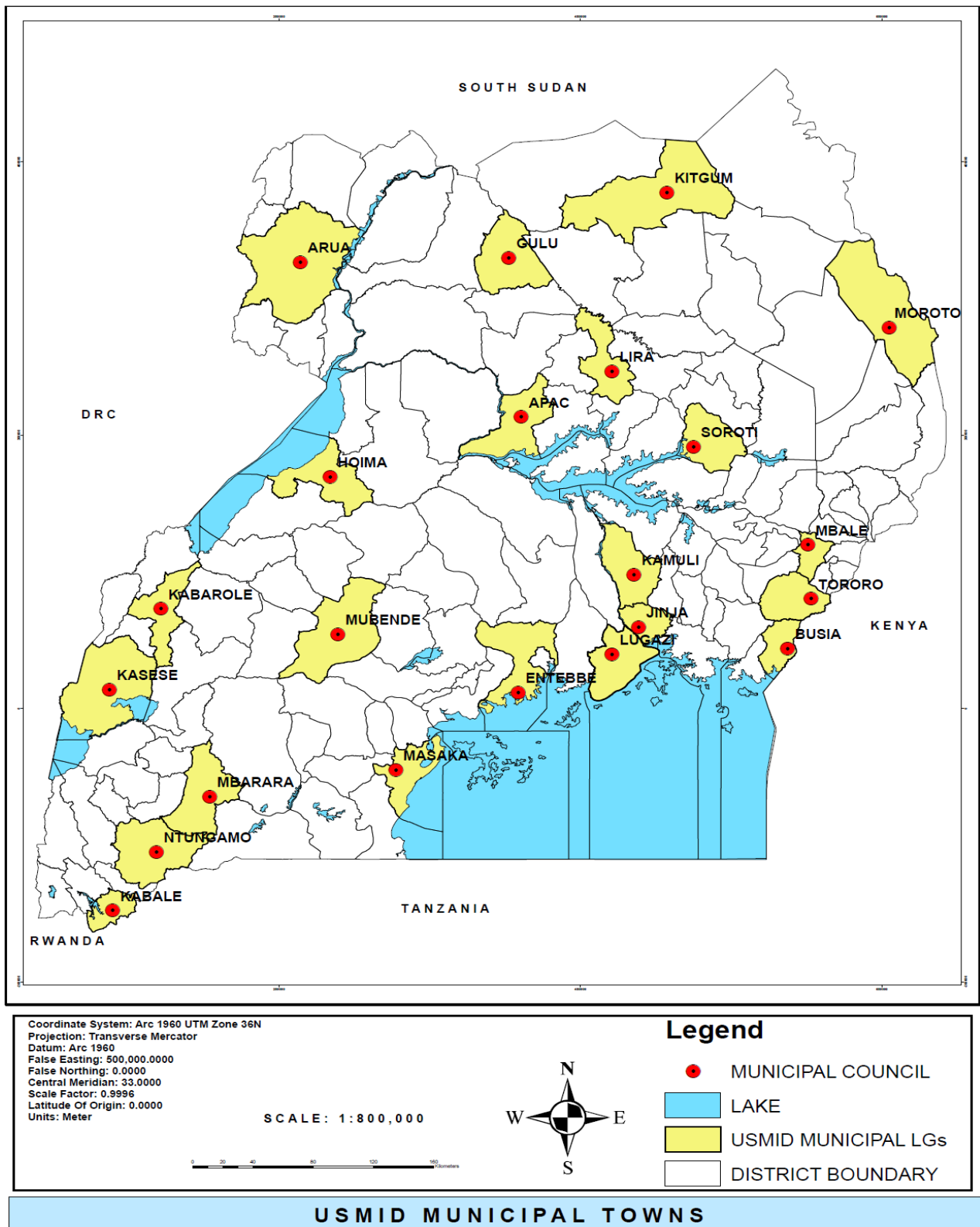
The performance assessment covered the 22 Cities/ MLGs of Arua, Gulu, Lira, Soroti, Moroto, Mbale, Tororo, Jinja, Entebbe, Masaka, Mbarara, Fort Portal, Hoima, Kabale, Kitgum, Kasese, Kamuli, Mubende, Apac, Ntungamo, Busia, Lugazi; the MoLHUD; and the district local governments hosting refugees namely; Adjumani, Moyo, Yumbe, Arua, Isingiro, Kiryadongo, Kamwenge and Lamwo. The scope of work covered the following:

- (i) Assessment of minimum conditions for the 22 Cities/ MLGs to enable the MoLHUD in determining the Cities/ MLGs that have the pre-requisite systems and management tools for the effective and proper utilisation of funds; and identifying critical capacity gaps in the Cities/ MLGs that need to be addressed. The assessment of the minimum conditions focused on the following:

- a) Minimum access conditions for the MDG (DLI 1) comprising the following:
 - Functional capacity for municipal development planning and budgeting;
 - City/ Municipality having in place the core staff responsible for designing and implementation of the infrastructure projects;
 - Functional capacity in financial management and internal audit;
 - Functional capacity in procurement;
 - Functional capacity in environmental and social management;
 - Transparency and accountability; and
 - Program specific measures.
 - b) City/ Municipal access conditions for the Institutional Strengthening Grants (DLI 4) comprising the following:
 - Institutional Strengthening Plan (ISP) in place; and
 - Municipal ISP spent according to eligible expenditures.
- (ii) Assessment of the performance measures for Cities/ MLGs focusing on the following:
- a) Performance measures for the MDG (DLI 2) comprising the following:
 - Municipal physical development plan, five year development plan, budgeting and human resource management;
 - Revenue mobilisation;
 - Procurement management;
 - Accounting and financial management;
 - Execution/ implementation (budget allocation);
 - Monitoring, enhanced accountability, transparency, and communication; and
 - Environmental and social issues.
 - b) Performance measures for Infrastructure Investment Performance (DLI 3) comprising the following:
 - Local infrastructure targets as set out in the annual work plans for the previous financial year having been met by Cities/ MLGs utilising the USMID Discretionary Development Equalization Grant;
 - Value for money in infrastructure investments funded by the USMID Program; and
 - The Cities/ MLGs having executed the budget for construction of investment projects and operations and maintenance for all major infrastructure.
- (iii) Assessment of the performance measures for MoLHUD based on the following DLIs:
- Execution of annual MoLHUD system development and institutional strengthening activities for Program MLGs (DLI 5);
 - Target Cities/ MLGs with Ag. Town Clerks/ Town Clerks in place (DLI 6); and
 - Results on physical planning, land tenure security and urban infrastructure development in refugee host areas (DLI 7).
- (iv) Assessment of the performance measures for the refugee window based on results of infrastructure investments in the refugee host areas (DLI 8).

2.4 Assignment geographical area

The map below indicates the geographical location of the twenty-two Cities/ MLGs that have been assessed.



3 Approach to the assignment

3.1 Approach

The Terms of Reference (ToR) required KPMG to assess the achievement by the 22 Cities/ MLGs and the MoLHUD on the minimum conditions and performance measures for accessing the USMID development grants. We adopted a consultative and documentary review approach guided by the KPMG performance improvement methodology and underpinned by the need to fully adhere to the national system assessment process and the USMID-AF Program Operational Manual (POM).

3.1.1 Field visits

Field visits were conducted to the 22 Cities/ MLGs from 7 November 2022 to 23 December 2022 during the performance assessments; and documentation received from the OAG, MoLHUD, Ministry of Finance, Planning and Economic Development (MoFPED), Ministry of Health, Ministry of Education and Sports, Public Procurement and Disposal of Public Assets (PPDA), Ministry of Local Government (MoLG), OPM, Engineers' Registration Board, Uganda Institution of Professional Engineers, USMID, and the information that is maintained at the respective Cities/ MLGs was reviewed. In addition, performance assessment and group discussions were held with focal technical officers at each of the 22 Cities/ MLGs and at the MoLHUD.

3.1.2 Team composition

Two teams were assembled to conduct the visits to the 22 Cities/ MLGs each comprising the following specialists: Civil/ Infrastructure Engineering Expert, Procurement Specialist, Financial Management Expert, Physical/ Urban Planner, Environmental and Social Safeguards Specialist, Health Sector Specialist and Education Sector Specialist. One team assessed the eleven Cities/ MLGs in the North and Eastern part of Uganda (Arua, Gulu, Mbale, Tororo, Kitgum, Kamuli, Moroto, Soroti, Lira, Apac and Busia); and the other team assessed the eleven Cities/ MLGs in the West and Southern part of Uganda (Kabale, Mbarara, Hoima, Fort Portal, Kasese, Mubende, Masaka, Entebbe, Jinja, Lugazi and Ntungamo). Each team spent two (2) days at each City/ MLG assessing compliance to the minimum conditions and performance measures specified in the performance assessment tools. A separate team comprising the Physical/ Urban Planning Specialist and one (1) Financial Management Specialist assessed the MoLHUD.

Prior to commencement of the field visits, officials from the USMID Program facilitated a training workshop on the performance assessment tools, and feedback that enhanced the tools was obtained.

3.1.3 Debriefing session

On completion of the performance assessment at each City/ MLG, the assessment team discussed the assessment findings with the City/ municipal senior staff and obtained comments and/ or views on the findings and recommendations made by the team. The assessment schedule that the team used during the assessment at the Cities/ MLGs is included under **Annex 2**.

3.1.4 Post field corroboration

After completion of the field visits and the debrief sessions at the respective Cities/ MLGs, actions were agreed upon regarding issues that could be addressed (especially administrative issues) before issuance of the draft report. Cities/ MLGs were given until 20 January 2023 to address such matters. During this period documentation and clarifications that could not be obtained during the field visits from specific Cities/ MLGs, and government ministries and institutions were obtained, and any other additional corroboration was undertaken.

3.2 Data collection methods

The following data collection methods were used to gather evidence:

3.2.1 Engagement with key stakeholders prior to commencement of the assignment

1. A kick-off meeting and team orientation workshop was held on Thursday 4 November 2022 at the KPMG Training Centre. The meeting and workshop was facilitated by the USMID Monitoring and Evaluation Specialist, supported by Officials from USMID Program and the MoLHUD. The purpose of the meeting and workshop was for the USMID and Ministry Officials to communicate updates on the USMID Program, obtain a common understanding of the requirements of the assignment, enhance the KPMG team's understanding and interpretation of the assessment tools, discuss the updates to the assessment tools, agree on the commencement date of the assignment, and flag off the KPMG assessment team.
2. Clarity was sought and obtained from the USMID PST on 22 December 2022 in the areas indicated below:
 - (a) The years/ periods of assessment were confirmed as follows: Previous financial year but one – 2019/20, previous financial year/ year of assessment - 2020/21, current financial year – 2021/22, and forth coming financial year – 2022/23.
 - (b) The minimum conditions 1, 3, 4, 8 and 13 that relate to the PBS that were suspended in determining the allocation of funds for the financial year 2019/20 (reference: letter from MoLHUD dated 9 September 2019) shall remain suspended. It was agreed that the assessment team assesses the specific minimum conditions and documents the respective findings in the City/ MLG reports.
 - (c) Under minimum condition for MDG, Part B (Municipality has in place the core staff responsible for designing and implementation of the infrastructure projects), the MoLHUD team guided that the Cities have a new structure which was approved in July 2022 and has been validated. Currently there are no Heads of Departments and the process of filling the positions is ongoing. The assessment team should therefore consider all the staff in the Cities in acting capacity.
 - (d) Under minimum condition for MDG, Part C (Functional Capacity in Finance Management and Internal Audit), the MoLHUD team proposed that the assessment team considers all submission dates within the financial year 2021/22 since the Local Government Act does not provide a submission timeline for audit work plans. It was agreed during the draft inception report presentation meeting those Cities and MLGs that submitted the audit work plan during FY 2021/22 shall not be penalized on this minimum condition.
 - (e) Under minimum condition for MDG, Part D (Procurement), the assessment team was advised to assess the new Cities as per the membership of the City Contracts Committees.
 - (f) Under minimum condition for MDG, Part G (Signed Participation Agreement/ MoU between MoLHUD and the municipality), it was noted that the new Cities are bound by Article 8 (a) of the MoU. Hence, the signed MoUs are still applicable to the newly elevated Cities.
 - (g) Under performance measures for MDG, Part I (1) (Municipal Physical Development Plan, Five-year Development Plan, Budgeting and Human Resource Management), the assessment team was advised to consider the Municipal Physical Development Plans for Cities. Specifically, it was agreed that the assessment team relies on the PDPs that cover the old MLG area. This was attributed to the absence of legally gazetted City boundaries at the respective Cities.
 - (h) Under performance measures for MDG, Part I (4) (MLG has implemented human resource management systems), the MoLHUD guided that some of the Cities may not have had approved City Service Commissions (CSCs) and approved staff structures during the FY 2020/21. The assessment team was advised not to penalize Cities without CSCs and approved structures during the FY 2020/21.

- (i) Under performance measure for MDG, Part II (Revenue mobilisation), in respect to the revenue database, the assessment team was advised to capture all details for the existing databases and reasons for non-existing databases. In addition, the USMID and MoLHUD Officials proposed apportioning the assessment score based on the existing databases, considering that some Cities and MLGs face challenges in maintaining the street parking register. It was agreed that the MoLHUD and the World Bank would discuss and agree on the way forward and advise the KPMG team accordingly. In the interim, the assessment team was advised to assess the performance measure as is and document the respective findings in the City/ MLG reports.
- (j) Under performance measure for MDG, Part III (Procurement), the assessment team was advised to obtain scores for each City/ MLG as per audited procurement results for the financial years 2020/21 and 2021/22.
- (k) Under performance measures for MDG, Part IV (Accounting and Core Financial Management) the following was the agreed position:
 - For timeliness and completion of monthly financial reports and bank reconciliations, the assessment team shall obtain and review monthly reports and bank reconciliations for the financial year 2021/22 up to 30 September 2022.
 - Regarding consideration for both manual and IFMS fixed asset registers, it was agreed that the assessment team captures the details leading to lack of the IFMS generated asset registers. In addition, the assessment team shall document the timelines when MoFPED introduced the IFMS asset registers if the absence of an IFMS register is attributed to delays from MoFPED. Key to note was that during the year of assessment (FY 2020/21) the Cities and MLGs were not using only IFMS for maintaining asset registers. As such update of the asset registers should consider both IFMS and manual registers maintained as of 30 June 2021.
 - In respect to the City/ MLG having a substantive Senior Internal Auditor, the assessment team shall consider the equivalent position for Cities.
 - For the City/ MLG audit opinions in the audited financial statements, the assessment team shall capture the City/ MLG audit opinions for the financial years 2020/21 and 2021/22.
- (l) Under performance measure for MDG, Part V (Execution/ implementation), the following were agreed:
 - The assessment team shall record information for the financial years 2020/21 and 2021/22 regarding timely certification of works.
 - In respect to timely payment of contractors and suppliers, the assessment team shall confirm whether delayed payments to suppliers and contractors are due to IFMS challenges or lack of funds from MoFPED. Respective City/ MLG information shall be documented in the respective reports.
 - The assessment team shall record reasons for One Stop Shops that are not providing the required services; such reasons may include expiry of Uganda Revenue Authority (URA) staff contracts.
- (m) Under performance measure for MDG, Part VII (Environmental, and Social issues), considering the delayed issuance of certificates by National Environment Management Authority (NEMA), Cities/ MLGs that provide evidence of submissions to NEMA should not be penalized. The assessment team shall record the details for Cities/ MLGs that completed their tasks and only await the NEMA certificates. The details may include payment reference numbers and email submissions to NEMA. In addition, the assessment team shall obtain and consider evidence indicating continuous follow ups between the Cities/ MLGs and NEMA.

- (n) Under performance measure for MDG, Part V number 14 (Execution/ Implementation - budget allocation), in assessing whether the LG made timely payment to contractors and suppliers during the previous FY, the Cities/ MLGs should be awarded full scores in case of the following: City/ MLG did not have funds during the FY 2020/21 due to delayed transfer of funds by MoFPED; Accounting Officer approved payment to contractors and suppliers, but funds were not provided to the Cities/ MLGs by MoFPED; or only a fraction of the approved certificate was paid due to limited funding.
 - (o) Under assessment of infrastructure investment performance, Part D number 1 (Assessment of local infrastructure targets as set out in annual work plans for the previous financial year met by Cities/ MLGs utilizing the USMID DDEG Funds), the assessment team shall consider the physical targets for only contracted out projects as included in the annual work plan for the previous FY 2020/21, and also obtain information for the infrastructure plans for the FY 2021/22.
3. Schedules of information required for the assignment were prepared and sent to the 22 Cities/ MLGs, MoLHUD, OAG, MoLG, PPDA, MoFPED, MoES, MoH and OPM. The detailed information request schedules are included under **Annexes 3 and 4**.
 4. MoLHUD sent a formal communication to all the 22 Cities/ MLGs on Friday 4 November 2022 informing the Ag. Town Clerks for the ten (10) Cities and the Town Clerks for the twelve (12) MLGs of the assessments to be conducted by the KPMG team, including communication of the assessment schedule.

3.2.2 Interviews and meetings held at the Cities/ MLGs

The performance assessment teams held introductory meetings on the first day of their visit at each of the Cities/ MLGs, in either the Municipal Chambers, Board rooms or in the Mayor's Office. The meetings were attended by members of the City/ Municipal Technical Planning Committee, Heads of Departments and Senior Officers, and were chaired by the Town Clerk, Ag. Town Clerk, Deputy Town Clerk or a designated Senior Technical Official. On the part of the consultant, key requirements were undertaken including circulating the attendance register/ sheet for signing by all in attendance and establishing that all the required City/ Municipal core officers attended the meeting. The KPMG assessment team leader briefed the meeting about the updates on the USMID Program and objective of the performance assessment and led the meeting through the key technical personnel required and the key documents to be availed to the team during the assessment. The two-day City/ Municipality performance assessment work plan was communicated to the City/ Municipal teams, including distribution of the sections of the assessment tool for ease of conducting the specific assessment tasks.

The IVA held interviews and discussions with various members of the City/ Municipal technical team when conducting the performance assessments to corroborate information obtained through documentary reviews. The lists of the City/ MLG core staff that the IVA interacted with during the period of conducting the performance assessments are indicated in the individual City/ MLG assessment reports.

3.2.3 Documentary review

Documentary review was carried out to obtain information relating to the operations of the different Cities/ MLGs and the MoLHUD. Lists of documents reviewed are included under **Annexes 3 and 4**.

3.2.4 Field inspections

Field inspections were carried out when assessing effectiveness of implementation of selected City/ Municipal infrastructural projects. The assessment team's Civil/ Infrastructure Engineering Expert, Physical/ Urban Planner, Environmental and Social Safeguards Specialist, Health Sector Specialist and Education Sector Specialist performed inspections and reviewed projects in the pre-selected samples. Specific areas of focus included implementation of identified environmental mitigation measures in the Environment and Social Management plans, level of implementation of City/ MLG approved physical development plan, state of implementation of City/ MLG infrastructure targets as set out in annual work plans, and level of implementation of specific measures at selected health

facilities and education centres (schools). The purpose of the field inspections was to compare the respective records on the projects sampled with actual implementation on the ground.

3.2.5 Assessment tools

Detailed performance assessment tools were adopted in line with the updated USMID-AF POM 2019. The tools also considered other refinements shared by the USMID PST specialists. The detailed assessment tools as amended that were used during the assessment of the 22 Cities/ MLGs and the MoLHUD are included under **Annex 1**.

3.3 Schedule of visits to the 22 Cities/ MLGs and the MoLHUD

In line with the ToR, all 22 Cities/ MLGs and MoLHUD were visited as indicated in the tables below:

3.3.1 Northern and Eastern region – Team 1

No.	City/ MLG	Dates of visit	Team members
1	Arua	7 to 8 November 2022	<ol style="list-style-type: none"> Justin Bimanywa (Procurement Specialist and Team Leader – Team 1) Geoffrey Katabazi (Physical/ Urban Planner) Sandra Nanteza/ Esther Acen (Financial Management Experts) Julius Twesigye (Civil/ Infrastructure Engineering Expert) Jerome Twimukye (Environment and Social Safeguards Specialist) Aloysius Kiggundu Kigongo (Education Sector Specialist) Patrick Eyul (Health Sector Specialist)
2	Gulu	10 to 11 November 2022	
3	Kitgum	14 to 15 November 2022	
4	Lira	17 to 18 November 2022	
5	Apac	21 to 22 November 2022	
6	Soroti	24 to 25 November 2022	
7	Moroto	28 to 29 November 2022	
8	Mbale	1 to 2 December 2022	
9	Tororo	5 to 6 December 2022	
10	Busia	8 to 9 December 2022	
11	Kamuli	12 to 13 December 2022	

3.3.2 Western and Central region – Team 2

No.	City/ MLG	Dates of visit	Team members
1	Jinja	7 to 8 November 2022	<ol style="list-style-type: none"> Peter Katebalirwe (Physical/ Urban Planner and Team Leader – Team 2) Jackson Kisomose (Financial Management Expert) Helen Mwase (Civil/ Infrastructure Engineering Expert) Godwin Ainomujuni (Procurement Specialist) Elizabeth Ahimbisibwe (Environment and Social Safeguards Specialist) Henry Kimera (Education Sector Specialist) Dennis Buwembo (Health Sector Specialist)
2	Lugazi	10 to 11 November 2022	
3	Kabale	14 to 15 November 2022	
4	Ntungamo	17 to 18 November 2022	
5	Mbarara	21 to 22 November 2022	
6	Masaka	24 to 25 November 2022	
7	Kasese	28 to 29 November 2022	
8	Fort Portal	1 to 2 December 2022	
9	Hoima	5 to 6 December 2022	
10	Entebbe	8 to 9 December 2022	
11	Mubende	22 to 23 December 2022	

3.3.3 MoLHUD – Team 3

Dates of visit	Team Members
22 February to 3 March 2023	<ol style="list-style-type: none"> Judith Erone – Project Lead Peter Katebalirwe - Physical/ Urban Planner Jackson Kisomose - Financial Management Expert

4 Findings on the assessment of Minimum Conditions

Each City/ MLG was assessed to establish the following:

- (i) Whether the City/ MLG had the minimum pre-requisite systems and management tools required to access the program funds under DLI 1; and
- (ii) Whether the City/ MLG had an approved Institutional Strengthening Plan and adhered to the eligible expenditures for the use of funds in the previous year (2020/21).

The performance of the 22 Cities/ MLGs on the two DLIs is documented in the following sections.

4.1 Functional capacity for City/ MLG development planning and budgeting (Minimum Condition A)

The PBS under the MoFPED provides the basic overview of City/ MLG inputs, activities and outputs under the USMID-AF PforR program. The PBS is designed to facilitate Government, MDAs and Local Governments in the integration and linkage of budget resources to results, automate and improve on efficiency in preparation of budget documents, strengthen the link between budgets and results, facilitate consolidation of budget documents and reports, and provide management with better analytical basis for decision making.


Assessment required the IVA to determine the robustness of the system and process (both functionality of the system and user compliance by MoFPED and the 22 Cities/ MLGs) in ensuring timely submission of City/ MLG Performance Contracts before the due date of 30 June 2022 (as stipulated in the Public Financial Management Act (PFMA) 2015 and LG Budget guidelines). Upgrading by Government from the Output Budgeting Tool (OBT) to the web based PBS was meant to ensure efficient budgeting processes and linkage between Cities/ MLG budget resources and results on the use of USMID-AF funding and other resources.

Assessment over the Program period has involved tracking improvement on the functionality of the PBS, innovations introduced, and streamlined processes and performance by the users to ensure compliance with submission timelines of City/ MLG Performance Contracts (before the due date of 30 June of the forthcoming financial year). Throughout the Program assessment years, the assessment of compliance has indicated systemic challenges encountered across Cities/ MLGs and some of the challenges are beyond the control of the individual Cities/ MLGs, resulting in ***suspension of the minimum condition on recommendation by MoLHUD and the World Bank.***

The comparative analysis of specific submission dates of the annual performance contract for FYs 2018/19, 2019/20, 2020/21 and 2021/22 by the 22 Cities/ MLGs are indicated in **table 11** below.

Table 11: Submission dates of the annual performance contract for the past four (4) years of assessment including FY 2021/22

City/ MLG	Date of submission of City/ MLG Annual Performance Contract for FY 2018/19 (Due date - 30 June 2018)	Date of submission of City/ MLG Annual Performance Contract for FY 2019/20 (Due date - 30 June 2019)	Date of submission of City/ MLG Annual Performance Contract for FY 2020/21 (Due date - 30 June 2020)	Date of submission of City/ MLG annual performance contract for FY 2021/22 (Due date - 30 June 2021)
Arua	07/08/2018	22/07/2019	05/06/2020	03/07/2021
Entebbe	26/07/2018	9/07/2019	19/06/2020	30/06/2021
Fort Portal	14/07/2018	24/07/2019	18/06/2020	07/07/2021
Gulu	28/07/2018	23/07/2019	03/07/2020	01/07/2021
Hoima	14/08/2018	31/07/2019	24/06/2020	01/07/2021
Jinja	28/08/2018	15/07/2019	04/06/2020	26/06/2021
Kabale	31/07/2018	24/07/2019	26/06/2020	29/06/2021
Lira	03/08/2018	25/07/2019	16/06/2020	28/06/2021
Masaka	24/07/2018	19/07/2019	15/06/2020	04/07/2021
Mbale	30/07/2018	19/07/2019	26/06/2020	24/06/2021
Mbarara	28/11/2018	23/07/2019	05/06/2020	26/06/2021
Moroto	01/08/2018	19/07/2019	08/07/2020	29/06/2021
Soroti	02/08/2018	25/07/2019	26/06/2020	13/07/2021
Tororo	24/07/2018	22/07/2019	22/06/2020	01/07/2021
Kamuli	01/08/2018	15/07/2019	10/06/2020	29/06/2021
Kasese	09/08/2018	19/07/2019	16/06/2020	30/06/2021
Kitgum	08/08/2018	22/07/2019	17/06/2020	01/07/2021
Mubende	19/07/2018	10/07/2019	11/06/2020	28/06/2021
Apac	18/07/2018	25/07/2019	08/06/2020	25/06/2021
Busia	31/07/2018	4/07/2019	08/06/2020	26/06/2021
Lugazi	1/08/2018	22/07/2019	02/07/2020	05/07/2021
Ntungamo	16/07/2018	19/07/2010	11/06/2020	25/06/2021
Number of cities/ MLGs that submitted late	22	22	3	9

 Timely submission
 Late submission

Over the program period, the Cities/ MLGs have demonstrated some improvement with the use of the PBS in execution of the statutory obligations, despite the system challenges. During the year of assessment (FY 2021/22), 13 cities/ MLGs submitted the annual performance contracts on time, compared to the previous year of assessment (FY 2020/21) where only three (3) Cities/ MLGs made timely submissions. Reasons advanced by the Cities/ MLGs for late submissions during the current assessment period (FY 2021/22) include the following:

- a) System generated errors emanating from huge imbalances caused by the difference between the IPFs/ values provided in the PBS and figures provided in the budget call circulars that take time to be rectified. The late release of adjusted IPFs by MoFPED impacted timely submissions by Kitgum MLG, Tororo MLG, Hoima City, and Fort Portal City.
- b) Persistent systemic issues and errors that impacted timely submissions by Masaka City, Fort Portal City and Lugazi MLG, specifically;
 - Intermittent disruptions from the PBS technical team at MoFPED;
 - Adhoc changes introduced to the PBS/ tool; and
 - Internet connectivity challenges.
- c) PBS usability challenges due to the change from sector based planning and budgeting to program based budgeting (Hoima and Fort Portal Cities).
- d) Capacity challenges given continuous system upgrades hence requiring continuous capacity building for the users of the PBS at the Cities/ MLGs by support staff from MoFPED.
- e) Heads of Department (HoDs) unable to access the system due to incorrect PBS credentials.

4.2 Availability of core staff responsible for designing and implementation of infrastructure projects (Minimum Condition B)

The assessment of the minimum condition was approached on two fronts, specifically;

- (i) Assessment of availability of core staff for the twelve (12) MLGs as specified in the assessment tool as to whether they were substantively appointed in the key positions as indicated on the MLG staff structure; and
- (ii) Assessment of availability of core staff for the ten (10) new Cities as specified in the assessment tool as to whether they were substantively appointed in the key positions as indicated on the approved City staff structure.

All the core staff as specified in the assessment tool were substantively appointed in the key positions in all the 22 Cities/ MLGs. In addition, all USMID-AF core staff positions on the City structure and as specified in the assessment tool were substantively filled by the respective City Service Commissions.

4.3 Capacity in financial management and internal audit (Minimum Condition C)

Our assessment of the 22 Cities/ MLGs in the aspects of financial management and internal audit revealed the following:

1. Submission of the annual performance report for the financial year 2020/21

All the 22 cities/ MLGs did not submit the annual performance report for the previous FY (2020/21) on time, that is, before the deadline of 31 July 2021. This was the same position observed during the previous assessment conducted for the FY 2020/21 where none of the Cities/ MLGs submitted the annual performance report on time. The specific submission dates of the annual performance report for FY 2020/21 by the 22 Cities/ MLGs are indicated in **table 12** below.

Table 12: Submission dates of the annual performance report for FY 2020/21

City/ MLG	Date of submission of annual performance report for FY 2020/21
Arua	4 September 2021
Entebbe	3 September 2021
Fort Portal	30 August 2021
Gulu	13 September 2021
Hoima	31 August 2021
Jinja	27 August 2021
Kabale	8 September 2021
Lira	19 August 2021
Masaka	3 September 2021
Mbale	27 October 2021
Mbarara	27 August 2021
Moroto	9 September 2021
Soroti	22 August 2021
Tororo	14 August 2021
Kamuli	8 October 2021
Kasese	1 September 2021
Kitgum	8 September 2021
Mubende	6 September 2021
Apac	9 September 2021
Busia	13 August 2021
Lugazi	16 September 2021
Ntungamo	6 August 2021

This minimum condition was suspended because the lack of compliance appeared systemic and beyond the control of the individual Local Governments.

2. Submission of the quarter four budget performance report for the financial year 2020/21

All the 22 cities/ MLGs did not submit the quarter four budget performance report for the financial year 2020/21 on time, that is, before the deadline of 31 July 2021. This was the same position observed during the previous assessment conducted for the FY 2020/21 where none of the cities/ MLGs submitted the quarter four budget performance report on time. The specific submission dates of the quarter four budget performance report for FY 2020/21 by the 22 Cities/ MLGs are indicated in **table 13** below.

Table 13: Submission dates of quarter 4 budget performance report for FY 2020/21

City/ MLG	Date of submission of quarter 4 budget performance report for FY 2020/21
Arua	4 September 2021
Entebbe	3 September 2021
Fort Portal	30 August 2021
Gulu	13 September 2021
Hoima	31 August 2021
Jinja	27 August 2021
Kabale	8 September 2021
Lira	19 August 2021
Masaka	3 September 2021
Mbale	27 October 2021
Mbarara	27 August 2021
Moroto	9 September 2021
Soroti	22 August 2021
Tororo	14 August 2021
Kamuli	8 October 2021
Kasese	1 September 2021
Kitgum	8 September 2021
Mubende	6 September 2021
Apac	9 September 2021
Busia	13 August 2021
Lugazi	16 September 2021
Ntungamo	6 August 2021

This minimum condition was suspended because the lack of compliance appeared systemic and beyond the control of the individual Local Governments.

3. Provision of information to the PS/ST MoFPED on the status of implementation of Internal Auditor General or Auditor General findings for the financial year 2020/21

— All Cities/ MLGs provided information to the PS/ST on the status of implementation of Internal Auditor General or Auditor General findings for the previous financial year (2020/21) by 30 April 2022. Specific information on submissions for Moroto MLG are documented below:

- a) At the time of conducting the assessment on 25 October 2022, there was no evidence at MoFPED indicating that Moroto MLG submitted the status of implementation of Internal Auditor General or Auditor General findings for the FY 2020/21 to MoFPED before the deadline of 30 April 2022. A document titled “management responses on issues raised in the Auditor General’s report for Moroto Municipal Council for the FY ended 30 June 2021” was submitted to Parliament of Uganda - Office of the Chairperson of the Local Governments Accounts Committee on 4 May 2022.

- b) Following the Quality Assurance Review conducted by the Quality Assurance team in June 2023, and respective findings under this area of assessment, the IVA conducted another review at the MoFPED in July 2023. Records reviewed at the MoFPED registry and at the Treasury Inspection Unit indicated submissions by 21 Cities/ MLGs by 30 April 2022, except for Moroto MLG. The MoFPED registry indicated that responses to issues raised in the Internal Auditor General's report for Moroto MLG for the FY 2020/21 were received on 13 January 2023.
- c) On 5 July 2023, a submission letter dated 14 April 2022 and titled "submission of Auditor General's responses for the year ended 30 June 2021" and a hard copy report was availed by the Moroto MLG Town Clerk to the IVA. The submission letter had a stamp from the Accountant General's Office indicating receipt of the report by the Office. Our subsequent interactions with the Internal Auditor General indicated that although Moroto's submission was the only one not recorded in the MoFPED registry (like the other 21 Cities/ MLGs), and a hard copy report was not available at the MoFPED, the stamp on the submission letter provided was an indication of receipt of the report by the Accountant General's Office on 14 April 2022.

4. The audit opinion of LG financial statement for the financial year 2020/21

Review of the audit opinions in the respective City/ MLG audited financial statements for the FY 2020/21 indicated that all Cities/ MLGs did not have an adverse or disclaimer audit opinion.

5. Execution of the Municipal Internal Audit function in accordance with the LGA section 90 and LG Procurement Regulations

Across the 22 Cities/ MLGs, the Internal Audit unit is functional and sufficiently staffed with at least one (1) Internal Auditor, and the Councils have recruited substantive Senior Internal Auditors as required in their approved staffing structure. The operations of the Internal Audit unit is independent and very vibrant given the following confirmed practices:

- 21 Cities/ MLGs prepared and submitted their audit work plans for the current FY 2021/22 to the regional Audit Committee or OAG office at the Centre by 30 September 2021. Although Gulu City prepared the annual audit work plan for the FY 2021/22, the work plan was submitted to the regional Audit Committee on 21 December 2021, which was after the due date of 30 September 2021 (deadline indicated in the performance assessment tool).
However, Section 48 clause 4&5 of the Public Financial Management Act (PFMA), 2015, does not restrict submission of the annual audit work plan to the Accounting Officer, Audit Committees and the Internal Auditor General office to a particular deadline. Hence, the IVA in consultation with USMID, MoLHUD, and the World Bank resolved that the Law (PFMA 2015) supersedes the requirements of the performance assessment tool. Gulu City will therefore not be penalized on submission of the audit work plan after 30 September 2021.
- All Cities/ MLGs produced at least three (3) out of the four (4) quarterly internal audit reports and submitted these reports to Council and the District Local Government Public Accounts Committee (LGPAC).

As the Cities and MLGs execute their respective internal audit functions, they have faced several challenges in working with the Local Government Public Accounts Committee (LGPAC). The twelve (12) MLGs faced challenges with regard to functionality of the District Public Accounts Committees, while the ten (10) Cities faced legal challenges during the migration period from Municipal to City status. In some cases, the District PAC relationship with the City Councils was challenged in Courts of Law leading to termination of operations with the City. In addition, the City PACs were established during the FY 2021/22, between March and June 2022, and the swearing in and training of the committee members was conducted in October 2022. **Table 14** below provides a summary of the challenges faced by the Cities and MLGs in execution of the internal audit functions.

Table 14: Challenges encountered by Cities and MLGs in execution of the internal audit functions

City/ MLG	Challenges encountered by Cities and MLGs
Kabale MLG	<ul style="list-style-type: none"> — In Kabale district the DPAC had limited funding during the FY 2020/21 and the previous three FYs, hence discussion of MLG internal audit reports for FY 2020/21 was not prioritized due to allowance related issues. The Kabale MLG Town Clerk out of concern wrote to the Chief Administrative Officer Kabale DLG on 30 May 2022 raising the concern on the mandatory and legal challenges the MLG was facing as a result of prolonged non-review of the MLG’s internal audit reports. In the same letter, the TC made a request for the MLG to be considered in the subsequent DPAC meetings. At the time of assessment Council had not discussed the internal audit reports for the FY 2020/21 since the LGPAC had not yet discussed and issued the same reports.
Tororo MLG	<ul style="list-style-type: none"> — The district PAC discussed all the four (4) internal audit reports for the FY 2020/21; however, the LG PAC reports were not dated. In addition, Council had not discussed the internal audit reports for the FY 2020/21 at the time of assessment.
Ntungamo MLG	<ul style="list-style-type: none"> — The LGPAC (District PAC) only discussed quarter one and two internal audit reports for the FY 2020/21 and had not yet discussed the quarter three and four internal audit reports at the time of assessment. — The Town Clerk instituted internal measures such as; the technical persons to respond to their queries before the Internal Auditor acts, audit meetings to discuss different internal audit related issues, and writing letters to staff as a way of following up on unaccounted for funds.
Moroto MLG	<ul style="list-style-type: none"> — Only quarter three internal audit report dated 29 April 2021 was discussed by LGPAC. The other three (3) internal audit reports were not discussed by the LGPAC because most of the FY 2020/21 was affected by COVID-19 pandemic, and as such, several committee meetings were suspended, unless deemed “essential or urgent”. — The other challenge identified was that the LGPAC held a meeting only after assurance of availability of funds for members’ allowances and facilitation, a situation that Moroto MLG did not have control over.
Lugazi MLG	<ul style="list-style-type: none"> — The LGPAC (District PAC) did not discuss internal audit reports for the FY 2020/21 on time hence impacting the ability of Council to discuss the same reports.
Kitgum MLG	<ul style="list-style-type: none"> — As per Part I Section 1.6.3 of the Local Government Internal Audit Manual 2007, Council cannot discuss internal audit reports if the District PAC and Executive Council have not discussed the reports. All the four (4) internal audit reports for FY 2020/21 were neither discussed by the LGPAC nor the Council because the new LGPAC was constituted in January 2022 and commenced sitting in April 2022. It was not until 25 July 2022 when the new LGPAC discussed Kitgum MLG internal audit reports, commencing with backlog from FY 2019/20.
Kasese MLG	<ul style="list-style-type: none"> — The LGPAC (District PAC) discussed Quarter 1 and 2 internal audit reports for the FY 2020/21 in November 2022 which prompted the Town Clerk to raise the concern to the Chief Administration Officer (CAO) Kasese DLG on 3 November 2022. Later the CAO Kasese responded by communicating the schedule for discussion of audit reports as agreed with the District PAC. Hence, Council had not discussed the internal audit reports at the time of assessment since PAC had only discussed quarter one and two reports.

City/ MLG	Challenges encountered by Cities and MLGs
Kamuli MLG	— The District PAC and Council did not discuss the internal audit reports for the FY 2020/21 since their tenure had expired in September 2018. The stalemate prompted the Town Clerk to write to the CAO Kamuli DLG requesting for an update on the establishment of the District PAC which was critical for accountability under USMID-AF. In a letter dated 13 June 2019, the CAO of Kamuli wrote to the Town Clerk of the MLG informing him that the district PAC was yet to be constituted. The new District PAC was approved by the District Council on 21 July 2021
Entebbe MLG	— The Wakiso District PAC schedule circulated on 6 April 2022 indicated that the internal audit reports for the FY 2020/21 for all LGs in the district were supposed to be discussed on 24 May 2022. At the time of assessment, the MLG Council had not discussed the internal audit reports for the FY 2020/21 since the LGPAC had not released the reports and the related recommendations.
Busia MLG	<p>— The MLG played its role by preparing internal audit reports and submitting the reports to District PAC, who did not discuss them, an exception beyond the MLG's control. Consequently, the MLG Council did not discuss the internal audit reports for the FY 2020/21.</p> <p>— From review of PAC reports, the District PAC had backlog of internal audit reports for discussion. Specifically, the audit reports for FYs 2016/17, 2017/18, and 2018/19 were discussed on 15 November 2021.</p>
Apac MLG	— The internal audit reports for quarters one, two and three for FY 2020/21 were not discussed by LG PAC. The problem arose when the previous Secretary to PAC got a job transfer in April 2021 to the sub county and proper hand over procedures of the office were not executed.
Mbale City	— City PAC was not in place to discuss the four internal audit reports for FY 2020/21.
Mbarara City	— LGPAC (District PAC) did not discuss the internal audit report for the FY 2020/21 due to allowance related issues.
Mbale City	— City PAC was not in place to discuss the four internal audit reports for FY 2020/21.
Mbarara City	— The LGPAC (District PAC) did not discuss the internal audit report for the FY 2020/21 due to allowance related issues. Consequentially Council did not discuss the internal audit reports since the LGPAC did not provide any recommendations.
Lira City	— When City status was announced in July 2020, the District LG PAC was not mandated to handle issues of the City. The members of the City PAC were approved during the FY 2021/22 (on 7 September 2021) and sworn in on 7 March 2022. Hence, internal audit reports for the FY 2020/21 were not discussed since the City PAC was not in place.
Hoima City	— Following the attainment of City status, the Hoima District PAC rejected receipt and discussion of the Hoima City internal audit reports. Although the City submitted internal audit reports to the City PAC on 12 November 2022, the reports were not discussed by PAC impacting Council's ability to discuss the same reports.
Gulu City	— All the four (4) internal audit reports for the FY 2020/21 were neither discussed by the City PAC nor Council because when City status was pronounced in July 2020, the City PAC was not operational. The City PAC members were sworn in and trained in October 2022.

City/ MLG	Challenges encountered by Cities and MLGs
Fort Portal City	— During the FY 2020/21, the City did not have a PAC, and Kabalore District PAC did not sit due to COVID-19 related restrictions. The City appointed members to the City PAC in June 2022. The City PAC had one sitting and discussed the most recent internal audit reports for FY 2021/22. At the time of assessment (1 December 2022), City PAC had not discussed the reports for the FY 2020/21 hence impacting Council's ability to discuss the same reports.
Arua City	— When Arua City status was pronounced in July 2020, the District PAC could not discuss the City internal audit reports since it no longer had authority to discuss them considering that Arua City was established as a higher local government equivalent to a district. At the time of assessment on 7 November 2022, whereas City PAC had been constituted, it had not held meetings due to lack of funding and training.

4.4 Municipal procurement function (Minimum Condition D)

1. Submission of a Budget that includes a Procurement and Disposal Plan for FY 2021/22

Across all the 22 Cities/ MLGs, procurement planning is carried out in accordance with the statutory requirements. All Cities/ MLGs prepared procurement and disposal plans for the FY 2020/21, and these were approved by the respective City/ MLG Councils. However, thirteen (13) Cities/ MLGs submitted the budget that includes a procurement and disposal plan for the current FY (2021/22) within the stipulated deadline of 30 June 2021. This is a decline from the previous assessment where seventeen (17) Cities/ MLGs submitted budgets including procurement and disposal plans within the stipulated deadline. The nine (9) Cities/ MLGs that did not submit the procurement and disposal plans in time include Arua, Fort Portal, Gulu, Hoima, Masaka, Soroti, Tororo, Kitgum, and Lugazi.

Discussions with the respective City/ MLG Economic Planners revealed that late submission of the budget that includes the procurement and disposal plan is tagged to PBS related challenges that include the following: Functionality of the PBS in capturing LG procurement plans; system design which allows for budget preparation after deployment of the IPFs; lack of a robust system for rectifying system generated errors during entry of data into the system; late response by MoFPED technical staff in attending to PBS functional challenges reported by MLG staff; capacity challenges at the LGs given continuous PBS functional upgrades which in return demands continuous capacity building for the City/ MLG system users; and inability to continuously access the PBS due to internet connectivity challenges. The specific submission dates of the budget that includes a procurement and disposal plan for the FY 2020/21 by the 22 Cities/ MLGs are indicated in **table 15** below.

Table 15: Submission dates of a budget that includes a procurement and disposal plan for FY 2021/22

City/ MLG	Date of submission of a budget that includes a Procurement and Disposal Plan for FY 2020/21
Arua	3 July 2021
Entebbe	30 June 2021
Fort Portal	7 July 2021
Gulu	1 July 2021
Hoima	1 July 2021
Jinja	26 June 2021
Kabale	29 June 2021
Lira	28 June 2021

City/ MLG	Date of submission of a budget that includes a Procurement and Disposal Plan for FY 2020/21
Masaka	4 July 2021
Mbale	24 June 2021
Mbarara	26 June 2021
Moroto	29 June 2021
Soroti	13 July 2021
Tororo	1 July 2021
Kamuli	29 June 2021
Kasese	30 June 2021
Kitgum	1 July 2021
Mubende	28 June 2021
Apac	25 June 2021
Busia	25 June 2021
Lugazi	5 July 2021
Ntungamo	25 June 2021

 Timely submission
 Late submission

This minimum condition was suspended because the lack of compliance appeared systemic and beyond the control of the individual Local Governments.

2. Constitution and functionality of City/ MLG Contracts Committee

All 22 Cities/ MLGs complied with the requirement under Section 27 of the PPDA 2003 on composition of the Contracts Committee, which stipulates that the Contracts Committee should consist of five (5) members comprising the chairperson, the secretary, and a maximum of three (3) officers appointed by the Accounting Officer, one of whom should be a lawyer. In addition, all members of the Contracts Committee across the 22 Cities/ MLGs signed the Code of Ethical Conduct for Public Officers Regulations 15 (8, 23:3, 27:9).

4.5 Functional capacity in Environmental and Social Impact Management (Minimum Condition E)

During planning and implementation of projects, program Cities/ MLGs are obliged to comply with national environment and social management laws and regulations. Under USMID-AF, the environmental and social risk management framework was enhanced to ensure a more robust and inclusive system. The safeguards emphasize the need to ensure compliance with national environment and social regulations and to ensure that Cities/ MLGs identify, minimize and mitigate adverse impacts on the natural environment, built environment, and communities, and contribute to sustainable development. The safeguards guarantee environmental protection, health and safety, social protection and property rights.

To ensure compliance, the legal system and the World Bank's Environmental and Social Standards included in the POM require sub-projects to be funded under the USMID PforR are included in the approved City/ Municipal Physical Development Plan, City/ Municipal Five-year Development Plan, investment plans, and annual work plan. In addition, the projects must be screened by the Municipal/ City Environmental Officer (MEO) and Community Development Officer (CDO) using the

screening criteria provided in the POM to remedy negative impacts. The aim of the assessment was to verify program Cities'/ MLGs' compliance with the legal system and the set Environmental and Social Standards as indicated in the POM.

We established that the environmental and social management in program Cities/ MLGs is being conducted according to relevant laws in the country and in a manner that is consistent with the USMID-AF program requirements as specified in the POM. We also established existence of a functional office in charge of environmental issues in all the 22 program Cities/ MLGs. The MEO and CDO are the focal point persons responsible for carrying out this process which entails; identifying potential adverse environmental and social impacts; determining the magnitude and scope of impacts; determining appropriate mitigation measures; integrating mitigation measures into the project budget; monitoring environmental parameters during the implementation of USMID activities, including reporting; public involvement, transparency, and efficient and effective grievance handling; and identifying the stakeholders and their information needs.

In compliance with the law, screening of all projects planned for development as per City/ MLG investment and procurement plans for FY 2021/22 was conducted in all the 22 program Cities/ MLGs. Screening forms were seen on file completed and signed by the MEO and CDO.

4.6 Transparency and accountability practices in Cities/ MLGs (Minimum Condition F)

USMID-AF implementation in the 22 participating Cities/ MLGs is being executed with good standards of transparency and accountability. The enhanced requirements under the PforR entail high standards structured around measures for enhanced transparency, City/ MLG accountability, participation/ inclusion, institutional strengthening, and putting in place rewards and sanction systems. The measures ensure that the Program is free from fraud and corruption and aligned to the anti-corruption guidelines applicable to PforR operations. Ag. Town Clerks/ Town Clerks in the respective program Cities/ MLGs have ensured functionality of the transparency and accountability practices by instituting the measures/ standards documented below.

1. Framework for promoting good governance and anti-corruption in Cities/ MLGs

In compliance with the PforR requirements to institute measures to raise the bar on fraud and corruption, the 22 program Cities/ MLGs with assistance from MoLHUD and MoLG put in place measures covering the following:

- Adopted and developed respective customized local versions of the Framework for Promoting Good Governance and Anti-Corruption in the LGs for the five (5) year period 2020/21 – 2025/26. Council records at Cities/ MLGs confirmed that the respective City/ MLG Councils approved their frameworks.
- The customized frameworks provide a policy on handling anti-corruption in the participating program Cities/ MLGs.

2. Complaints handling system in Cities/ MLGs

All Cities/ MLGs had a complaints and grievance handling system to handle complaints and grievances emanating from fraud, corruption, and other situations within the City/ MLG. Performance was established as follows across the 22 Cities/ MLGs:

- The Ag. Town Clerks/ Town Clerks appointed Focal Point Persons for the Grievance/ Complaints Handling Committee to coordinate the function and processes. Specifically, the Focal Point persons are responsible for the management of the complaints handling process and reporting (performed daily in the log/ register, monthly and quarterly reports).
- All Cities/ MLGs established and appointed members of the Complaints and Grievance Handling Committee to handle complaints and grievances emanating from the community on fraud and corruption. The Committee on average comprises five (5) members who vet complaints received, and the focal persons provide respective feedback. All committee members were appointed by the office of the Ag. Town Clerk/ Town Clerk. Records accessed at

the time of assessment confirmed functionality of the committees as evidenced by reviewed reports (quarterly reports for FY 2020/21) on complaints handled during the period from July 2020 to June 2021. The complaints were received, registered, responded to and others directed to appropriate government criminal and anti-corruption offices or institutions for management using the tools and formats provided in the POM.

3. Functionality of the City/ Municipal Development Forums (CDFs/ MDFs)

The USMID-AF program has been instrumental in supporting the development and operationalization of City/ Municipal Development Forums (C/MDFs) in participating Cities/ MLGs. The C/MDFs have been instrumental in bringing together various stakeholders and have enhanced the role of community and private sector participation in Council programmes, providing a bridge between the citizens, private sector and government. C/MDFs play a critical role in project identification, provide oversight through monitoring program implementation, and monitoring for value for money. All 22 Cities/ MLGs complied with the minimum requirement of ensuring functional C/MDFs, specifically;

- All twenty two (22) program Cities/ MLGs had in place a CDF/ MDF charter approved by the respective City/ MLG Councils.
- All program Cities/ MLGs with support from MoLHUD elected their CDF/ MDF members and launched the forums during General Assemblies held at the Council. Representation of members was from diverse fields and interests including the private sector, NGOs, CBOs, religious faith based organisations, people with disabilities, opinion leaders, academia, slum dwellers, Division Chairpersons, human rights organisations, the youth, the media, Council, and MLG technical staff (coordinator), among others.
- The CDF/ MDF executives were approved by Council and appointed by their respective Town Clerks.

Reviewed records and reports at the Council and MoLHUD confirmed the support provided by the Ministry in inducting and training CDF/ MDF members to enable them to appreciate their roles and functions at their respective urban councils. The stakeholders that attended the training comprised the following: Elected CDF/ MDF Executives; selected political leaders; and Municipal Technical Planning Committee members.

The Department of Urban Development in MoLHUD has also facilitated program Cities/ MLGs to up-date their Municipal Development Strategies in a participatory and inclusive manner through stakeholder sessions, that enabled assessment of implementation of old development strategies, including capturing new changes.

4.7 Program specific (Minimum Condition G)

1. Signed Participation Agreement/ MoU between MoLHUD and the City/ Municipality

All program Cities/ MLGs had a signed Memorandum of Understanding with MoLHUD. The program participation agreement spells out obligations of Government, obligations of the City/ MLG, rights and remedies of the Government, effective date and termination, among others. The Permanent Secretary MoLHUD signed on behalf of MoLHUD, and the City/ MLG Town Clerks signed on behalf of the respective Cities/ MLGs.

2. Adherence of the LG annual work-plan/ budget for USMID with the investment menu provided for in the Program Operational Manual

Review of the approved performance contracts (with the work plan and budget) for the FY 2021/22 for the 22 Cities/ MLGs indicated the MDG and MISG activities that the Cities/ MLGs planned to implement. The planned activities captured in all 22 City/ MLG performance contracts indicated adherence to the investment menu in the POM in respect to USMID MDG and MISG funding.

Priority activities planned to be spent on by the Cities/ MLGs using MDG included the following:

- Development of infrastructure (works on selected roads, beautification, and street lighting);
- Preparation of bidding documents and tender assistance;
- Procurement of consultancy services for preparation of engineering designs, environmental and social management plans;
- Procurement of Consultants for supervision of civil works; and
- Contract management and execution activities.

Most Cities/ MLGs prioritized the following activities under the MISG and capacity needs:

- Procurement of tools or retooling;
- Systems for enhancement of Own Source Revenue (OSR);
- Short term consultancy;
- Advertising and public relations;
- Development of physical planning systems and development plans;
- Procurement of a specialized technical plant and equipment;
- Discretionary career development activities including staff training, workshops, and seminars;
- Welfare and entertainment;
- Activity based allowances; and
- Coordination of MISG activities.

This minimum condition was suspended because the lack of compliance appeared systemic and beyond the control of the individual Local Governments.

3. MLG adherence to the eligible expenditures (investment menu) for the use of funds in the previous financial year 2020/21)

The City/ MLG USMID output reports, quarterly performance reports, USMID cashbooks and payment supporting documents for the FY 2020/21 were reviewed to ascertain whether the expenditures incurred using USMID funds were eligible as per the investment menu in the POM. Our review of the FY 2020/21 City/ MLG expenditures including the corresponding payment supporting documents revealed that all Cities/ MLGs incurred eligible expenditures in execution of projects under MDG funding as per the investment menu in the POM.

Key to note is that some Cities/ MLGs were unable to execute some planned projects/ programs due to specific challenges summarized in **table 16** below.

Table 16: Challenges encountered by Cities/ MLGs in execution of planned projects/ programs

City/ MLG	Challenges identified at the City/ MLG
Fort Portal	<ul style="list-style-type: none"> ▪ The MLGs did not spend the allocated MDG grants for the FY 2020/21 due to delays in the procurement processes that were triggered by the bidders not being contended with the respective processes. This resulted in suspension of the procurement processes and several administrative reviews being carried out.
Hoima	
Kasese	
Kitgum	<ul style="list-style-type: none"> ▪ MDG funds allocated for FY 2020/21 were recalled by MoFPED which affected spending on some USMID activities during the year of assessment.
Lugazi	
Mubende	<ul style="list-style-type: none"> ▪ Construction of Mubende Central Taxi Park (with a market) and construction of Katogo-Kibaati drainage delayed commencing because procurements were conducted centrally and were clustered.

4.8 Municipal Institutional Strengthening

4.8.1 Institutional Strengthening Plan (Minimum Condition A)

The assessment of this minimum condition indicated that all the 22 Cities/ MLGs adhered to the laid down process of developing ISPs and having the plans approved by their respective Councils. Minutes/ records from the City/ Municipal Clerks to Council and copies of ISG plans from the respective City/ municipal human resource units were obtained and reviewed against the minimum requirements. In addition, a review of the City/ municipal ISPs indicated deliberate efforts towards formulation of institutional strengthening activity targets, an indication of the funding sources, and overview of how each activity would be funded including timing and method for implementation. All the plans approved by City/ MLG Councils were submitted to the Permanent Secretary MoLHUD and the USMID PST for approval before implementation.

4.8.2 Adherence of the MLGs' annual work-plan/ budgets and expenditure for USMID funds to the eligible expenditures specified in the POM (Minimum Condition B)

All the 22 Cities/ MLGs incurred funds on various institutional strengthening activities that included allowances, advertising, workshops and seminars, staff training, computers and IT services, subscription, short term consultancy services, insurance, inland travel, maintenance of mechanical equipment, and other maintenance. Review of the expenditures indicated in respective and individual output/ outcome reports and ISG cash books for the program Cities/ MLGs confirmed that the activities were eligible investments and were consistent with the approved City/ MLG ISG plans submitted to MoLHUD and the USMID PST.

5 Findings on Performance Indicators for MDG

The assessment on performance indicators for MDG was designed to track progress of each City/ MLG towards strengthening of the Local Government institutional, human resource and infrastructure capacities regarding the different performance indicators at each City/ MLG. This performance assessment covered two areas namely:

1. Institutional performance assessment (focused on DL1 2 performance) covering institutional processes and frameworks in the formulation and execution of the following:
 - (a) Municipal physical development plan, five-year development plan, budgeting, and human resource management;
 - (b) Revenue mobilisation;
 - (c) Procurement management;
 - (d) Accounting and financial management;
 - (e) Execution/ implementation (budget allocation);
 - (f) Monitoring, enhanced accountability, transparency, and communication; and
 - (g) Environmental and social issues.
2. Infrastructure delivery assessment (focused on DLI 3 performance) measured the performance of the Cities/ MLGs in the actual delivery of urban infrastructure in both quantitative and qualitative terms.

5.1 Performance results

Overall, the performance of the 22 Cities/ MLGs was an average score of 70.72%, lower than the final performance target score of 90% under the USMID-AF Program (percentage target score for FY 2021/22). The assessment identified poor performance in the areas of budget execution/ implementation of infrastructure projects for improved urban service delivery (44.1%), environment and social issues (66.8%), procurement (62.7%) and revenue mobilisation (64%). Results of the assessment of the above measures of performance in the 22 Cities/ MLGs are summarized in **table 17** below.

Table 17: Results of the assessment on performance measures in the 22 Cities/ MLGs

Performance measures	Indicators of performance	Arua	Entebbe	Fort Portal	Gulu	Hoima	Jinja	Kabale	Lira	Masaka	Mbale	Mbarara	Moroto	Soroti	Tororo	Kamuli	Kasese	Kitgum	Mubende	Apac	Busia	Lugazi	Ntungamo	City/ MLG Average Score	
Municipal Physical Development Plan, Five-year Development Plan, Budgeting and Human Resource Management (Maximum 20 points)	All new infrastructure projects in a municipality are consistent with the approved Physical Development Plans (Max. 8 Points)	6	8	7	8	6	8	8	8	8	7	8	8	8	8	8	8	8	7	8	8	4	4	7.32	
	The prioritized investment activities in the approved AWP for the current FY (2018/19) are derived from the approved five-year development plan, are based on discussions in annual reviews and budget conferences and have project profiles (Max. 6 points)	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6.00
	Municipal Annual Statistical Abstract developed and applied (Max. 1 point)	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1.00
	MLG has implemented Human resource management systems (Max. 5 points)	5	4	5	5	5	5	4	5	5	5	5	4	5	5	3	5	4	5	4	3	4	5	4.54	
Total	(Max. 20 points)	18	19	19	20	18	20	19	20	20	19	20	19	20	20	18	20	19	19	19	18	15	16	18.86	

Performance measures	Indicators of performance	Arua	Entebbe	Fort Portal	Gulu	Hoima	Jinja	Kabale	Lira	Masaka	Mbale	Mbarara	Moroto	Soroti	Tororo	Kamuli	Kasese	Kitgum	Mubende	Apac	Busia	Lugazi	Ntungamo	City/ MLG Average Score	
Revenue Mobilization (Maximum 12 points)	The LG has established a data base and issued demand notes for own source revenue collection (Max. 3 points)	2	1	2	1	2	3	2	1	2	2	2	1	1	2	1	3	3	3	2	1	1	2	1.82	
	The Municipality has increased its own source revenues in the last financial year (2017/18) compared to the one before the previous financial year (last FY year but one – 2016/17) – this excludes one-off revenue sources such as sale of property and assets, as well as revenue from bus and taxi parks (Max. 4 points)	2	0	4	4	4	0	4	0	0	4	4	4	4	4	0	4	4	4	3	4	0	0	0	2.41
	Local revenue administration, allocation and transparency (Max. 5 points)	2	3	3	5	5	0	3	5	3	3	3	0	2	5	5	3	5	5	5	5	5	3	3	3.45
Total	(Max. 12 points)	6	4	9	10	11	3	9	6	5	9	9	5	7	11	6	10	12	11	11	6	4	5	7.68	
Procurement (Maximum 10 points)	Quality of Municipal procurement with regard to economy and efficiency. (Max. 10 points)	2.2	7.7	6.2	5.8	6.5	8.06	6.8	6.2	6.99	8.5	6.99	6.4	7.9	6.6	5.1	5.3	2.5	7.1	6.5	7.1	5.3	6.2	6.27	
Total	(Max. 10 points)	2.2	7.7	6.2	5.8	6.5	8.06	6.8	6.2	6.99	8.5	6.99	6.4	7.9	6.6	5.1	5.3	2.5	7.1	6.5	7.1	5.3	6.2	6.27	

Performance measures	Indicators of performance	Arua	Entebbe	Fort Portal	Gulu	Hoima	Jinja	Kabale	Lira	Masaka	Mbale	Mbarara	Moroto	Soroti	Tororo	Kamuli	Kasese	Kitgum	Mubende	Apac	Busia	Lugazi	Ntungamo	City/MLG Average Score	
Accounting and core financial management (Maximum 14 points)	LG makes timely and complete monthly financial reports (Max. 3 points)	0	3	0	0	3	0	3	0	3	3	3	0	0	3	0	3	3	3	0	3	3	3	1.77	
	LG executes the Internal Audit function in accordance with the LGA section 90 and LG procurement regulations (Max. 5 points)	5	5	5	5	5	5	5	5	5	3	5	1	5	5	3	5	5	5	5	5	3	5	5	4.55
	LG maintains a detailed and updated assets register (Max. 2 points)	0	2	0	0	2	2	2	0	2	0	2	0	0	0	0	2	0	2	0	0	2	2	2	0.91
	LG has obtained a clean/ unqualified or qualified Audit opinion (Max. 4 points)	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4.00
Total	(Max. 14 points)	9	14	9	9	14	11	14	9	14	10	14	5	9	12	7	14	12	14	9	10	14	14	11.23	
Execution/ implementation (budget allocation) - (Maximum 16 points)	Municipality carries out timely certification of works with necessary supportive documentation (Max. 2 points)	0	2	2	0	2	2	0	2	2	2	0	0	0	2	0	0	2	0	0	0	0	2	2	0.91
	LG made timely payment of contractors and suppliers during the previous FY (Max. 2 points)	0	0	2	0	2	0	0	0	0	2	2	2	0	0	2	2	0	0	0	0	0	0	2	0.73

Performance measures	Indicators of performance	Arua	Entebbe	Fort Portal	Gulu	Hoima	Jinja	Kabale	Lira	Masaka	Mbale	Mbarara	Moroto	Soroti	Tororo	Kamuli	Kasese	Kitgum	Mubende	Apac	Busia	Lugazi	Ntungamo	City/ MLG Average Score
	Evidence that the Engineer carries out monthly, and technical staff carries out joint quarterly supervision of project investments in the municipality (Max. 4 points)	0	0	0	0	0	0	0	0	4	0	0	3	4	0	0	1	3	0	4	1	0	3	1.05
	MLG responds to private sector concerns and supports firms (Max. 8 points)	0	2	0	4	2	6	4	6	8	6	0	4	6	4	6	4	6	6	8	8	2	4	4.36
Total	(Max. 16 points)	0	4	4	4	6	8	4	8	16	10	2	7	10	8	8	5	11	6	12	9	2	11	7.05
Monitoring, enhanced accountability, transparency, and communication (Maximum 13 points)	The LG Council meets and discusses service delivery related issues (Max. 2 points)	2	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	2	2	0	0	0	0	0.36
	The LG has designated a senior officer to coordinate response to the feedback/ complaints provided by citizens (Max. 2 points)	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2.00
	The LG shares information with citizens (Transparency) (Max. 4 points)	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4.00

Performance measures	Indicators of performance	Arua	Entebbe	Fort Portal	Gulu	Hoima	Jinja	Kabale	Lira	Masaka	Mbale	Mbarara	Moroto	Soroti	Tororo	Kamuli	Kasese	Kitgum	Mubende	Apac	Busia	Lugazi	Ntungamo	City/ MLG Average Score	
	LG communicates guidelines, circulars and policies to LLGs to provide feedback to the citizens (Max. 2 points)	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2.00
	Enhanced transparency, accountability and participation (Max. 3 points)	3	2	0	3	2	3	2	2	1	3	3	3	0	2	2	2	0	3	3	0	3	0	0	1.91
Total	(Max. 13 points)	13	10	8	11	10	11	10	10	11	11	11	11	8	10	10	10	10	13	11	8	11	8	10.27	
Environmental and Social issues (Maximum 15 points)	Municipality is planning, designing and complying to environmental and social management (particularly ESIA and Land Acquisition Framework) procedures (Max. 4 points)	3	3	3	3	3	3	3	3	1	3	3	2	3	3	3	3	3	3	3	2	3	3	3	2.82
	Municipality is implementing, supervising, monitoring and complying to environmental management (particularly ESIA) procedures; and demonstrating effective on-the-ground environmental and social performance (Max. 4 points)	0	2	2	0	2	2	2	2	2	0	0	0	0	0	0	2	0	2	0	0	0	0	2	0.91

Performance measures	Indicators of performance	Arua	Entebbe	Fort Portal	Gulu	Hoima	Jinja	Kabale	Lira	Masaka	Mbale	Mbarara	Moroto	Soroti	Tororo	Kamuli	Kasese	Kitgum	Mubende	Apac	Busia	Lugazi	Ntungamo	City/ MLG Average Score
	All completed projects have Environmental and Social Mitigation Certification (Max. 2 points)	2	2	2	2	2	2	2	2	2	0	0	2	2	2	0	2	2	2	2	0	2	2	1.63
	The LG has mainstreamed gender and vulnerability/ inclusion issues into their activities and planned activities to strengthen women's roles and address inclusion issues (Max. 2 points)	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0	1	1	1	2	1	1	1	1.00
	Implementation of land acquisition framework (Max. 3 points)	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3.00
Total	(Max. 15 points)	9	11	11	9	11	11	11	11	9	7	7	8	9	9	6	11	9	11	10	6	9	11	9.36
Overall Total	Max. score 100	<u>57.2</u>	<u>69.7</u>	<u>66.2</u>	<u>68.8</u>	<u>76.5</u>	<u>72.1</u>	<u>73.8</u>	<u>70.2</u>	<u>82</u>	<u>74.5</u>	<u>70</u>	<u>61.4</u>	<u>70.9</u>	<u>76.6</u>	<u>60.1</u>	<u>75.3</u>	<u>75.5</u>	<u>81.1</u>	<u>78.5</u>	<u>64.1</u>	<u>60.3</u>	<u>71.2</u>	<u>70.72</u>

5.2 Municipal Physical Development Planning, Budgeting and City/ MLG Human Resource Management (Performance Measure I)

Cities/ MLGs are bound by the legal system that provides for bottom-up participatory planning and budgeting. Under USMID-AF, Cities/ MLGs are required to identify and prepare the sub-projects to be funded under the Program in a participatory manner with involvement of the Divisions, CDF/ MDF, Private Sector and wider stakeholder input, through budget conferences to ensure that funds are not fragmented. To ensure transparency and accountability, the sub-projects must be included in the Municipal Physical Development Plan (PDP), Five Year Development Plan and Annual Work Plans. The bottom-up and broad participation of stakeholders guarantees that the projects have been demanded by the community and reviewed by the TPC, the Physical Planning Committee (PPC), and the Municipal Budget Committee for financing in the budget, and both the Municipal annual work plan and budget are discussed and approved by the Municipal Council.

Performance on this measure for FY 2021/22 was benchmarked on a score of 20 points and the Cities/ MLGs attained an average score of 18.86 points which is a slight increase from the performance of 18.5 points recorded in the last assessment (FY 2020/21). Details on the City/ MLG practices and performance during FY 2021/22 are presented in the sections below.

5.2.1 City/ MLG Physical Planning Function

Cities/ MLGs comply and follow the elaborate legal system requiring urban authorities to enforce and carry out physical planning and orderly development. Article 242 of the Constitution of Uganda mandates Local Governments to plan and regulate the orderly use of land under the decentralized system of governance. The cardinal law in execution of this mandate is the Physical Planning Act 2010 which provides for Physical Development Plans (PDPs) as a legal requirement and as the cardinal policy tool to enable urban councils ensure planned and orderly use of land within their areas of jurisdiction. The PDPs are time bound and the process is initiated by the LGs, but approval is a mandate of the National Physical Planning Board (NPPB) in the MoLHUD basing on recommendations from the Local Government Councils.

The USMID-AF under the MISG has been providing resources to the participating new Cities and program MLGs for the demand-driven institutional strengthening targeting special urban capacity needs. Part of the grant is being used to support physical planning, urban systems development, and plans/ strategies with major focus on development of City and municipal-wide physical plans, urban systems, plans and strategies and their operationalization. The MLHUD and program participating Cities/ MLGs have overtime created institutional capacities in physical planning hence contributing to improved efficiency in delivery of key urban services, infrastructure, and better management of the physical development of their areas of jurisdiction.

Below are findings from review of the City/ MLG PDPs:

- Thirteen (13) Cities/ MLGs were found operating within valid and approved PDPs.
- The nine (9) Cities/ MLGs of Arua, Fort Portal, Gulu, Kasese, Lira, Masaka, Soroti, Lugazi, and Mubende were found with expired PDPs.
- Four (4) Cities (Gulu, Arua, Masaka and Fort Portal) and one (1) MLG (Kasese) have embarked on the process of revising and preparing new PDPs for their entities.
- The three (3) Cities of Lira, Mbale and Soroti are operating without approved PDPs, covering the old and extended boundary.
- The cities of Hoima and Mbarara have approved plans covering the old and extended City boundary, however, these plans were prepared when Hoima and Mbarara were still municipalities.

Table 18 below provides a summary of the status/ progress on compliance across the 22 Cities/ MLGs since the last performance assessment for the FY 2020/21.

Table 18: Status/ progress on the physical planning function at the 22 Cities/ MLGs

City /MLG	Period covered by PDP	PDP approval status by NPPB	Comments on progression since 2020/21
Arua City	The City has a 10-year PDP for the period 2016 – 2026 for old Municipal boundary covering 110km ²	Municipal PDP was approved by NPPB	<ul style="list-style-type: none"> - The new City boundary covers an area of 412 km². - The Global Green Growth Institute (GGGI) in collaboration with the National Planning Authority (NPA), MLHUD and MoLG is implementing the Greening Uganda's Urbanization and Industrialization project covering development of City Master/ Physical Development plans. A consulting firm, Mott MacDonald, was contracted to support Arua City to develop green growth aligned Master/ Physical Development Plans, Infrastructure Investment Plans and bankable projects for the City. - At the time of assessment, the consultant had finalised the draft plan and disseminated the same to the stakeholders who provided comments, and the statutory display period elapsed. The PDP has been forwarded to the NPPB for approval. - MoLHUD should exercise oversight to ensure that the process is finalised.
Entebbe MLG	Municipality has a 20 year PDP for the period 2020 – 2040 covering 56.2 km ²	The plan was approved by NPPB	<ul style="list-style-type: none"> - Plan was approved and recommended by the MLG Ordinary full Council Meeting of 6 March 2019 under Minute MIN.C:31/03/2019 - The NPPB at its 9th Board meeting held on 4 and 5 March 2021 under MIN. 5/9/NPPB/2021(c) approved the Entebbe Municipal PDP 2020-2040.
Fort Portal City	PDP 2008 to 2018 for previous Municipal boundary expired in 2018	Plan expired in December 2018.	<ul style="list-style-type: none"> - City Council engaged a consultant, GIPEA Africa Ltd to revise and update the plan to cover the old boundary and the City extended boundary. Consultant completed the analysis of the situation and preparation of Draft PDP. - At the time of assessment, the Physical Planner indicated that the consultant had submitted the Draft PDP for Fort Portal City for the period 2022 – 2040 and the accompanying report (submitted on 8 February 2022). - MoLHUD should exercise oversight to ensure that the process is finalised.
Gulu City	City has in place PDP 2015 – 2035 for the old Gulu Municipal Council boundary	Municipal PDP was approved by NPPB	<ul style="list-style-type: none"> - The GGGI in collaboration with the NPA, MoLHUD and MoLG are implementing the Greening Uganda's Urbanization and Industrialization project. The consulting firm, Mott MacDonald, was contracted to support Gulu City to develop green growth aligned Master/ PDPs, Infrastructure Investment Plans and bankable projects for the project cities and industrial sites. - At the time of assessment, the project team had conducted stakeholder consultations and mapping to consolidate and validate the physical

City /MLG	Period covered by PDP	PDP approval status by NPPB	Comments on progression since 2020/21
			<p>development/ spatial/ land use proposals for each of the wards and parishes in both the original boundary of Gulu municipality and the annexed areas where the City has expanded.</p> <ul style="list-style-type: none"> - The Consultant addressed comments received from different agencies and Local Governments concerning the Deposit of the Gulu City PDP (2022 – 2040). The plan is waiting for approval by the NPPB. - MoLHUD should exercise oversight to ensure that the process is finalized.
Hoima City	Hoima City has an updated PDP for the period 2015 to 2040 covering 228 Km ² , the entire City boundary.	PDP was approved by the NPPB	<ul style="list-style-type: none"> - The plan was prepared when the entity was still a Municipality, however, it was approved by the NPPB at its 19th meeting held on 11 December 2015 under minute MIN.05/20/16. - The City is currently undertaking the validation of the approved Hoima Municipality PDP for the period 2015-2040 to provide for the following: <ul style="list-style-type: none"> ▪ Cater for existing new City Administrative Units (West and East Divisions). ▪ Update of land use patterns to cater for City land uses, service and infrastructure requirements. ▪ Develop new planning standards and development guidelines and restrictions for the City. ▪ Change the title of the PDP from Municipal to City.
Jinja City	City had in place a Draft PDP for the period 2020 – 2040 covering an area of 216 Km ²	PDP was approved by the NPPB	<ul style="list-style-type: none"> - The plan was subsequently approved by the NPPB during a meeting held on 10 December 2021.
Kabale MLG	Municipality has a valid PDP for the period 2020 to 2040 covering 33.1 Km ²	Plan was approved by NPPB	<ul style="list-style-type: none"> - Plan was approved by the NPPB at its 14th Board meeting held on 10 December 2021 under Minute MIN:5/14/NPPB/2021.
Kamuli MLG	Municipality has a PDP for the period 2021-2040 covering an extended boundary of 102.62 Km ²	Plan was approved by NPPB	<ul style="list-style-type: none"> - The NPPB approved the Kamuli PDP during a meeting held on 10 November 2022.
Kasese MLG	Municipality has in place a PDP for the period 2008 – 2018, plan expired in 2018	Process of review and updating of the Municipal PDP is on-going	<ul style="list-style-type: none"> - Process to review and update the Municipal PDP was contracted out to M/s Technology Consults Limited. - Records at the MLG indicated that the contract between Technology Consults Limited and

City /MLG	Period covered by PDP	PDP approval status by NPPB	Comments on progression since 2020/21
			<p>Kasese MLG was signed on 8 January 2020 and the consultant commenced work on 17 February 2020.</p> <ul style="list-style-type: none"> - The Full Council meeting held on 26 November 2021 under minute Min. KMC/FC/14/02//2021/2022 adopted and recommend the Kasese Municipal PDP 2021 - 2040 for approval by the NPPB. - MoLHUD should exercise oversight to ensure that the process is finalized.
Kitgum MLG	Municipality had in place an approved PDP for the period 2020-2031 covering a boundary of 30 Km ² .	Plan was approved by NPPB	<ul style="list-style-type: none"> - The NPPB meeting held on 9 December 2012 considered and approved the plan, hence there is a valid approved plan in place.
Lira City	The City had in place an approved 10 years PDP for the period 2016 – 2026 for old Municipal boundary covering 36 km ² .	Old Municipal plan was approved by NPPB	<ul style="list-style-type: none"> - The NPPB approved the plan at its 26th Board meeting held on 19 December 2016 under Min. 05/26/16(c). The plan covered the old City boundary area of 36 kms² - The City is yet to review, update and prepare a new plan for the old and extended City boundary. - MoLHUD and USMID PST should take up the matter to ensure the initiation of the process and ensure that it is finalised.
Masaka City	City has an approved ten (10) year PDP for the period 2015 to 2025 for the old Municipal boundary covering 46 Km ² .	Old Plan was approved by NPPB	<ul style="list-style-type: none"> - The new City boundary covers an area of approximately 362.4 Km². The City has engaged a consultant, Stanfield Property Partners Limited, to prepare a City PDP to cover the old and extended City boundary. The consultant commenced work on 7 March 2022. - At the time of the assessment, the Consultant had completed the inception phase and was ready to proceed on the situation analysis process. - MoLHUD should exercise oversight to ensure that the process is finalized.
Mbale City	Mbale City has a ten-year PDP for the period 2017-2027	Plan was approved by NPPB	<ul style="list-style-type: none"> - The plan was approved by the NPPB during a meeting held on 19 December 2017 under minute OC.59/10/12/2017.
Mbarara City	City has an approved PDP for the period 2018 – 2040 that covers the entire City boundary, although the title reads Mbarara Municipality.	Plan was approved by NPPB	<ul style="list-style-type: none"> - The plan was approved by NPPB in a meeting held on 18 June 2018 under minute 04/04/2018. - The plan bears the title of a municipality hence the City Council should undertake a validation process of the approved Mbarara Municipality PDP 2015-2040 to provide for the following; <ul style="list-style-type: none"> ▪ Cater for existing new City Administrative Units.

City /MLG	Period covered by PDP	PDP approval status by NPPB	Comments on progression since 2020/21
			<ul style="list-style-type: none"> ▪ Update of land use patterns to cater for City land uses, service and infrastructure requirements. ▪ Develop new planning standards, development guidelines and restrictions for the City. ▪ Change the title of the PDP from Municipal to City.
Moroto MLG	Municipality has an approved PDP for the period 2016 – 2026	Plan was approved by NPPB	– Plan was approved by the 20 th NPPB meeting held on 18 January 2016 under minute MIN.3/20/16.
Mubende MLG	Municipality has an approved PDP for the period 2015 to 2025 covering 32 Km ²	Plan was approved by NPPB	<ul style="list-style-type: none"> – The NPPB at its 16th Board meeting held on 11 September 2015 under minute No. 05/16/15 approved the Mubende Municipal PDP 2015-2025 for the old boundary. – Ms. Realtek Consultants Ltd was contracted by Mubende MLG to spearhead the process of preparation of Mubende MLG old and extended boundary covering 299 sq. kms. – The NPPB at its 14th meeting of 9 December 2021 reviewed and approved the Mubende PDP 2020-2040 with conditions. – Records at the MLG indicated two communications from the TC to the ED NPPB dated 10 August 2022 ref. CR/MMC/202 and 10 November 2022 ref. CR/MMC/202 submitting adjusted final copies of the Mubende Municipality PDP 2020-2040 with the report and reminding the ED about the delayed endorsement/ signing of the revised plans respectively. – MoLHUD should exercise oversight to ensure that the process is finalized.
Soroti City	PDP for the old Municipal administrative boundary covered the period 2008 - 2018.	The PDP expired in 2018	<ul style="list-style-type: none"> – The activity of review and updating of the Municipality PDP was integrated as a priority activity under the USMID – AF programme and work plan during the FY 2019/20, and the annual Procurement Plan for FY 2019/20 provided a budget allocation of UGX 145 million. Process stalled when the MLG was elevated to a City status and the boundary was expanded from 17 Km² to 238 Km² – At the time of assessment, we noted that the City had not yet procured a Consultant to prepare a new City PDP as it was still sourcing for funding. – The MoLHUD and the USMID PST should take up the matter to ensure the initiation of the process and ensure that it is finalised.

City /MLG	Period covered by PDP	PDP approval status by NPPB	Comments on progression since 2020/21
Tororo MLG	Municipality has an approved ten-year PDP for the period 2016 – 2026	Plan was approved by NPPB	– The plan was approved by the NPPB in a meeting held on 16 April 2018 under minute 05/39/18.
Apac MLG	Municipality has an approved ten-year PDP for the period 2020 – 2031	Plan was approved by NPPB	– The plan was approved by the NPPB in a meeting held on 4 March 2021 under minute NPPB/Mar/2021/APCH
Busia MLG	The municipality had in place an approved PDP for the period 2021-2040 covering the old boundary and the extended area covering 34.521 Km ²	Plan was approved by NPPB	– The NPPB meeting held on 10 November 2022 approved the PDP.
Lugazi MLG	MLG had an approved structure plan for the period 2009 – 2019 hence plan expired in December 2019.	MLG engaged a consultant to review, update and prepare a new PDP for the entire Council boundary covering 446.64 Km ²	<ul style="list-style-type: none"> – The contract to review, update and prepare a new PDP was awarded to M/s Aircon Surveyors and Engineering Consultants. – By the time of the assessment, the Lugazi Municipal Council meeting held on 21 December 2021 under Minute 19/COU/221/22 received, adopted and recommended the approval of the Draft Lugazi Municipal PDP 2021-2040 by the NPPB. – The Municipality complied with all the statutory requirements and submitted the Draft Lugazi Municipal PDP 2021-2040 to the MoLHUD for approval by the NPPB in a letter dated 8 August 2022 ref. CR/156. – MoLHUD should exercise oversight to ensure that the process is finalized.
Ntungamo MLG	Municipality has a PDP for the period 2019 - 2029	Plan was approved by the NPPB	– The NPPB at its 7 th sitting on 1 October 2019 approved the Ntungamo Municipal Council PDP (2019 – 2029).

5.2.2 Functionality of City/ MLG Physical Planning Committee on timely consideration of investment applications

1) Composition of PPC

Section 11 of the Physical Planning Act 2010 (and as amendments of 2020) provides for the establishment and composition of urban physical planning committees for the urban authority or City. Section 12 of the Act provides for the functions of an Urban Physical Planning Committee (PPC). Our assessment of the 22 Cities/ MLGs revealed that the Urban PPCs are substantively in place in all Cities/ MLGs. All the 22 Cities/ MLGs had the statutory required PPC membership fully constituted and appointed by their respective City or Municipal Town Clerk as required by law. The PPC membership comprised the following:

- (i) The Town Clerk, who is the Chairperson;
 - (ii) The Urban Physical Planner, who is the Secretary;
 - (iii) The Engineer;
 - (iv) The District/ City/ Municipal Environmental Officer;
 - (v) A Land Surveyor;
 - (vi) An officer responsible for Public Health;
 - (vii) An Architect; and
 - (viii) A Physical Planner in private practice appointed by the council on the advice of the Town Clerk.
- In some cases, Cities/ MLGs co-opted members from the Divisions.

2) Functionality of the PPC

Section 12 of the PPA 2010 (and as amendments of 2020) provides for the functions of the PPC. The benchmarked functions in the assessment tool related to the role of PPC in timely execution of development control functions, with specific focus to timely consideration of investment/ development applications. Compliance assessment of City/ MLG functionality on the performance measure was benchmarked on the following:

- Record of development applications received by the PPC secretariat;
- Proof of consideration of investment applications by the PPCs, including period of consideration; and
- Proof of performance through minutes of the PPCs and evidence of submission to the MoLHUD or the Ministerial Zonal Office (MZO).

PPCs in program Cities/ MLGs were active during the FY 2020/21 in discharging their statutory functions, majorly through meetings and inspections in respect to planning and development control activities. All program Cities/ MLGs, with the exception of Fort Portal City submitted at least four (4) sets of minutes of the PPC meetings held during the FY 2020/21 to the MoLHUD – Physical Planning Department or to the Ministerial Zonal Offices.

Urban PPCs in program Cities/ MLGs considered a wide coverage of development and planning applications comprising the following:

- Municipal planning considerations (physical development planning, detailed planning, action area planning, and plan modification applications among others);
- Development applications;
- Planning applications (fresh surveys, re-surveys, land sub-divisions and amalgamations) and submission of applications that required approval by Council;
- Land applications for processing and recommending to the District Land Boards (conversions, extensions, fresh applications, etc.);
- Applications for modifications or change of use for clearance before submission to the NPPB; and
- Breaches to planning control requiring enforcement action.

The assessment was restricted to “new investment applications” but further clarified in the tool as building plans. Although all the Cities/ MLGs submitted new investment applications to the PPC during the FY 2020/21, a number of applications were not considered within the 28 days period across the Cities/ MLGs.

5.2.3 Detailed physical planning in Cities/ MLGs

All Cities/ MLGs had in place local/ urban plans (detailed plans). 16 Cities/ MLGs (72.7%) had more than 50% of their land covered with detailed plans while four (4) MLGs had detailed plans covering between 30% and 49% of their land of jurisdiction. Ntungamo and Lugazi MLGs had less than 30% of their area of jurisdiction covered with detailed plans.

Key to note is that performance on this measure in the ten (10) Cities was assessed basing on the approved PDPs for the old municipal boundaries that were in place before attainment of City status.

Program LGs' performance in this area needs a further boost so as to ensure that the PforR program achieves the intended objective of strengthening urban LG capacities to implement the infrastructure projects effectively and efficiently within guided urban physical development frameworks. The POM guides on the eligible activities on which program LGs can utilise their ISG allocations. Preparation of local (detailed) physical development plans is one major area where part of the ISG could be utilised to effectively roll out the physical planning system.

5.2.4 Cities/ MLGs and action area planning

Besides preparation of local (detailed) physical development plans, Cities/ MLGs are mandated to prepare action area plans to resolve local planning challenges and further facilitate implementation of approved PDPs. The Physical Planning Act, 2010 in the third schedule defines the scope and function of action plans. In most Cities/ MLGs these have taken the form of detailed schemes at a smaller scale and for a particular aspect usually out of a long-term plan, sub-division plans, amalgamation plans, and modification plans among others. The function in most Cities/ MLGs was either locally handled with direction emanating from Council resolutions, from the PPC or with involvement of the MoLHUD for policy direction on planning matters that required immediate action. Performance in this area was confirmed in 20 Cities/ MLGs where special action area plans were prepared and approved by Council or the PPC. Exceptions of non-performance in this area were identified in the MLGs of Lugazi and Ntungamo.

5.2.5 Implementation of Physical Planning and Urban Management Information System (PPUMIS)

MoLHUD received support from USMID funding to implement policies, plans and strategies for urban development such as implementation and rollout of the Physical Planning and Urban Management Information Systems (PPUMIS) in the original 14 USMID Program Cities/ MLGs. The Cities/ MLGs include Gulu, Lira, Soroti, Moroto, Mbale, Tororo, Busia, Kabale, Mbarara, Masaka, Fort Portal, Hoima, Jinja, and Entebbe. The investment facilitated the acquisition, installation and building capacity/ professionalism (through training) of the user department officials comprising the Physical Planners, Environmental Officers and the Engineers. The investment facilitated the acquisition of the following system hardware: Two (2) workstations, one (1) mini server linked to the main central server at MoLHUD via internet, three (3) monitors, three (3) keyboards, mouse (3), printer – HP colour LaserJet CP5225, HP Design jet Plotter T520-36, router sim card, internet facility, total station, and GPS. The support also facilitated the installation of the contemporary physical planning and urban management software.

The beneficiary Cities/ MLGs have demonstrated capacity, knowledge and skill in use of PPUMIS to progressively build City/ MLG urban spatial data (physical planning, social, economic and land ownership) management systems. The system is vital for planning and land management related tasks such as the following:

- Storage and beneficial analysis of all required City /municipal data on planning, land valuation, property rates, data on social services and economic data;
- Management and administration of physical developments in the Cities/ MLGs to ensure compliance with approved plans, monitoring urban growth, and guiding Council;

- Preparation, modification, implementation and evaluation of PDPs, storage of urban GIS data, street addressing (road naming), property numbering (plot numbers on buildings), and demarcation of wetlands and sensitive reserves;
- Council engineering works utilizing the survey equipment (Total station and GPS) in setting out and demarcating planned road reserves, opening property boundaries and in resolving land management issues; and
- Increased interaction and coordination between MoLHUD and the 14 Cities/ MLGs.

For the additional eight (8) MLGs of Mubende, Kasese, Kitgum, Kamuli, Lugazi, Ntungamo, Apac and Busia, the POM guides on the eligible activities that program Cities/ MLGs can utilise their ISG. Part of the grant could be utilised to roll out the PPUMIS to the MLGs.

5.2.6 Implementation of City/ MLG infrastructure that are linked to the approved City/ MLG Physical Development Plans

Integration and harmonisation of economic development plans, physical development plans and annual budgets is a key requirement under USMID-AF Program. MoLHUD has been steadfast in supporting program Cities/ MLGs to align their plans, annual budgets and USMID project investment menus.

The IVA sought to verify whether program Cities/ MLGs ensured integration and harmonisation of infrastructure projects they implemented (including those funded under intergovernmental transfers such as USMID, PHC, SFG, URF and Local Revenue) with their approved physical development plans during the FY 2020/21. The IVA extracted the infrastructure projects that the Cities/ MLGs implemented during the FY 2020/21 from individual City/ MLG annual (quarter 4) performance reports in the key sectors of Works and Engineering, Production, Education and Health. The lists extracted provided the FY 2020/21 investment menus that were used to confirm whether the menus were integrated and consistent with respective City/ MLG approved PDPs. Overall, program Cities/ MLGs' investment menus were integrated in the approved City/ MLG PDPs, an indicator that there was harmonisation/ alignment of development plans, economic and spatial plans, and annual budgets.

Suffice to note that the current situation in program Cities/ MLGs without approved PDPs puts the PforR at high risk given that the legality of infrastructure projects being implemented might be challenged. All newly designated cities with the exception of Mbarara and Hoima, are relying on plans for their old municipal boundaries, hence do not have approved PDPs covering the extended and gazetted City boundaries.

In the cities of Arua and Gulu, the GGGI in collaboration with NPA, MoLHUD and MoLG are facilitating preparation of PDPs for the old and extended City boundaries. Fort Portal and Masaka cities have embarked on review and extension of the plan to cover their old and newly gazetted City boundaries. However, the MoLHUD and the newly created Cities of Soroti and Lira should ensure that physical development plans for the extended and gazetted City boundaries are prepared and approved to guide development. In addition, the MoLHUD should fast-track the physical planning processes being undertaken in the MLGs of Kasese and Lugazi, and cities of Fort Portal, Gulu and Arua to ensure that the process is finalised.

5.2.7 City/ MLG naming of streets, numbering of plots, surveying and demarcating roads

Compliance on labelling of properties and plots was more prominent in the Central Business Districts (CBDs) although on a very low scale in the MLGs of Lugazi and Ntungamo where efforts in this area seem to be private individual led, and the processes undertaken in naming of national trunk roads has to be approved by Uganda National Roads Authority (UNRA). Despite the growing compliance in this area by other Cities/ MLGs, the following challenges ought to be streamlined:

- Incomplete or lack of City/ MLG road registers to guide the process of road naming/ street addressing;

- Lack of uniformity in the fashion, design, colours used, materials used, and placement of road name signs;
- Urban LGs need to broaden the coverage beyond the CBDs to cover all major centers within the LG area; and
- The rampant thefts and vandalism on the street furniture and street name signs; most of the vandalized material ends up in scrap yards hence inflicting huge losses to the LGs.

5.2.8 Participatory and integrated planning and budgeting

The planning and budget formulation process in all the 22 program Cities/ MLGs complied with the LG budget formulation cycle as prescribed in the Local Government budget formulation and implementation guidelines/ manual, the Local Government Finance and Accountability Requirements 2007, the Local Government Finance and Accounting Manual (LGFAM) 2007 and the Budget Guidelines issued by the MoLG. Review of submissions from the Division Senior/ Assistant Town Clerks (minutes and budget conference reports) confirmed that stakeholder planning and budgeting meetings were held in all the 22 program Cities/ MLGs. Review of minutes and budget conference reports from the Divisions confirmed that projects and priorities were identified and submitted to the City/ MLG, hence constituting Division development priorities.

The City/ MLGs' planning unit and budget desk coordinate the planning and budgeting function at headquarters. Across all program Cities/ MLGs, budget conferences were held following the budget calendar (between October and November 2019), and attendance registers, financial releases and accountabilities for the processes carried out, budget conference minutes and/or reports were maintained. The budget conference reports/ minutes and registers confirmed engagement with a cross-section of stakeholders/ participants ranging from private sector representatives, wider local community, Division and City/ Municipal Councillors, the City/ Municipal and Division technical team, the CDF/ MDF, and interest groups who identified and consolidated sector development priorities for FY 2020/21. These were cross-referenced with major priorities captured in the Annual Work Plan (AWP) for FY 2020/21. This confirmed integration/ harmonisation and comfort that the projects were demanded by the community/ CSOs/ MDF/ private sector, reviewed by the technical planning committee of the City/ MLG, the municipal City/ MLG budget committee provided for the financing in the annual budget, and both the plan and budget were discussed and approved by the elected council before receipt of funds for implementation.

All the 22 Cities/ MLGs have maintained good performance in ensuring participation and integration during their planning processes thereby ensuring transparency and accountability. This in effect averts the risks that would arise in respect of quality of the budget formulation process given the effective participation in budget preparation that allows priority activities and projects that are of utmost urgency to the communities to be included in the budget.

5.2.9 Integration of City/ MLG annual work plan and approved five-year development plans

Integration and harmonisation of LG economic development plans, physical development plans, annual work plans, and annual budgets is a key requirement under USMID-AF. Assessment on integrated planning and budgeting involved verification as to whether City/ MLG capital investments, including the allocations in the approved AWP are integrated in the approved five-year development plan with all project profiles developed as per LG Planning guidelines, and discussed by TPC. The POM guides on program requirements with regard to integrated planning and budgeting. The sub-projects to be funded under the Program must be included in the City/ municipal PDP, five year Development Plan and AWP. The Local Government Development Planning guidelines provide the requirements and format for the project investment profiles that must be integrated in the plan. The critical input of the TPC ensures that sector plans and targets are captured.

The assessment of performance on the two measures was calibrated at a score of four (4) and the Cities/ MLGs scored the maximum average score of four (4) points. Overall, all program City/ MLG annual work plans and approved/ draft Five Year Development Plans were confirmed as integrated

and in harmony. The good performance on integration of AWP's and approved five year Development Plans in the Cities/ MLGs is greatly attributed to oversight provided by the department of Urban Development in MoLHUD. The department has been steadfast in supporting the program Cities/ MLGs to harmonise/ align their plans (development, economic and spatial), annual budgets, and USMID project investment menus with their strategic and long-term development strategies (year City/ Municipal Development Strategies).

Our assessment of the project profiles for FY 2020/21 that were developed by the planning teams and included in the Cities/ MLGs' five year Development Plans 2020/21 – 2024/25, and review of minutes of Cities/ MLGs' TPC meetings indicated the required input from sector heads. Further review of the profiles confirmed adherence to the formats provided in the Local Government Development Planning Guidelines of September 2020.

5.2.10 City/ Municipal annual statistical abstracts availability and application

All the 22 Cities/ MLGs compiled the annual statistical abstract for the FY 2020/21 and there was evidence to confirm authenticity. Reviewed minutes of City/ MLG TPC meetings indicated that the technical teams discussed and utilized the statistics (gender disaggregated data on the statistics pertaining to City demography, population characteristics, service distribution, access and threshold, and community-based services) during planning and budget allocations during the FY 2020/21. The abstracts were endorsed by the respective City/ MLG Mayors and Town Clerks.

5.2.11 City/ MLG Human Resource Planning and Management Performance

Across the 22 program Cities/ MLGs, the human resource management function of performance appraisal, internal communication, staffing human resource alignment and career planning were performed well. Performance on this measure was benchmarked on a score of 5 marks and the Cities/ MLGs maintained the same average score of 4.54 marks attained in the previous assessment (FY 2020/21). The detailed assessment findings on performance of the 22 Cities/ MLGs on human resource management practices during FY 2020/21 are indicated below.

a) City/ MLG staff performance appraisal

Assessment of staff performance management and appraisal was guided by the Circular Standing Instructions (CSI) No. 5 of 2019 for performance management guidelines for performance in the Public Service FY 2019/20 issued by the Permanent Secretary Ministry of Public Service on 25 July 2019. The CSI provided the following timeframes:

- By 30 June – Filling and completion of performance plans and performance agreements;
- Completion of quarterly performance reviews (within one week after end of quarter under review);
- 30 June – Filling and completion of performance appraisal forms and performance reports for Senior Managers;
- 15 August – Submission of summary reports on performance plans to MoPS;
- 15 August – Submission of summary reports on performance agreements to MoPS;
- 15th day of the first month after end of the quarter – Submission of quarterly returns on disciplinary cases to MoPS;
- 15 August – Submission of synthesized performance assessment report to MoPS;
- 15 August – Submission of synthesized performance assessment report for Senior Managers to MoPS;
- 15th day of the first month after the end of the Quarter – Submission of quarterly attendance analysis reports to MoPS; and
- 15 August – Submission of progress reports on implementation of Performance Improvement Plan (PIP).

Pursuant to the Public Financial Management Act of 2015, Part VII, Accounting and Audit, Section 45 (3), all Town Clerks in the 22 Cities/ MLGs prepared annual Performance Contracts (PCs), work plans and budgets at the beginning of the financial year 2020/21 and submitted them to MoFPED before the due date of 30 June 2021. The PCs formed performance requirements against which the City/ MLG Town Clerk's performance as an Accounting Officer would be assessed regarding the financial management and accountability for all votes, and achievement of results in the priority programmes and projects identified for the specific vote. On signing, the respective TCs undertook as the Accounting Officers to achieve the performance requirements set out in performance contract and to deliver on the outputs and activities specified in the work plan of the City/ MLG vote for FY 2020/21, inclusive of all work performed on behalf of staff under their control. Therefore, in respect of each sector, the performance requirements set out in PCs and the outputs and activities specified in the work plan were then translated into annual staff work/ performance plans/ agreements (set objectives, specific and measurable outputs, outcomes and performance indicators and targets) for each Head of Department. These were jointly developed and agreed between the officer and the Town Clerk.

We confirmed that in sixteen (16) cities/ MLGs, the Town Clerks jointly working with Heads of Departments prepared and signed off annual performance agreements at the beginning of the financial year 2020/21. The Heads of Departments equally prepared their performance reports for the FY 2020/21 and the Town Clerks carried out appraisal on the officer's attainment of the commitments (performance outputs, indicators and targets) for the assessment period, in relation to the achievement of the organizational goals within time, i.e., before 30 June 2021. The MLGs of Kamuli, Lugazi, Busia, Apac, Moroto and Kitgum displayed challenges in appraisal of the Heads of Departments in charge of the key sectors/ departments in the LG. For most, the process was concluded beyond the stipulated timelines.

b) Submission of key vacant positions, staff confirmation, handling of disciplinary cases and staff access to payroll

(i) Submission of key vacant positions to the District Service Commission (DSC) for recruitment

The key positions considered were Heads of Departments and the designated USMID Core Staff as defined in the signed participatory agreement between Municipal Councils, the MoLHUD and MoFPED. Specific findings are documented below:

▪ *Status of staffing in the key sectors/ departments in the ten (10) new Cities*

With effect from 1 July 2020, the ten (10) MLGs of Arua, Fort Portal, Gulu, Hoima, Jinja, Lira, Masaka, Mbale, Mbarara and Soroti became Cities. During the FY 2020/21 there was a stalemate with regards to staff recruitments due to the following factors:

- Cities had no approved City staff structures; the nine (9) cities of Arua, Fort Portal, Gulu, Hoima, Lira, Masaka, Mbale, Soroti, and Mbarara obtained their new staff structures in April 2022 while Jinja City obtained the new staff structure in May 2022.
 - The cities did not have approved and fully constituted City Service Commissions (CSCs) in place. Cities obtained approved CSCs in December 2021 and January, February and March 2022.
 - DSCs from which Cities were created were instructed by the Secretary Public Service Commission in his letter dated 26 November 2020 ref. DSC 31/154/01 to halt handling submissions from Town Clerks of Cities until guidance was obtained from the Solicitor General. The guidance obtained from the Solicitor General in his letter dated 2 June 2021 ref. ADM.56/177/01 to the Secretary Public Service Commission indicated that recruitment of staff in new Cities be conducted in accordance with the approved structures of the new Cities.
- *Status of staffing in the key sectors/ departments in the twelve (12) MLGs*
- Four (4) MLGs of Entebbe, Kitgum, Mubende and Kamuli had all key staff positions substantively filled. Four (4) MLGs of Kabale, Kasese, Tororo, and Ntungamo submitted all key staff vacant positions to the respective DSCs or Town Clerks who worked with MoPS and MoFPED for provision of wage.

- Failure to fill the key vacant positions in Moroto MLG was as a result of the expiry of the DSC whose term of service expired in November 2020 and a new DSC was approved by the Public Service Commission on 8 February 2022. In addition, Apac MLG's failure to fill the key vacant positions was as result of the expiry of the DSC whose term expired in August 2020 and the new Commission commenced operations in March 2022. However, all vacant positions were submitted on 21 September 2020.
- Lugazi MLG's failure to submit the position of Principal Medical Officer to the DSC was due to lack of wage. The Town Clerk made official submissions of the MLG's wage analysis to the Permanent Secretary MoPS seeking for guidance and permission to fill the identified vacant position. The Town Clerk also made official submissions to the PS/ST MoFPED seeking for additional wage to recruit new staff on approved MLG staff structure but was advised to restrict recruitments within existing wage, which was not adequate.

(ii) Submission of staff due for confirmation to DSC

The HR function of management of staff confirmations was executed diligently in all Cities/ MLGs except in Busia MLG where performance could not be ascertained on the measure. Whereas it was established that nine (9) staff joined the MLG staff establishment during the FY 2020/21 and were due for confirmation, the assessment team was not availed evidence of submission to the DSC.

(iii) Submission of staff requiring disciplinary action to DSC

The power to exercise disciplinary control for City/ MLG errant staff is vested in the respective C/DSCs. Assessment of functionality of Cities/ MLGs on the measure was guided by the Disciplinary Procedures for Civil Service that are provided in the Public Service Commission Regulations 2009. The regulations provide for a progressive approach to disciplinary action and the specific discreet steps to consider in case of errant officers, cases of misconduct and staff indiscipline actions. Across the 22 Cities/ MLGs management of staff disciplinary cases was satisfactory. The process generally involved exhaustion of preliminary processes before submission of the cases to the C/DSCs.

- Performance on management of staff disciplinary cases in ten (10) Cities: All ten (10) cities did not have CSCs in place. However, six (6) Cities (Soroti, Mbale, Lira, Gulu, Fort Portal and Arua) did not have staff with disciplinary cases; two (2) Cities of Mbarara and Jinja resolved their staff disciplinary cases by submitting them to the Rewards and Sanctions committee; Hoima City had one (1) case that was resolved using administrative measures; and Masaka City had one (1) staff requiring disciplinary action during the FY 2020/21 involving a case of corruption which was jointly handled with Government anti-corruption agencies (Police, the Chief Magistrates Court of Buganda Road Anti-Corruption Division).
- Performance on management of staff disciplinary cases in twelve (12) MLGs: Eight (8) MLGs (Lugazi, Kamuli, Ntungamo, Apac, Mubende, Moroto, Kitgum and Entebbe) did not have staff with disciplinary cases; two (2) MLGs of Kasese and Kabale resolved their staff disciplinary cases by submitting them to the Rewards and Sanctions committee; and two (2) MLGs of Busia and Tororo had staff disciplinary cases that were submitted to and resolved by their respective DSCs.

(iv) Staff access to payroll

The HR processes regarding payroll management were executed diligently in all program Cities/ MLGs, specifically ensuring that staff access the payroll within the stipulated timelines. Where Cities/ MLGs faced challenges, the delays were as a result of inputs and processes that were beyond their mandates. During execution of human resource management practices, Cities/ MLGs undertake processes which are supposed to be supplemented or require inputs and processes from institutions and centres that are beyond their mandates.

5.3 Revenue mobilization (Performance Measure II)

Building strong City/ Municipal own source revenue and sustainable revenue enhancement strategies has been one of the major areas of focus of the USMID-AF program. Cities/ MLGs are expected to build a strong economic base to ensure sustainability in generating own local revenue. Assessment on this measure established that program Cities/ MLGs slightly improved in revenue mobilization for the FY 2021/22 as compared to their level of performance for the FY 2020/21. Assessment of performance was benchmarked on a score of 12 points and the average score attained by all 22 program Cities/ MLGs for FY 2021/22 performance was 7.68 points which was an improvement from FY 2020/21 performance of 7.3 points. Details of the Cities'/ MLGs' performance on the measure is presented below.

5.3.1 Establishment of a database, publicity of information, and issuance of demand notes for own source revenue collection

- a) **Establishment of comprehensive revenue data base:** Fourteen (14) Cities/ MLGs established and maintained the seven (7) databases for property rates, business licenses, local service tax, local hotel tax, market fees, street parking and park fees. The databases are maintained per division. The eight (8) Cities/ MLGs that did not maintain comprehensive and updated databases include Gulu, Lira, Mbale, Moroto, Soroti, Kamuli, Busia and Lugazi.
- b) **Publicity of information on tax rates and collection procedures:** All Cities/ MLGs with the exception of Fort Portal City and Entebbe MLG publicized information on tax rates and collection procedures. Cities/ MLGs majorly used radio communication and notice boards as means of publicity. On most of the City/ MLG noticeboards, there was display of information and procedures on tax collection, tax rates and procedures for tax appeal. Some Cities/ MLGs also conducted street/ road drives communicating tax related information to the public.
- c) **City/ MLG effectiveness on issuance of demand notes:** Only six (6) Cities/ MLGs (Mubende, Kitgum and Kasese MLGs, and Mbale, Jinja and Fort Portal Cities) issued 100% demand notes during the FY 2020/21 that were acknowledged by the respective taxpayers. This performance improved compared to the performance level that was attained during the previous year of assessment with Apac, Moroto and Ntungamo MLGs, and Lira and Soroti Cities complying on the performance measure.

5.3.2 Performance on City/ Municipal Own Source Revenue (OSR)

The key source of information for this measure was the audited final accounts for the previous two FYs (2019/20 and 2020/21) to determine level of progression in OSR revenue collection. Across the 22 Cities/ MLGs, twelve (12) Cities/ MLGs had an increase of more than 10% in OSR, one (1) MLG (Mubende) had an increase ranging between 6% to 10%, one (1) City (Arua) had an increase ranging between 2% to 5%, and eight (8) Cities/ MLGs had less than 2% increase in OSR in the last financial 2020/21 compared to FY 2019/20. The eight (8) Cities/ MLGs that had either a decrease or an increase in local revenue collection of less than 2% over the two FYs (2019/20 and 2020/21) included the Cities of Jinja and Lira, and the MLGs of Entebbe, Masaka, Kamuli, Busia, Lugazi and Ntungamo. The major factor that hindered growth and collection of OSR in the Cities/ MLGs was restrictions caused by the COVID-19 pandemic, the total lock-down and the post lock-down SOPs that affected the activity levels of most businesses, specifically impacting revenue generation from business licenses, hotel taxes, local service tax, property rates, market dues, and street parking fees.

5.3.3 City/ MLG local revenue administration, allocation, and transparency

Eleven (11) Cities/ MLGs remitted the mandatory 30% share of local revenue to Divisions. The Cities/ MLGs include Arua, Gulu, Hoima, Lira, Soroti, Tororo, Kamuli, Kitgum, Mubende, Apac and Busia. The other eleven (11) non-compliant Cities/ MLGs indicated that the revenue collected and remitted by the divisions is not sufficient to sustain both the City/ MLG activities and submission of the mandatory share to the divisions.

5.3.4 MLG local revenue administration, allocation and transparency

Apart from Moroto MLG and the Cities of Arua, Jinja and Soroti, all the other eighteen (18) Cities/ MLGs ensured that not more than 20% of their own source revenue was used on council activities as provided for in LG Act CAP 243.

5.4 Improved procurement (Performance Measure III)

The Legal Framework for public procurement through the full enforcement of the PPDA Act across all the 22 Cities/ MLGs has generally been enforced. The PPDA carries out oversight to ensure adherence to disclosed evaluation criteria. The FY 2020/21 procurement audit conducted on all 22 Cities/ MLGs was carried out by PPDA on a sample of contracts to assess the procurement and disposal activities of each City/ MLG in accordance with Section 7(j) of the PPDA Act, 2003.

Assessment of performance was benchmarked on a score of 10 points and the average score attained by all 22 program Cities/ MLGs for FY 2021/22 performance was 6.27 points which was satisfactory performance and an improvement from the average score of 5.6 registered during the FY 2020/21 performance assessment.

The PPDA audit reports for Mbale and Jinja Cities were rated highly satisfactory with scores of 8.5 and 8.06 respectively out of the benchmarked score of 10 points on the procurement performance measure. The audit reports for eighteen (18) Cities/ MLGs were rated satisfactory with scores ranging between 5.1 and 7.9 points, while Arua City and Kitgum MLG were rated unsatisfactory with scores of 2.2 and 2.5 respectively.

The procurement audits undertaken by PPDA identified the following cross cutting challenges:

- Failure to fully implement the previous audit recommendations;
- Failure to fully implement procurement budget thus denying services to the intended beneficiaries;
- Understaffing of the Procurement and Disposal Unit resulting in inefficiency and ineffectiveness in the performance of the procurement and disposal function;
- User departments not recommending statement of requirements at initiation of procurements which exposes the Entity to the risk of issuing statements of requirements to bidders that are not aligned to the needs of the beneficiaries;
- Poor records management in the PDU;
- The Entity used inappropriate procurement methods
- Irregularities during bidder evaluation processes;
- Failure by user departments to nominate contract supervisors in all sampled procurements which potentially affects effectiveness of contract execution;
- Laxity by the Entity in ensuring that contractual terms and conditions of the signed contracts were adhered to;
- Failure to pay providers within the contractual payment period;
- Failure by the entity to undertake due diligence on documents submitted by bidders;
- Low bidder participation leading to a low bidder responsive rate, no competition, hence no value for money;
- Procurements not conducted within the timelines indicated in the Entity's procurement plan;

- Conducting procurement transactions outside the procurement plan hence risking on non-implementation of other planned activities due to diversion of funds;
- Delayed submission of quarterly procurement and disposal reports to PPDA; and
- Failure to adhere to the format of the procurement plan issued by the Authority and gross deviations from the procedures prescribed in the procurement regulations.

5.5 Accounting and core finance management (Performance Measure IV)

The key benchmarked areas of performance assessment covered timely submissions of complete monthly financial reports, staffing and functionality of the Internal Audit unit, City/ MLG performance on maintaining detailed and updated fixed assets registers, and City/ MLG audit opinion. Performance assessment on the above areas was benchmarked on a score of 14 points. The average score attained by the Cities/ MLGs for the FY 2021/22 was 11.23 points which was lower than the score of 11.5 points registered by program Cities/ MLGs during assessment for the FY 2020/21. Detailed analysis on performance in the 22 Cities/ MLGs is presented below.

5.5.1 Timely submissions of complete monthly financial reports

Performance on this measure was achieved in the thirteen (13) Cities/ MLGs of Entebbe, Hoima, Kabale, Masaka, Mbale, Mbarara, Tororo, Kasese, Kitgum, Mubende, Busia, Lugazi and Ntungamo where comprehensive monthly financial statements were prepared, updated bank reconciliations were maintained, and submissions of the monthly financial reports were made to the Mayor by the 15th day of the following month. The financial statements included the trial balance, monthly income and expenditure statements with budget comparison, balance sheet and bank reconciliations. This performance reflects a decline from the previous year assessment results where 14 Cities/ MLGs achieved full scores on the performance measure.

5.5.2 Staffing and functionality of the Internal Audit Unit

Full compliance of this measure was achieved in eighteen (18) Cities/ MLGs. The 18 Cities/ MLGs had a substantive Senior Internal Auditor appointed, produced all quarterly internal audit reports for the FY 2020/21, and provided information to Council and LG PAC on the status of implementation of internal audit findings for the previous financial year. Both Moroto and Busia MLGs did not have substantive Senior Internal Auditors appointed. In addition, Moroto MLG did not submit the status of implementation of internal audit findings to LGPAC, while Kamuli MLG did not provide evidence indicating that the Town Clerk followed up on issues raised in the internal audit reports for quarters one and two.

5.5.3 City/ MLG performance on maintaining detailed and updated fixed assets registers

Some Cities/ MLGs still maintain the manual fixed assets register while others maintain the register using the IFMIS. Ten (10) Cities/ MLGs maintained detailed and updated fixed assets registers. The Cities/ MLGs include Entebbe, Hoima, Jinja, Kabale, Masaka, Mbarara, Kasese, Mubende, Lugazi and Ntungamo. The registers were up to date as of 30 June 2021 and were maintained as per the format in the accounting manual. The registers had asset categories including land, buildings, roads and bridges, motor vehicles, office equipment, medical equipment, other machinery and equipment, furniture and fittings, and ICT equipment among others. With the exception of Jinja City, the other eleven (11) Cities/ MLGs had not uploaded the asset registers in the IFMS at the time of assessment due to system development works that were ongoing, and delays by MoFPED to configure the asset register templates in IFMS.

5.5.4 Cities/ MLG audit opinion

All Cities/ MLGs obtained a clean/ unqualified audit opinion indicating satisfactory performance in areas of budgeting, planning, and financial management among others.

5.6 Budget execution/ implementation of infrastructure projects for improved urban service delivery (Performance Measure V)

Performance of the 22 Cities/ MLGs on budget execution/ implementation of infrastructure projects for improved urban service delivery indicated an average score of 7.05 points out of the benchmarked score of 16 points for the performance measure, a slight increase from the previous assessment for FY 2020/21 during which an average score of 7 points was attained. Detailed analysis on performance in the 22 Cities/ MLGs is presented below.

5.6.1 Performance on timely and appropriate certification of works

Assessment of performance of the LG certification function centred on timeliness and effectiveness in the project certification process whereby; “timely” meant not later than one month after the contractor had informed and submitted respective documents, and “appropriate” meant compliance with the contract terms.

Certification processes in ten (10) Cities/ MLGs were timely and appropriate during the FY 2020/21. The Cities/ MLGs include Entebbe, Fort Portal, Hoima, Jinja, Lira, Masaka, Mbale, Tororo, Kitgum and Ntungamo. This performance is a decline when compared to the fourteen (14) Cities/ MLGs that complied during the FY 2019/20 assessment. Specifically, the ten (10) Cities/ MLGs complied with the set target of one (1) month within which completed projects were certified following submission of documents by the contractors. For the twelve (12) non-compliant Cities/ MLGs, a number of performance challenges appeared endemic and cross cutting all through the program implementation period and during the FY 2020/21 as presented below:

- Certification of projects done prior to the payment request;
- Lack of support or appropriate documents such as contract agreements, claims/ payment requisitions, payment certificates, and payment vouchers to ascertain whether appropriate certification was done;
- Inadequate records management hence missing or misfiling of vital project documents;
- Requests for payment not appropriately written and labelled to distinguish between different interim certificates, differences between gross works completed and gross value of completed works, stage works incorrectly computed as cumulative gross works completed, and certificates not indicating previous payments or recoveries of advanced amounts; and
- Delays in preparation of final accounts and reaching an agreement on the contractor’s claims.

5.6.2 Performance on timely payment of contractors and suppliers

Assessment of performance of the program LGs’ timely payment of contractors and suppliers cantered on timeliness on payment of certified projects and approved supplies whereby; “timely” meant not later than 28 days after certification and lodging of submitted documents, and “appropriate” meant compliance with the contract terms.

Performance across the Cities/ MLGs slightly improved with the number of Cities/ MLGs that carried out timely payment of contractors and suppliers increasing from two (2) in the last FY 2019/20 to seven (7) during the FY 2020/21. The eight (8) compliant Cities/ MLG included Fort Portal, Hoima, Masaka, Mbale, Mbarara, Tororo, Kamuli and Ntungamo. The following cross-cutting performance challenges were identified across the fourteen (14) non-compliant Cities/ MLGs:

- Delays in processing claims by concerned officers whereby payment was effected after the 28 days threshold;
- Inadequate records management hence missing or misfiling of certification and payment documents;
- Inconsistencies in some of the certificates issued where requests for contract amounts to be paid were different from actual amounts payable;
- Certifications not quoting the cumulative completed works as required;

- Delays in effecting payments as a result of returning unspent funds to the consolidated account; and
- Administrative issues in some Cities/ MLGs that resulted in indictment of critical staff and investigations into use of City/ MLG funds that made it difficult to determine performance on the measure.

5.6.3 Monthly and quarterly supervision of project investments in Cities/ MLGs

The measure of performance in this area was benchmarked on a score of 4 points. The average score attained across the 22 Cities/ MLGs on supervision and monitoring of project investments was 1.05 points which is below average, and also below the last year (FY 2020/21) performance assessment score of 1.4 points. The assessment details are presented below.

a) City/ MLG compliance on monthly supervision of project investments

The City/ Municipal Works department is responsible for the supervision of all investment projects in the Cities/ MLGs. Assessment of performance in respective Cities/ MLGs involved review of individual City/ MLG monthly inspection reports for all investment projects implemented during FY 2020/21 utilizing both USMID-AF and other sources of funding, from inception of the projects to project handover.

Review of progress reports indicated a decline in performance by Cities/ MLGs in ensuring supervision of projects during the FY 2020/21. Only seven (7) Cities/ MLGs of Masaka, Moroto, Soroti, Kasese, Kitgum, Apac and Ntungamo provided sufficient evidence of at least 75% monthly supervision of their project investments by their technical staff during the FY 2020/21. This was a decline in performance when compared to the ten (10) Cities/ MLGs that complied on the measure during the FY 2019/20. Site supervision minutes and reports for the FY 2020/21 signed by the Engineer, Environmental Officer and Economic Planner were evident in the seven (7) Cities/ MLGs. In the fifteen (15) non-compliant Cities/ MLGs, the critical function and objective of inspection and monitoring to identify and address implementation challenges during project implementation was not realized.

b) City/ MLG compliance on quarterly supervision of project investments by technical staff

Technical supervision in program Cities/ MLGs is supposed to be undertaken by a team comprising the Engineer/ Supervisor of Works, MEO, CDO, Economic Planner, and any other technical officer as deemed necessary. Only seven (7) Cities/ MLGs (Masaka, Moroto, Soroti, Kitgum, Apac, Busia, and Ntungamo) carried out quarterly technical supervision of projects implemented during the FY 2020/21. This performance is the same as the FY 2019/20 where seven (7) Cities/ MLGs complied.

c) City/ MLG compliance on conducting monthly site meetings

Monthly site meetings are supposed to be undertaken by the Engineer/ Supervisor of Works to ensure project implementation snags and issues are identified and followed up and satisfactorily resolved and/or acted on. With the exception of Apac and Soroti, the other 20 Cities/ MLGs did not perform on this critical function for project investments implemented during the FY 2020/21. Respective Cities/ MLGs indicated that the effects of COVID-19 pandemic, the post pandemic standard operation measures and restrictions imposed by Government affected performance in this area.

5.6.4 Response and support to private sector concerns

a) Functionality of the Commercial Office in coordinating the local concerns of private sector

Seventeen (17) Cities/ MLGs organized forums within their areas of jurisdiction to hear and address organizational/ institutional and process issues, and local concerns raised by the private sector, and to ensure the elimination of obstacles to investment and private sector growth. There was sufficient evidence and records in the 17 Cities/ MLGs to confirm performance on the benchmarked functions during the FY 2020/21 including the following:

- Attendance registers/ sheets that indicated varied/ wide range of stakeholders that attended the forum including the Mayor, Town Clerk and the business community;
- Minutes of bi-annual forums held to hear local concerns of the private sector;

- Minutes/ reports of the required bi-annual meetings held that confirmed attendance and relevant issues raised/ discussed during the forums;
- Reports prepared by City/ MLG focal persons on views or concerns raised by the private sector;
- Minutes of TPC meetings held during the FY 2002/21 where the focal person submitted the concerns to the CDF/ MDF; and
- Evaluation sheets maintained by the City/ MLG focal persons indicating an action matrix on actions agreed upon.

Non-compliance was identified in the Cities of Arua, Fort Portal, Mbarara, and the MLGs of Ntungamo and Lugazi.

b) Functionality of the City/ MLG TPC in consideration and acting on issues raised by the private sector

TPCs in all program Cities/ MLGs have been functional in the execution of their statutory functions. Performance of TPCs in handling issues raised by the business community was confirmed in fourteen (14) Cities/ MLGs. The exceptional case was noted in the eight (8) Cities/ MLGs of Arua, Entebbe, Fort Portal, Hoima, Mbarara, Tororo, Kasese, and Lugazi. The 14 compliant Cities/ MLGs presented evidence to confirm performance of the Commercial Office in presenting concerns raised by the business community during the FY 2020/21 to respective City/ MLG TPC meetings. Documented evidence on performance in the 14 Cities/ MLGs included minutes of relevant TPC meetings, the issues presented by the Commercial Officer as emanating from the bi-annual forums, and deliberations by the TPCs in the respective Cities/ MLGs.

c) Functionality of City/ MLG One Stop Shop to provide services to the private sector

The functionality of City/ MLG One Stop Shops was confirmed in the fifteen (15) Cities/ MLGs of Kamuli, Ntungamo, Busia, Apac, Soroti, Mubende, Moroto, Mbale, Masaka, Lira, Kitgum, Kabale, Jinja, Gulu, and Tororo, where there was establishment of space/ an office for Taxpayer Registration and Enhancement Project (TREP). The 15 Cities/ MLGs provided evidence on performance with regard to the benchmarked areas on the performance measure as indicated below:

- Visible space allocated for the TREP office with the required furnishings and equipment (office equipment, furniture, computer/s, software and internet services);
- Visual advertisement for TREP services displayed at the entrance of the office offering the one-stop-shop services;
- Presence of City/ MLG officer assigned to manage the operations of the One Stop Shop;
- URSB and URA provided equipment, office furniture, IT hardware, software and internet services to operationalize the office;
- A functional office providing key services such as issuance of trading licenses, business registration services (the URSB officer), and assisting clients with issuance of TINs and tax information support (the URA officer); and
- Reports on after-care services offered to the business community throughout the FY 2020/21.

The major challenge in respect to functionality of the One Stop Shop in the other seven (7) Cities/ MLGs is the functioning of the One Stop Centre not being in synch with the original and intended objective. Whereas the URSB and City/ MLG functions were found functional, the URA functions were not consistently operational in the seven (7) Cities/ MLGs.

d) Support to private sector growth and implementation of Commercial Office budget

The budget preparation process in all the 22 Cities/ MLGs was well organised and integrative through the required participatory procedures, that attracted stakeholders and heads of sectors to participate in planning and budgeting forums. The City/ MLG budget conference reports indicated contributions from the Sector of Trade, Industry and LED, among others, culminating into consolidated City/ MLG sector budgets and development priorities for the respective financial year. All the 22 City/ MLG annual work plans and budgets for the FY 2021/22 included integration of some planned activities to support private sector growth from the Commercial Officer.

In addition, review of the approved annual work plans, income and expenditure budget estimates, and fourth quarter budget performance report for all the 22 Cities/ MLGs for the FY 2020/21 revealed that budget execution of over 95% of the Commercial Services budget for the FY 2020/21 was actualised in only five (5) Cities/ MLGs namely, Masaka, Apac, Kamuli, Busia, and Lugazi. In the non-compliant program Cities/ MLGs, planning and budgeting to support private sector growth needs a lot of support given that the function is at the heart of the revenue enhancement efforts, private sector operations, development and local economic growth.

5.7 Monitoring, enhanced accountability, transparency, and communication (Performance Measure VI)

The performance of the 22 Cities/ MLGs under the thematic area of monitoring, enhanced accountability, transparency and communication was an average score of 10.27 points out of the allocated 13 points, which was a decline in performance compared to the average score of 11.4 points attained during the previous assessment for FY 2020/21. Detailed analysis on performance in the 22 Cities/ MLGs is presented below.

5.7.1 Functionality of City/ MLG Councils on monitoring and enhanced accountability

Among the mandated key institutional requirements at the 22 Cities/ MLGs is spearheading Program implementation in consideration of the following aspects: The Council and Executive to exercise their mandates on the legal aspects, policy formulation, initiation of council development programs, monitoring implementation of Council programs, oversight on all Council activities and ensure accountability; Council's obligations with regard to identifying LG sub-projects funded under the PforR Program and put in place key Council plans (Physical Development Plan, Five Year Development Plan, AWP, procurement work plans, sector work plans and budgets); the MDF to consider the concerns of stakeholders in form of priorities, input in the budgeting process and oversight; the City/ MLG TPC mandate to translate Council policies into investment programs; the City/ municipal budget desks responsible for preparation of City/ municipal annual budgets; and the vote controllers (heads of departments) charged with implementation of activities (plans and budgets) as approved by Council. The City/ municipal council is mandated amongst others to monitor Program implementation and provide oversight on all Council activities.

Assessment of the 22 Cities/ MLGs' performance of the above functions indicated good practice in the four (4) Cities/ MLGs of Arua, Masaka, Kitgum and Mubende where evidence was provided indicating that Council met and discussed the service delivery issues benchmarked in the tool.

For the eighteen (18) Cities/ MLGs where functionality of the Councils in the benchmarked areas was not captured in Council minutes and deliberations, the following challenges were noted:

- The year of assessment coincided with the migration of the ten (10) MLGs of Masaka, Mbale, Mbarara, Soroti, Lira, Jinja, Hoima, Gulu, Fort Portal and Arua to City status. The transition resulted in legal complications with regard to functionality of the new Councils, political representation both from old municipality and annexed areas from the district, absence of required City administrative and institutional structures/ organs, and strained relationships with District statutory bodies from which Cities were curbed, among others. The ten (10) Cities consider these as legal issues beyond their control.

- The twelve (12) MLGs presented spirited fights with regard to matters beyond their control with specific mention of the functions of the District Public Accounts Committees. With the exception of Mubende DLG PAC, all MLGs indicated failure by their respective District PAC to discharge their obligations which hampered performance of MLG Councils on discussion of DPAC reports and recommendations.
- FY 2020/21 was affected by the COVID-19 pandemic, the total lock-down and post-lock-down SOPs imposed across the country, and later on border MLGs and districts. The eighteen (18) Cities/ MLGs provided circulars issued during the FY 2020/21 from the Permanent Secretary MoPS that prohibited/ banned physical meetings covering Council meetings, all political and other public meetings, fortnight meetings, entertainment centers, all schools, and religious and faith-based gatherings among others.

5.7.2 Grievance and complaints handling in Cities/ MLGs

In compliance with the PforR requirements to institute measures to raise the bar on fraud and corruption, all the 22 Cities/ MLGs with assistance from MoLHUD and MoLG developed their customized local versions of the framework for promoting good governance and anti-corruption in order to mitigate fraud and corruption. The frameworks incorporated the establishment of complaints handling systems and performance was established in all 22 Cities/ MLGs in the following functions:

- All Cities/ MLGs appointed focal persons to coordinate response to feedback on the grievances and complaints received from the public, and the respective City/ MLG Town Clerks appointed officers to the grievance/ complaints handling committees who vet complaints received while the focal person provides respective feedback.
- All Cities/ MLGs put in place a Complaints and Grievance Handling Committee to handle complaints and grievances emanating from the community on fraud, corruption and other related issues.
- All 22 Cities/ MLGs established a complaints desk operated by a Complaints Focal Officer in visibly located and well labelled offices.
- All 22 Cities/ MLGs established and maintain an updated complaints' register with a matrix that articulates the complaints management process that culminates into feedback to the community on reported issues.
- Focal point persons presented monthly minutes and quarterly reports on the processes undertaken, the number of cases that were handled during the FY 2020/21, and the actions taken to address the cases in the respective Cities/ MLGs. The reports on complaints handled were submitted by the focal persons to the respective City/ MLG Town Clerk offices, CDF/ MDF, and MoLHUD.

5.7.3 City/ MLG transparency and disclosure of information to citizens

a) Cities/ MLGs sharing information with the citizens

There was enhanced information sharing and publicity by all Cities/ MLGs on the USMID-AF program activities. All program Cities/ MLGs had in place basic downward accountability and communication tools to interface with the communities. The notice boards were the main avenue for communication of information on assessment results, funds allocations on the USMID AF Program, City/ MLG payroll and pensioner schedule, and procurement related information (general procurement plan, awarded contracts, and projects funded out of own source revenue and their budget amounts).

b) Cities/ MLGs feedback to the citizens through communication of guidelines, circulars and policies

All 22 Cities/ MLGs scored on the measure given the efforts displayed to communicate the guidelines, circulars and policies received from the national level to their Divisions during the FY 2020/21. The Cities/ MLGs mostly employed the following downward communication methods and tools:

- The respective Town Clerks used memos/ written mail to explain, provide guidance and indicate required actions to Division Senior Assistant Town Clerks (SATCs) on circulars received, and provided copies of the same.
- Town Clerks or the focal sector heads presented to the TPC meetings submissions received from the national level for discussions. In all Cities/ MLGs, TPC meetings are usually attended by the Division SATCs and Division Finance Officers.
- Some Cities/ MLGs organised focused workshops to train on, and disseminate guidelines and policies received. Such meetings and workshops were attended by core management, senior staff and the Division SATCs.
- In some cases, Town Clerks forwarded to Division SATCs guidelines, circulars and policies received from the center with instructions inscribed on the communication for them to note and act on specific guidelines and policies.

City/ MLG officers and sector functionaries at the Center are increasingly dependent on the internet and social media in ensuring fast and effective sharing of information with LGs. Social media communication/ sharing groups exist between the Center (MoFPED, MoLHUD, NPA, etc.) and the City/ MLG technical groups for sharing information (guidelines, circulars, policies and other communications). The City/ MLG management team (Town Clerk and HoDs) have equally formed social media communication/ sharing groups with the Division management team or sector functionaries at the Division to share information received from the Ministries.

5.7.4 City/ Municipal Development Forums formation and functionality

All the two (22) program Cities/ MLGs have functional CDFs/ MDFs with a charter and elected, approved and appointed members. The membership of the CDF/ MDF Executive comprises private sector representatives, NGO and CBO representatives, religious faith-based representatives, representative for People with Disabilities, Opinion Leaders, representatives of academia, slum dwellers representative, representative of Chairpersons, human rights representative, representative of the youth, the media, Council representative and City/ MLG technical staff. MoLHUD has been instrumental in ensuring functionality of the CDFs/ MDFs through provision of required inductions and trainings in roles and functions.

In respect to regular and quarterly meetings, the CDFs/ MDFs in sixteen (16) Cities/ MLGs met quarterly during the FY 2020/21 and discussed matters relating to ensuring transparency and accountability. Minutes reviewed indicated that CDFs/ MDFs in the 16 Cities/ MLGs received and discussed quarterly progress reports for complaints handled in the four quarters, the assessment results of MLGs on the minimum conditions and performance measures for accessing the USMID Grants for the Financial Year 2022/23, reports from the MDF Coordinators, and the good governance and anti-corruption Committee report submitted to Forums and IGG's office.

In the other six (6) Cities/ MLGs (Fort Portal, Masaka, Soroti, Kitgum, Busia and Ntungamo) where functionality was not ascertained, the Cities/ MLGs did hold the required meetings and some of the key benchmarked issues were not discussed during the meetings. Specifically;

- In Fort Portal, although the CDF met four times during the FY 2020/21, there was no evidence to confirm that the annual general forum for FY 2020/21 was held.
- In Masaka, there was no evidence provided at the time of the assessment indicating discussion of assessment reports, complaints handling and Annual General Forum at CDF meetings.
- In Soroti, Kitgum, Busia and Ntungamo there was no evidence provided at the time of assessment indicating discussion of the quarterly progress reports and respective USMID-AF assessment reports by the MDF.

5.7.5 Preparation and presentation of bi-annual IGG report to CDF/ MDF

The customized framework for promoting good governance and anti-corruption in all 22 Cities/ MLGs incorporated complaints handling systems. The system details how Cities/ MLGs will handle and resolve complaints within their mandate and escalate those involving allegations of fraud and corruption to the primary anti-corruption agencies (the Inspectorate of Government, or the Criminal Investigations Department or the Uganda Police Force). Cities/ MLGs are therefore required to prepare bi-annual IGG reports covering a list of cases of alleged fraud and corruption and their status, including administrative or other actions taken/ being taken, including cases beyond the mandate of the City/ MLG hence requiring action from/ by IGG and other anti-corruption agencies. The good governance and anti-corruption focal person is also required to present the report to the CDF/ MDF for discussion.

Ten (10) Cities/ MLGs of Arua, Jinja, Mbale, Mbarara, Moroto, Mubende, Apac, Lugazi, Gulu and Masaka exhibited performance on the requirement of preparing and presenting the bi-annual IGG reports to the IGG and the CDF/ MDF. The bi-annual reports included a list of cases of alleged fraud and corruption and their status including administrative or other actions taken/ being taken. The reviewed minutes of the C/MDF quarterly meetings for the FY 2020/21 provided evidence of discussion of the benchmarked issues such as progressive quarterly reports, reports on complaints from grievance and Complaints Committee, MDF work plan for the FY 2020/21, USIMD assessment report for FY2019/20, the IGG bi-annual reports, and Annual General meeting held.

The other twelve (12) Cities/ MLGs did not display adequate performance on the requirements on the measure as specified in the assessment tool with the following specific observations:

- Failure to prepare the bi-annual IGG reports;
- In cases where bi-annual IGG reports were prepared, no evidence was provided on when the reports were discussed at C/MDF meetings; and
- Failure to submit the bi-annual IGG reports for the FY 2020/21 to the required offices.

In Ntungamo MLG, the minutes of the MDF meetings indicated that the bi-annual report for July to December 2020 was discussed by the MDF on 16 December 2020 and yet the report preparation date was indicated as 12 March 2021.

5.8 Improved functional capacity in Environmental and Social Management (Performance Measure VII)

Performance of the 22 Cities/ MLGs under the thematic area of functional capacity in environmental and social management was an average score of 9.36 points out of the allocated 15 points. This performance was a decline from the previous assessment (for FY 2020/21) where an average score of 11.1 points was attained. Detailed analysis of the Cities/ MLGs' performance in environmental and social management is indicated in the sections below.

5.8.1 Planning, designing and compliance to environmental and social management procedures

a) Preparation of Project Environmental and Social Management Plan/ RAP and TPC approval

A functional office in charge of environmental issues was in existence in all the 22 Cities/ MLGs. The CEO/ MEO and CDO are the focal point persons responsible for carrying out due diligence which entails identifying potential adverse environmental and social impacts, determining the magnitude of impacts and scope of impact, and determining appropriate mitigation measures. The ESMPs for all projects screened in the FY 2020/21 were submitted and approved by the TPCs in all the 22 Cities/ MLGs. Screening forms were seen on file, completed and signed by the CEO/ MEO, including Environmental Social Management Plans (ESMPs) for projects found likely to have negative environmental and social impacts. In addition, the critical role played by the respective City/ MLG TPCs as the key organ responsible for reviewing and approving the work of the CEO/ MEO at several stages in the environmental and social management process was fulfilled.

Furthermore, in all 22 Cities/ MLGs, the ESMPs were presented by the CEO/ MEO for review in TPC meetings to ensure that the scope of environmental and social assessment and identified mitigations in ESMPs were appropriate to the type and scale of the specific projects.

b) City/ MLG compliance with NEMA Certification

Environmental and social due diligence for MLG project activities or the project context that require a full Environmental and Social Impact Assessment (ESIA) such as solid waste management facilities and slaughterhouses, among others, follows the national process with NEMA's oversight. The process involves initial screening, scoping (including a stakeholder consultation), developing ToRs for the ESIA, review and approval of ToRs by NEMA, conducting detailed ESIA study, preparation of the ESIA report, review designs in view of the ESIA findings, review of the ESIA report by NEMA, approval of the ESIA by NEMA, and issuance of ESIA certificate of approval. While NEMA regulates this process and provides approvals, the Cities/ MLGs play a key role in coordinating with the environmental Consultants, lead agencies and NEMA, to ensure that the mitigation measures and the ESMP that results from the full ESIA is included in bidding documents and contracts; assists with public/ stakeholder consultations; and ensures that projects are not implemented before a certificate of approval is issued by NEMA.

In all the 22 Cities/ MLGs the focal persons (CEO/ MEO and CDO) performed the required due diligence for City/ MLG project activities and identified those project activities that required a full ESIA. Two scenarios therefore occurred; the first scenario involved City/ MLG projects where the focal officers (CEO/ MEO and CDO) prepared ESMPs for projects and were found not likely to have significant negative environmental and social impacts; and the second scenario involved projects found to have significant environmental and social impacts for which a full ESIA was conducted and NEMA certification was required. In the latter, the City/ MLG focal persons initiated the ESIA process with NEMA, especially on USMID projects, and acquired NEMA certification before implementation of the projects.

c) Incorporation of Environment, Social, Health and Safety (ESHS) in bidding and contract documents

None of the 22 Cities/ MLGs enforced integration of ESHS in the bidding and contract documents during the FY 2020/21 compared to three (3) Cities/ MLGs (Jinja, Mbale, and Moroto) that complied during the last assessment year (FY 2019/20). The following challenges were observed across all Cities/ MLGs:

- The bidding documents did not cater for sufficient provisions on ESHS management issues and hence lacked the required management strategies and risk mitigation measures to be implemented by the contractors.
- In most project BoQs, contractors did not declare past ESHS performance, did not propose ESHS management strategy and implementation plan, and did not budget for ESHS implementation and lacked ESHS staff among key staff.
- Contracts on City/ MLG projects did not provide provisions for the client and the focal team to enhance ESHS reporting, ability to withhold interim payment due to failure of contractors to perform ESHS obligations, and provision for ESHS contract variation so as to manage unforeseen/ unpredicted ESHS risks and impacts.
- In some cases, ESHS requirements and costed ESMPs were incorporated in a few project bidding and contract documents. In most LGs, this was done for USMID projects, however, for all the non USMID projects, bidding and contract documents did not incorporate ESHS requirements and costed ESMPs. In addition, all non USMID project contracts did not have provisions for enhancing ESHS reporting, ability to withhold interim payment due to failure by contractor to perform ESHS obligations and did not provide for ESHS contract variation to manage unforeseen/ unpredicted ESHS risks and impacts.

5.8.2 Implementation, supervision, monitoring and compliance to environmental management procedures, and environmental and social performance

a) Environmental and social clearance prior to contractor payment

The USMID POM provides stringent measures whereby no payment can be effected by the City/ MLG Accounting Officer on contractor payment certificates before environmental and social clearance has been provided by the MEO and CDO. The objective is to ensure satisfactory implementation of the mitigation measures included in the works contract, through prior environmental and social compliance certification by the MEO and CDO.

Compliance in this practice was observed in ten (10) Cities/ MLGs, where the CEO/ MEO and CDO prepared environmental and social mitigation certification for all completed projects during the FY 2020/210, and the certifications were dully signed by the CEO/ MEO and CDO. The compliant Cities/ MLGs include Entebbe, Fort Portal, Hoima, Jinja, Kabale, Lira, Masaka, Kasese, Mubende, and Ntungamo. For the other twelve (12) Cities/ MLGs, the interim payment certificates for some projects implemented in the FY 2020/21 did not adequately incorporate prior environmental and social clearance.

b) Monthly monitoring and reporting

Performance in fulfilment of consistent monthly project environmental and social monitoring and reporting on all projects implemented during the FY 2020/21 was not achieved in all 22 Cities/ MLGs. The following cross cutting challenges were observed:

- Some of the monthly reports prepared were not signed by the MEO and the CDO.
- In some Cities/ MLGs, USMID projects were monitored and reported on a quarterly basis, while the other projects funded under SFG, DDEG, and URF were only reported on at the end of the project construction phase.
- Some monthly monitoring reports were dated outside the contract period.
- Some of the reports did not include completed checklists and deviations observed with pictures and corrective actions required to be undertaken by the contractor.
- Some reports included project progress pictures instead of compliance or non-compliance aspects, while other reports did not include any pictures.

5.8.3 Environmental and social mitigation certification of completed projects

Eighteen (18) Cities/ MLGs obtained Environmental and Social Mitigation certification of completed projects. The four (4) Cities/ MLGs that did not comply include Mbale, Mbarara, Kamuli and Busia. Project completion reports reviewed for all completed projects implemented by Cities/ MLGs included environmental and social mitigation certification forms signed by the MEO and CDO certifying that environmental and social mitigation measures had been fully implemented.

5.8.4 Gender and vulnerability/ inclusion issues

a) Provision of guidance and support to sector departments

All Cities/ MLGs except Kamuli MLG exhibited performance in strengthening women's roles and addressing inclusion issues. There was evidence of guidance provided to TPCs and departments by the focal officer (CDO) on strategies for adult learning, gender mainstreaming, children and youth services, support to youth and women councils, and support to the disabled and elderly during the planning and budgeting sessions, for inclusion in departmental work plans during the FY 2020/21. The guidance and support was captured in minutes of TPC deliberations during the FY 2020/21. In some Cities/ MLGs evidence was available in reports on forums organized by the focal person on gender mainstreaming awareness for heads of departments and other stakeholders.

b) Gender and vulnerability inclusion budgeting and execution

(i) Budgeting

Review of all program City/ MLG annual work plans and budgets for the FY 2021/22 indicated integration of several activities planned to support gender and vulnerability inclusion in City/ MLG plans and budgets. All Cities/ MLGs included sector work plans for gender in the consolidated City/ MLG annual work plans and budgets for community-based services portfolios for the FY 2021/22.

(ii) Execution

Review of the approved work plans, budget estimates and fourth quarter budget performance report for the FY 2020/21 for each of the 22 Cities/ MLGs was conducted to assess the extent of execution of the planned activities under community-based services. Execution under community-based services in most Cities/ MLGs is still a challenge and all Cities/ MLGs except Apac displayed non-compliance with regard to execution of planned activities to strengthen women's roles and address vulnerability and inclusion. Only Apac MLG achieved 90% execution of community-based services budget for the FY 2020/21. The registered performance reflects a decline when compared to the eight (8) Cities/ MLGs of Arua, Lira, Mbale, Mbarara, Soroti, Kamuli, Kitgum and Apac that achieved 90% execution threshold of community-based services budgets for the FY 2019/20. In the other 21 Cities/ MLGs, the main challenge encountered was inadequate funds from locally raised revenue and late releases of funds from MoLHUD.

5.8.5 Implementation of land acquisition framework

All the 22 Cities/ MLGs established and maintained functional systems for land acquisition. The Cities/ MLGs have a properly documented Land Acquisition and Resettlement Framework, and have designated focal persons to handle land acquisition, officially appointed by the City/ Municipal Town Clerks. The City/ MLG Town Clerks also appointed Land Acquisition Committees. The framework further designates the CDF/ MDF and the LC I structure as critical in identification of affected properties/ parties, engagement in readiness for valuation, signing MoUs, determination of compensation modalities and resettlement processes. None of the projects implemented in the 22 Cities/ MLGs during the FY 2020/21 required land acquisition or led to loss of livelihood or displacement of people.

5.9 Assessment of Municipal infrastructure investment performance

The assessment of DLI 3 centred on verifying capacity to deliver City/ Municipal local infrastructure targets indicated in the approved budgets. The verification was conducted by a comparison of the City/ municipal annual work plans with the actual execution rate of the funded projects. The FY 2020/21 annual infrastructure development work plans, City/ municipal budgets, and the annual performance reports for the FY 2020/21 were reviewed to establish performance levels in the individual Cities/ MLGs. Specific areas of emphasis included assessment of local infrastructure targets as set out in annual work plans for the FY 2020/21 met by Cities/ MLGs utilizing USMID and DDEG Funds; and assessment of whether the Cities/ MLGs had executed the budget for construction of investment projects, and operation and maintenance for all major infrastructure projects and assets during the FY 2020/21. Performance of the Cities/ MLGs on the assessment of City/ municipal infrastructure investment performance is indicated in **tables 19 and 20** below.

Table 19: Results of the assessment of MLG local infrastructure targets and budget execution

No.	City/ MLG	Infrastructure Investment Performance Score		Total Scores (Maximum 50 points)
		Local infrastructure targets as set out in annual work plans for the FY 2020/21 met by MLGs utilizing USMID/ DDEG Funds (Maximum 35 points)	MLG has executed the budget for construction of investment projects and O&M for all major infrastructure projects and assets during the FY 2020/21 (Maximum 15 points)	
1	Arua	35	13	48
2	Entebbe	35	9	44
3	Fort Portal	35	7	42
4	Gulu	35	13	48
5	Hoima	35	11	46
6	Jinja	34	5	39
7	Kabale	35	6	41
8	Lira	35	11	46
9	Masaka	35	7	42
10	Mbale	21	6	27
11	Mbarara	35	11	46
12	Moroto	35	11	46
13	Soroti	22	13	35
14	Tororo	18	13	31
15	Kamuli	35	10	45
16	Kasese	35	7	42
17	Kitgum	35	11	46
18	Mubende	35	15	50
19	Apac	28	11	39
20	Busia	35	8	43
21	Lugazi	35	8	43
22	Ntungamo	35	8	43

Table 20: Combined performance assessment results for municipal infrastructure investment performance

No.	City/ MLG	Local infrastructure targets and budget execution score (50 Points)	Value for Money score (50 Points)	Total MLG infrastructure investment performance score (100 Points)
1	Arua	48	38.7	86.7
2	Entebbe	44	39.6	83.6
3	Fort Portal	42	19.7	61.7
4	Gulu	48	43.9	91.9
5	Hoima	46	36.2	82.2
6	Jinja	39	22.5	61.5
7	Kabale	41	35.1	76.1
8	Lira	46	30.8	76.8
9	Masaka	42	39.2	81.2
10	Mbale	27	32.2	59.2
11	Mbarara	46	34.6	80.6
12	Moroto	46	30	76
13	Soroti	35	40.1	75.1
14	Tororo	31	21.9	52.9
15	Kamuli	45	21.8	66.8
16	Kasese	42	26.6	68.6
17	Kitgum	46	36.4	82.4
18	Mubende	50	42.3	92.3
19	Apac	39	36.1	75.1
20	Busia	43	21	64
21	Lugazi	43	21.9	64.9
22	Ntungamo	43	15.6	58.6
Total scores		<u>932</u>	<u>686.2</u>	<u>1,618.2</u>
Average score		<u>42.4</u>	<u>31.2</u>	<u>73.6</u>

6 Performance results on the assessment of the MoLHUD

The assessment of MoLHUD for disbursement of funds for the FY 2022/23 considered the following:

- a) Eleven targets under DLI 5 comprising the following:
 - (i) Target 1: Institutional plan development for MoLHUD including all the supported implementation partners as per POM format;
 - (ii) Target 2: Implementation of the Urban Policy;
 - (iii) Target 3: MDF and National Urban Development Forum effectively functioning;
 - (iv) Target 4: Development and implementation of the Municipal Development Strategies (MDSs) in the 14 (USMID) and 4 additional MLGs;
 - (v) Target 5: Institutional strengthening support to MLGs achieved in physical planning;
 - (vi) Target 6: Land use management and compliance strengthened;
 - (vii) Target 7: City/ MLG own source collection and administration enhanced;
 - (viii) Target 8: Land data bank system developed and implemented;
 - (ix) Target 9: Database for property yields up-dated and published;
 - (x) Target 10: Development and implementation of regulatory framework for valuation; and
 - (xi) Target 11: Effective Program management, including timely APA.
- b) Cities/ MLGs with Town Clerks in place in target Cities/ municipalities (DLI 6); and
- c) Results on physical planning, land tenure security and urban infrastructure development in refugee host areas (DLI 7).

The assessment results indicated the following:

1. MoLHUD scored 91 marks out of the total 100 marks allocated to achievement of specified targets under DLI 5;
2. All the 22 Cities/ MLGs had Ag. Town Clerks/ Town Clerks in place who were appointed by the Permanent Secretary MoLG, thus full compliance under DLI 6; and
3. One (1) out of the two (2) performance indicators for specified targets under DLI 7 for the current year of assessment (FY 2021/22) was achieved/ met.

The specific results from the assessment of the MoLHUD on the above-mentioned performance indicators are documented in **tables 21, 22 and 23** below.

Table 21: Results of the assessment of DLI 5

Target	Performance indicator	Means of verification	Score	Detailed assessment findings
<p>Target 1: Institutional plan development for MoLHUD including all the supported implementation partners as per POM format. (Max: 7 points)</p>	<p>(i) MLHUD overall performance improvement plan for FY 2022/23 developed</p> <p>Score 7 if institutional development plan is in place, else 0</p>	<p>— Institutional Strengthening Plan for FY 2022/23</p>	<p>7</p>	<ul style="list-style-type: none"> — Ministry of Lands, Housing and Urban Development (MoLHUD) has in place the approved Institutional Strengthening Plan for FY 2022/23. The objective of the plan is to enhance the institutional performance of Program Local Governments to improve urban service delivery. — The plan was approved by the tenth meeting of the Program Technical Committee (PTC) held on 12 August 2022 at Hotel Zawadi, Adjumani District. — Our review of the plan confirmed that it targets eligible institutional strengthening support areas as specified in the Program Operational Manual. The plan prioritises the following: <ul style="list-style-type: none"> ▪ Transfers to Local Governments; ▪ System development and institutional strengthening activities for program Municipalities; ▪ Systems development and institutional strengthening activities for the sustainable urban development and housing program; ▪ Physical planning, land tenure security and infrastructure development in eleven (11) refugee host districts; and ▪ Program management. — The total institutional strengthening plan budget is USD 118,091,761. — The plan was endorsed by both the Chairman/ PTC (Ag. Director Physical Planning and Urban Development) and the Secretary/ PTC (Program Coordinator) on 22 August 2022 and 18 August 2022 respectively. It was submitted to the PS/ Secretary to the Treasury MoFPED and the Country Manager World Bank Group by the PS MoLHUD vide letter dated 25 August 2022 ref. ADM/38/172/01.

Target	Performance indicator	Means of verification	Score	Detailed assessment findings
<p>Target 2: Implementation of the Urban Policy (Max: 13 points)</p>	<p>(i) Urban Development bill finalized and submitted to Cabinet</p> <p>Score 7 if Urban Development Bill has been submitted to Cabinet, else 0</p>	<ul style="list-style-type: none"> — Final Urban Development Bill — Letter of submission to Cabinet 	<p>7</p>	<ul style="list-style-type: none"> — From the previous assessment, we noted that the proposed Principles for the Cities and Urban Areas Bill, 2020 were developed and submitted to Cabinet through a cabinet memo dated 11 June 2020. In the cabinet memo, the Permanent Secretary (PS) MoLHUD presented the Draft Cabinet Memorandum on the Proposed Principles for the Cities and Urban Areas Bill, 2020 to the Deputy Head of Public Service, Deputy Secretary to Cabinet, Cabinet Secretariat, and Office of the President, for vetting and submission to Cabinet for consideration and approval as the Ministry proceeded to conduct stakeholder consultations. — We had also noted that MoLHUD further carried out and provided the Regulatory Impact Assessment (RIA) of the Urban Development Law. The consultancy was executed by PROFOCUS Consultants Ltd in a contract signed on 20 November 2019 (Ref; Contract Service No: MLHUD/USMID-AF/CONS/18-19/00795). — The proposed law was objected by Ministry of Local Government (MoLG) before it could be exhausted by Cabinet as summarised below: <ul style="list-style-type: none"> ▪ On 7 August 2020, the PS MoLG in his letter ref: ADM/F.75/102/01 to the PS MoLHUD indicated that the new Cities are Urban Local Governments as provided for under Section 3 sub-sections 3, 4 & 5 of the Local Government Act, Cap 243. Hence, he indicated that the mandate to provide a law for new cities (framework for their administration and management) falls under the MoLG. The PS MoLG therefore indicated that this being the Ministry's mandate, the Ministry had embarked on the process of preparation of the legal framework for the administration and management of the newly created cities. ▪ The PS MoLG in his letter dated 30 August 2020 ref. ADM/F.75/102/01 further objected to the process initiated by MoLHUD to put in place the proposed Cities and Metropolitan Areas' Law citing the process as a duplication. He asserted that cities are part of the Local Government system governed and managed under the principle of decentralisation that applies to

Target	Performance indicator	Means of verification	Score	Detailed assessment findings
				<p>all Local Governments. His position was that the existing legal, regulatory and institutional frameworks were fundamentally sufficient for cities and other Urban Local Governments, save for a few areas that require amendments. He stated that the MoLG had already prepared proposals to amend the Local Government Act Cap 243. The PS MoLG therefore proposed that the two Ministries should harmonise positions on existing laws and MoLHUD should provide their input. He reiterated that failure by the MoLHUD to oblige, then the MoLG would seek intervention from the Rt. Hon. Prime Minister, Leader of Government business to prevail on the matter.</p> <ul style="list-style-type: none"> — During the current assessment, the IVA was informed that MoLG went ahead and sought the intervention of the Attorney General who advised MoLHD to halt the process of preparing the Urban Development Bill. — From the above, it is evident that the MoLHUD was on the right course with regards to putting in place the required law for Cities and Metropolitan Areas, however, the process was halted by interventions beyond their control. The law was still at a standstill at the time of the assessment.
	<p>(ii) Review of the National Slum upgrading Strategy for Uganda completed</p> <p>Score 6 if report is in place, else 0</p>	<p>— Report on review of the National Slum upgrading Strategy for Uganda</p>	<p>6</p>	<ul style="list-style-type: none"> — The report on review of the National Slum upgrading Strategy and Action plan for Uganda dated September 2022 by Ministry of Lands, Housing and Urban Development was availed to the IVA for review. — The report on review of the National Slum upgrading Strategy and Action plan 2008 is aligned with the following: <ul style="list-style-type: none"> ▪ Millennium Development Goal (MDG) 7, target 11; and ▪ The prevailing policy framework; (National Housing Policy, National Urban Policy, the NDP III). — The National Slum upgrading Strategy and Action plan 2008 identifies policy and strategic entry points, structural and financing goals that hinder formulation and implementation of the National Slum Upgrading Programme, and opportunities that can facilitate the same.

Target	Performance indicator	Means of verification	Score	Detailed assessment findings
				<ul style="list-style-type: none"> — The strategy adopts the SMART Slum upgrading approach that emphasizes the ‘Smart City’ concept that brings together technology, a smart environment, smart people, smart living and smart governance. — The adopted vision of Smart Slum Upgrading Strategy is “Adequate Housing for All” and the goal is “Sustainable Transformation of Existing Slums and prevention of new slum formation”. — The target set for 2030 is to ensure access for all to adequate, safe and affordable housing and basic services and upgraded slums. — The strategy defines the specific objectives that must be attained and defines the key enablers as; political will and support; policy, strategy and legal framework; institutional framework; development plans; financing mechanism; and stakeholder collaboration. — The key actions, pillars, strategies and characteristics of a smart city in the strategy are defined to integrate the following key decision making aspects: Smart governance, smart people (human and social capital), smart economy (competitiveness), smart living (quality of life), smart mobility (transport, accessibility and ICT), and smart environment (resilience and sustainability).
<p>Target 3: MDF & National Urban Development Forum effectively functioning. (Max: 8 points)</p>	<p>(i) All 18 MDFs in 18 target MLGs/ Cities have been supported by MLHUD on a quarterly basis</p> <p>Score 4 if all 4 quarterly reports are in place. 1 score each available report, else 0.</p>	<p>— Quarterly progress reports</p>	<p>4</p>	<ul style="list-style-type: none"> — City/ Municipal Development Forums (C/MDFs) in 22 target MLGs/ Cities have been supported by MoLHUD on a quarterly basis. The support has been provided by the Ministry’s Senior Sociologist. The training reports prepared were reviewed by the Commissioner Urban Development (Walter Pade). — Cities/ MLGs were supported during election of their C/MDF executives and through training to enable them to appreciate their roles and functions at their respective urban councils. The following stakeholders attended the training: <ul style="list-style-type: none"> ▪ Elected MDF Executives; ▪ Selected LG political leaders including the Mayor; ▪ City/ Municipal Town Clerk and TPC members; ▪ Selected USMID-AF PST members; and ▪ Key training facilitators from MoLHUD.

Target	Performance indicator	Means of verification	Score	Detailed assessment findings																		
				<p>— The quarterly reports indicated that MoLHUD provided routine supervision and support to the C/MDFs through:</p> <ul style="list-style-type: none"> ▪ Capacity building; ▪ Physical visits to Cities/ MLGs to interact with C/MDF members; ▪ Conducting joint learning visits and benchmarking sessions; ▪ Supporting election and re-election of MDF Executive Committees; ▪ Regular mentorships; and ▪ Sharing information for guidance. <p>— The quarterly reports also indicated that the MoLHUD provided routine supervision and support to the C/MDFs on the dates indicated in the table below:</p> <table border="1" data-bbox="1240 715 2056 1426"> <thead> <tr> <th data-bbox="1240 715 1431 884">Quarterly progress reports reviewed</th> <th data-bbox="1431 715 1789 884">Urban Council whose CDF/ MDF was supported through election, orientation, training and capacity building</th> <th data-bbox="1789 715 2056 884">Dates when C/MDF was trained</th> </tr> </thead> <tbody> <tr> <td data-bbox="1240 884 1431 1426" rowspan="7">Quarter 1 report (July, August and September 2021)</td> <td data-bbox="1431 884 1789 986">Entebbe MDF and Uganda National Urban Forum (UNUF)</td> <td data-bbox="1789 884 2056 986">2 July 2021</td> </tr> <tr> <td data-bbox="1431 986 1789 1088">Tororo MDF Executive members and technical team</td> <td data-bbox="1789 986 2056 1088">17 July 2021</td> </tr> <tr> <td data-bbox="1431 1088 1789 1166">Fort Portal CDF members</td> <td data-bbox="1789 1088 2056 1166">11 August and 25 September 2021</td> </tr> <tr> <td data-bbox="1431 1166 1789 1241">Kitgum MDF Executive and technical team</td> <td data-bbox="1789 1166 2056 1241">10 September 2021</td> </tr> <tr> <td data-bbox="1431 1241 1789 1283">Mbarara CDF</td> <td data-bbox="1789 1241 2056 1283">17 August 2021</td> </tr> <tr> <td data-bbox="1431 1283 1789 1358">Lira CDF Executive Committee</td> <td data-bbox="1789 1283 2056 1358">24 and 25 September 2021</td> </tr> <tr> <td data-bbox="1431 1358 1789 1426">Gulu CDF Executive members</td> <td data-bbox="1789 1358 2056 1426">2 September 2021</td> </tr> </tbody> </table>	Quarterly progress reports reviewed	Urban Council whose CDF/ MDF was supported through election, orientation, training and capacity building	Dates when C/MDF was trained	Quarter 1 report (July, August and September 2021)	Entebbe MDF and Uganda National Urban Forum (UNUF)	2 July 2021	Tororo MDF Executive members and technical team	17 July 2021	Fort Portal CDF members	11 August and 25 September 2021	Kitgum MDF Executive and technical team	10 September 2021	Mbarara CDF	17 August 2021	Lira CDF Executive Committee	24 and 25 September 2021	Gulu CDF Executive members	2 September 2021
Quarterly progress reports reviewed	Urban Council whose CDF/ MDF was supported through election, orientation, training and capacity building	Dates when C/MDF was trained																				
Quarter 1 report (July, August and September 2021)	Entebbe MDF and Uganda National Urban Forum (UNUF)	2 July 2021																				
	Tororo MDF Executive members and technical team	17 July 2021																				
	Fort Portal CDF members	11 August and 25 September 2021																				
	Kitgum MDF Executive and technical team	10 September 2021																				
	Mbarara CDF	17 August 2021																				
	Lira CDF Executive Committee	24 and 25 September 2021																				
	Gulu CDF Executive members	2 September 2021																				

Target	Performance indicator	Means of verification	Score	Detailed assessment findings		
					Kabale MDF Executive members	28 September 2021
					Kasese MDF Executive members	15 September 2021
					Hoima CDF Executive members and staff	30 September 2021
					Mbale CDF Executive members	7 August 2021
					Moroto MDF Executive Members	10 September 2021
					Soroti CDF Executive members	8 September 2021
					Arua CDF Executive members	15 July 2021
				Quarter 2 report (October, November and December 2021)	Tororo MDF Executive and technical team	30 November 2021
					Soroti CDF Executive members	15 November 2021
					Mubende MDF Executive Members	30 October 2021
					Moroto MDF Executive members	20 November 2021
					Mbale CDF Executive members and staff	25 November 2021
					Lira CDF Executive members and staff	9 November 2021
					Masaka CDF Executive members and staff	15 December 2021
					Kitgum MDF Executive members and staff	10 October 2021
					Kabale MDF Executive members and staff	22 December 2021

Target	Performance indicator	Means of verification	Score	Detailed assessment findings		
					Kasese MDF Executive members and staff	17 October 2021
					Kamuli MDF Executive members and staff	20 October 2021
					Jinja CDF Executive members and staff	5 December 2021
					Hoima CDF Executive members and staff	2 October 2021
					Apac MDF Executive members and staff	10 December 2021
					Arua CDF Executive members and staff	5 October 2021
					Mbarara CDF Executive members	20 December 2021
					Fort Portal CDF Executive members and staff	2 December 2021
				Quarter 3 report (January, February and March 2022)	Masaka CDF Executive members	March 2022
					Kitgum MDF Executive members and staff	February 2022
					Lira CDF Executive members and staff	January 2022
					Kasese MDF Executive members and staff	February 2022
					Kamuli MDF Executive members and staff	March 2022
					Hoima CDF Executive members and staff	March 2022
					Fort Portal CDF members	January 2022
					Busia MDF Executive members	March 2022

Target	Performance indicator	Means of verification	Score	Detailed assessment findings		
					Gulu CDF Executive members	February 2022
					Fort Portal CDF Executive members and staff	January 2022
					Soroti CDF	20 March 2022
					Hoima CDF Executive members	9 February 2022
				Quarter 4 report (April, May and June 2022)	Apac MDF Executive members	10 May 2022
					Fort Portal CDF Executive members	19 April 2022
					Masaka CDF Executive members	18 May 2022
					Mbarara CDF Executive members	13 May 2022
					Gulu CDF Executive members	21 April 2022
					Arua CDF Executive members	13 April 2022
					Busia MDF training	10 May 2022
					Mubende MDF Executive members	17 June 2022
					Lugazi MDF Executive members	10 April 2022
					Mbale CDF Executive members	14 June 2022
					Kamuli MDF Executive members	4 May 2022
					Kasese MDF Executive members	7 June 2022
				Jinja CDF Executive members	30 May 2022	

Target	Performance indicator	Means of verification	Score	Detailed assessment findings										
				<table border="1"> <tr> <td>Gulu CDF training</td> <td>21 April 2022</td> </tr> <tr> <td>Hoima CDF Executive members</td> <td>23 May 2022</td> </tr> <tr> <td>Busia MDF Executive members</td> <td>10 May 2022</td> </tr> <tr> <td>Ntungamo MDF Executive members</td> <td>20 June 2022</td> </tr> <tr> <td>Soroti CDF Executive members</td> <td>23 June 2022</td> </tr> </table>	Gulu CDF training	21 April 2022	Hoima CDF Executive members	23 May 2022	Busia MDF Executive members	10 May 2022	Ntungamo MDF Executive members	20 June 2022	Soroti CDF Executive members	23 June 2022
Gulu CDF training	21 April 2022													
Hoima CDF Executive members	23 May 2022													
Busia MDF Executive members	10 May 2022													
Ntungamo MDF Executive members	20 June 2022													
Soroti CDF Executive members	23 June 2022													
	<p>(ii) Uganda National Urban Forum (UNUF) annual public dialogue conducted.</p> <p>Score 4 if report is in place, else 0</p>	— Progress reports	4	<p>— A report prepared by UNUF Secretariat, Urban Development Department – MLHUD dated 8 June 2022 indicated that the UNUF public dialogue was held in Masaka City on 8 June 2022 at Hotel Brovad. The dialogue was organised by Masaka City leadership and was facilitated by MoLHUD through USMID-AF project under the theme “A Regional City: An epicentre of growth and development”.</p> <p>— The dialogue was organised to nurture a debate in the country on the following concerns and objectives:</p> <ul style="list-style-type: none"> ▪ To ignite a debate and understanding on the needs for Cities; ▪ To ignite debate and understanding the roles of cities in building sustainable future in regions despite the challenges they face; ▪ To forge solutions for suitable urban development through urban planning, urban governance, provision of urban infrastructure and urban housing; and ▪ To galvanize inclusive and responsive citizenship. <p>— The dialogue was attended by varied categories of stakeholders who included:</p> <ul style="list-style-type: none"> ▪ UNUF Executive members; ▪ Masaka City Development Forum members; ▪ MDF Presidents and other members from Mukono, Lugazi, Kira, Bukomansimbi, Masindi and Ishaka-Bushenyi; ▪ Mayors and Town Clerks from Greater Masaka Town Councils; 										

Target	Performance indicator	Means of verification	Score	Detailed assessment findings
				<ul style="list-style-type: none"> ▪ Technical staff from Town Councils from Greater Masaka region (Physical Planners, Economic Planners, Environment Officers, Commercial Officers, Health Inspectors, Engineers, Law Enforcement Officers, and Finance Officers among others); ▪ Technical staff from MoLHUD; ▪ Technical Staff from MoLG; ▪ Officers from National Planning Authority; ▪ Representatives from LG Finance Commission; and ▪ The media and among others. <p>— The Chief Guest was the Hon. Minister MoLHUD – Hon. Obiga Kania, while the Chief Host was Her Worship the Mayor Florence Namayanja.</p> <p>— Key addresses during the dialogue included; the Ag. Town Clerk Masaka City, UNUF President, Assistant Commissioner Urban Development, Commissioner Urban Development and the Executive Member of UNUF.</p>
<p>Target 4: Development and implementation of the Municipal Development Strategies (MDSs) in the 14 USMID and 4 additional MCs. (Max: 13 points)</p>	<p>(i) Roll out of MDSs in the other 10 Municipalities outside the USMID. Score 8 if MDSs have been rolled to 10 MCs outside USMID</p>	<p>— Ten (10) MDSs</p>	<p>8</p>	<p>— MoLHUD with financial support from the World Bank and Cities Alliance rolled out and supported ten (10) Municipalities outside the participating LGs to develop their Municipal Development Strategies as indicated below:</p> <ul style="list-style-type: none"> ▪ Ibanda Municipal Council Development Strategy 2022 - 2040; ▪ Rukungiri Municipal Council Local Government Development Strategy 2022 - 2040; ▪ Bugiri Municipal Council Development Strategy 2025 – 2040; ▪ Mityana Municipal Council Development Strategy 2025 – 2040; ▪ Kapchorwa Municipal Council Development Strategy 2025 - 2040 ▪ Njeru Municipal Council Development Strategy 2025 – 2040; ▪ Nebbi Municipal Council Development Strategy 2025 - 2040; ▪ Kisoro Municipal Council Development Strategy 2025 – 2040; ▪ Kumi Municipal Council Development Strategy 2025 – 2040; and ▪ Koboko Municipal Council Development Strategy 2025-2040.

Target	Performance indicator	Means of verification	Score	Detailed assessment findings
	(ii) All the 18 target MLGs supported to align their USMID project invest menu, five-year Development Plans, PDP and Annual Budgets with the MDSs Score 5 if progress report is in place, else 0	— Progress report	5	<ul style="list-style-type: none"> — Integration and harmonisation of development, economic and spatial plans and annual budgets is a key requirement under USMID-AF Program for Results. — A progress report captioned “Report on the technical support rendered to the target ten (10) Cities and eight (8) Municipal Local Government under USMID-AF to harmonise/ align their USMID-AF Project Investment Menu, five-year Development Plan, ten (10) year Physical Development Plans (PDPs) and annual budgets with the City/ Municipal Strategies” was reviewed. The report indicated that 18 out of the 22 USMID-AF benefiting Cities/ MLGs were supported by the department of Urban Development (MoLHUD) to align their USMID-AF investment menus/ plans with the five-year Development Plans, and PDPs and annual budgets with the City/ Municipal development strategies for the FY 2021/2022. The MoLHUD team conducted integration and harmonization. — The 18 MLGs/ Cities supported by the Department of Urban Development include: Jinja City, Fort Portal, Lira City, Gulu City, Mbarara City, Masaka City, Soroti City, Arua City, Mbale City, Hoima City, Tororo Municipality, Moroto Municipality, Mubende Municipality, Kitgum Municipality, Entebbe Municipality, Kabale Municipality, Kasese Municipality, and Kamuli Municipality.
Target 5: Institutional strengthening support to MLGs achieved in physical planning (Max: 14 points)	(i) National Physical Planning Board (NPPB) operational (i.e., approves all MLG plans, review appeals and produce quarterly reports on decisions taken) Score 8 if progress report is in place	— Progress report	8	<ul style="list-style-type: none"> — Our review of the progress reports of the NPPB for the periods July 2021 to June 2022 and July 2022 to December 2022 signed by the Executive Director - National Physical Planning Department revealed that the Board was operational. The report summarizes the operations of the Board within the above-mentioned period including working on approval of PDPs for Districts, Cities, Municipalities and Town Councils; requests for change of land use and appeals; requests for extension of PDPs; requests for waivers; and directives from Ministries; among others. Below is a summary of the different activities executed by the Board during the above mentioned period.

Target	Performance indicator	Means of verification	Score	Detailed assessment findings																	
				<table border="1"> <thead> <tr> <th>Activities</th> <th>Decisions taken</th> </tr> </thead> <tbody> <tr> <td>Approval of PDPs for one (1) City, 10 (ten) municipalities, six (6) Town Councils, five (5) districts, one (1) Regional Economic PDP and one (1) National PDP.</td> <td>The Board approved twenty PDPs, differed two (2) PDPs for a district and a town council and referred the National and Regional PDPs to Cabinet. Twelve out of the twenty approved PDPs were signed while Cabinet approved the National PDP.</td> </tr> <tr> <td>Request for change of use of land.</td> <td>Three (3) out of four (4) requests were granted while the developer was requested to follow proper procedure for the fourth request.</td> </tr> <tr> <td>Thirteen appeals cases were reported to the Board across the country.</td> <td>Five (5) cases were resolved by the Board, two (2) cases were still being worked upon at the time of assessment, five (5) cases were referred to concerned bodies/ parties, while one (1) case proceeded to court.</td> </tr> <tr> <td>Request for extension of PDP</td> <td>Extension with specific conditions was granted for the one (1) case presented.</td> </tr> <tr> <td>Request for waiver</td> <td>The request for waiver that related to Standard Gauge Railway Eastern Route by Ministry of Works and Transport, was granted.</td> </tr> <tr> <td>Directives from the Ministers.</td> <td>One (1) directive was handled by the Directorate of Land Administration/ MoLHUD. The Board conducted a field visit for the second directive and found it to be a land conflict.</td> </tr> <tr> <td>Other issues received and handled.</td> <td>The Board advised on the thirty (30) matters accordingly.</td> </tr> </tbody> </table>	Activities	Decisions taken	Approval of PDPs for one (1) City, 10 (ten) municipalities, six (6) Town Councils, five (5) districts, one (1) Regional Economic PDP and one (1) National PDP.	The Board approved twenty PDPs, differed two (2) PDPs for a district and a town council and referred the National and Regional PDPs to Cabinet. Twelve out of the twenty approved PDPs were signed while Cabinet approved the National PDP.	Request for change of use of land.	Three (3) out of four (4) requests were granted while the developer was requested to follow proper procedure for the fourth request.	Thirteen appeals cases were reported to the Board across the country.	Five (5) cases were resolved by the Board, two (2) cases were still being worked upon at the time of assessment, five (5) cases were referred to concerned bodies/ parties, while one (1) case proceeded to court.	Request for extension of PDP	Extension with specific conditions was granted for the one (1) case presented.	Request for waiver	The request for waiver that related to Standard Gauge Railway Eastern Route by Ministry of Works and Transport, was granted.	Directives from the Ministers.	One (1) directive was handled by the Directorate of Land Administration/ MoLHUD. The Board conducted a field visit for the second directive and found it to be a land conflict.	Other issues received and handled.	The Board advised on the thirty (30) matters accordingly.	
Activities	Decisions taken																				
Approval of PDPs for one (1) City, 10 (ten) municipalities, six (6) Town Councils, five (5) districts, one (1) Regional Economic PDP and one (1) National PDP.	The Board approved twenty PDPs, differed two (2) PDPs for a district and a town council and referred the National and Regional PDPs to Cabinet. Twelve out of the twenty approved PDPs were signed while Cabinet approved the National PDP.																				
Request for change of use of land.	Three (3) out of four (4) requests were granted while the developer was requested to follow proper procedure for the fourth request.																				
Thirteen appeals cases were reported to the Board across the country.	Five (5) cases were resolved by the Board, two (2) cases were still being worked upon at the time of assessment, five (5) cases were referred to concerned bodies/ parties, while one (1) case proceeded to court.																				
Request for extension of PDP	Extension with specific conditions was granted for the one (1) case presented.																				
Request for waiver	The request for waiver that related to Standard Gauge Railway Eastern Route by Ministry of Works and Transport, was granted.																				
Directives from the Ministers.	One (1) directive was handled by the Directorate of Land Administration/ MoLHUD. The Board conducted a field visit for the second directive and found it to be a land conflict.																				
Other issues received and handled.	The Board advised on the thirty (30) matters accordingly.																				

Target	Performance indicator	Means of verification	Score	Detailed assessment findings
				The decisions taken by the NPPB were not reported on a quarterly basis but included in the progress report for the periods July 2021 to June 2022 and July 2022 to December 2022.
	(ii) Policy for national physical planning developed. Score 3 if policy document is in place, else 0	— Policy document	3	— The MoLHUD has in place a revised National Land Use Policy 2020, a document that the USMID M&E Specialist confirmed should be in place instead of a Policy for national physical planning. The revised National Land Use Policy 2020 was approved by the PS MoLHUD. The Policy includes the following sections: Background to the Land Use Policy, policy goals and principles, National Land Use Policy statements, and enabling environment for implementation of the National Land Use Policy.
	(iii) Operationalization of the physical planning registration board Score 3 if progress report is in place, else 0	— Progress report	3	<ul style="list-style-type: none"> — The Senior Physical Planner, MoLHUD prepared the progress report on the operationalization of the Physical Planners' Registration board (PPRB) dated 1 March 2023. — Our review of the reports revealed that the Parliament enacted the Physical Planners' Registration Act (PPRA) in 2022 and it was assented into operation by His Excellency the President of the Republic of Uganda on 14 October 2022. — However, the PPRB is yet to be constituted due to the following reasons: <ul style="list-style-type: none"> ▪ There is currently no Physical Planners' Society which is supposed to second members to the PPRB to be approved by the MoLHUD. ▪ The Minister (who is mandated by the PPRA) is yet to approve the interim council members who are responsible for organizing a general assembly for the Physical Planners' Society to elect Executive members of the Society. The Executive will subsequently nominate representatives to the PPRB. — Currently MoLHUD is managing the transition in accordance with section 47 of the PPRA. — Therefore, MoLHUD receives full scores under this performance indicator since the delay in passing the Physical Planners' Registration Act is not within their control.

Target	Performance indicator	Means of verification	Score	Detailed assessment findings
Target 6: Land Use Management and Compliance Strengthened (Max: 12 points)	(i) Quarterly monitoring, inspection, and training of five (5) out of 18 MLGs/ Cities on implementation of physical development plans completed Score 4 if report is in place, else 0	— Report on quarterly monitoring, inspection, and training	4	— We reviewed the two reports on Monitoring, Inspection and Training on Implementation of PDPs of 2022 by the Department of Land Use Regulation and Compliance dated October 2022 and November 2022. The reports indicated that the activity was carried out in six (6) USMID-AF benefiting Cities/ MLGs, namely, Gulu, Kitgum, Mbale, Jinja, Kamuli and Soroti. The reports further indicated that two (2) non USMID-AF benefiting urban councils of Bweyale Town Council and Kamdini Town Council were also monitored, inspected and trained on implementation of their PDPs by the Department of Land Use Regulation and Compliance - MoLHUD team during the same period. The monitoring and training activities in the above urban LGs focused primarily on the performance of the planning functions in implementing and promoting planned development, and covered the following areas: <ul style="list-style-type: none"> ▪ Review of the performance of each urban council with regard to implementing their approved PDP in the area of jurisdiction and other regulatory frameworks. ▪ Training the participants and PPCs on implementation of National Physical Planning Standards and Guidelines and the National Land Use Compliance Framework. ▪ Training participants and LG PPCs on the Physical Planning Act 2010 and Physical Planning (Amendment) Act 2020. ▪ Inspection of sites in target urban councils to evaluate practical implementation of planned development in the built environment.
	(ii) State of National Land Use Compliance report prepared with rewards and sanctions guidelines embedded Score 4 if report is in place, else 0	— State of National Land Use Compliance report	4	— The IVA obtained and confirmed existence of the final report on the State of Land Use Compliance with Rewards and Sanctions 2021 – 2022, prepared by MoLHUD. The report is based on a study conducted by the MoLHUD in the selected 102 Urban Councils to determine their level of compliance with the land use regulatory framework, which was in place and functional, having realized the enormous task before the Urban Authorities as implementing agencies amidst scarce resources. The report provides the following:

Target	Performance indicator	Means of verification	Score	Detailed assessment findings
				<ul style="list-style-type: none"> ▪ The limitations and good practices the Urban Councils in Uganda faced in their quest to effectively implement and ensure compliance to their PDPs. ▪ A scorecard on the level/ state of land use compliance within the urban centres countrywide. ▪ Findings and indicators on what was needed to effectively implement the physical development planning framework if orderly and progressive development was to be achieved countrywide. ▪ Measures that have been undertaken to address some of the challenges that were identified in the first and second State of Land Use Compliance Reports with Rewards and Sanctions prepared in 2016 2019 respectively. ▪ The basis on which to reward the best performing urban centers and sanction those that underperformed in the implementation of the physical development planning framework in line with requirements of the Physical Planning (Amendment) Act 2020.
	<p>(iii) Public awareness on the need for regulation of land use conducted in 18 MLGs</p> <p>Score 4 if progress report is in place, else 0</p>	<p>— Progress report</p>	<p>4</p>	<p>— The Department of Land Use Regulation and Compliance carried out public awareness campaigns with the aim of popularizing, disseminating and training implementers of the National Land Use Regulatory and Compliance framework, the National Physical Planning Standards, and other legal frameworks on regulation of planned land use.</p> <p>— The reports dated April 2022, July 2022 (two reports), November 2022, and December 2022 indicate that the Department of Land Use Regulation and Compliance conducted awareness campaigns and training between May to November 2022 in twenty (20) Cities/ MLGs. The table below indicates the Cities/ MLGs where public awareness and training were conducted, and the dates when the activities took place.</p>

Target	Performance indicator	Means of verification	Score	Detailed assessment findings		
				No.	City/ MLG	Date when training was undertaken
				1	Soroti City	14 July 2022
				2	Mbale City	12 July 2022
				3	Hoima City	08 November 2022
				4	Moroto Municipality	02 November 2022
				5	Entebbe Municipality	17 November 2022
				6	Lugazi Municipality	29 November 2022
				7	Jinja City	18 April 2022
				8	Kamuli Municipality	20 April 2022
				9	Kumi Municipality	22 April 2022
				10	Masaka City	22 August 2022
				11	Mbarara City	05 September 2022
				12	Gulu City	17 September 2022
				13	Arua City	17 November 2022
				14	Lira City	31 October 2022
				15	Busia Municipality	02 May 2022
				16	Tororo Municipality	07 June 2022
				17	Mubende Municipality	18 July 2022
				18	Apac Municipality	28 November 2022
				19	Fort Portal City	19 July 2022
				20	Kasese Municipality	21 July 2022
				<p>— The training and public awareness activities focused primarily on the need for public regulation of land use and campaigns geared at promoting planned development, majorly covering the following aspects:</p> <ul style="list-style-type: none"> ▪ The roles and functions of PPCs, building committees and developers in creating a planned built environment; 		

Target	Performance indicator	Means of verification	Score	Detailed assessment findings
				<ul style="list-style-type: none"> ▪ Dissemination and training the participants on the National Physical Planning Standards and Guidelines and the National Land Use Compliance Framework; ▪ Training participants on the Physical Planning Act 2010 and the Physical Planning (Amendment) Act 2020; ▪ Procedures of granting development permission vis a vis issuance of building permits and the linkage between the two; and ▪ The challenges Local Governments are facing in implementation of planned physical development within their areas of operation.
<p>Target 7: MLG/ City own source collection and administration enhanced. (Max: 13 points)</p>	<p>(i) 18 MLGs/ Cities supported to implement the MLG/ City OSR data bases</p> <p>Score 5 if training report is in place, else 0</p>	<p>— Training report</p>	<p>5</p>	<p>— The Local Government Finance Commission (LGFC) in partnership with MoLHUD prepared a training report on establishment of local revenue registers in 22 USMID-AF participating Municipal Councils and Cities under USMID-AF dated May 2022. The report was endorsed by the Ag. Commission Secretary, LGFC.</p> <p>— Our review of the report indicated that the trainings were geared towards strengthening the capacity of Local Government staff to collect revenue, process data on taxpayers and compile local revenue databases/computerized registers for their respective entities. The trainings involved participants from ten (10) cities and twelve (12) municipalities including Planners, Finance Officers, Accountants, Accounts Assistants, Statisticians, Internal Auditors, Revenue Officers, Town Agents, Procurement Officers and Town Clerks. Training focused on four main areas including:</p> <ol style="list-style-type: none"> 1) Ascertaining the functionality of the Local Revenue Database Management Systems (LRDMS) in the LGs; 2) Assessing the quality of taxpayer data in the LRDMSs; 3) Assessing the current revenue management practices in the LGs; and 4) Conducting training/ trouble shooting the LG staff regarding the operations and maintenance of the LRDMS tools. <p>— Our review of the training report indicated that the trainings were accomplished through physical meetings involving presentations, demonstrations, and discussion of papers, tools and software using</p>

Target	Performance indicator	Means of verification	Score	Detailed assessment findings
				<p>a guiding questionnaire. The report included the performance in collection of local revenue by the respective cities and municipalities for the FYs 2020/21 and 2021/22, major sources of revenue for the LGs, status of computerisation of registers and level of use to issue demand notes. The training report included individual training reports for the ten (10) cities and twelve (12) municipalities, however, it included lists of participants from only eleven (11) entities including Mubende MLG, Ntungamo MLG, Kasese MLG, Kitgum MLG, Fort Portal City, Busia MLG, Moroto MLG, Tororo MLG, Jinja City, Lugazi MLG, and Soroti City.</p> <p>— The training report did not mention the dates and venue where the trainings were conducted.</p>
	<p>(ii) Quarterly dialogue conducted for MDF on OSR enhancement</p> <p>Score 8 if progress report is in place, else 0</p>	— Progress report	8	<p>— We reviewed the report prepared by the LGFC in partnership with USMID-AF on dialogue sessions/ seminars on Own Source Revenue (OSR) enhancement for MDF in USMID-AF cities and municipalities. The report highlighted that the seminars were held in three locations simultaneously including Margarita Hotel in Lira City, Prime Hotel in Tororo Municipality and Brovad Hotel in Masaka City from 11 to 12 May 2022. The seminar discussions focused on the following:</p> <ul style="list-style-type: none"> ▪ The legal provision for effective collection of local revenue administration; ▪ The importance of local revenue to the decentralized local governance; ▪ The forms of local revenue; ▪ The status of local revenue collection; ▪ The key roles of stakeholders in local revenue administration; ▪ The initiatives in local revenue collection; ▪ The constraints in revenue mobilization; and ▪ The way forward in revenue collection, among others. <p>— The sessions were facilitated by LGFC technical staff at the level of Commission Secretary, Principal Officers, Senior Officers and Officers supported by staff from MoLHUD.</p>

Target	Performance indicator	Means of verification	Score	Detailed assessment findings
				<ul style="list-style-type: none"> — The seminars were attended by MDF executives including the Presidents, Vice Presidents, Treasurers, Coordinators and representatives from special interest groups like youth, women, and Persons With Disabilities (PWDs). The session at Brovad Hotel - Masaka City was attended by 47 participants including MDF Executives from Hoima City, Ntungamo MLG, Fort Portal City, Lira City, Mubende MLG, Kabale MLG, Kasese MLG, Mbarara City, and facilitators from LGFC; the session at Margarita Hotel - Lira City was attended by 41 participants including MDF Executives from Kitgum MLG, Arua City, Apac MLG, Gulu City, Entebbe MLG, Tororo MLG, and Masaka City.; and the session at Prime Hotel – Soroti City was attended by 35 participants from Moroto MLG, Busia MLG, Lugazi MLG, Moroto MLG, Kamuli MLG, Mbale City and Jinja City. — The report included various annexes indicating attendance lists, seminar program, an overview of the USMID-AF programme, opening remarks by Commission Secretary, and presentations. — The seminar was handled in one quarter ended June 2022 at three different centres simultaneously rather than quarterly.
Target 8: Land data bank system developed and implemented. (Max: 4 points)	(i) Land value databank system rolled out to all the 21 Ministry Zonal Offices (MZOs) Score 4 if progress report is in place, else 0	— Progress report	0	<ul style="list-style-type: none"> — MoLHUD provided a status report on the Land Value Databank Information Management System authored by the Office of the Chief Government Valuer and dated 15 March 2023. The status report indicated that MoLHUD hired a consultant called M/S Basarsoft Bilgi Teknolojileri A.S to develop the land value databank system. At the time of the assessment, the consultant had concluded phase one relating to system design and commenced phase two relating to the development of the Land Value Databank Information Management System. The Consultant is expected to finalise the development phase in June 2023.
Target 9: Data base for property yields up-dated and published. (Max: 5 points)	(i) Database for the Property yields, and indices updated in Kampala City and the 42 MLGs	— Report on functionality	0	<ul style="list-style-type: none"> — The status report indicated that the database for property yields and indices was still under development and not yet functional. — MoLHUD also availed the assessment team with a report on the development of property indices using the analogous Residential Property index compiled by Uganda Bureau of Statistics as a proxy. The reports indicated geographical coverage of the indices in the

Target	Performance indicator	Means of verification	Score	Detailed assessment findings
	Score 5 if report on functionality is in place, else 0			USMID participating Cities of Mbarara, Gulu and Jinja, and Entebbe Municipality. The report further indicated that property indices were limited to the three (3) Cities and one (1) Municipality due to the available resources and lack of sufficient data in the other Cities, Municipalities and Local Governments for property index generation. Further, indices for Arua, Kitgum, Lira, Moroto, Soroti, Apac, Mbale, Tororo, Busia, Kamuli, Lugazi, Masaka, Mubende, Kabale, Ntungamo, Fort Portal, Hoima, Kasese and other Local Governments shall be generated upon obtaining sufficient data in their respective jurisdictions.
Target 10: Development and implementation of regulatory framework for valuation. (Max: 4 points)	(i) National valuation standards and guidelines disseminated in the USMID MLGs and remaining HLGs. Score 4 if reports on roll-out of the valuation standards is in place	— Reports on roll-out of the valuation standards	4	<p>— We reviewed a report on National Valuations Standards Guidelines and Manuals which was prepared by the Office of the Chief Government Valuer in February 2023. From our review we established that the National Valuation Standards were developed, however, they are yet to be disseminated. The report indicated that dissemination of the guidelines and manuals is hinged on the enactment of the Valuation Bill. However, following the approval of the Principles of the Valuation Bill, the proposed Valuation Bill is still at review stage by the First Parliamentary Council prior to submission to Cabinet and onward submission to Parliament.</p> <p>— We were also availed with the different guidelines and manuals developed including:</p> <ul style="list-style-type: none"> ▪ Practice Guidelines 2-1 for firms; ▪ Practice Guidelines 3-1 for inspections; ▪ Practice Standard 130 for valuation of construction rock; ▪ Practice Guidelines 3-1 for continuing professional development; ▪ Code of Ethics for the Institute of Certified Valuers and Appraisers of Uganda; ▪ Practice Standard 100 for valuation conclusions and valuation reports; ▪ Practice Standard 110 for valuation reports (reports disclosure standards and recommendations); and

Target	Performance indicator	Means of verification	Score	Detailed assessment findings
				<ul style="list-style-type: none"> ▪ Practice Standard 120 for valuation reports (scope of work standards and recommendations). — From the above, it is evident that the MoLHUD was on the right course following the preparation of National Valuations Standards Guidelines and Manuals. However, dissemination of these Standards Guidelines is dependent on the enactment of the Valuation Bill. The proposed Valuation Bill is still at review stage by the First Parliamentary Council prior to submission to Cabinet and Parliament. — We have therefore awarded full scores for this performance indicator since the delay in the enactment of the Valuation Bill is outside the control of MoLHUD.
Target 11: Effective Program management, including timely Annual Performance Assessment (APA). (Max: 7 points)	(i) Timely APA and VFM. Score 2 if there is evidence of results in the second BCC, else 0	— Evidence of results in the second Budget Call Circular (BCC)	2	— MoLHUD submitted final planning figures for ten (10) Cities, twelve (12) MLGs, and eleven (11) refugee-hosting districts incorporating cash balances for the FY 2022/23 to the PS MoFPED in a letter dated 2 February 2022. MoFPED registry acknowledged receipt of the letter on 3 February 2022. The letter indicated that the estimates were based on funds allocation from the annual performance assessment exercise conducted for FY 2020/21 that informed funding allocations for FY 2022/23, and the unspent balance as of 30 June 2021.
	(ii) Socio-economic impact of physical planning interventions documented. Score 5 if report is in place, else 0	— Report on socio-economic impact of physical planning interventions	5	— MoLHUD with funding from the initial USMID program and USMID-AF program has been supporting a number of urban of Cities/ MLGs to prepare PDPs in order to ensure orderly spatial development, conservation of environment and aesthetics in the urban built and non-built environment. The other activities undertaken include the following: <ul style="list-style-type: none"> ▪ Neighbourhood planning in fast urbanizing areas; ▪ Planning of growth centres neighbouring USMID program Cities/ MLGs to address the urbanization spill over effects; and ▪ Technical support on preparation of PDPs and supervision in program Cities/ MLGs, refugee host districts, training PPCs,

Target	Performance indicator	Means of verification	Score	Detailed assessment findings
				<p>review of relevant guidelines and policies and dissemination, among other activities.</p> <ul style="list-style-type: none"> — The report on Socio-economic and environmental impact of physical planning interventions dated January 2023 was provided and reviewed by the IVA. The report documents the results of the study carried out in January and February 2023 by the department of Physical Planning on the activities so far undertaken to guide the physical planning interventions and control of impacts to the community. — The assessment on the socio-economic impact of physical planning interventions was carried out in the following sampled Cities/ MLGs: Mbale City, Jinja City, Mbarara City, Gulu City and Lira City
Maximum score (Max: 100 points)			91	

Table 22: Results of the assessment of DLI 6

No.	Indicator of performance	Area of compliance	Means of verification	Results	Detailed assessment findings																																																																																												
1	LGs with Town Clerks in place in target municipalities/ cities	Each Program LG/ City has a Town Clerk in place	Individual appointment letters for each of the Ag. Town Clerks/ Town Clerks for the 22 Program MLGs/ Cities signed by the MoLG	MET	<p>All the 22 Cities/ MLGs had an Ag. Town Clerk/ Town Clerk in place appointed by the Permanent Secretary MoLG. Specific details are indicated in the table below.</p> <table border="1"> <thead> <tr> <th>No.</th> <th>City/ MLG</th> <th>Name of Ag. Town Clerk/ Town Clerk</th> <th>Appointment letter date</th> </tr> </thead> <tbody> <tr><td>1</td><td>Arua</td><td>Paul Batanda</td><td>7 June 2021</td></tr> <tr><td>2</td><td>Entebbe</td><td>Charles Magumba</td><td>8 June 2016</td></tr> <tr><td>3</td><td>Fort Portal</td><td>Kagaba Richard Ndora</td><td>3 November 2022</td></tr> <tr><td>4</td><td>Gulu</td><td>Tumwesigye Isaiiah</td><td>7 June 2022</td></tr> <tr><td>5</td><td>Hoima</td><td>Ahimbisibwe Innocent</td><td>7 June 2021</td></tr> <tr><td>6</td><td>Jinja</td><td>Lorika Moses</td><td>23 June 2022</td></tr> <tr><td>7</td><td>Kabale</td><td>Barekye Justine</td><td>17 February 2022</td></tr> <tr><td>8</td><td>Kamuli</td><td>Authman Ssebadduka</td><td>17 February 2022</td></tr> <tr><td>9</td><td>Kasese</td><td>Tibihika Theophilus</td><td>12 January 2022</td></tr> <tr><td>10</td><td>Kitgum</td><td>Alikwan Ayub Kisubi</td><td>1 July 2022</td></tr> <tr><td>11</td><td>Lira</td><td>Wamburu Soita Emmanuel</td><td>3 October 2022</td></tr> <tr><td>12</td><td>Masaka</td><td>Bamanyisa Bwagi Geoffrey</td><td>7 June 2021</td></tr> <tr><td>13</td><td>Mbale</td><td>Ocen Ambrose</td><td>23 June 2022</td></tr> <tr><td>14</td><td>Mbarara</td><td>Assy Abirebe Tumwesigire</td><td>12 January 2022</td></tr> <tr><td>15</td><td>Moroto</td><td>Vincent Okurut</td><td>17 February 2022</td></tr> <tr><td>16</td><td>Mubende</td><td>Tandeka Festo</td><td>7 June 2021</td></tr> <tr><td>17</td><td>Soroti</td><td>Daniel Christopher Kawesi</td><td>10 June 2022</td></tr> <tr><td>18</td><td>Tororo</td><td>David Kyasanku</td><td>23 June 2022</td></tr> <tr><td>19</td><td>Busia</td><td>Ronald Ross Baganzi</td><td>17 February 2022</td></tr> <tr><td>20</td><td>Lugazi</td><td>Katunda Mukuru Fenard</td><td>23 June 2022</td></tr> <tr><td>21</td><td>Ntungamo</td><td>Francis Nyamugo</td><td>7 June 2021</td></tr> <tr><td>22</td><td>Apac</td><td>Stansloas Mangasa</td><td>19 June 2020</td></tr> </tbody> </table>	No.	City/ MLG	Name of Ag. Town Clerk/ Town Clerk	Appointment letter date	1	Arua	Paul Batanda	7 June 2021	2	Entebbe	Charles Magumba	8 June 2016	3	Fort Portal	Kagaba Richard Ndora	3 November 2022	4	Gulu	Tumwesigye Isaiiah	7 June 2022	5	Hoima	Ahimbisibwe Innocent	7 June 2021	6	Jinja	Lorika Moses	23 June 2022	7	Kabale	Barekye Justine	17 February 2022	8	Kamuli	Authman Ssebadduka	17 February 2022	9	Kasese	Tibihika Theophilus	12 January 2022	10	Kitgum	Alikwan Ayub Kisubi	1 July 2022	11	Lira	Wamburu Soita Emmanuel	3 October 2022	12	Masaka	Bamanyisa Bwagi Geoffrey	7 June 2021	13	Mbale	Ocen Ambrose	23 June 2022	14	Mbarara	Assy Abirebe Tumwesigire	12 January 2022	15	Moroto	Vincent Okurut	17 February 2022	16	Mubende	Tandeka Festo	7 June 2021	17	Soroti	Daniel Christopher Kawesi	10 June 2022	18	Tororo	David Kyasanku	23 June 2022	19	Busia	Ronald Ross Baganzi	17 February 2022	20	Lugazi	Katunda Mukuru Fenard	23 June 2022	21	Ntungamo	Francis Nyamugo	7 June 2021	22	Apac	Stansloas Mangasa	19 June 2020
No.	City/ MLG	Name of Ag. Town Clerk/ Town Clerk	Appointment letter date																																																																																														
1	Arua	Paul Batanda	7 June 2021																																																																																														
2	Entebbe	Charles Magumba	8 June 2016																																																																																														
3	Fort Portal	Kagaba Richard Ndora	3 November 2022																																																																																														
4	Gulu	Tumwesigye Isaiiah	7 June 2022																																																																																														
5	Hoima	Ahimbisibwe Innocent	7 June 2021																																																																																														
6	Jinja	Lorika Moses	23 June 2022																																																																																														
7	Kabale	Barekye Justine	17 February 2022																																																																																														
8	Kamuli	Authman Ssebadduka	17 February 2022																																																																																														
9	Kasese	Tibihika Theophilus	12 January 2022																																																																																														
10	Kitgum	Alikwan Ayub Kisubi	1 July 2022																																																																																														
11	Lira	Wamburu Soita Emmanuel	3 October 2022																																																																																														
12	Masaka	Bamanyisa Bwagi Geoffrey	7 June 2021																																																																																														
13	Mbale	Ocen Ambrose	23 June 2022																																																																																														
14	Mbarara	Assy Abirebe Tumwesigire	12 January 2022																																																																																														
15	Moroto	Vincent Okurut	17 February 2022																																																																																														
16	Mubende	Tandeka Festo	7 June 2021																																																																																														
17	Soroti	Daniel Christopher Kawesi	10 June 2022																																																																																														
18	Tororo	David Kyasanku	23 June 2022																																																																																														
19	Busia	Ronald Ross Baganzi	17 February 2022																																																																																														
20	Lugazi	Katunda Mukuru Fenard	23 June 2022																																																																																														
21	Ntungamo	Francis Nyamugo	7 June 2021																																																																																														
22	Apac	Stansloas Mangasa	19 June 2020																																																																																														

Table 23: Results of the assessment of DLI 7

Target	Performance indicator	Means of verification	Results	Detailed assessment findings
Target 7.1: Plan on Physical Planning, land tenure security and urban infrastructure development in refugee host areas	(i) MoLHUD overall plan for FY 2022/23 developed.	— MoLHUD plan on physical planning, land tenure security and urban infrastructure development in refugee host areas for FY 2022/23	MET	<ul style="list-style-type: none"> — MoLHUD has in place the overall approved Annual Work plan for FY 2022/23. The plan was approved at the tenth meeting of the PTC that was held on 12 August 2022 at Hotel Zawadi, in Adjumani District. — One of the key activities included in the plan under item 4.0 is integration of an activity on physical planning, land tenure security and infrastructure development in eleven (11) refugee host areas with the following sub-activities: <ul style="list-style-type: none"> ▪ Carry out preparatory activities to enable project implementation in the eleven (11) refugee host districts; ▪ Carry out physical planning for the districts and/or selected urban areas in refugee host community locations; ▪ Provide support to land tenure security for refugee host communities in six (6) selected target parishes in the sub-region; ▪ Support infrastructure investments in the refugee communities; and ▪ Carry out oversight and support supervision of project activities in the eight (8) refugee host communities. — The plan (with endorsements by the Director Physical Planning and Urban Development/ Chair PTC and Program Coordinator/Secretary PTC) was submitted to the PS/ Secretary to the Treasury MoFPED and the Country Manager World Bank Group by the PS MoLHUD vide letter dated 25 August 2022 ref. ADM/38/172/01.
Target 7.2: Rapid physical planning assessment (RAPPA) and physical planning frameworks (PPFs) for six (6) target districts completed	N/A	— N/A		— N/A

Target	Performance indicator	Means of verification	Results	Detailed assessment findings																																														
Target 7.3: Physical Development Plans (PDPs) completed in six (6) districts and in six (6) urban areas	(i) PDPs disseminated and second round of training of physical planning committees and political leadership in six (6) districts to implement the PDPs. (ii) M&E and review of plan implementation	— Progress report and M&E report	NOT MET	— MoLHUD availed the assessment team with a progress report for physical planning activities conducted in eleven (11) host districts, drafted by the Physical Planner/ Officer in Command Physical Planning in refugee host districts dated 1 March 2023. The table below details the selected areas (District, Urban Council and Sub-county) for Physical Development Planning in each of the 11 refugee host districts and the firms hired to handle each cluster: <table border="1" data-bbox="1294 491 2094 1329"> <thead> <tr> <th>Cluster</th> <th>District</th> <th>Urban Council</th> <th>Sub County</th> <th>Hired Consultant</th> </tr> </thead> <tbody> <tr> <td rowspan="3">A</td> <td>Arua</td> <td>Odumi TC</td> <td>Adraka</td> <td rowspan="3">Sering Ingegneria S.R.L in association with Sadrine Consulting Group</td> </tr> <tr> <td>Madi Okollo</td> <td>Inde TC</td> <td>Rhino Camp</td> </tr> <tr> <td>Terego</td> <td>Leju TC</td> <td>Odupi</td> </tr> <tr> <td rowspan="3">B</td> <td>Moyo</td> <td>Moyo TC</td> <td>Lefori</td> <td rowspan="3">Echo-Shelter and Environmental Consultants in association with PRAID East Africa Ltd</td> </tr> <tr> <td>Obongi</td> <td>Obongi TC</td> <td>Itula</td> </tr> <tr> <td>Yumbe</td> <td>Barakala TC</td> <td>Kululu</td> </tr> <tr> <td rowspan="3">C</td> <td>Lamwo</td> <td>Lamwo TC</td> <td>Palabek Ogili</td> <td rowspan="3">Urban Research and Training Consultancy (E.A) Ltd</td> </tr> <tr> <td>Adjumani</td> <td>Adjumani TC</td> <td>Okusijoni</td> </tr> <tr> <td>Kiryadongo</td> <td>Bweyale TC</td> <td>Mutunda</td> </tr> <tr> <td rowspan="2">D</td> <td>Isingiro</td> <td>Isingiro TC</td> <td>Rushasha</td> <td rowspan="2">GIPEA Consultants Ltd in association with Urban Geodetic Consultants</td> </tr> <tr> <td>Kamwenge</td> <td>Nkoma-Katalyeba TC</td> <td>Nkoma</td> </tr> </tbody> </table>	Cluster	District	Urban Council	Sub County	Hired Consultant	A	Arua	Odumi TC	Adraka	Sering Ingegneria S.R.L in association with Sadrine Consulting Group	Madi Okollo	Inde TC	Rhino Camp	Terego	Leju TC	Odupi	B	Moyo	Moyo TC	Lefori	Echo-Shelter and Environmental Consultants in association with PRAID East Africa Ltd	Obongi	Obongi TC	Itula	Yumbe	Barakala TC	Kululu	C	Lamwo	Lamwo TC	Palabek Ogili	Urban Research and Training Consultancy (E.A) Ltd	Adjumani	Adjumani TC	Okusijoni	Kiryadongo	Bweyale TC	Mutunda	D	Isingiro	Isingiro TC	Rushasha	GIPEA Consultants Ltd in association with Urban Geodetic Consultants	Kamwenge	Nkoma-Katalyeba TC	Nkoma
Cluster	District	Urban Council	Sub County	Hired Consultant																																														
A	Arua	Odumi TC	Adraka	Sering Ingegneria S.R.L in association with Sadrine Consulting Group																																														
	Madi Okollo	Inde TC	Rhino Camp																																															
	Terego	Leju TC	Odupi																																															
B	Moyo	Moyo TC	Lefori	Echo-Shelter and Environmental Consultants in association with PRAID East Africa Ltd																																														
	Obongi	Obongi TC	Itula																																															
	Yumbe	Barakala TC	Kululu																																															
C	Lamwo	Lamwo TC	Palabek Ogili	Urban Research and Training Consultancy (E.A) Ltd																																														
	Adjumani	Adjumani TC	Okusijoni																																															
	Kiryadongo	Bweyale TC	Mutunda																																															
D	Isingiro	Isingiro TC	Rushasha	GIPEA Consultants Ltd in association with Urban Geodetic Consultants																																														
	Kamwenge	Nkoma-Katalyeba TC	Nkoma																																															

Target	Performance indicator	Means of verification	Results	Detailed assessment findings
				<ul style="list-style-type: none"> — From the report, we established that MoLHUD took an approach of developing the Rapid Physical Planning Appraisals (RAPPAs) in house by the Directorate Physical Planning and Urban Development and identified the consultants to prepare the PDPs for each cluster as indicated in the table above. — MoLHUD used an approach of completing the RAPPAs first in order to guide the Systematic Land Adjudication and Certification (SLAC) process in the selected parishes and then embark on the preparation of PDPs. The report further indicated that due to budget considerations, consultants from clusters C&D were engaged first and those for clusters A&B were engaged later. The consultants for cluster C&D had submitted the first draft of the inception report and Information Education and Communication (IEC) strategies for five districts and were finalizing the situation analysis reports at the time of assessment. Following the review and approval of the deliverables, the consultants shall embark on drafting the PDPs, a process that is expected to be completed in December 2023. On the other hand, consultants for clusters A&B have just signed their respective contracts and are expected to deliver 75% of their work in the calendar year 2023. — The Ministry has therefore not yet disseminated the PDPs since they are still under development. — From the progress report, we also established that the MoLHUD conducted trainings in plan implementation for political and technical staff in five (5) out of the six (6) required districts. The trainings were conducted in Lamwo, Adjumani, Kamwenge, Kiryandongo, and Isingiro districts. The purpose of the trainings was to build the capacity of the stakeholders in implementation of their collective roles and responsibilities in the planning process. We noted that the report does not indicate the venues and dates when the trainings were conducted. — Therefore, MoLHUD does not meet this condition since it has not yet completed the development of PDPs to enable dissemination, implementation and M&E of plan implementation.

Target	Performance indicator	Means of verification	Results	Detailed assessment findings
Target 7.4: Land tenure security for host communities in six (6) selected target parishes in the sub-region completed	(i) District office supported in the creation and use of the database.	— N/A		— N/A
	(ii) Systematic Land Adjudication and Certification for host communities in six (6) selected parishes completed and certificates issued	— N/A		— N/A

7 Results on implementation by refugee host LGs of selected infrastructure investments in refugee host areas

7.1 Findings on minimum conditions

As part of the LG performance assessment conducted under OPM, compliance with financial management requirements was assessed under five (5) specified indicators (cross-cutting minimum conditions). The five indicators include the following:

1. The audit opinion of LG financial statement (issued in January 2022) is not adverse or disclaimer;
2. LG has provided information to the PS/ST on the status of implementation of Internal Auditor General or Auditor General findings for the previous FY by end of February;
3. LG has submitted an annual performance contract for the forthcoming year by 31 August 2021;
4. LG has submitted the annual performance report for the previous FY on or before 31 August 2021; and
5. LG has submitted the quarterly budget performance report for all the 4 quarters of the previous year by 31 August 2021.

Our assessment revealed the following:

- (i) According to the OPM reports, with the exception of Lamwo LG, all the other seven (7) LGs met cross-cutting minimum condition 5 – “the audit opinions of the LG financial statements were not adverse or disclaimer”. However, our review of the audited financial statements for Lamwo LG for financial year ended 30 June 2021 obtained from the OAG’s website indicated that the LG obtained a clean audit opinion. We have therefore considered the position for Lamwo LG as presented by the OAG where the audit opinion was not adverse nor disclaimer.
- (ii) Two (2) LGs (Isingiro and Lamwo) met cross-cutting minimum condition 6.
- (iii) All the eight (8) LGs met cross-cutting minimum condition 7 and four (4) LGs (Adjumani, Arua, Isingiro and Moyo) met cross-cutting minimum conditions 8 and 9. These are the minimum conditions affected by the PBS that were suspended from the financial year 2017/18.

7.2 Analysis of findings on performance measures for the refugee host LGs

The cross-cutting performance measures comprise nine (9) thematic areas as presented below:

- (i) Local Government service delivery results;
- (ii) Performance reporting and performance improvement;
- (iii) Human resource management and development;
- (iv) Management, monitoring and supervision of services;
- (v) Investment management;
- (vi) Environmental and social safeguards;
- (vii) Financial management;
- (viii) Local revenues; and
- (ix) Transparency and accountability.

Overall, the average performance was 65.1% (59.9 points out of the maximum attainable score of 92 points). The best performed thematic area across the eight (8) LGs was transparency and accountability with an average score of 91.1%, while the least performed thematic area was management, monitoring and supervision of services with an average score of 52.5%. The specific results attained by each of the eight (8) LGs under each of the nine (9) thematic areas are indicated in **table 24** below:

Table 24: Results of the cross-cutting performance measures for the refugee host LGs

Cross-cutting Performance Measures	Adjumani	Arua	Isingiro	Kiryandongo	Moyo	Yumbe	Kamwenge	Lamwo	Average score	Average percentage performance
Local Government service delivery results (Maximum 14 points)	10	11	11	8	7	9	0	11	8.4	59.8%
Performance reporting and performance improvement (Maximum 4 points)	4	4	4	2	2	2	2	2	2.8	68.8%
Human resource management and development (Maximum 9 points)	1	2	9	4	6	7	9	6	5.5	61.1%
Management, monitoring and supervision of services (Maximum 10 points)	4	8	8	4	4	4	8	2	5.3	52.5%
Investment management (Maximum 20 points)	12	16	20	11	12	10	10	11	12.8	63.8%
Environmental and social safeguards (Maximum 16 points)	10	14	9	10	9	14	11	12	11.1	69.5%
Financial management (Maximum 6 points)	6	5	6	2	6	5	4	2	4.5	75%
Local revenues (Maximum 6 points)	2	2	4	0	6	4	2	6	3.3	54.2%
Transparency and accountability (Maximum 7 points)	7	7	7	5	7	6	7	5	6.4	91.1%
Total score (Maximum 92 points)	56	69	78	46	59	61	53	57	59.9	65.1%

8 Performance trends over five years of assessment (2017/18, 2018/19, 2019/20, 2020/21 and 2021/22)

8.1 Individual municipal performance over the five years of assessment

The scores obtained by the individual Cities/ MLGs in the assessment of the performance measures over the five years of assessment are indicated in **table 25** below.

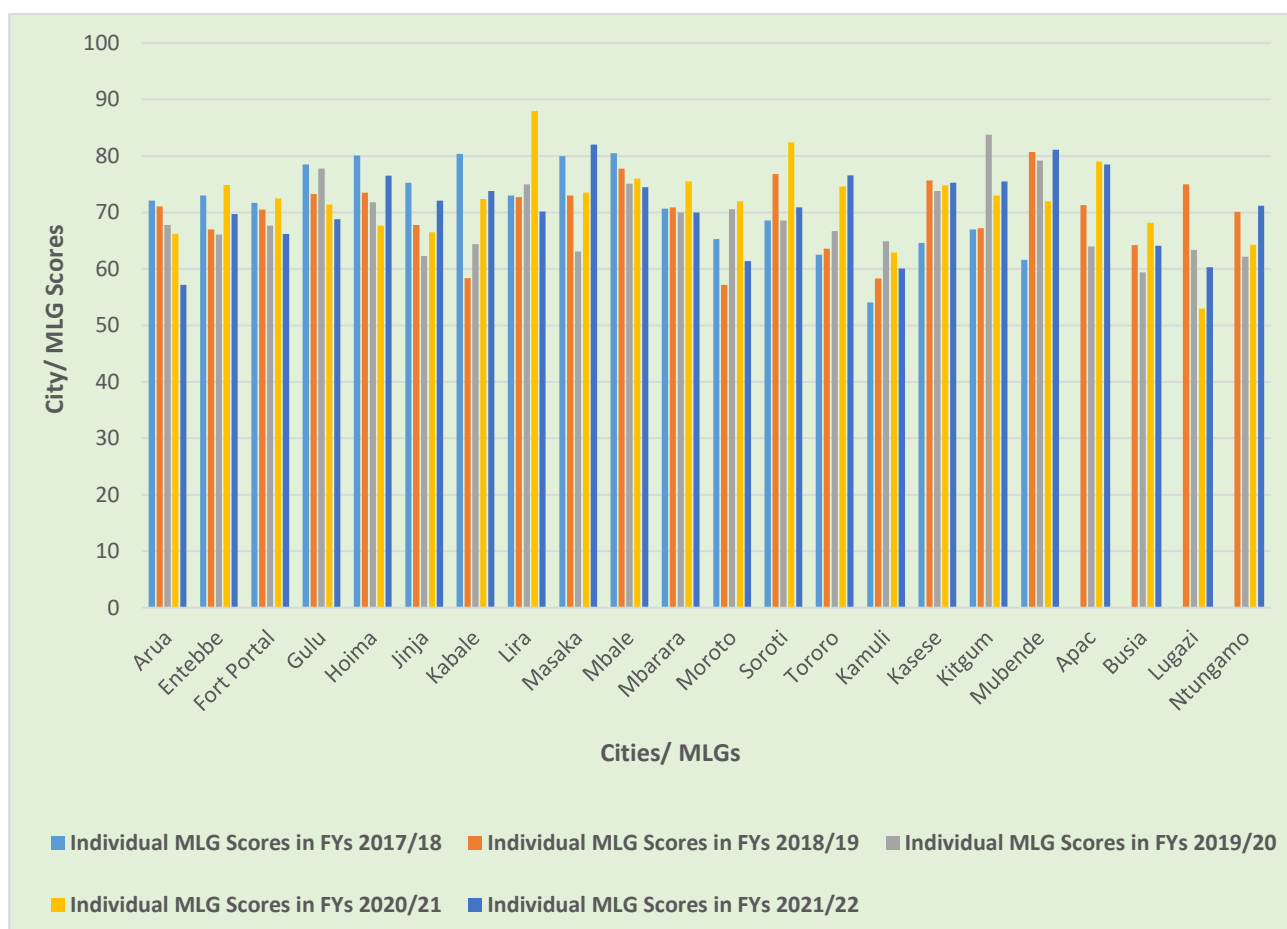
Table 25: Cities/ MLGs' performance over the five years of assessment

Cities/ MLGs	Individual City/ MLG scores in FYs					Percentage change in scores between FY 2020/21 and FY 2021/22
	2017/18	2018/19	2019/20	2020/21	2021/22	
Arua	72.1	71.1	67.8	66.2	57.2	-13.6%
Entebbe	73	67	66.1	74.9	69.7	-6.9%
Fort Portal	71.7	70.5	67.7	72.5	66.2	-8.7%
Gulu	78.5	73.3	77.8	71.4	68.8	-3.6%
Hoima	80.1	73.5	71.8	67.7	76.5	13.0%
Jinja	75.3	67.8	62.3	66.5	72.1	8.4%
Kabale	80.4	58.4	64.4	72.4	73.8	1.9%
Lira	73	72.7	75	88	70.2	-20.2%
Masaka	80	73	63.1	73.5	82	11.6%
Mbale	80.5	77.8	75.1	76	74.5	-2.0%
Mbarara	70.7	70.9	70	75.5	70	-7.3%
Moroto	65.3	57.2	70.6	72	61.4	-14.7%
Soroti	68.6	76.8	68.6	82.4	70.9	-14.0%
Tororo	62.5	63.6	66.7	74.6	76.6	2.7%
Kamuli	54.1	58.3	64.9	62.9	60.1	-4.5%
Kasese	64.6	75.7	73.8	74.8	75.3	0.7%
Kitgum	67	67.2	83.8	73	75.5	3.4%
Mubende	61.6	80.7	79.2	72	81.1	12.6%
Apac	-	71.3	64	79	78.5	-0.6%
Busia	-	64.2	59.4	68.2	64.1	-6.0%
Lugazi	-	75	63.4	53	60.3	13.8%
Ntungamo	-	70.1	62.2	64.3	71.2	10.7%

Key

	Significantly improved
	Significantly declined

A graphical presentation of the Cities'/ MLGs' performance over the five years of assessment



- Performance achieved was below desired target for the assessments conducted for FYs 2018/19, 2019/20 and 2020/21; while performance declined in FY 2021/22 when compared to FY 2020/21. Performance targets were only achieved during the assessment for FY 2017/18. Specific details are presented below:
 - FY 2017/18 - Actual performance achieved was 71.06% against a target score of 60%;
 - FY 2018/19 - Actual performance achieved was 69.82% against a target score of 70%;
 - FY 2019/20 - Actual performance achieved was 69% against a target score of 80%;
 - FY 2020/21 - Actual performance achieved was 71.85% against a target score of 90%; and
 - FY 2021/22 - Actual performance achieved was 70.72% against the final performance target score of 90% under the USMID-AF Program (percentage target score for FY 2021/22).
- Lugazi, Hoima, Mubende, Masaka, Ntungamo, and Jinja have improved over the last two years of assessment (FY 2020/21 and FY 2021/22) by 13.8%, 13%, 12.6%, 11.6%, 10.7% and 8.4% respectively.
- Lira, Moroto, Soroti, Arua, Fort Portal, Mbarara, Entebbe and Busia need special attention. Over the two years of assessment (FY 2020/21 and FY 2021/22) the performance of the Cities/ MLGs has declined by 20.2%, 14.7%, 14%, 13.6%, 8.7%, 7.3%, 6.9% and 6% respectively.

8.2 Overall City/ MLG combined performance in the seven thematic areas over the five years of assessment

The overall combined performance of the Cities/ MLGs in the seven (7) thematic areas over the five years of assessment is indicated in **table 26** below:

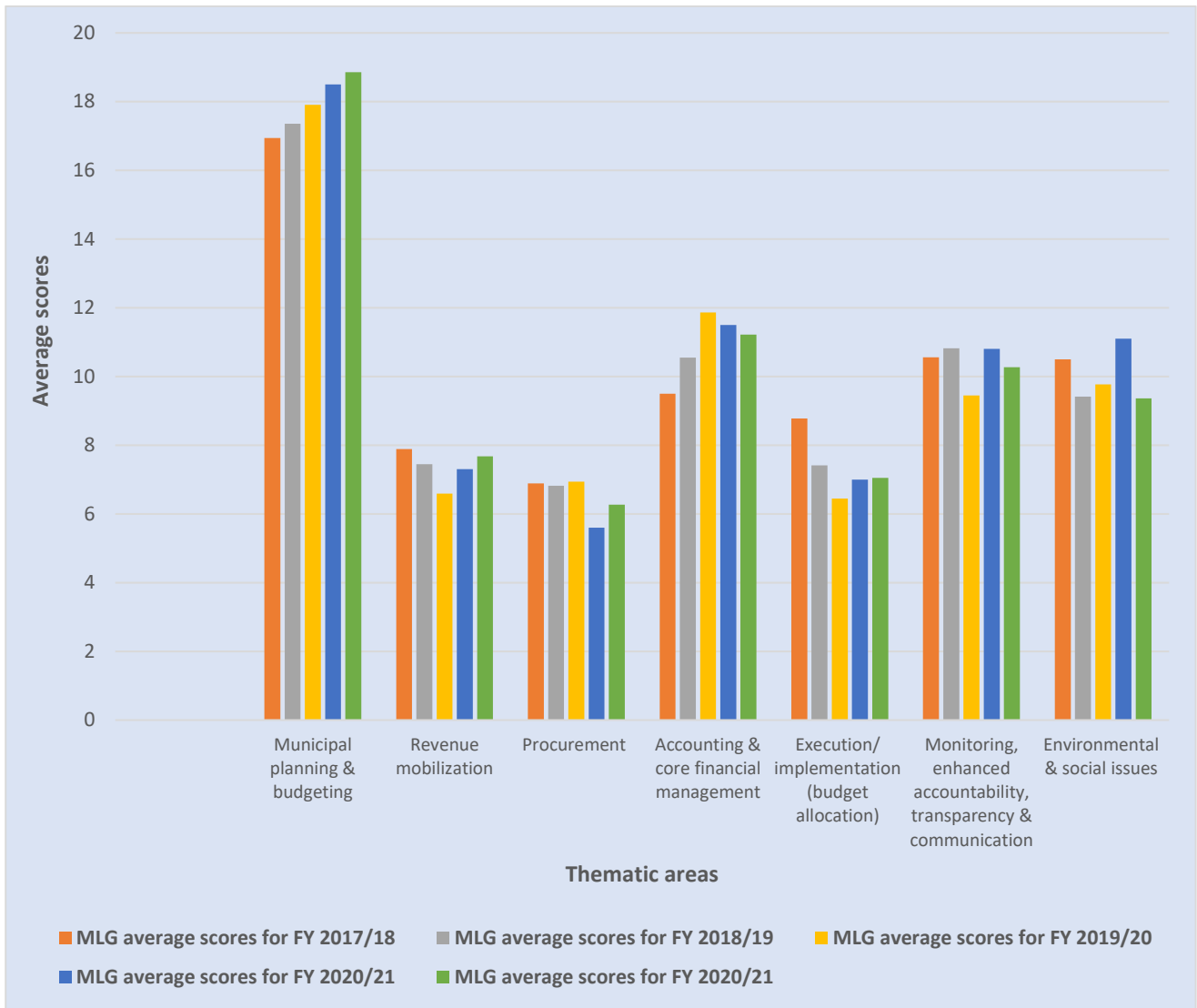
Table 26: City/ MLG performance in the seven thematic areas over the five years of assessment

Performance Measures	Maximum available scores	MLG average scores for FY 2017/18	MLG average scores for FY 2018/19	MLG average scores for FY 2019/20	MLG average scores for FY 2020/21	MLG average scores for FY 2021/22	Percentage change in average scores between FYs 2020/21 & 2021/22
Municipal planning and budgeting	20	16.94	17.36	17.91	18.5	18.86	1.9%
Revenue mobilization	12	7.89	7.45	6.59	7.3	7.68	5.2%
Procurement	10	6.89	6.82	6.94	5.6	6.27	12.0%
Accounting and core financial management	14	9.50	10.55	11.86	11.5	11.22	-2.4%
Execution/ implementation (budget allocation)	16	8.78	7.41	6.45	7.0	7.05	0.7%
Monitoring, enhanced accountability, transparency, and communication	13	10.56	10.82	9.45	10.8	10.27	-4.9%
Environmental and social issues	14	10.50	9.41	9.77	11.1	9.36	-15.7%

Key

	Significantly improved
	Significantly declined

A graphical representation of the combined City/ MLG performance in the seven thematic areas



- Significant improvement has been realized in the thematic area of procurement where the average performance score increased by 12% over the two years of assessment (FYs 2020/21 and 2021/22).
- MoLHUD needs to build the capacity of the Cities/ MLGs in accounting and core financial management; monitoring, enhanced accountability, transparency, and communication; and environment and social issues. Specific areas under these thematic areas that need enhancement include:
 - (i) Accounting and core financial management - Submission of timely and complete financial reports and maintenance of updated and detailed asset registers.
 - (ii) Monitoring, enhanced accountability, transparency, and communication - Discussion of service delivery related issues by the LG Council, and preparation and support to private sector growth and implementation of Commercial Office budget.
 - (iii) Environment and social issues - Monthly project environmental and social monitoring and reporting, preparation of environmental and social mitigation certification for completed projects, and execution of community-based services planned for the particular year.

8.3 Overall City/ MLG performance under the individual indicators of performance over five years of assessment

Table 27 below indicates the combined performance of the cities/ MLGs (average scores) obtained in the five years of assessment in the area of indicators of performance.

Table 27: City/ MLG performance under the individual indicators of performance over five years of assessment

Indicators of performance	Max. score	MLG average score for FY 2017/18	MLG average score for FY 2018/19	MLG average score for FY 2019/20	MLG average score for FY 2020/21	MLG average score for FY 2021/22	Percentage score for FY 2017/18	Percentage score for FY 2018/19	Percentage score for FY 2019/20	Percentage score for FY 2020/21	Percentage score for FY 2021/22	Percentage variance between FYs 2020/21 and 2021/22
Physical planning performance	8	6.22	6.23	6.55	7.41	7.32	77.75%	77.88%	81.88%	92.63%	92%	-0.63%
Participatory planning and budgeting process	6	5.78	6	5.91	5.64	6	96.33%	100.00%	98.50%	94.00%	100%	6.00%
Annual statistical abstract developed and applied	1	0.83	0.95	0.95	0.95	1	83.00%	95.00%	95.00%	95.00%	100%	5.00%
Implementation of human resource management systems	5	4.11	4.18	4.5	4.45	4.55	82.20%	83.60%	90.00%	89.00%	91%	2.00%
Data base and issuance of demand notes for OSR collection	3	1.06	1.45	1.68	1.95	1.82	35.33%	48.33%	56.00%	65.00%	61%	-4.00%

Indicators of performance	Max. score	MLG average score for FY 2017/18	MLG average score for FY 2018/19	MLG average score for FY 2019/20	MLG average score for FY 2020/21	MLG average score for FY 2021/22	Percentage score for FY 2017/18	Percentage score for FY 2018/19	Percentage score for FY 2019/20	Percentage score for FY 2020/21	Percentage score for FY 2021/22	Percentage variance between FYs 2020/21 and 2021/22
Increase in own source revenues	4	3.06	2.73	1.73	1.82	2.41	76.50%	68.25%	43.25%	45.50%	60%	14.50%
Local revenue administration, allocation and transparency	5	3.78	3.27	3.18	3.5	3.45	75.60%	65.40%	63.60%	70.00%	69%	-1.00%
Quality of City/MLG procurement	10	6.89	6.82	6.94	5.58	6.27	68.90%	68.20%	69.40%	55.80%	63%	7.20%
Timely and complete monthly financial reports	3	0.33	1.09	2.05	1.91	1.77	11.00%	36.33%	68.33%	63.67%	59%	-4.67%
Execution of internal audit function	5	4.5	4.09	4.55	4.18	4.55	90.00%	81.80%	91.00%	83.60%	91%	7.40%
Maintenance of a detailed and updated assets register	2	0.78	1.36	1.55	1.55	0.91	39.00%	68.00%	77.50%	77.50%	45%	-31.50%
Clean or qualified audit opinion	4	3.89	4	3.73	3.82	4	97.25%	100.00%	93.25%	95.50%	100%	4.50%
Timely certification of works with support documentation	2	1.56	0.82	0.45	1.27	0.91	78.00%	41.00%	22.50%	63.50%	46%	-17.50%

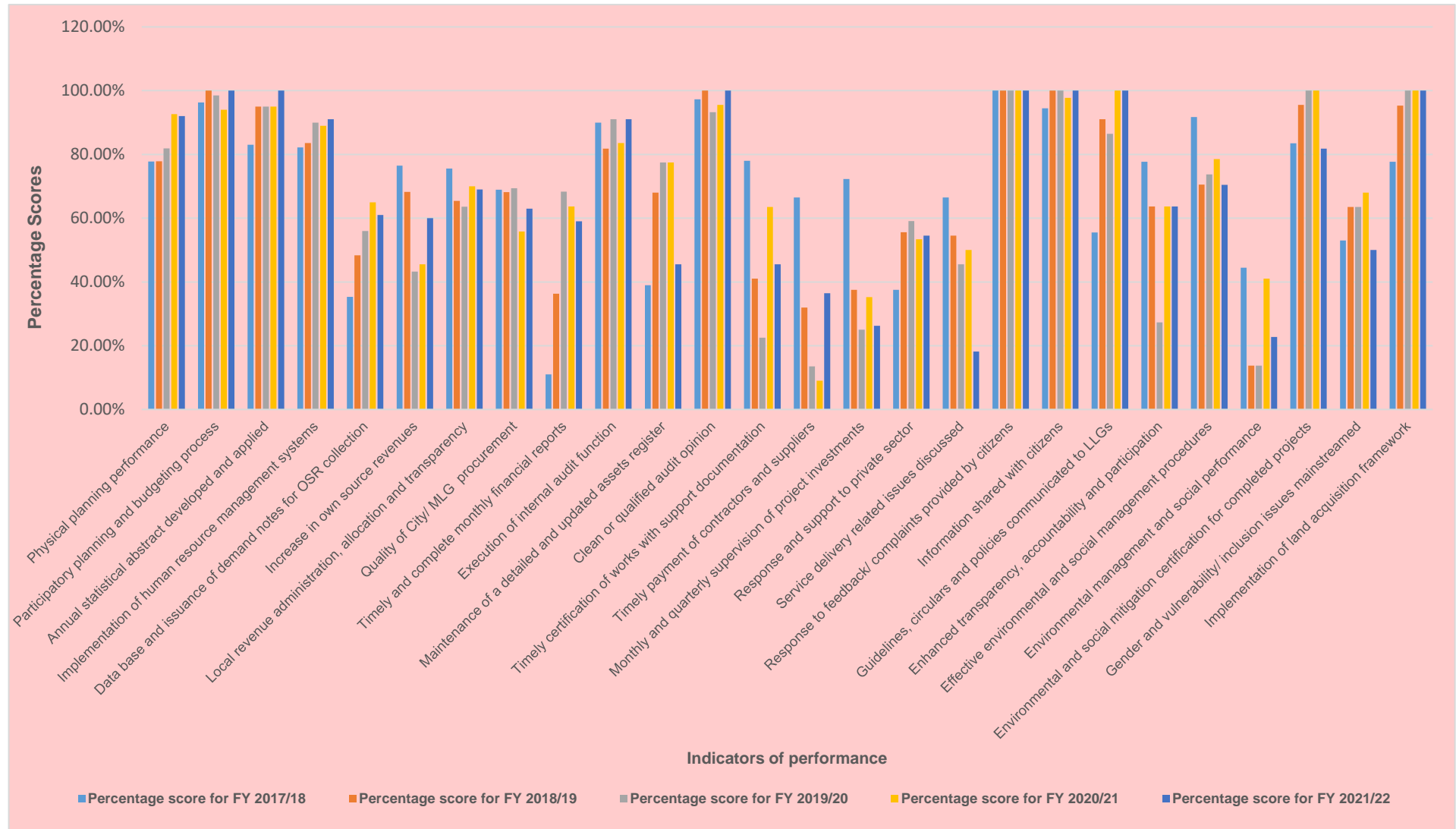
Indicators of performance	Max. score	MLG average score for FY 2017/18	MLG average score for FY 2018/19	MLG average score for FY 2019/20	MLG average score for FY 2020/21	MLG average score for FY 2021/22	Percentage score for FY 2017/18	Percentage score for FY 2018/19	Percentage score for FY 2019/20	Percentage score for FY 2020/21	Percentage score for FY 2021/22	Percentage variance between FYs 2020/21 and 2021/22
Timely payment of contractors and suppliers	2	1.33	0.64	0.27	0.18	0.73	66.50%	32.00%	13.50%	9.00%	37%	27.50%
Monthly and quarterly supervision of project investments	4	2.89	1.5	1	1.41	1.05	72.25%	37.50%	25.00%	35.25%	26%	-9.25%
Response and support to private sector	8	3	4.45	4.73	4.27	4.36	37.50%	55.63%	59.13%	53.38%	55%	1.62%
Service delivery related issues discussed	2	1.33	1.09	0.91	1	0.36	66.50%	54.50%	45.50%	50.00%	18%	-32.00%
Response to feedback/ complaints provided by citizens	2	2	2	2	2	2	100.00%	100.00%	100.00%	100.00%	100%	0.00%
Information shared with citizens	4	3.78	4	4	3.91	4	94.50%	100.00%	100.00%	97.75%	100%	2.25%
Guidelines, circulars and policies communicated to LLGs	2	1.11	1.82	1.73	2	2	55.50%	91.00%	86.50%	100.00%	100%	0.00%
Enhanced transparency, accountability and participation	3	2.33	1.91	0.82	1.91	1.91	77.67%	63.67%	27.33%	63.67%	64%	0.52%

Indicators of performance	Max. score	MLG average score for FY 2017/18	MLG average score for FY 2018/19	MLG average score for FY 2019/20	MLG average score for FY 2020/21	MLG average score for FY 2021/22	Percentage score for FY 2017/18	Percentage score for FY 2018/19	Percentage score for FY 2019/20	Percentage score for FY 2020/21	Percentage score for FY 2021/22	Percentage variance between FYs 2020/21 and 2021/22
Effective environmental and social management procedures	4	3.67	2.82	2.95	3.14	2.82	91.75%	70.50%	73.75%	78.50%	70%	-8.50%
Environmental management and social performance	4	1.78	0.55	0.55	1.64	0.91	44.50%	13.75%	13.75%	41.00%	23%	-18.00%
Environmental and social mitigation certification for completed projects	2	1.67	1.91	2	2	1.64	83.50%	95.50%	100.00%	100.00%	82%	-18.00%
Gender and vulnerability/inclusion issues mainstreamed	2	1.06	1.27	1.27	1.36	1	53.00%	63.50%	63.50%	68.00%	50%	-18.00%
Implementation of land acquisition framework	3	2.33	2.86	3	3	3	77.67%	95.33%	100.00%	100.00%	100%	0.00%

Key

	Significantly improved
	Significantly declined

A graphical representation of City/ MLG performance under the individual performance indicators of over five years



The specific areas that need emphasis include accounting and core financial management; execution/ implementation (budget allocation); monitoring, enhanced accountability, transparency, and communication; and environment and social issues as elaborated under **Section 8.2** above.

9 Key recommendations

9.1 Urban and physical planning

9.1.1 Use of the Program Budgeting System

MoFPED should support the Cities/ MLGs in ensuring proper functionality of the PBS to facilitate timely reporting and required submissions that should be done through the system. The technical and functional aspects of the PBS, including timely submission of information such as the IPFs to the Cities/ MLGs should be critically reassessed. In addition, the capacity of the respective City/ MLG staff using the system should be enhanced, and any challenges encountered with the system that are reported by the Cities/ MLGs should be promptly addressed by the respective officers/ department in MoFPED.

9.1.2 Implementation of the new City Staff and Establishment structure

MoPS, MoLHUD and MoLG should exercise oversight to ensure that City Town Clerks and City Service Commissions operationalise the new city staff structures and recruit the staff with required competencies to deliver the USMID-AF mandates.

9.1.3 MLGs relationship with and functionality of the District LGPAC

MoLG should exercise oversight and provide guidance on the functionality of the District LGPACs and their working relationship with the respective Cities/ MLGs. This will resolve performance challenges caused by these relationships that are beyond the control of the Cities/ MLGs.

9.1.4 Cities/ MLGs without valid and approved PDPs

MoLHUD should support the Cities/ MLGs without valid/ approved Physical Development Plans to put the plans in place. In addition, the department of Planning and Land Use Compliance in the MoLHUD should exercise oversight to ensure the Cities undertake the validation process and consider the following:

- Cater for existing new City Administrative Units;
- Update the land use patterns to cater for City land uses, and service and infrastructure requirements;
- Develop new planning standards, development guidelines and restrictions for the Cities; and
- Change the title of the PDPs from Municipal to City status.

9.1.5 Physical Planning and Urban Management Information Management System in eight (8) USMID MLGs

The eight (8) MLGs of Mubende, Kasese, Kitgum, Kamuli, Lugazi, Ntungamo, Apac and Busia should be supported to acquire the Physical Planning and Urban Management Information System and be provided with the required capacity building to ensure effective utilization of the system.

9.2 Revenue mobilization

9.2.1 Revenue databases

Revenue databases for all the seven (7) main revenue sources should be maintained by all Cities/ MLGs to enhance local revenue collection efforts. In addition, the registers should be comprehensive and regularly updated with information pertaining to the specific revenue source as specified in the relevant laws and regulations.

9.2.2 Local revenue administration, allocation, and transparency

All Cities/ MLGs should ensure that the 30% mandatory LLG (divisions) share of local revenues is remitted to enhance local revenue administration, allocation, and transparency. In addition, the Cities/ MLGs should intensify their efforts in issuing demand notes to increase their local revenue collection, and taxpayers should always acknowledge receipt of the demand notes.

9.3 Accounting and core financial management

1. The finance department should ensure that complete monthly financial statements comprising of the trial balance, monthly income and expenditure statements with budget comparison, balance sheet, and bank reconciliation statements are prepared by the 15th day of the following month and submitted to the Mayor.
2. The manual fixed asset registers and the automated asset registers maintained in the IFMIS system should be comprehensive and regularly updated.

9.4 Procurement

PPDA and MoLHUD should provide strict oversight over the procurement activities of the Cities/ MLGs, including introducing mentoring programmes following the existing fiduciary framework in the country (PPDA Act 2003 amended and accompanying regulations), to ensure City/ MLG compliance and delivery on mandates within the law and required regulations. The USMID PST and MoLHUD team need to institute punitive restrictive measures on Cities/ MLGs regarding the recurring issues.

9.5 Execution/ implementation of infrastructure projects

9.5.1 Proper record keeping

The Cities/ MLGs should put in place proper filing systems that will ensure proper safeguard of documents pertinent to the respective City/ MLG projects and other such activities. Such documents include copies of contracts, copies of all issued certificates, reports of works at divisions, and payment vouchers, among others.

9.5.2 Timely and appropriate certification of works

Cities/ MLGs should observe set contractual terms and ensure timely and appropriate certification of program sub-contracts to avert the risk to the Program in areas of fraud, delayed contract performance and failure to observe set contractual completion timelines.

9.5.3 Regular supervision of projects

Cities/ MLGs should ensure that monthly and quarterly supervision, and monthly site visits are conducted for project investments in the Cities/ MLGs by the required officers, to ensure that contract management for the program sub-contracts does not result in delayed execution beyond the contractual timelines. Supervision should be carried out for both USMID projects and other projects funded under SFG, DDEG, URF and local revenue sources.

In addition, the quality of the monitoring reports prepared by the technical team should be improved upon in terms of consistent documentation on the following aspects: the cumulative physical progress of the projects, planned and actual project completion dates (consistent from one report to another), include the technical implementation challenges identified during the specific field inspections, and report on the status of implementation of issues identified and reported on during the previous inspections.

9.6 Monitoring, enhanced accountability, transparency, and communication

9.6.1 Functionality of the C/MDFs

Program Cities/ MLGs should ensure vibrant and functional C/MDFs to facilitate and enhance community and private sector participation in City/ MLG program activities, hence enable local transparency, accountability, participation, and mitigate likely risks emanating from fraud and corruption. Specific areas of consideration include holding the required bi-annual forums and maintaining the required documents related to the forums held, specifically evaluation sheets.

9.6.2 Discussion of service delivery issues

During the LG Council meetings, service related delivery issues specific to the Cities/ MLGs should be discussed. Such issues include Technical Planning Committee reports, monitoring reports, performance assessment results, and LG PAC reports for the previous financial year.

9.6.3 Functionality of City/ MLG One Stop Shop Centre

Cities/ MLGs should ensure functionality of the City/ MLG One Stop Shop centre to provide services to the private sector. The functioning of the City/ MLG One Stop Shop Centre should be in synch with the original and intended objective, where all the required functions are operational, specifically, the URSB, City/ MLG and URA functions. In addition, periodic reports on the functioning of the facility and the required registers should be maintained.

9.6.4 Support to private sector growth and implementation of Commercial Office budget

MoLHUD and USMID should provide the required capacity building and support to the Cities/ MLGs to enhance their planning and budget activities intended to support private sector growth. This function is at the core of the revenue enhancement efforts thus requiring the Cities/ MLGs to execute the planned activities under Commercial Services.

9.7 Environment and social management

9.7.1 Monthly monitoring of implemented projects

The stringent environmental and social due diligence required on the USMID-AF program that obligates the City/ Municipal Environmental Officer and the Community Development Officer to carry out monthly environmental and social monitoring on all implemented projects, should be complied with across the Program Cities/ MLGs. The aim is to check the effectiveness and relevance of the implementation of the proposed mitigation and ESHS measures.

The respective City/ Municipal Environmental Officers and the Community Development Officers should undertake monitoring exercises in sequences and frequencies stipulated in the Contractors' Environment and Social Management Plan and prepare monthly reports. The monitoring reports should include completed checklists, deviations observed with relevant pictures, and documented updates on recommendations made prior to implementation of the projects. In addition, the recommendations should be detailed to include all appropriate mitigation measures.

9.7.2 Incorporation of ESHS issues in bidding and contract documents

The Municipal Environment Officer should ensure ESHS aspects are fully incorporated in the bidding and contract documents. Full integration of ESHS into bidding and contract documents means: at the bidder level the bidder should declare past ESHS performance; provide Code of conduct for his employees and subcontractors; provide among key personnel, the name, time allocation, and curriculum vitae of ESHS staff; propose ESHS management strategy and implementation plan; budget for ESHS implementation; and at contract level, the client should have provisions to enhance ESHS reporting (ESHS incident reporting and regular reporting), ability to withhold interim payment due to failure to perform ESHS obligations, and provide for ESHS contract variation to manage unforeseen/ unpredicted ESHS risks and impacts.

9.7.3 Gender and vulnerability/ inclusion issues mainstreamed

The Cities/ MLGs should be supported in execution of community based services budgeted activities for the respective years. The support is in respect to the Cities/ MLGs having the required funding/ resources to execute the activities as required.

Annexes

Annex 1: Final assessment tools

A. Performance assessment tools for the MLGs

(1) Performance on the Minimum Conditions for the Municipal Development Grant – USMID

Minimum Condition	No.	Indicators of Minimum Conditions	Information source and assessment procedures	Assessment (Met/ Not Met)	Detailed assessment findings
(A) Functional Capacity for Municipal Development Planning and Budgeting	1	<p>LG has submitted an annual performance contract of the current financial year (2021/22) by 30 June 2021 on the basis of the PFMAA and LG Budget guidelines</p> <p><i>Note that the performance contract among others includes annual work-plan and budget and procurement plan</i></p>	<p>From MoFPED's inventory/ schedule of LG submissions of performance contracts, check dates of submission and issuance of receipts and:</p> <p>(i) If LG submitted before or by due date, state 'compliant'</p> <p>(ii) If LG had not submitted or submitted later than the due date, state 'non-compliant'</p> <p>If MLG has not met this minimum condition document the reason of non-compliance</p>		
(B) Municipality has in place the core staff responsible for designing and implementation of the infrastructure projects Consider the current position for Cities/ MLGs	2	(i) The City/ Municipal Council has an Ag. Town Clerk/ Town Clerk designated by MoLG and appointed by MoFPED as Accounting Officer	<p>— From MoLG obtain the staffing list of cities/ municipalities to establish the municipalities with designated Town Clerks (TCs)</p> <p>— From MoFPED establish whether the TCs designated by MoLG have been appointed as Accounting Officer for the municipality where he/she is posted</p> <p>Indicate date of appointment of Ag. TC/ TC by PS/ST MoFPED and date of designation of Ag. TC/ TC by MoLG</p>		

Minimum Condition	No.	Indicators of Minimum Conditions	Information source and assessment procedures	Assessment (Met/ Not Met)	Detailed assessment findings
		(ii) The City/ Municipal Council has at least one position of an Engineer substantively filled (<i>substantively filled means appointed and posted, by the DSC, with the required skills and qualifications</i>)	<ul style="list-style-type: none"> — From the City/ municipal Human Resource (HR) officer obtain the staff list, and establish whether the Municipal Council has at least one position of an Engineer appointed by the District Service Commission (DSC), review letter of appointment — From the Engineer establish whether s/he is either registered or obtain proof that the Engineer is a member of Uganda Institution of Professional Engineers — Establish whether the Engineer is registerable i.e., having at least 4 years working experience and under mentorship by a registered Engineer 		
		(iii) The City/ Municipal Council has at least one position of a Municipal Physical Planner substantively filled	<ul style="list-style-type: none"> — From the city/ municipal HR officer obtain the staff list and establish whether the Municipal Council has at least one Municipal Physical Planner appointed by DSC, review letter of appointment 		
		(iv) The City/ Municipal Council has at least one position of a Procurement Officer substantively filled	<ul style="list-style-type: none"> — From the city/ municipal HR officer obtain the staff list, and establish whether the Municipal Council has at least one position of a Procurement Officer substantively appointed by DSC, review letter of appointment 		
		(v) The City/ Municipal Council has the position of a Principal Treasurer substantively filled	<ul style="list-style-type: none"> — From the city/ municipal HR officer obtain the staff list and establish whether the Municipal Council has a Principal Treasurer appointed by DSC, review letter of appointment. 		

Minimum Condition	No.	Indicators of Minimum Conditions	Information source and assessment procedures	Assessment (Met/ Not Met)	Detailed assessment findings
		(vi) The City/ Municipal Council has the position of at least one Municipal Environmental Officer (MEO) substantively filled	— From the city/ municipal HR officer obtain the staff list and establish whether the Municipal Council has appointed at least one MEO appointed by DSC, review letter of appointment		
		(vii) The City/ Municipal Council has the position of at least one Community Development Officer substantively filled.	— From the city/ municipal HR officer obtain the staff list and establish whether the Municipal Council through the DSC has appointed at least a Community Development Officer, review letter of appointment		
		(viii) The City/ Municipal Council has at least one position in the Economic Planning Unit substantively filled	— From the city/ municipal HR officer obtain the staff list and establish whether the Municipal Council through the DSC has appointed at least one Officer in the Economic Planning Unit, review letter of appointment		
		(ix) The City/ Municipal Council has the position of at least one Commercial Officer substantively filled	— From the city/ municipal HR officer obtain the staff list and establish whether the Municipal Council through the DSC has appointed at least one Commercial Officer, review letter of appointment		
(C) Functional Capacity in Finance Management, and Internal Audit	3	LG has submitted the annual performance report for the previous FY (2020/21) on or before 31 st July 2021 (as per LG Budget Preparation Guidelines for coming FY; PFMA Act, 2015)	From MoFPED's official record/ inventory of LG submission of annual performance report submitted to MoFPED, check the date MoFPED received the annual performance report: <ul style="list-style-type: none"> — If LG submitted report to MoFPED in time, then it is compliant — If LG submitted late or did not submit, then it is not compliant. 		

Minimum Condition	No.	Indicators of Minimum Conditions	Information source and assessment procedures	Assessment (Met/ Not Met)	Detailed assessment findings
			<p><i>Note that these reports include financial and physical progress reports.</i></p> <p>Submission is through PBS; if MLG has not met this minimum condition state the reason of non-compliance</p>		
	4	<p>LG has submitted the quarterly budget performance report for all the four quarters of the previous FY (2020/21) on or before 31st July 2021; PFMA Act 2015</p>	<p>From MoFPED's official record/ inventory of LG submission of quarterly reports submitted to MoFPED, check the date MoFPED received the quarterly performance reports:</p> <ul style="list-style-type: none"> — If LG submitted all four reports to MoFPED of the previous FY by July 31, then it is compliant. — If LG submitted late or did not submit at all, then it is not compliant. 		
	5	<p>The LG has provided information to the PS/ST on the status of implementation of Internal Auditor General or Auditor General findings for the previous financial year (2020/21) by April 30, 2022. This statement includes actions against all findings where the Auditor General recommended the Accounting Officer to act (PFMA Act 2015; Local Governments Financial and Accounting Regulations 2007; The Local Governments Act, Cap 243).</p>	<p>From MoFPED's inventory/ record of LG submissions of statements entitled "Actions to Address Internal Auditor General's findings", Check:</p> <ul style="list-style-type: none"> — If LG did not submit a 'response', then it is non-compliant — If there is a response for all –LG is compliant — If there are partial or not all issues responded to – LG is not compliant. <p>Dates for both submissions should be recorded (submission dates for Internal Auditor General findings and Auditor General findings)</p> <p>Subject matter may vary from "Actions to address Auditor General's findings" as LGs responded to the letter from PS/ST</p>		

Minimum Condition	No.	Indicators of Minimum Conditions	Information source and assessment procedures	Assessment (Met/ Not Met)	Detailed assessment findings
	6	The audit opinion of LG Financial Statement for the previous FY (2020/21) is not adverse or disclaimer	— From the Auditor General check the audit opinion of the LG for the previous FY (2020/21). If LG has adverse and disclaimer opinion: Non-compliant		
	7	The Municipal Internal Audit function is being executed in accordance with the LGA section 90 and LG Procurement Regulations, and PFMAA.	<p>Establish whether the Municipality has:</p> <ul style="list-style-type: none"> — Prepared and submitted an audit work-plan for the current FY (2021/22) to the Regional Audit Committee (<i>consider submission to Regional Auditor General Office or OAG office at the Centre</i>) within the first quarter of the current FY (2021/22), i.e. 1 July 2021 to 30 September 2021. — Produced at least three out of the four quarterly internal audit reports for the previous FY (2019/20) and submitted these reports to Council and the District Local Government Public Accounts Committee (LGPAC) – <i>consider evidence of submission and discussion of report</i> 		
(D) Procurement	8	LG has submitted a Budget that includes a Procurement and Disposal Plan for the current FY (2021/22) (LG PPDA Regulations, 2006).	— From MoFPED's inventory of LG budget submissions, check whether the LG budget (Performance Contract) is accompanied by a Procurement Plan or not. If a LG submission includes a Procurement Plan, the LG is compliant; otherwise it is not compliant. Submission date is by 30th June 2021		
	9	The City/ Municipal Council Contracts Committee is in place.	— From the City/ Municipal Procurement and Disposal Unit establish whether the Municipal Contracts Committee is in place and has the required membership		

Minimum Condition	No.	Indicators of Minimum Conditions	Information source and assessment procedures	Assessment (Met/ Not Met)	Detailed assessment findings
			<ul style="list-style-type: none"> From MoFPED check whether the MLG has a fully constituted and formally appointed City/ Municipal Council Contracts Committee in place. (Consider approval by PSST, appointment by TC and acceptance by members of the committee as at the time of the assessment) 		
(E) Functional Capacity in Environmental and Social Management	10	City/ Municipality establishes and maintains functional system for environmental and social impact management	<ul style="list-style-type: none"> The LG has screened all sub-projects (includes both USMID and non-USMID projects) that are in the investment plan for the current year. <i>Need to prove that there is an investment plan at the MLG. If a list of investments is provided, it should have been derived from the approved current year work plan (2021/22)</i> 		
(F) Transparency and Accountability	11	<p>The Municipal Council:</p> <p>a) Developed and adopted a customized local version of the Framework for Promoting Good Governance and Anti-Corruption in Local Governments 2014-2019.</p> <p>b) Established an operational Complaints Handling System which will include, among other things, a grievance committee to handle complaints pertaining to fiduciary, environmental and social systems.</p>	<p>From Municipal TC obtain and review the following:</p> <ul style="list-style-type: none"> Customized Framework for Promoting Good Governance and Anti-Corruption in Local Governments 2014-2019 Report on implementation of the Complaints Handling System Documentation which provides evidence that the MDF was properly constituted and launched (<i>review the charter at the MLG</i>) 		

Minimum Condition	No.	Indicators of Minimum Conditions	Information source and assessment procedures	Assessment (Met/ Not Met)	Detailed assessment findings
		c) LG has established and launched the C/MDF			
G) Program Specific	12	Signed Participation Agreement/ MoU between MoLHUD and the City/ Municipality	— From the MoLHUD obtain a copy of the MoU signed between the MoLHUD and the municipalities.		
	13	The LG annual work-plan/ budget for USMID adheres with the investment menu provided for in the Program Operational Manual.	— From the Performance Contract (with work-plan and budget), for the current FY (2021/22), establish whether the city/ municipality has allocated USMID funds to eligible activities.		
	14	The Municipal Council adheres to the eligible expenditures (investment menu) for the use of funds in the previous year (2020/21)	<ul style="list-style-type: none"> — From the Performance reports establish whether the municipality indicated the source of funding for investments and used the USMID funds (MDG) for the previous financial year (2020/21) on eligible activities. — Check expenditures against the eligible expenditures as defined in the Program Operational Manual. 		

(2) Performance on the Minimum Conditions for Municipal Institutional Strengthening Grants – USMID AF

Minimum Condition	No.	Indicators of Minimum Conditions	Information source and assessment procedures	Assessment (Met/ Not Met)	Detailed assessment findings
(A) Institutional Strengthening Plan in place	15	City/ Municipality has an approved annual institutional strengthening plan	<ul style="list-style-type: none"> — From the Committee Clerk review minutes of Council to establish whether there is a Council resolution to approve the annual Institutional Strengthening (IS) Plan for the current FY (2021/22), record the dates and minute — Review evidence of the IS plan with the HR officer — The annual IS plan should have IS activity targets, overview of the funding sources, and overview of how each activity is funded, including timing, method for implementation and how they are linked to the challenges (check for format in the USMID POM) 		
(B) Municipal Institutional Strengthening Plan spent according to the eligible expenditures	16	The Municipal Council adheres to the eligible expenditures (Investment menu) for the use of funds in previous year (2020/21).	<ul style="list-style-type: none"> — From the MoLHUD obtain the output/ outcome reports to establish how the municipality used the USMID funds (Municipal Institutional Strengthening Grant) for the previous financial year (2020/21) — Check expenditures against the eligible expenditures as defined in the Program Operational Manual — Check expenditures for consistence with the annual institutional strengthening plan 		

(3) Performance on the Performance Measures for Municipal Development Grant

Performance Measures	No.	Indicators of performance	Scoring guide	Assessment procedure	Score	Detailed assessment findings
(A) Municipal Physical Development Plan, Five-year Development Plan, Budgeting and Human Resource Management (Maximum 20 points)	1	All new infrastructure projects in a city/ municipality are consistent with the approved Physical Development Plans (Maximum 8 Points) Consider the draft 5 year plans instead of the approved plans	Evidence that a municipality has: — A functional Physical Planning Committee in place that considers new investments on time – score 1 point — Evidence that MLG has submitted at least 4 sets of minutes of Physical Planning Committee to the MoLHUD – score 1 point	— From the Physical Planner obtain the current Physical Development Plan that was approved by Council and submitted to the National Physical Planning Board — From the Physical Planner obtain the members of the Physical Planning Committee to establish whether it is properly and fully constituted. — Review the Building Plan Registration Book and minutes of physical planning committee for the previous FY (2020/21) to determine whether all the submissions for new investments were considered within 28 days after submission. — From MoLHUD establish whether the MLG submitted at least 4 sets of minutes of Physical Planning Committee to the MoLHUD for the previous FY 2020/21.		
			— All infrastructure investments in the previous FY are consistent with the approved Physical Development Plan – score 1 point or else 0	— Sample new investments and determine whether they have been approved by the Physical Planning Committee and are consistent with the approved physical development plan.		

Performance Measures	No.	Indicators of performance	Scoring guide	Assessment procedure	Score	Detailed assessment findings
			<ul style="list-style-type: none"> — Action area plan prepared for the previous FY (2020/21) – score 1 point or else 0 	<ul style="list-style-type: none"> — From the Physical Planner establish the availability of an approved action area plan for the previous FY (2020/21). 		
			<ul style="list-style-type: none"> — City/ Municipality has a detailed physical plan approved by the City/ Municipal Council: <ul style="list-style-type: none"> (i) Covering at least 50% of the municipality – score 2 points (ii) If covering between 30% and 49% – score 1 point (iii) Below 30% – score 0 points 	<ul style="list-style-type: none"> — From the City/ Municipal Physical Planner obtain the detailed physical plan and establish: the proportion of the city/ municipality area covered and whether it was approved by the City/ Municipal Council. 		
			<ul style="list-style-type: none"> — City/ Municipality has implemented the physical development plan <ul style="list-style-type: none"> (i) If City/ MLG has named streets, numbered plots, surveyed and demarcated roads – score 1 point (ii) If City/ MLG has implemented Physical Planning and Urban Management Information Management System – score 1 point 	<ul style="list-style-type: none"> — Visit a sample of City/ Municipal Council roads to establish whether the streets have been numbered, roads surveyed and demarcated — From the City/ Municipal Physical Planner establish whether the city/ municipality has implemented Physical Planning and Urban Management Information Management System. 		
	2	The prioritized investment activities in the approved AWP for the current FY are derived from the approved five-year development plan, are based on discussions in annual reviews and	<ul style="list-style-type: none"> — Evidence that priorities in Annual Work Plan (AWP) for the current FY (2021/22) are based on the outcomes of discussions and consultations from budget conferences, Municipal Development Forum (MDF), Divisions and Private Sector before being 	<ul style="list-style-type: none"> — From the Planner, obtain and review minutes, budget conference report and the AWP of the current FY (2021/22) to determine whether prioritized AWP activities are in line with outcomes of consultations held 		

Performance Measures	No.	Indicators of performance	Scoring guide	Assessment procedure	Score	Detailed assessment findings
		budget conferences and have project profiles (Maximum 6 points)	<p>approved for investment – score 2 points or else 0</p> <p>— Evidence that the capital investments in the approved AWP for the current FY (2021/22) are derived from the approved five-year development plan. If different, justification has to be provided and evidence that it was approved by Council - score 2 points or else 0</p> <p>— Project profiles have been developed and discussed by TPC for all investments in the AWP as per LG Planning guideline (consider the previous FY – 2020/21) - score 2 points or else 0</p>	<p>— Check from the Planner whether the capital investments, including the allocations, in the approved AWP are mentioned in the approved five-year development plan</p> <p>From the planner check whether:</p> <p>— The minutes from the TPC indicate that all project profiles for investments where discussed by the TPC</p> <p>— Check whether the profiles adhere to the formats in the LG planning guideline.</p>		
	3	City/ Municipal Annual Statistical Abstract developed and applied (Maximum 1 point)	— City/ Municipal Annual Statistical Abstract, with gender disaggregated data has been compiled and presented to the TPC to support budget allocation and decision-making during the previous FY (2020/21) - score 1 point	— From the Planner check whether the minutes from the TPC indicate that statistical abstract with disaggregated gender data has been compiled and presented.		
	4	City/ MLG has implemented Human resource management systems (Maximum 5 points)	— Evidence that HoDs have been appraised as per guidelines issued by Ministry of Public Service during the previous FY (2020/21) - score 1 point	— From the HRM obtain personnel files for HoDs and review whether the HoDs were appraised during the previous FY (2020/21).		

Performance Measures	No.	Indicators of performance	Scoring guide	Assessment procedure	Score	Detailed assessment findings
			<p>— Evidence that the City/ MLG has submitted key vacant positions to the District Service Commission for recruitment during the previous FY (2020/21) - score 1 point (in case there are no vacant positions provide maximum score)</p>	<p>— From the HR:</p> <ul style="list-style-type: none"> (i) Obtain the staff structure and identify whether key vacant positions are filled (ii) If vacant establish whether the MLG have submitted the positions to the DSC (iii) If no wage bill provision check the recruitment plan to determine whether a request for wage was made. 		
			<p>— Evidence that City/ MLG has submitted 100 percent of staff due for confirmation to the City/ DSC during the previous FY (2020/21) - score 1 point</p>	<p>— From the HR:</p> <ul style="list-style-type: none"> (i) Obtain the staff structure and identify staff that are not confirmed (ii) For staff due for confirmation establish whether MLG have submitted them to the City/ DSC 		
			<p>— Evidence that City/ MLG have submitted staff requiring disciplinary action to the City/ DSC during the previous FY (2020/21) - score 1 point</p>	<p>— From the HR establish whether MLG has submitted staff requiring disciplinary action to the City/ DSC.</p> <p>Please note the number of disciplinary cases and if there is no DSC.</p>		
			<p>— Evidence that 100% of the staff recruited during the previous FY (2020/21) have accessed the salary payroll not later than two months after appointment - score 1 point</p>	<p>— From the HRM Unit obtain the list of all staff that were recruited and determine whether they accessed the salary payroll during the previous FY (2020/21), not later than 2 months after appointment</p>		

Performance Measures	No.	Indicators of performance	Scoring guide	Assessment procedure	Score	Detailed assessment findings
(II) Revenue Mobilization <i>(Maximum 12 points)</i>	5	The LG has established a data base and issued demand notes for own source revenue collection (Maximum 3 points)	<ul style="list-style-type: none"> — If City/ MLG has established a comprehensive revenue data base (database should have all the 7 revenue sources) - score 1 point — Evidence that the LG has made information publicly available on (i) tax rates; (ii) collection procedure; and (iii) procedure for tax appeal - score 1 point — If City/ MLG has issued 100% demand note (demand notes should be acknowledged) - score 1 point 	<ul style="list-style-type: none"> — From the CFO review the revenue data base — Review notice boards and other public places to establish whether the municipality publicized (i) tax rates; (ii) collection procedure; and (iii) procedure for tax appeal — Establish whether demand notes have been issued to all due taxpayers. 		
	6	The City/ Municipality has increased its own source revenues in the last financial year compared to the one before the previous financial year (last FY year but one – 2019/20) – this excludes one-off revenue sources such as sale of property and assets, as well as revenue from bus and taxi parks (Maximum 4 points)	<ul style="list-style-type: none"> — If increase in OSR from previous FY but one (2019/20) to previous FY (2020/21) is: <ul style="list-style-type: none"> (i) More than 10 % - score 4 points (ii) If increase is from 6% -10 % - score 3 points (iii) If increase is from 2% -5% - score 2 points (iv) If increase is less than 2% - score 0 points 	<ul style="list-style-type: none"> — From the CFO obtain and review audited final accounts for the previous two FYs (2019/20 and 2020/21) to calculate the percentage increase on OSR collection. 		

Performance Measures	No.	Indicators of performance	Scoring guide	Assessment procedure	Score	Detailed assessment findings
	7	Local revenue administration, allocation and transparency (Maximum 5 points)	<p>— Evidence that the City/ Municipality has remitted the mandatory LLG (divisions) share of local revenues – score 2 points or else 0</p> <p>— Evidence that the LG is not using more than 20% of OSR on council activities (<i>these are in respect to the functions of the Councils as provided in LG Act CAP 243</i>): score 3 points or else 0</p>	<p>— From the CFO obtain and review annual financial accounts to determine whether the MLG has remitted the mandatory LLG share of local revenues</p> <p>— From the CFO obtain and review the annual financial statement for the previous FY (2020/21) and check whether the HLG is not using more than 20% of OSR collected in the FY 2019/20 on council activities</p>		
(III) Procurement (Maximum 10 points)	8	Quality of City/ Municipal procurement with regard to economy and efficiency. (Maximum 10 points)	<p>— Procurement score</p>	<p>— From the PPDA annual audits for the previous FY (2020/21), obtain the score of each MLG as per audited procurements results – (<i>the procurement audit including scores to be conducted as per the manual/ tool developed by PPDA. Use scores provided by PPDA.</i>) Also include reasons/ basis for the scores provided in the PPDA reports.</p>		
(IV) Accounting and core financial management (Maximum 14 points)	9	The LG makes timely and complete monthly financial reports (Maximum 3 points)	<p>— Evidence that the LG makes monthly financial reports, bank reconciliations, are up to-date as of 30 September 2022 and submitted to the Mayor by the 15th day of the subsequent months – score 3 points or else 0 (Review monthly reports and bank reconciliations for FY</p>	<p>— From CFO obtain and review monthly financial reports and establish that they are completed and up to-date (30 September 2022).</p> <p>— From the Mayor obtain and review the monthly financial statement and establish whether they are complete and were submitted by the 15th day</p>		

Performance Measures	No.	Indicators of performance	Scoring guide	Assessment procedure	Score	Detailed assessment findings
			2020/21 up to 30 September 2022)	of the month (complete means that they include: trial balance; monthly income and expenditure statements with budget comparison, balance sheet and bank reconciliation statements).		
	10	The LG executes the Internal Audit function in accordance with the LGA section 90 and LG procurement regulations (Maximum 5 points)	<ul style="list-style-type: none"> — Evidence that the LG has a substantive Senior Internal Auditor and produced all quarterly internal audit reports for the previous FY - score 2 points or else 0 Check for the equivalent position in cities 	From Internal audit obtain and review: <ul style="list-style-type: none"> — The internal audit reports — Minutes from Internal Audit 		
			<ul style="list-style-type: none"> — Evidence that the LG has provided information to Council and LG PAC on the status of implementation of internal audit findings for the previous financial year i.e. follow up on audit queries - score 2 points 	From internal audit obtain and review: <ul style="list-style-type: none"> — The internal audit reports — Letters by TC on follow up on internal audit recommendations — Review of minutes from internal audit 		
			<ul style="list-style-type: none"> — Evidence that internal audit reports for the previous FY (2020/21) were submitted to LG Accounting Officer and LG PAC - score 1 point 	From the Internal audit obtain and review: <ul style="list-style-type: none"> — The internal audit reports — Letters on follow up on Internal Audit recommendations — Submissions to LG accounting officer and to LG PAC 		
	11	The LG maintains a detailed and updated asset register (Maximum 2 points)	<ul style="list-style-type: none"> — Evidence that the LG maintains an up-dated assets 	<ul style="list-style-type: none"> — From the CFO obtain and review if assets register is detailed and up to date (as of 30th June 2021) Consider both manual and those generated 		

Performance Measures	No.	Indicators of performance	Scoring guide	Assessment procedure	Score	Detailed assessment findings
			register ¹ covering details on buildings, vehicle, etc. as per format in the accounting manual – score 2 points	through IFMS should be acceptable.		
	12	The LG has obtained a clean/ unqualified or qualified Audit opinion (Maximum 4 points)	<ul style="list-style-type: none"> — Assess the quality of the annual financial statement from previous FY (2020/21): <ul style="list-style-type: none"> (i) Unqualified/ clean audit opinion – score 4 points (ii) Qualified audit opinion – score 2 points (iii) Adverse/ disclaimer – score 0 points 	From the OAG obtain and review: <ul style="list-style-type: none"> — The list of LGs which have been audited to establish the audit opinion — Minutes from meetings on follow up. 		
(V) Execution/ implementation (budget allocation) (Maximum 16 points)	13	City/ Municipality carries out timely certification of works with necessary supportive documentation (Maximum 2 points)	<ul style="list-style-type: none"> — Evidence that all projects have been appropriately and timely (interim and final) certified – score 2 points or else 0 	<ul style="list-style-type: none"> — From the Municipal Engineer obtain and review certificates for all projects implemented in the previous FY (2020/21) to establish whether appropriate certification was done (“timely” means not later than one month after the contractor has informed and submitted the documents). 		
	14	The LG made timely payment of contractors and suppliers during the previous FY (2020/21) (Maximum 2 points)	<ul style="list-style-type: none"> — If the LG makes timely payment of suppliers during the previous FY (2020/21) – no overdue bills (e.g. interim payment certificate) of over 28 working days – score 2 points 	<ul style="list-style-type: none"> — From Municipal Treasurer obtain and review the payment claim register to determine whether the payment is made on time and determine the delays. Counting the 28 days is from the date of certification by the Project Engineer 		

¹ The update of the assets register means recording of assets acquired and writing off the assets disposed of during the FY of assessment in the assets register. Under IFMIS Tier 1, an update is automated, and a printout of the same report shall be considered as an update of the assets register.

Performance Measures	No.	Indicators of performance	Scoring guide	Assessment procedure	Score	Detailed assessment findings
	15	Evidence that the Engineer carries out monthly, and technical staff carries out joint quarterly supervision of project investments in the city/ municipality (Maximum 4 points)	<ul style="list-style-type: none"> — Evidence that the Engineer and MEO carried out at least 75% monthly supervision of each project investments in the municipality – score 2 points or else 0 — City/ Municipality has evidence that the technical staff (planner, engineer and MEO) conducted technical supervision at least once a quarter – score 1 point — Evidence that site meetings are conducted at least monthly for the contract and evidence of action taken on key issues – score 1 point 	<p>From the Municipal Engineer obtain and review:</p> <ul style="list-style-type: none"> — Monthly supervision reports for the previous FY (2020/21) – photos and issues logo — Minutes for the previous FY (2020/21) of conducted regular site meetings, raised issues and followed up to ensure that the issues were resolved. 		
	16	City/ MLG responds to private sector concerns and supports firms (Maximum 8 Points)	<ul style="list-style-type: none"> — Evidence that commercial office, in the presence of Mayor and Town Clerk, organizes bi-annual forum to hear local concerns of private sector (private sector associations including chambers of commerce, investors associations, traders associations, etc. – where present, and representatives of different sector such as tourism, industry and agribusiness) – score 2 points or else 0 	<ul style="list-style-type: none"> — From the Commercial Officer check whether: (i) there are original attendance and evaluation sheets for 2 forums held in the previous FY (2020/21), showing a wide representation of private sector; (ii) an action matrix is available showing actions agreed 		

Performance Measures	No.	Indicators of performance	Scoring guide	Assessment procedure	Score	Detailed assessment findings
			<ul style="list-style-type: none"> — Evidence that issues raised by private sector are discussed in TPC and action taken - score 2 points or else 0 	<ul style="list-style-type: none"> — Obtain TPC minutes (for the previous FY 2020/21) and check whether Commercial Officer presented private sector issues, and some actions are taken in TPC 		
			<ul style="list-style-type: none"> — Evidence that MLG One Stop Shop provides: business registration; tax education; investor aftercare²; and grievance desk services³ - score 2 points or else 0 	<ul style="list-style-type: none"> — Check whether: (i) visually, there is a one stop shop open and providing the required services, (ii) there is a register of firms provided with services, (iii) there is a report from the Commercial Officer on investor aftercare cases and how they were resolved, including photos. 		
			<ul style="list-style-type: none"> — Evidence that commercial officer has planned activities for current financial year (2020/21) to support private sector growth in the locality and that over 95% of previous year's budget for commercial office have been implemented⁴ - score 2 points or else 0 	<ul style="list-style-type: none"> — Obtain commercial office action plan, progress and financial report for the previous year's activities and obtain the implementation ratio 		
(VI) Monitoring, enhanced accountability,	17	The LG Council meets and discusses service delivery related issues (Maximum 2 points)	<ul style="list-style-type: none"> — Evidence that the Council met, discussed and acted on service delivery related issues: including TPC reports, monitoring reports, 	<ul style="list-style-type: none"> — From the Clerk to Council obtain and review the minutes from council meetings to determine whether they meet 		

² Investment aftercare is defined as the various measures that a LG can take to help investors to establish and succeed in the locality including facilitating access to land, liaising with utility authorities to ensure rapid utility connections; dealing with investor grievances and complaints etc.

³ Other optional services could also include services from URA, UNBS and others

⁴ Support activities should particularly concentrate on business planning, financial literacy, cooperative governance and market linkage

Performance Measures	No.	Indicators of performance	Scoring guide	Assessment procedure	Score	Detailed assessment findings
transparency, and communication <i>(Maximum 13 points)</i>			performance assessment results, and LG PAC reports for previous FY (2020/21) - score 2 points	and discuss service delivery issues and acted on: <ul style="list-style-type: none"> ▪ TPC reports; ▪ Monitoring reports; ▪ Performance assessment results; and ▪ LG PAC reports for last FY (2020/21) 		
	18	The LG has designated a senior officer to coordinate response to the feedback/ complaints provided by citizens <i>(Maximum 2 points)</i>	— Evidence that LG has designated a senior officer to coordinate response to feedback (grievance/ complaints) and responded to feedback and complaints - score 2 points	— From the TC, check whether the LG has designated a senior officer to coordinate response to feedback — From the designated senior officer obtain and review: a complaint logbook and the matrix summarizing the complaints and how they were resolved.		
	19	The LG shares information with citizens (Transparency) <i>(Maximum 4 points)</i>	— Evidence that the LG has published the LG Payroll and Pensioner Schedule on public notice boards and other means (<i>consider at time of assessment</i>) - score 1 point	— From CFO obtain the payment schedule and evidence for publicized information to citizens on LG payroll and pensioner schedule		
			— Evidence that the procurement plan and awarded contracts and amounts are published (<i>consider at time of assessment</i>) - score 1 point	— From Procurement and Disposal Unit obtain evidence for publicized information to citizens on awarded contracts and amounts.		
— Evidence that the LG has made information publicly available on the infrastructure and service delivery projects			— From the public notice boards and other means establish whether information on the infrastructure and service			

Performance Measures	No.	Indicators of performance	Scoring guide	Assessment procedure	Score	Detailed assessment findings
			<p>funded out of OSR and their budget amounts (<i>consider at the time of assessment</i>) - score 1 point</p> <p>— Evidence that the LG performance assessment results and implications, are published for the previous year (from budget requirements)- score 1 point</p>	<p>delivery projects funded out of OSR and their budget amounts have been publicized.</p> <p>— From the Planner obtain evidence for publicized information to citizens on LG performance assessment results and implications reports</p>		
	20	LG communicates guidelines, circulars and policies to LLGs to provide feedback to the citizens (Maximum 2 points)	— Evidence that the HLG has communicated and explained guidelines, circulars and policies issued by the national level to LLGs during previous FY (2020/21) – score 2 points	<p>— From MoFPED, MoLG, MLHUD and OPM obtain guidelines, policies and circulars issued by the national level.</p> <p>— From the planner obtain evidence that these have been communicated and explained (meetings minutes etc.)</p>		
	21	Enhanced transparency, accountability and participation (Maximum 3 points)	<p>— The CDF/ MDF has met and discussed among others assessment reports, complaints handling, quarterly progress reports:</p> <p>(i) MDF has held 4 meetings – score 2 points</p> <p>(ii) At least 2 meetings – score 1 point</p> <p>— City/ Municipality prepared the biannual IGG report, which will include a list of cases of alleged fraud and corruption and their status</p>	<p>— From City/ Municipal TC obtain CDF/ MDF meeting documents for the previous FY (2020/21) to ascertain whether they met and discussed:</p> <p>(i) Assessment reports</p> <p>(ii) Complaints handling</p> <p>(iii) Quarterly progress report</p> <p>(iv) Annual General Forum</p> <p>— From the municipality obtain and review the IGG report and MDF minutes</p>		

Performance Measures	No.	Indicators of performance	Scoring guide	Assessment procedure	Score	Detailed assessment findings
			including administrative or other action taken/ being taken and the report has been presented and discussed at MDF (consider previous FY 2020/21) – score 1 point			
(VII) Environmental and Social issues (Maximum 15 points)	22	City/ Municipality is planning, designing and complying to environmental and social management (particularly ESIA and Land Acquisition Framework) procedures (Maximum 4 points)	— Evidence that the City/ MLG has prepared an ESMP/RAP and submitted to TPC for approval – score 1 point — Evidence that the City/ MLG has obtained a certificate from NEMA - score 1 point — The Environment, Social, Health and Safety has been incorporated in the bidding and contract document (including any variations where necessary) - score 1 point	— At the municipality conduct a desk review and check the contract documents of all ongoing contracts and variation orders for integration of ESHS safeguards.		
			— Evidence that the contractor ESMP is in place (including for the main project, camp site, quarry and borrow areas where applicable) and that RAP has been implemented prior to site handover to contractor - score 1 point	Conduct a desk review at the city/ municipality to: — Check the NEMA certificates at the Municipality or on MLHUD website. — Check the RAP clearance processes with MLHUD (CGV).		
	23	City/ Municipality is implementing, supervising, monitoring and complying to environmental management	— Evidence that the contractor payment certificates includes prior environmental and social clearance – score 2 points or else 0	— Check all the contractor payment certificates for the previous year (2020/21) for their prior environmental advice.		

Performance Measures	No.	Indicators of performance	Scoring guide	Assessment procedure	Score	Detailed assessment findings
		(particularly ESIA) procedures; and demonstrating effective on-the-ground environmental and social performance (Maximum 4 points)	— Evidence that the Municipal Environmental Officer and Community Development Officer (CDO) monthly report includes: (a) completed checklists, (b) deviations observed with pictures and (c) corrective actions taken. If all done score 2 points or else 0	Through desk review: — Check the monthly report from the time of contract award till the end. — Check for consistent monitoring and engagement throughout the contract period. — Evidence during site inspection. — Site visit to check mitigation measure such as (a) overall site maintenance, e.g. well-managed working areas, oily waste and solid waste properly stored for disposal; (b) all PPEs are in use; and (c) tree planting/ landscaping being done or done or survival rate. (d) traffic control signs/ site signage; (e) sensitization of workers on labour influx related social issues such as HIV/AIDS, GBV, and Violence Against Children, including Child Labour. These mitigation measures may pertain to implementation or operation and maintenance phase.		
	24	All completed projects have Environmental and Social Mitigation Certification (Maximum 2 points)	— Evidence that Environmental and Social Mitigation Certification Form completed and signed by Municipal Environmental Officer and CDO - score 2 points or else 0	— From the TC, obtain the completion report and establish whether it contains environmental and social certification.		

Performance Measures	No.	Indicators of performance	Scoring guide	Assessment procedure	Score	Detailed assessment findings
	25	The LG has mainstreamed gender and vulnerability/ inclusion issues into their activities and planned activities to strengthen women's roles and address inclusion issues (Maximum 2 points)	— Evidence that the LG gender focal person and CDO have provided guidance and support to sector departments to mainstream gender, vulnerability and inclusion into their activities – score 1 point	— From the Gender Focal Point Person and CDO obtain and review whether the Gender Focal Point Person has provided guidance and support to departments on how to mainstream gender, vulnerability and inclusion issues into activities during the previous FY (2020/21)		
			— Evidence that gender focal point and CDO have planned activities for current FY (2021/22) to strengthen women's roles and address vulnerability and inclusion, and that more than 90% of previous year's budget for gender/ vulnerability/ inclusion activities has been implemented - score 1 point	— From the Gender, Focal Point Person and CDO obtain and review gender/ vulnerability / inclusion activities planned (strategy or action plan) and progress/ mentoring reporting for previous years (2020/21) activities.		
	26	Implementation of land acquisition framework (Maximum 3 points)	— Land acquisition framework applied and implemented for all projects where the Environmental and Social Screening Form indicates land acquisition – affected persons and properties have been identified and when necessary, ensure payment of any compensation (including livelihood restoration measures from economic displacement) prior to initiating works – score 3 points or else 0	— From Focal Point establish whether the land acquisition framework is applied and implemented for all projects executed in the previous FY (2020/21) where the Environmental and Social Screening Form indicates land acquisition		

(4) Infrastructure Investment Performance – USMID AF

No.	Performance Indicator	Scoring guide	Assessment procedure	Score	Detailed assessment findings
1	Local infrastructure targets as set out in annual work plans for the previous FY (2020/21) met by cities/ municipalities utilizing the USMID DDEG Funds ⁵ (Maximum 35 points)	<ul style="list-style-type: none"> Physical targets as included in the annual work plan⁶ for the previous FY (2020/21) implemented calculated as the average implementation percentage for sampled projects multiplied by the maximum points (35). <p><i>The score on this indicator will be between 0-35 points</i></p>	<ul style="list-style-type: none"> Step 1: Calculate the implementation rate in percentage per project implemented in the previous FY (2020/21) sampled Step 2: Calculate the average implementation rate for the projects sampled Translate the implementation rate to score between 0 and 35 (maximum score). This is done by multiplying the average implementation ratio by the maximum points (i.e. 35). 		
2	Value for the Money (VfM) in the infrastructure investments funded by the Program ⁷ (Maximum 50 points)	<ul style="list-style-type: none"> The score on this indicator will be between 0-50 (max), - if the scores in the VfM is 100, the results will be $0.5 \times 100 = 50$ points. 	<ul style="list-style-type: none"> The input from this will be provided by the value for the money audits (conducted by OAG) to the assessment teams to include in the calibration and in the final calculation of the size of the allocations. 		
3	The LG has executed the budget for construction of investment projects and O&M ⁸ for all	<ul style="list-style-type: none"> The City/ MLG has prepared an annual infrastructure inventory and condition survey (including roads and drainage, among others) – score 3 points or else 0 	<ul style="list-style-type: none"> From the Municipal Engineer obtain and review the annual infrastructure inventory and condition survey to establish whether it was prepared 		

⁵ The verification of this will be through a comparison of the municipal annual work-plans for DDEG utilization with the actual execution rate of the (sub)-projects, funded by the DDEG

⁶ The annual work plan for infrastructure projects under USMID-AF will be as per the format provided in the POM

⁷ The value for money will be conducted starting reviewing performance of 2016/17. In case they are not completed by the time needed to be incorporated in the regular assessment, i.e. the firm which will carry out the assessment will revise the assessment results by taking the VFM audit results into account. For new USMID MCs, the VfM will review DDEG funded projects

⁸ Operational costs like fuel for routine operations, electricity etc. are not included.

No.	Performance Indicator	Scoring guide	Assessment procedure	Score	Detailed assessment findings
	major infrastructure projects and assets during the previous FY (2020/21) (Maximum 15 points)	<ul style="list-style-type: none"> — O&M strategy and plan for all investments requiring maintenance as per formats in the Program Operational Manual, including break down on projects, time-plan and sequencing - score 4 points or else 0 	<ul style="list-style-type: none"> — Review O&M strategy and details in this, and compare with the provided guidelines from MLHUD — Sample projects, e.g. roads and check maintenance plan and costing. 		
		<ul style="list-style-type: none"> — Evidence that the LG has budgeted in line with the strategy for the previous FY (2020/21) - score 2 points or else 0 — Evidence that the LG has spent at least 80% of O&M budget for infrastructure in the previous FY (2020/21) - score 2 points or else 0 	<ul style="list-style-type: none"> — From MoFPED obtain the Annual Final Accounts and annual performance report to check whether the LG has spent at least 80% of the maintenance budget (with URF as actually received) for infrastructure projects in the previous FY (2020/21) based on sample of projects. 		
		<ul style="list-style-type: none"> — Assess percentage of City/ MLG actual maintenance expenditure funded by own source revenues – consider the following thresholds: <ul style="list-style-type: none"> ▪ 20% or more are funded by OSR - score 4 points ▪ 10% or more - score 2 points ▪ Below 10% - score 0 points 	<ul style="list-style-type: none"> — Review breakdown of the maintenance budget and actual maintenance expenditure. 		
	Maximum 100 points	Total maximum score = sum of indicator 1, 2 and 3= 100 points			

B. Performance assessment tools for MoLHUD

(i) Detailed Verification Protocol/ Narrative Tool for determining of the disbursement achievement rates on DLI 5

Disbursement Link Indicators (DLIs)	Indicative timeline for DLI achievement				
	Year or period 1	Year or period 2	Year or period 3	Year or period 4	Year or period 5
	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23
DLIs 5 : Strengthened municipal capacity achieved by central government					
DLI 5: Annual MoLHUD system development and institutional strengthening activities for Program municipalities executed (including physical planning and valuation services)	i) Institutional development plan for FY 2018/19 adopted.	i) Institutional development plan for FY 2019/20 adopted	i) Institutional development plan for FY 2020/21 adopted	i) Institutional development plan for FY 2021/22 adopted	i) Institutional development plan for FY 2022/23 adopted
		ii) 60 % of the FY 2018/19 plan implemented	ii) 70% of FY 2019/20 plan implemented	ii) 80% of the FY 2021/22 plan implemented	ii) 90% of the FY 2021/22 plan implemented
See below for specification and calibration of the allocation against targets/ (assessment/verification tool)					
Target 1: Institutional plan development for MLHUD including all the supported implementation partners as per POM format.	MLHUD overall performance improvement plan for FY 2018/19 developed: 100 % allocation based on the plan (first year) (Mov: Plan).	MLHUD overall performance improvement plan for FY 2019/20 developed (Mov: Plan). Score 7 if institutional development plan is in place, else 0	MLHUD overall performance improvement plan for FY 2020/21 developed (Mov: Plan). Score 7 if institutional development plan is in place, else 0	MLHUD overall performance improvement plan for FY 2021/22 developed (Mov: Plan). Score 7 if institutional development plan is in place, else 0	MLHUD overall performance improvement plan for FY 2022/23 developed (Mov: Plan). Score 7 if institutional development plan is in place, else 0
Target 2: Implementation of the urban Policy	N/A	i) Legal and Institutional Review for Urban Development framework carried out. (Mov: Review document). Score 2 if review document is in place, else 0	i) Principles of the urban development Bill developed and submitted to Cabinet (Mov: report on principles). Score 3 if principles of the urban development bill are	i)The draft Urban Development bill developed (Mov: draft bill) Score 2 if draft bill is in place, else 0	i) Urban development Bill finalized and submitted to Cabinet (Mov: final Urban Development Bill, letter of submission to cabinet)

Disbursement Link Indicators (DLIs)	Indicative timeline for DLI achievement				
	Year or period 1	Year or period 2	Year or period 3	Year or period 4	Year or period 5
	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23
			in place, score 4 if the principles have been submitted to cabinet, else 0		score 7 if urban development bill has been submitted to cabinet, else 0
		ii) Detailed guidelines and standard and framework for creation and up-grading of urban centers prepared. (Mov: Guidelines). Score 3 if guidelines are in place, else 0	ii) Urban land management strategy developed with urban re-development standards and guidelines (Mov: strategy doc). Score 3 if strategy document is in place, else 0	ii) Strategy for urban greening, landscaping and beatification developed (Mov: strategy). Score 3 if strategy is in place, else 0	ii) Review of the National Slum upgrading Strategy for Uganda completed (Mov: report). Score 6 if report is in place, else 0
		iii) Guidelines for Economic infrastructure and MLG support to private sector developed and rolled out to target MLGs. (Guidelines for urban public space management, guidelines for management of MLG and private sector collaboration for urban development) - (Mov: guidelines). Score 2 if guidelines are in place and have been rolled out to target MLGs, else 0	iii) Integrated Urban Transportation Strategy Developed (Mov: Strategy). Score 2 if Strategy is in place, else 0	iii) Training of 18 MLGs conducted in the new guidelines (Mov: training report). Score 5 if training report is in place, else 0	

Disbursement Link Indicators (DLIs)	Indicative timeline for DLI achievement				
	Year or period 1	Year or period 2	Year or period 3	Year or period 4	Year or period 5
	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23
		iv) Economic potentials and constraints analysis & PPP screening conducted for all municipalities ⁹ (mov: report) Score 2 if report is in place, else 0	iv) IEC strategy for stakeholders' participation in urban development developed and adopted. (Mov: strategy doc) Score 2 if strategy document is in place, else 0	iv) Develop E-Governance Framework 10 for Cities, Municipalities and Towns. (Mov: system report) Score 5 if system report is in place, else 0	
		v) LED module developed and piloted, with a view to institutionalize it in Uganda Civil Service College. (Mov: module) Score 2 if module has been developed, score 4 if module has been developed and piloted, else 0		v) Urban Green Growth and Climate Resilience Framework developed. (Mov: framework document) Score 2 if framework document has been developed, else 0	
		Max score (13)	Max score (11)	Max score (17)	Max score (13)
Target 3: MDF & National Urban	N/A	i) All 18 MDFs in 18 target MLGs have been	i) All 18 MDFs in 18 target MLGs have been	i) All 18 MDFs in 18 target MLGs have been supported by MLHUD on	i) All 18 MDFs in 18 target MLGs have been

⁹ This is in order to better inform infrastructure investments in line with economic potentials. Local small scale PPP opportunities may be possible in the areas of solid waste management, tourist sites, markets, abattoirs, parks for micro-enterprises and cottage industries, and business district upgrading.

¹⁰ The e-governance will support external and internal communication between the MLHUD and the Municipalities and other MDAs, the MDFs through the E- citizen platform, Knowledge information hub for urban development and management E- Revenue that includes e-billing, e-tax, e-registration e-permits, support and increase public access to information.

Disbursement Link Indicators (DLIs)	Indicative timeline for DLI achievement				
	Year or period 1	Year or period 2	Year or period 3	Year or period 4	Year or period 5
	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23
Development Forum effectively functioning.		supported ¹¹ by MLHUD on a quarterly basis. (Mov: progress reports) Score 4 if all 4 quarterly reports are in place. 1 score each available report, else 0.	supported by MLHUD on a quarterly basis. (Mov: progress reports) Score 4 if all 4 quarterly reports are in place. 1 score each available report, else 0.	a quarterly basis (Mov: progress reports) Score 4 if all 4 quarterly reports are in place. 1 score each available report, else 0.	supported by MLHUD on a quarterly basis. (Mov: progress reports) Score 4 if all 4 quarterly reports are in place. 1 score each available report, else 0.
		ii) UNUF annual public dialogue conducted. (Mov: progress reports). Score 4 if report is in place, else 0	ii) New guidelines including framework for operation of MDFs and roll-out to all MLGs (including awareness raising and introduction). (Mov: guidelines & training report). Score 4 if guidelines and training report are in place, else 0	ii) UNUF annual public dialogue conducted. (Mov: progress reports). Score 4 if report is in place, else 0	ii) UNUF annual public dialogue conducted. (Mov: progress reports). Score 4 if report is in place, else 0
			iii) UNUF annual public dialogue conducted. (Mov: progress reports) Score 5 if report is in place, else 0		
		Max score (8)	Max score (13)	Max score (8)	Max score (8)

¹¹ Supported means guidance on participation, capaCity building support, support to facilitate meetings, guidance preparation and implementation of their work-plans

Disbursement Link Indicators (DLIs)	Indicative timeline for DLI achievement				
	Year or period 1	Year or period 2	Year or period 3	Year or period 4	Year or period 5
	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23
Target 4: Development and implementation of the Municipal Development Strategies (MDSs) in the 14 (USMID) & 4 additional MCs.		i) All 4 additional USMID municipalities supported to prepare and formulate 30 years Municipal Development strategies- MDSs (Mov: MDS reports) Score 4 if MDS reports are in place, else 0	i) Functional competences of City managers and officials built in development and implementation of MDS (Mov: Institutional strengthening reports) Score 4 if institutional strengthening report is in place	i) Review of the MDSs to ensure compliance with the alignment and integration process (Mov: 18 Updated MDSs) Score 4 if 18 MDSs have been updated	i) Roll out of MDSs in the other 10 Municipalities outside the USMID. (Mov: 10 MDSs) Score 8 if MDS has been rolled to 10 MCs outside USMID
		ii) Five modules formulated for building Functional competences of City managers and officials in development and implementation of MDS (Mov: Five Modules) Score 5 if five Modules have been prepared. (1 score for every module prepared) else 0	ii) All the 18 target MLGs Supported to align their USMID project invest menu, Five -year Development Plans, PDP and Annual Budgets with the MDSs (Mov: progress report with aligned plans) Score 5 for progress report with aligned plans.	ii) Roll out of MDSs to the other 3 Municipalities outside the USMID (Mov: 3 MDSs) Score 5 if 3 MDSs are in place, else 0	ii) All the 18 target MLGs Supported to align their USMID project invest menu, Five-year Development Plans, PDP and Annual Budgets with the MDSs (Mov: Progress report) Score 5 if progress report is in place
		iii) All the 18 target MLGs Supported to align their USMID project invest menu, Five-year Development Plans, PDPs and Annual Budgets with the MDSs. (Mov: progress reports with aligned plans)		iii) All the 18 target MLGs Supported to align their USMID project invest menu, Five-year Development Plans, PDP and Annual Budgets with the MDSs. (Mov: Progress report)	

Disbursement Link Indicators (DLIs)	Indicative timeline for DLI achievement				
	Year or period 1	Year or period 2	Year or period 3	Year or period 4	Year or period 5
	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23
		Score 3 if progress reports with aligned plans are in place else 0		Score 3 if progress report is in place	
		Max score (12)	Max score (9)	Max score (12)	Max score (13)
Target 5: Institutional strengthening support to MLGs achieved in physical planning	N/A	i) Physical planning needs assessment of 18 MLGs completed. (Mov: NA doc) Score 3 If needs assessment document is in place	i) Five of out the 8 detailed guidelines for physical planning developed ¹² . (Mov: guidelines) Score 3 if guidelines are in place	i) Update and roll out of physical planning guidelines to 18 MLGs completed. (Mov: guidelines) Score 5 if guidelines are in place	i) NPPB operational (i.e., approves all MLG plans, review appeals and produce quarterly reports on decisions taken). (Mov: Progress report) Score 8 if progress report is in place
		ii) Physical planning public awareness plan developed. (Mov: plan doc) Score 3 if plan document is in place, else 0	ii) Operationalization of the central PPUMIS centre with linkages to the 18 MLGs ¹³ . (Mov: progress report on center) Score 3 if progress report on centre is in place, else 0	ii) National Spatial Planning Guidelines Developed. (Mov: guidelines) Score 3 if guidelines are in place, else 0	ii) Policy for national physical planning developed. (Mov: policy doc) Score 3 if policy document is in place, else 0

¹² These are: i) preparation of PDPs (national, regional, district urban local detailed action plan and subject plans, ii) Stakeholders' participation in physical planning in Uganda, iii) Planning and provision of open spaces and recreation, iv) grading and hillside development, v) development along upper hierarchy roads, vi) Urban design and landscaping, vii) Rural planning and viii) Other three guidelines to be defined

¹³ Operationalization means as a minimum a unit and data base which is linked to the 18 MLGs, and computerized system of management of approvals of physical plans

Disbursement Link Indicators (DLIs)	Indicative timeline for DLI achievement				
	Year or period 1	Year or period 2	Year or period 3	Year or period 4	Year or period 5
	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23
		iii) Draft integrated development planning guidelines developed. (Mov: guidelines) Score 3 if guidelines are in place, else 0	iii) Training of 18 MLGs in integrated planning and roll out of guideline. (Mov: training report) Score 3 if training report is in place, else 0	iii) Roll out of the 5 out of the 8 detailed guidelines for physical planning (see footnote). (Mov: training report) Score 3 if training report is in place, else 0	iii) Operationalization of the physical planning registration board ¹⁴ . (Mov: Progress report). Score 3 if progress report is in place, else 0
		iv) Jinja model town physical development plan finalized and approved. (Mov: plan and documentation of approval) Score 3 if plan and documentation of approval are in place, else 0	iv) Review of NLUP completed. (Mov: review doc) Score 3 if review document is in place, else 0		
			v) NPPB strategy for research and development completed. (Mov: strategy) Score 4 if strategy is in place, else 0		
		Max score (12)	Max score (16)	Max score (11)	Max score (14)

¹⁴ Operationalisation” means appointed and in place, registration of physical planners operational, desk where stakeholders can address issues and has issued guidelines for operations/code of conduct

Disbursement Link Indicators (DLIs)	Indicative timeline for DLI achievement				
	Year or period 1	Year or period 2	Year or period 3	Year or period 4	Year or period 5
	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23
Target 6: Land Use Management and Compliance Strengthened		i) National Physical Planning standards reviewed and updated. (Mov: document with standards) Score 4 if document with standards is in place, else 0	i) State of National Land Use Compliance Report Prepared with rewards and sanctions guidelines embedded. (Mov: bi-annual report) Score 4 if bi-annual report is in place, else 0	i) Quarterly monitoring, inspection and training of 5 out of 18 MLGs on implementation of physical development plans completed (Mov: report) Score 4 if report is in place, else 0	i) Quarterly monitoring, inspection and training of 5 out of 18 MLGs on implementation of physical development plans completed. (Mov: report) score 4 if report is in place, else 0
		ii) National Enforcement Framework for Compliance to Land use regulatory framework disseminated and rolled out (training completed) to 18 MLGs (Mov: framework and training report) Score 4 if framework and training report are in place, else 0	ii) Physical Planning Standards and Guidelines printed and disseminated in 18 MLGs (Mov: standards) Score 4 if the standards and guideline have been printed, else 0	ii) Public awareness on the need for regulation of land use conducted in 5 out of 18 MLGs. (Mov: progress report) Score 4 if report is in place, else 0	ii) State of National Land Use Compliance Report Prepared with rewards and sanctions guidelines embedded. (Mov: report) Score 4 if report is in place, else 0
		iii) Quarterly monitoring, inspection and training of 5 of 18 MLGs on implementation of physical development plans completed (Mov: progress report) Score 4 if progress report is in place, else 0	iii) Quarterly monitoring, inspection and training of 5 out of 18 MLGs on implementation of physical development plans (Mov: M&E + training report) Score 4 if M&E + training report are in place, else 0		iii) Public awareness on the need for regulation of land use conducted in 18 MLGs (Mov: report) Score 4 if progress report is in place, else 0

Disbursement Link Indicators (DLIs)	Indicative timeline for DLI achievement				
	Year or period 1	Year or period 2	Year or period 3	Year or period 4	Year or period 5
	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23
		iv) Training manuals for public awareness on the need for regulation of land use prepared. (Mov: training manual). Score 4 if training manual is in place, else 0			
		Max score (16)	Max score (12)	Max score (8)	Max score (12)
Target 7: MLG own source collection and administration enhanced.	N/A	i) 18 MLGs supported to update and refine their OSR data bases. (Mov: training report) Score 4 if training report is in place, else 0	i) 18 MLGs supported to implement the MLG OSR data bases (Mov: training report) Score 4 if training report is in place, else 0	i) 18 MLGs supported to implement the MLG OSR data bases (Mov: progress report) Score 4 if training report is in place, else 0	i) 18 MLGs supported to on implement MLG OSR data bases (Mov: progress report) Score 5 if training report is in place, else 0
		ii) Quarterly dialogue sessions conducted for MDF on OSR enhancement (Mov: progress report) Score 4 if progress report is in place, else 0	ii) Quarterly dialogue sessions conducted for MDF on OSR enhancement (Mov: progress report) Score 4 if progress report is in place, else 0	ii) Quarterly dialogue sessions conducted for MDF on OSR enhancement (Mov: progress report) Score 4 if progress report is in place, else 0	ii) Quarterly dialogue sessions conducted for MDF on OSR enhancement. (Mov: progress report) Score 8 if progress report is in place, else 0

Disbursement Link Indicators (DLIs)	Indicative timeline for DLI achievement				
	Year or period 1	Year or period 2	Year or period 3	Year or period 4	Year or period 5
	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23
		iii) Revisions of the inventory and best practices on MLG revenue mobilization and dissemination to all 18 MLGs. (Mov: inventory doc and training report) Score 5 if inventory doc and training report are in place, else 0	iii) Up-date guidelines for prioritization of OSR generation (Mov: guidelines) Score 5 if guidelines are in place, else 0	iii) Review and prepare legal provisions which provide improved MLG OSR assignments and yield. (Mov: legal provision) Score 5 if the legal provision is in place, else 0	
				iv) Establishment of an e-governance system for online local revenue collection for the 18 MLGs. (Mov: system progress report) Score 5 if system progress report is in place, else 0	
		Max score (13)	Max score (13)	Max score (18)	Max score (13)

Disbursement Link Indicators (DLIs)	Indicative timeline for DLI achievement				
	Year or period 1	Year or period 2	Year or period 3	Year or period 4	Year or period 5
	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23
Target 8: Land data bank system developed and implemented.	N/A	i) Land value databank systems requirements and technical assessment carried out. (Mov: report on functionality) Score 4 if report on functionality is in place, else 0	i) Development, testing and installation of the Land value databank done. (Mov: report on functionality) Score 4 if report on functionality is in place, else 0	i) Land Values Data collection, analysis and population done. (Mov: report on functionality) Score 4 if report on functionality is in place, else 0	i) Land value databank system rolled out to all the 21 Ministry Zonal Offices (MZOs). (Mov: progress report) Score 4 if progress report is in place, else 0
		Max score (4)	Max score (4)	Max score (4)	Max score (4)
Target 9: Data base for property yields updated and published.	N/A	i) Development of Database for the Property yields and indices. (Mov: progress report on data base). Score 5 if progress report on data base is in place, else 0	i) Collection of property yields, and indices completed in Kampala City and 18 USMID MLGs ¹⁵ . (Mov: report on yields). Score 5 if report on yields is in place, else 0	i) Collection of property yields, and indices done in the 24 MLGs. (Mov: progress report). Score 5 if progress report is in place, else 0	i) Database for the Property yields, and indices updated in Kampala City and the 42 MLGs. (Mov: report on functionality) Score 5 if report on functionality is in place, else 0
		Max score (5)	Max score (5)	Max score (5)	Max score (5)

¹⁵ The CGV will also focus on other LGs, not only the urban, but this is the minimum coverage as a trigger

Disbursement Link Indicators (DLIs)	Indicative timeline for DLI achievement				
	Year or period 1	Year or period 2	Year or period 3	Year or period 4	Year or period 5
	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23
Target 10: Development and implementation of regulatory framework for valuation.	N/A	i) Principles of the valuation Bill developed and submitted to Cabinet. (Mov: report on principles) Score 3 if report on valuation principles is in place, score 4 if valuation principles are in place and have been submitted to cabinet, else 0	i) The draft valuation bill developed. (Mov: draft bill) Score 4 is draft bill is in place	i) Valuation Bill finalized and submitted to Cabinet (Mov: final bill) Score 4 if valuation bill has been submitted to cabinet	i) National valuation standards and guidelines disseminated in the USMID MLGs and remaining HLGs. (Mov: reports on roll-out). Score 4 is reports on roll-out of the valuation standards is in place
		ii) National valuation standards and guidelines produced. (Mov: draft guidelines). Score 4 if draft guidelines are in place, else 0.	ii) National valuation standards, and guidelines produced and Approved. (Mov: guidelines with evidence of approval). Score 4 if guidelines are in place with evidence of approval, else 0	ii) National valuation standards and guidelines disseminated in USMID MLGs and to 80 HLGs and Professional Bodies. (Mov: standards and report on roll-out). Score 4 if standards and report on roll-out are in place, else 0	
		Max score (8)	Max score (8)	Max score (8)	Max score (4)
Target 11: Effective Program management, including timely APA.		i) Timely ¹⁶ APA and VFM. (Mov: evidence of results in the second BCC)	i) Timely APA and VFM. (Mov: evidence of results in the second BCC)	i) Including timely APA and VFM. (Mov: evidence of results in the second BCC)	i) Timely APA and VFM (Mov: evidence of results in the second BCC)

¹⁶ Timely means in due course to inclusion in the annual budget cycle for MLGs and in the Parliamentary approval process, i.e., before the second Budget Circular Call on IPFs for MLGs

Disbursement Link Indicators (DLIs)	Indicative timeline for DLI achievement				
	Year or period 1	Year or period 2	Year or period 3	Year or period 4	Year or period 5
	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23
		Score 2 if there is evidence of results in the second BCC, else 0	Score 2 if there is evidence of results in the second BCC, else 0	Score 11 if there is evidence of results in the second BCC, else 0	Score 11 if there is evidence of results in the second BCC, else 0
					ii) Socio-economic impact of physical planning interventions documented. (Mov: Report) Score 5 if report is in place, else 0
		Max score (2)	Max score (2)	Max score (2)	Max score (7)
	N/A	Max score (100)	Max score (100)	Max score (100)	Max score (100)

(ii) Detailed Verification Protocol/ Narrative Tool for determining of the disbursement achievement rates on DLI 6

Disbursement Link Indicators (DLIs)	Indicative timeline for DLI achievement				
	Year or period 1	Year or period 2	Year or period 3	Year or period 4	Year or period 5
	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23
DLIs 6 : LGs with Town Clerks in place in target Municipalities					
DLI 6 LGs with town clerks in place in target municipalities	18 Town Clerks in place	22 Town Clerks in place	22 Town Clerks in place	22 Town Clerks in place	22 Town Clerks in place

(iii) Detailed Verification Protocol/ Narrative Tool for determining of the disbursement achievement rates on DLI 7

Disbursement Link Indicators (DLIs)	Indicative timeline for DLI achievement				
	Year or period 1	Year or period 2	Year or period 3	Year or period 4	Year or period 5
	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23
DLI 7: Results on Physical Planning, land tenure security and urban infrastructure development in refugee host areas					
DLI 7: Results on Physical Planning, land tenure security and urban infrastructure development in refugee host areas	i) Plan for interventions in refugee areas for FY 2018/19 ¹⁷ adopted as per POM.	i) Plan for FY 2019/20 adopted	i) Plan for FY 2020/21 adopted	i) Plan for FY 2021/22 adopted	i) Plan for FY 2022/23 adopted
		ii) Defined results of FY 2018/19 plan implemented (see below) ¹⁸ .	ii) Defined results of FY 2019/20 plan implemented.	ii) Defined results of FY 2020/21 plan implemented.	ii) Defined results of FY 2021/22 plan implemented.
See below for specification and calibration of the allocation against targets/ (assessment/verification tool)					

¹⁷ Implementation will start from FY 2018/19, but results can be obtained in FY 2019/20 as per the timing of assessment

¹⁸ See the verification/assessment tool below for the results per year

Disbursement Link Indicators (DLIs)	Indicative timeline for DLI achievement				
	Year or period 1	Year or period 2	Year or period 3	Year or period 4	Year or period 5
	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23
Target 7.1: Plan on Physical Planning, land tenure security and urban infrastructure development in refugee host area	MLHUD plan for refugee host areas for FY 2018/19 developed: 100 % allocation based on the plan (first year). (Mov: plan)	MLHUD plan for FY 2019/20 developed. (Mov: plan)	MLHUD overall plan for FY 2020/21 developed. (Mov: plan)	MLHUD overall plan for FY 2021/22 developed. (Mov: plan)	MLHUD overall plan for FY 2022/23 developed. (Mov: plan)
Target 7.2: Rapid physical planning assessment (RAPPA) and physical planning frameworks (PPFs) for 6 target districts completed	NA	i) Rapid physical planning assessment completed in the 6 target districts. (Mov: Rapid physical planning assessment report)			
		Physical Development Frameworks completed in 6 target districts (Mov: 6 Physical planning frameworks)			
Target 7.3: Physical Development Plans (PDPs) completed in 6 districts and in 6 urban areas and PDPs are completed in 6 local areas.	NA	PDPs preparation commenced in 6 districts and 6 urban areas with existing situation - assessed (Mov: assessment report)	PDPs completed in 6 districts and 6 urban areas (Mov: final PDP documents))	PDPs disseminated and training of physical planning committees and political leadership	PDPs disseminated and second round of training of physical planning committees & political leadership in 6 districts to implement the PDPs M&E and Review of plan implementation

19 The plan, according to the POM, will contain a complete overview of all activities for the coming year under the DLI 8. The plan will also specify the target areas, districts, urban centers and parishes, based on analysis of the needs and coverage. The plan will also specify the allocation formulas, based on quick assessment of the needs of the 6 target areas.

Disbursement Link Indicators (DLIs)	Indicative timeline for DLI achievement				
	Year or period 1	Year or period 2	Year or period 3	Year or period 4	Year or period 5
	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23
				in 6 districts to implement the PDPs20. M&E and Review of plan implementation conducted in 6 districts. (Mov: progress report and M&E report)	(Mov: progress report and M&E report)
Target 7.4: Land tenure security for host communities in 6 selected target parishes in the sub-region completed	NA	NA	i) Systematic Land Adjudication & Certification (SLAC) for the host communities in 6 selected parishes commenced with completion of adjudication and principles elaborated in up-dated guidelines. (Mov: progress report)	i) District office supported in the creation and use of the database. (Mov: progress report)	

²⁰ This will encompass as a minimum mission p.a. to each target areas to ensure that the LGs mainstream the PDPs in the annual work-plans, support identification of eligible projects, and ensure that procurement processes are conducted in accordance with the legal framework.

Disbursement Link Indicators (DLIs)	Indicative timeline for DLI achievement				
	Year or period 1	Year or period 2	Year or period 3	Year or period 4	Year or period 5
	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23
			ii) Surveying and plotting of parcels in the six target areas, and data base established with information on ownership and user rights. (Mov: Database and Progress report)	ii) Systematic Land Adjudication and Certification (SLAC) for the host communities in 6 selected parishes completed & certificates issued (Mov: progress report)	

Annex 2: City/ Municipality Assessment Schedule

Time	Task	Key tasks to be performed
Day One		
8.30 am – 9.30 am	— Introductions	<ul style="list-style-type: none"> — Address by Ag. Town Clerk/ Town Clerk — Introduction of City/ MLG technical staff — Circulate KPMG attendance register for signing by all persons in attendance — Necessity for a photograph of the meeting — The KPMG Team Leader will ask to ensure that all required municipal core officers are in attendance <ul style="list-style-type: none"> (i) Ag. Town Clerk/ Town Clerk (ii) Municipal Engineer (iii) Physical Planner (iv) Procurement Officer (v) Principal Treasurer (vi) Environment Officer (vii) Community Development Officer (viii) Clerk to Council (ix) Secretary District Local Government Public Accounts Committee (x) Internal Auditor (xi) Human Resource Officer (xii) Key Officials from the Municipal Health Department (xiii) Key Officials from the Municipal Education Department — Assign a member of the KPMG team the role of taking minutes of proceedings
	— Brief on the assignment by KPMG Municipal Assessment Team Leader	<ul style="list-style-type: none"> — Brief update on USMID Program — Key technical personnel required and key documents to be availed to the team — Introduction of KPMG team members — Communicate work plan and timeframe for the two days — Breakout to allocated rooms for review and interaction with respective officers — Review of documents, assessments, and all inquiries at the City/ MLG to be completed on day one.
9.30 am – 1.00 pm	— Assessments conducted by the team members	— Individual members of the KPMG assessment team conduct assessments in their different allocated areas of speciality
1.00 pm – 2.00 pm	Lunch Break	
2.00 pm– 5.00 pm	— Assessments conducted by the team members	— Continue and finalized individual assessments of allocated areas and scoring in the provided report format

Time	Task	Key tasks to be performed
Day Two		
8.30 am – 1.00 pm	<ul style="list-style-type: none"> — Conduct value for money in the infrastructure investments — Conduct field visits to the sampled projects/ facilities — Conduct field visits to the sampled schools and health canter/ facilities 	<ul style="list-style-type: none"> — Field visits to sampled projects with relevant tools — Visit to contractor's office — Work on City/ Municipal draft report for de-brief
1.00 pm – 2.00 pm	Lunch Break	
2.00 pm – 4.00 pm	<ul style="list-style-type: none"> — Compiling any outstanding reports/ findings 	<ul style="list-style-type: none"> — Finalise City/ Municipal draft report for de-brief
4.00 pm – 5.00 pm	<ul style="list-style-type: none"> — De-briefing 	<ul style="list-style-type: none"> — Debriefing with the City/ Municipal core team

Annex 3: Schedule of information requested from government ministries and institutions

No.	Source of information/ documents	Detailed information required
1	Ministry of Lands Housing and Urban Development (MoLHUD)	— Output/ outcome reports on use of the USMID funds (Municipal Institutional Strengthening Grant) for the financial year 2020/21
		— Minutes of the Physical Planning Committees submitted by each of the twenty-two cities/ MLGs to MoLHUD (for each quarter) for financial year 2020/21
		— Minutes of the National Physical Planning Board approving Physical Development Plans for each of the 22 cities/ MLGs
		— Guidelines, policies and circulars issued to the twenty-two cities/ MLGs during the financial year 2020/21
2	Office of the Prime Minister	— Guidelines, policies, and circulars issued to the twenty-two cities/ MLGs during the financial year 2020/21
		— Assessment reports for the refugee hosting LGs of Arua, Adjumani, Moyo, Lamwo, Yumbe, Kiryandongo, Kamwenge and Isingiro
3	Ministry of Local Government (MoLG)	— Municipal staff structures and specifications
		— Staffing lists of the twenty-two cities/ MLGs
		— Guidelines, policies and circulars issued to the twenty-two cities/ MLGs during the financial year 2020/21
4	Ministry of Finance, Planning and Economic Development (MoFPED)	— Access to or a copy of the inventory/ schedule of Local Government submissions of annual performance contracts (includes annual work-plan and budget) by each of the twenty-two cities/ MLGs for the financial year 2021/22
		— Evidence indicating that the Town Clerks in the twenty-two cities/ MLGs designated by Ministry of Local Government have been appointed as Accounting Officers for the cities/ MLGs to MoFPED for the financial year 2020/21
		— Access to or a copy of the record/ inventory of LG submissions of annual performance reports (financial and physical progress reports) by each of the twenty-two cities/ MLGs
		— Access to or a copy of the record/ inventory of LG submissions of quarterly budget performance reports for all the four quarters, by each of the twenty-two cities/ MLGs for the financial year 2020/21
		— Access to or a copy of the record/ inventory of LG submission of statements entitled “Actions to Address Internal Auditor General’s findings” and “Actions to Address Auditor General’s findings” by each of the twenty-two cities/ MLGs for the financial year 2020/21
		— Constitution and appointments of Municipal Council Contracts Committee members in each of the 22 cities/ MLGs
		— Most Recent LG planning Guidelines
		— Guidelines, policies and circulars issued to the twenty-two cities/ MLGs during the financial year 2020/21

No.	Source of information/ documents	Detailed information required
5	Ministry of Health	— Guidelines, policies and circulars issued to LGs during the financial years 2019/20 and 2020/21
		— Health Management Information System reports for the financial years 2020/21 and 2021/22
		— Performance contracts for the financial years 2020/21 and 2021/22
6	Ministry of Education and Sports	— Guidelines, policies and circulars issued to LGs during the financial years 2020/21 and 2021/22
		— Education Management Information System (EMIS) or OTIMS reports for the years 2020 and 2021
		— Performance contracts for the financial years 2020/21 and 2021/22
		— Lists of schools submitted to MoES
		— Standard technical designs from the Construction Management Unit
		— Letter from CAO/TC submitting or correcting list of schools and enrolment
7	Office of Auditor General (OAG)	— List of Municipal Local Governments that have been audited for the financial year 2020/21
		— Audited accounts for the financial year 2020/21 for each of the twenty-two cities/ MLGs
		— Minutes of meetings held between the Office of the Auditor General and each of the twenty-two cities/ MLGs on follow up of the audits conducted by the Office of the Auditor General
		— Value for money audit reports for the financial year 2020/21 conducted for each of the twenty-two cities/ MLGs
8	Public Procurement and Disposal of Public Assets (PPDA)	— Annual procurement audit reports for the financial year 2020/21 for all the twenty-two cities/ MLGs
9	Engineers Registration Board	— List of Registered Engineers
10	Uganda Institution of Professional Engineers	— List of current members of the Uganda Institution of Professional Engineers for financial year 2020/21
11	USMID	— Current Program Operational Manual
		— USMID Program Appraisal Document
		— List of Town Clerks and their telephone contacts for the twenty-two cities/ MLGs
12	Ministry of Public Service	— Approved staffing structure for MLGs and New Cities
		— Staffing lists of the twenty-two cities/ MLGs
		— Human Resource Management guidelines, policies and circulars issued to the twenty-two cities/ MLGs during the financial year 2020/21
		— LG Staff requirement request letters to Ministry of Public Service

No.	Source of information/ documents	Detailed information required
13	National Planning Authority	— List of cities/ MLGs that have submitted approved/ draft Municipal Five-Year Development Plans
		— Approved city/ Municipality Five-Year Municipal Physical Development Plans for the twenty-two cities/ MLGs
		— Approved annual work plans for each of the twenty-two cities/ MLGs for FY 2021/22
		— Plans submission register
14	UBOS	— The population figures in each of the twenty-two cities/ MLGs and the eight refugee hosting districts for the FY 2021/22
		— The latest population figures in each of the twenty-two cities/ MLGs and the eight refugee hosting districts
		— The statistics on the number of poor people/ poverty head count percentage in each of the twenty-two cities/ MLGs and the eight refugee hosting districts for the FY 2021/22
		— The latest statistics on the number of poor people/ poverty head count percentage in each of the twenty-two cities/ MLGs and the eight refugee hosting districts

Annex 4: Schedule of information requested from Cities/ MLGs

City/ Municipal Office/r	Detailed information required
City/ Municipal Town Clerk	<ul style="list-style-type: none"> — Letter signed by the PS MoLG appointing the officer as Municipal/ City Town Clerk — Evidence of appointment of the officer by MoFPED as the Municipal/ City Accounting Officer — City/ Municipal investment plan for FY 2021/2022 — City/ Municipal Annual Institutional Strengthening Plan for FY 2021/22 — Report on implementation of the Complaints Handling System — Documentation for constituting and launching City/ Municipal Development Forum (C/MDF) including MDF charter — C/MDF quarterly meeting minutes for FY 2020/21 — List of members of the C/MDF including evidence of appointment of membership of C/MDF — Letter designating a senior officer to coordinate response to feedback (grievance/ complaints) — List of officers appointed as members of the City/Municipal Contracts Committee including their letters of appointment by the PSST — Evidence that the City/ Municipal TC officially communicated to the PSST MoFPED names of officers nominated to fill gaps on the Contracts Committee, if any, and follow-up — Evidence of appointment of the Focal Point Officer to coordinate implementation of the Land Acquisition Framework — Minutes of Council where the following Municipal plans were approved through a Council resolution: <ul style="list-style-type: none"> (i) Annual Institutional Strengthening Plan for FY 2021/22; (ii) Five Year Municipal Development Plan for FY 2021/22; (iii) Final Performance Contract for FY 2021/22; (iv) Municipal Budget and Sector Plans; (v) Municipal Procurement and Disposal Plan; (vi) Municipal Physical Development plans; (vii) Municipal Detailed Plans; (viii) Municipal Action Plans; and (ix) Municipal Investment Plans — Evidence that the Mayor and Town Clerk endorsed the Annual Institutional Strengthening Plan — Evidence of submission of the Annual Institutional Strengthening Plan to MoLG and MoLHUD — Completion reports for all projects completed in FY 2020/21
City/ Municipal Clerk to Council	<ul style="list-style-type: none"> — Council resolution to approve the annual Institutional Strengthening Plan for FY 2021/22 — Minutes of Council Sector committees submitting to Council deliberation on Sector performance reports, reports from TPC, Executive committee submissions, annual work plans and budgets — Minutes of municipal public meetings on accountability (barazas)

City/ Municipal Office/r	Detailed information required
	<ul style="list-style-type: none"> — Evidence of Minutes of the City/ Municipal Executive Committee where the LGPAC committee report, Municipal 5 year plan, monitoring reports, annual plans and budgets were discussed — Sector committee minutes on committee deliberation on Sector performance reports, reports from TPC, sector annual/quarterly work plans and budgets
Focal Point Officer coordinating implementation of the Land Acquisition Framework	<ul style="list-style-type: none"> — Evidence of Land Acquisition Framework applied and implemented for all projects executed in FY 2020/21 where the Environmental and Social Screening Form indicates land acquisition was necessary, including payment of any compensation prior to initiating works — Screening forms — Documentation (Land acquisition plans) detailing the process (census, consultation, compensation records, etc.) for projects executed in FY 2020/21
Focal Point Officer coordinating the implementation of the Framework for Promoting Good Governance and anti-corruption in the Municipality	<ul style="list-style-type: none"> — Evidence of a designated Focal Point Officer to coordinate implementation of the Framework — List of members appointed on the grievances handling committee — Copy of approved customised City/ Municipal Framework for Promoting Good Governance and anti-corruption in the Municipality (2014 – 2019) — Evidence of established operational complaints handling system — Report on implementation of complaints handling system — Evidence that City/ Municipality prepared the biannual IGG report, including a list of cases of alleged fraud and corruption and their status including administrative or other action taken/being taken and the report has been presented and discussed — Evidence that the City/ Municipality presented IGG report and cases to the C/MDF
City/ Municipal Economic Planner	<ul style="list-style-type: none"> — Evidence of appointment and confirmation by DSC — Proof that the Mayor and Town Clerk endorsed the Municipal five year Development Plan of the current period (2021/22) — Planning guidelines — Reports, minutes and action plans arising out of planning input from cells, wards and Divisions consultation meetings — Reports, minutes and priorities arising out of budget conferences and/ or City/ Municipal Development Forum — Evidence that LG has submitted final annual performance contract of the current financial year (2021/22) by June 30 to MoFPED (acknowledgement receipts) — City/ Municipal Statistical Abstract — Evidence of TPC Minutes receiving and discussing the City/ Municipal Statistical abstract with disaggregated gender data — Operation and Maintenance (O&M) strategy document — City/ Municipal O&M reports — Evidence that the city/ municipality presented the annual physical progress and financial report to the public — Evidence that the technical staff (planner, engineer and MEO) conduct technical supervision at least once a quarter (reports)

City/ Municipal Office/r	Detailed information required
	<ul style="list-style-type: none"> — Evidence of timely submission of the annual work plans and annual budgets that are linked. — Quarterly monitoring and supervision reports for project investments in the municipality — Minutes of City/ Municipal TPC meetings held during FYs 2020/21 and 2021/22 — Budget conference report and attendance list — Planning reports/ minutes emanating from meetings of MDF — Minutes of Standing Committees where sector draft plans and budgets were discussed — Evidence of minutes of the City/ Municipal Executive Committee where the plans and budgets were discussed — Evidence of minutes of the City/ Municipal Council where the plans and budgets were discussed and approved — O&M reports on budget performance for the FY 2020/21 and FY 2021/22 — All four quarterly reports for the FY 2020/21 — Evidence for publicized information to citizens on awarded contracts and amounts. — Evidence that information on the infrastructure and service delivery projects funded out of City/ Municipal Own Source Revenue and budget amounts have been publicized. — Evidence that guidelines, policies and circulars issued by the national level, MoFPED, MoLG, MLHUD and OPM have been communicated and explained by HLG to LLGs during the FY 2020/21 — Minutes from TPC for the current year (2021/22) — Project appraisal reports for the current year (2021/22) — Project profiles for investments contained in Municipal Five Year Development Plan
Principal Treasurer/ CFO	<ul style="list-style-type: none"> — Evidence of appointment and confirmation by the DSC — Revenue database — List of taxpayers in the city/ municipality — List of demand notes issued to all due taxpayers — Audited financial statements/ annual financial accounts for the FYs 2019/20, 2020/21 and 2021/22 — Monthly financial reports for the FY 2020/21 up to time of assessment — Monthly bank reconciliation statements for the FY 2020/21 up to time of assessment — Detailed updated assets register

City/ Municipal Office/r	Detailed information required
	<ul style="list-style-type: none"> — Pensioner payment schedule — Approved municipal budget indicating funds allocated to O&M (through a sample of projects) — Audit report responses — USMID account and cash book — USMID/ LDG cash book — USMID/ LDG vote book — Updated general ledger account — Evidence that the City/ Municipality produced at least three out of the four quarterly internal audit reports and submitted these reports to the council and the District Local Government Public Accounts Committee (LGPAC) in accordance with the LGA section 90 and LG Procurement Regulations — Evidence that PAC sat to review the reports and make recommendations
Senior Procurement Officer	<ul style="list-style-type: none"> — Evidence of appointment and confirmation of the officer by DSC — Evidence of a properly constituted City/ Municipal Council Contracts Committee with all required members (appointment letters for the members by the PSST) — City/ Municipal Council Procurement Plan for previous and current year — Evidence of approval of the plan by the municipal council and submission to PPDA, MoFPED, MoLHUD, MoLG — Evidence that major investments are included in this plan and are appropriately packaged — Quarterly procurement reports — Evidence of publicized information to citizens on awarded contracts and amounts — Evidence for publicized information on the infrastructure and service delivery projects funded out of OSR and their budget amounts
Senior Internal Auditor	<ul style="list-style-type: none"> — Audit work plan prepared and submitted to the Regional Audit Committee — Quarterly internal audit reports for the financial year 2020/21 — Minutes for Internal Audit meetings for the financial year 2020/21 — LG PAC meeting minutes for the financial year 2020/21 and up to the time of assessment — Internal Audit report submission letters to LG Accounting Officer and LG PAC — TC letter of follow up to audit queries
Secretary District Local Government Public Accounts Committee (LGPAC)	<ul style="list-style-type: none"> — Evidence of at least three out of the four quarterly internal audit reports submitted to the Committee — Evidence that the internal audit reports were submitted to the Council and the District Local Government Public Accounts Committee (LGPAC) — Evidence of action/consideration of the reports by the LGPAC — LGPAC meeting minutes for meetings held during the FY 2020/21 and up to time of assessment

City/ Municipal Office/r	Detailed information required
City/ Municipal Physical Planner	<ul style="list-style-type: none"> — Current Five Year Physical Development Plan approved by Council and submitted to the National Physical Planning Board (NPPB) — Evidence and minute approving City/ Municipal Physical Development Plan by NPPB — Minutes of NPPB — Approved detailed plan and evidence of approval by Council — Approved annual work plan for the financial years 2020/21 and 2021/22 — File of new investments, including building plans in the city/ municipality to establish whether they were approved by the city/ municipality physical development planning committee. — Evidence of minutes of Physical Planning Committee approving the investments — Proof of appointment of a functional and fully constituted Physical Development Planning Committee — Appointment letters for the members of Physical Planning Committees — Building Plan Registration Book — Approved Action Area Plans for the financial year 2020/21 — Evidence and minute of Council approving detailed physical plans for the city/ municipality — Council recommendation minute for both Physical Development Plan & Detailed Plan — Minutes of the City/ Municipal Physical Planning Committee to prove that the Committee is functional and relevant as required by law — LLG annual performance assessment reports
City/ Municipal Environment Officer	<ul style="list-style-type: none"> — Hard copy of Environmental and Social Management Plans (ESMPs) — Evidence of submission of ESMP to Technical Planning Committee for approval — List of all projects executed where mitigation measures were required — Environmental and Social Screening Forms completed and endorsed by NEMA for all projects and where mitigation measures were required for all projects executed in 2020/21 — Evidence of incorporation of Environment, Social, Health and Safety (ESHS) safeguards in the bidding and contract document — NEMA certificates — RAP approvals — Contractor payment certificates and supporting documents for the FY 2020/21 — ESHS incident reports and regular reports for the FY 2020/21 — MEO's and CDO's physical performance monthly monitoring report from the time of contract award till the end — Environment and social audit compliance agreements — Evidence of a functional system for environmental and social impact assessment and land acquisition — Evidence that prescribed environmental and social mitigation measures were carried out by Contractor

City/ Municipal Office/r	Detailed information required
	<ul style="list-style-type: none"> — Evidence that all mitigation measures for environmental, land acquisition (where necessary) and social issues for the FY 2020/2021 were effectively executed — Monitoring reports for inclusion of environmental, social, and land issues
City/ Municipal Engineer	<ul style="list-style-type: none"> — Registration status by the Engineer's Registration Board (or evidence that the officers registration by ERB is in later stages) — Membership of Uganda Institution of Professional Engineers — Certificates for all projects implemented in the municipality in the FY 2020/21 — Payment claim register and evidence of payments made to suppliers during the financial year 2020/21 — Contract documents for all implemented and on-going projects and any variation orders — Monthly supervision reports for all project investments for FY 2020/21 — Site book — Minutes of site meetings conducted during the FY 2020/21 — BOQs for projects implemented to enable checking of the contract implementation progress and contract completions — Information on budget, contract price and final project costs — Annual and quarterly work plans and reports, and actual infrastructure implemented against targets laid out in the work plan for the FY 2020/21 — Reports on execution for the FY 2020/21 — Monthly and quarterly monitoring reports prepared by the Engineer and technical team in the FY 2020/21 – for supervision of project investments in the municipality — Operation and maintenance strategy document for the FY 2020/21 — Guidelines provided by MoLHUD on O&M strategy — Operation and maintenance reports and sustainability of investments — Annual infrastructure inventory and condition survey report — Maintenance budget for FY 2020/21 — Maintenance expenditure for FY 2020/21
City/ Municipal Human Resource Officer	<ul style="list-style-type: none"> — Letters of appointment and confirmation by the DSC for the following Municipal staff: <ul style="list-style-type: none"> (i) City/ Municipal Principal Engineer (ii) City/ Municipal Physical Planner (iii) Procurement Officer (iv) Principal Treasurer (v) City/ Municipal Environmental Officer (vi) Community Development Officer (vii) Officer in the Economic Planning Unit (viii) Commercial Officer (ix) Senior Internal Auditor (x) Medical Officer of Health Services /Principal Medical Officer (xi) Principal Health Inspector (xii) Health Educator

City/ Municipal Office/r	Detailed information required
	<ul style="list-style-type: none"> — Personal files for heads of departments — Appraisal reports for heads of departments — Appraisal guidelines issued by Ministry of Public Service — Performance plan — City/ Municipal staff structure — Submission lists to the DSC for vacant positions — Municipal recruitment plan — Proof of submission of staff due for confirmation to the DSC — List of staff requiring disciplinary action submitted to DSC — List of staff recruited during the financial year 2020/21 — Salary payroll for the financial year 2020/21 — Pension payroll for the financial year 2020/21 — Retired staff list — Approved Annual Institutional Strengthening Plan for the FY 2021/22 — The staffing structure for HCIIIs and HCIVs — The LG Health wage — The staff list/Human Resource Information System report/ Database — Budget for FY 2020/21 showing wage bill — Staff list for the current FY (2021/22) — Current FY (2022) report on health facility staffing levels
Secretary DSC	<ul style="list-style-type: none"> — Submissions from Municipal Principal Personnel Officer or Town Clerk on Municipal vacant positions — Submissions from Municipal Principal Personnel Officer or Town Clerk on cases requiring disciplinary action — City/ Municipal recruitments for the financial year 2020/21
Commercial officer	<ul style="list-style-type: none"> — Original attendance list and evaluation sheets for bi-annual forum to hear local concerns of private sector – for 2 forums held in the FY 2020/21 — Issues/ grievance logbook — Action matrix — TPC meeting minutes for the FY 2020/21 — List of firms provided with investor aftercare service — Report on aftercare services and how they were resolved including photos — Commercial office action plan for the FY 2020/21 activities — Progress and financial report for the previous year's activities (FY 2020/21)
Focal person coordinating grievances/ complaints	<ul style="list-style-type: none"> — Letter designating the person including the tasks — Complaints logbook — Committee members and their appointments
Chairman MDF/Focal Person	<ul style="list-style-type: none"> — Evidence of minutes for at least four meetings held in the FY 2020/21 — Evidence of minutes indicating that MDF discussed biannual IGG report held in the FY 2020/21

City/ Municipal Office/r	Detailed information required
Gender focal point person	<ul style="list-style-type: none"> — Notes on guidance provided to sector departments to mainstream gender, vulnerability and inclusion into their activities during the financial year 2020/21 — Minutes from meetings held with departments — Strategy/ action plans for gender/ vulnerability/ inclusion for FY 2020/21 activities — Annual progress/ mentoring reports for FY 2020/21 activities
District Health Office	<ul style="list-style-type: none"> — Communication letters on communication of guidelines, policies, circulars to health facilities (communications made in the previous year – 2021/22) — Results Based Financing (RBF) facility quality assessment reports for 2021/22 — Current FY (2022/23) report on facility staffing levels — All monthly and quarterly reports for health facilities for FY 2021/22 — Health Facility RBF invoices — LG Performance Contract Approved staffing structures — Deployment list — Circular on deployment of health workers to health facilities for the current FY (2022/23) — Minutes of the DHMT quarterly review meetings for FY 2021/22 — Reports on implementation of actions arising from the quarterly review meetings for FY 2020/21 — HSD Support Supervision and Monitoring visit reports for FY 2021/22 — Feedback from the LG Health department to HSDs for FY 2021/22 — Health Promotion Activity reports for FY 2021/22
City/ Municipal Health Department	<ul style="list-style-type: none"> — District support supervision reports for the previous year 2021/22 — District health team meeting minutes for the previous year 2021/22 — Health sub-district meeting minutes for the previous year 2021/22 — Facility records — Health unit management committee meeting minutes — Submission letters/ copy of form PP5 to the District Procurement Unit for the current FY (2022/23) — Annual work plan for the health sector for the current FY (2022/23) — Receipts from National Medical stores — List of Health Unit Management Committee (HUMC) members — Guidelines for the HUMC — Guidelines on medical waste management
City/ Municipal Education Department	<ul style="list-style-type: none"> — Annual work plan for the education sector for the current FY (2022/23) — Education unit management committee meeting minutes — Guidelines on environmental management including evidence of dissemination of the guidelines

City/ Municipal Office/r	Detailed information required
District Education Office	<ul style="list-style-type: none"> — Communication letters on communication of guidelines, policies, circulars to schools (communications made in the previous year – 2021/22) — Minutes from meetings between DEO and school head teachers — Minutes of meetings between the DEO and teachers — School inspection reports for school inspections conducted in the previous FY (2021/22) — Minutes of the education departmental meetings for the previous FY (2021/22) — Minutes of school management committee meetings for FY 2021/22 — District Education Service records on school inspections — Procurement request submissions to District Procurement Unit — Gender and sanitation guidelines and evidence of dissemination of such guidelines — List of school management committees and composition of members — Circulars issued by the DEO to schools — UNEB/UCE Results FY2020/2021 and 2021/2022 — Report on LG Performance assessment for the FY as above — Budget performance reports — Sector Guidelines — LG Approved structure — DES Basic minimum requirements required in the school — Lists of registered schools in performance contract — Consolidated LG asset registers — List of schools from LG performance contract — School and headteacher lists, teacher lists and actual deployment — Headteacher appraisal lists and staff performance plans — Staff attendance registers — Annual workplan — PBS reports from MoFPED — Release information on school capitation grants — LG inspection and monitoring reports — Minutes of SMC reports
CAO/Registry	<ul style="list-style-type: none"> — Letter notifying MoH of HF receiving PHC funds
Biostatistician	<ul style="list-style-type: none"> — HMIS 107 (FY 2021/22 and FY 2022/2023)

Annex 5: Analysis of own source revenue of the 22 Cities/ MLGs between FY 2019/2020 and FY 2020/2021

No.	City/ MLG	Revenue for FY 2019/2020 (UGX)	Revenue for FY 2020/21 (UGX)	Change in revenue (UGX)	Percentage change
1	Arua	931,366,493	961,668,770	30,302,277	3.3%
2	Entebbe	1,879,624,937	1,847,842,656	-31,782,281	-1.7%
3	Fort Portal	1,310,839,939	1,468,194,194	157,354,255	12.0%
4	Gulu	1,121,675,953	1,729,366,466	607,690,513	54.2%
5	Hoima	966,645,734	1,474,933,289	508,287,555	52.6%
6	Jinja	4,261,452,531	2,341,217,202	-1,920,235,329	-45.1%
7	Kabale	542,598,163	1,196,857,537	654,259,374	120.6%
8	Lira	1,972,735,719	1,836,525,269	-136,210,450	-6.9%
9	Masaka	1,251,260,598	1,112,795,368	-138,465,230	-11.1%
10	Mbale	732,113,576	1,096,036,145	363,922,569	49.7%
11	Mbarara	2,620,289,396	3,409,655,281	789,365,885	30.1%
12	Moroto	191,575,035	234,561,944	42,986,909	22.4%
13	Soroti	179,540,278	563,240,058	383,699,780	213.7%
14	Tororo	561,204,369	662,795,181	101,590,812	18.1%
15	Kamuli	190,439,116	182,818,835	-7,620,281	-4.0%
16	Kasese	358,954,638	670,954,358	311,999,720	86.9%
17	Kitgum	192,466,932	233,969,218	41,502,286	21.6%
18	Mubende	583,508,441	874,859,153	291,350,712	49.9%
19	Apac	89,434,651	175,610,643	86,175,992	96.4%
20	Busia	378,226,146	300,161,090	-78,065,056	-20.6%
21	Lugazi	1,588,292,331	347,575,412	-1,240,716,919	-78.1%
22	Ntungamo	<u>283,385,961</u>	<u>221,380,342</u>	<u>-62,005,619</u>	-21.9%
Total		<u>22,187,630,937</u>	<u>22,943,018,411</u>	<u>755,387,474</u>	3.4%

Annex 6: Budgets and amounts spent on operations and maintenance costs in the 22 Cities/ MLGs

No.	City/ MLG	Budgeted amount (UGX)	Actual expenditure (UGX)
1	Arua	1,374,458,000	1,127,263,000
2	Entebbe	2,268,252,000	1,450,939,000
3	Fort Portal	1,187,104,000	1,046,897,000
4	Gulu	1,908,156,000	1,514,262,000
5	Hoima	902,166,000	752,047,000
6	Jinja	2,207,065,000	1,277,264,000
7	Kabale	1,023,569,000	950,515,000
8	Lira	1,621,237,000	1,222,254,000
9	Masaka	1,728,239,000	1,153,227,000
10	Mbale	1,483,126,000	1,169,713,000
11	Mbarara	2,002,699,000	1,791,800,000
12	Moroto	564,387,000	414,546,000
13	Soroti	1,202,517,000	1,006,821,000
14	Tororo	774,787,000	638,909,000
15	Kamuli	543,421,000	454,561,000
16	Kasese	1,083,553,000	862,265,000
17	Kitgum	781,135,000	661,496,000
18	Mubende	757,368,000	672,972,000
19	Apac	488,243,000	392,299,000
20	Busia	959,676,000	635,719,000
21	Lugazi	899,454,000	722,700,000
22	Ntungamo	<u>685,676,000</u>	<u>708,329,000</u>
Total		<u>26,446,288,000</u>	<u>20,626,798,000</u>

Annex 7: Letter from Ministry of Lands, Housing and Urban Development on suspension of minimum conditions

Email: mlhud@mlhud.go.ug
Telephones: General: 0414342931/3
Hon. Minister: Direct: 04143253871
Hon. Minister of State (Lands): 04143231020
Hon. Minister of State (Housing): 04143349265
Hon. Minister of State (Urban Development): 0414236384
Permanent Secretary: 04143230879
Under Secretary: 04143236359
Fax: 04143230891

In any correspondence on
this subject please quote No
ADM/38/172/01



THE REPUBLIC OF UGANDA



MINISTRY OF LANDS, HOUSING
AND URBAN DEVELOPMENT
P.O. BOX 7096
KAMPALA, UGANDA

September 9, 2019

The Country Leader/Partner
KPMG
Certified Public Accountants
3rd Floor, Rwenzori Courts
Plot 2 & 4A, Nakasero Road
P.O. Box 3509
Kampala
UGANDA



Received
[Signature]

UGANDA SUPPORT TO MUNICIPAL INFRASTRUCTURE DEVELOPMENT PROGRAM ADDITIONAL FINANCING (USMID-AF)

Suspension of Minimum Conditions Relating to the PBS System from the USMID-AF Annual Performance Assessment Framework

Please refer to the attached letter dated September 2, 2019 from the World Bank referring to the above captioned subject.

This is to instruct you to suspend consideration of minimum conditions relating to the PBS system for allocation of funds in the annual performance assessment you are currently carrying out and for any others you will be engaged in until you are notified otherwise. You are also requested to share your proposals on the possibility of having the said minimum conditions reverted to the performance measures.

This instruction and the letter from the World Bank shall form an addendum to the assessment framework used for USMID-AF annual performance assessments. For further reference to this subject please quote this letter and the one from the World Bank.

I thank you for your cooperation.

[Signature]
Dr Isaac Mutenyo
For Permanent Secretary

c.c The Minister of Lands, Housing & Urban Development
The Ministers of State Lands/Housing/Urban Development



WORLD BANK GROUP

Plot 1, Lumumba Avenue
Rwenzori House
Kampala, Uganda

Tel: (256-41) 4230 094
Fax: (256-41) 4230 092

September 2, 2019

Hon. Matia Kasaija
Minister of Finance, Planning and Economic Development
Ministry of Finance, Planning and Economic Development
Kampala

Attn: Eng. Dr. Ajedra Gabriel Aridru,

Re: Request for the Suspension of Minimum Conditions from USMID-AF Program participating Local Governments through the Program Budgeting System

We acknowledge receipt of your letter Ref. ALD 141/205/54 Vol.7 dated August 22, 2019 regarding the above subject matter.

An independent Quality Assurance Review (QAR) consultant hired by the World Bank to review the Annual Performance Assessment (APA) results of Uganda Local Governments has confirmed that the recently introduced computer-based Program Budgeting System (PBS) had systemic issues which were beyond the control of Local Governments. Some of the issues identified included: (i) delays in providing Local Governments with Indicative Planning Figures (IPFs), (ii) poor internet connectivity between Local Governments and the center, (iii) systems failures which renders Local Governments incapable to make PBS submissions to the center on time. These factors have made it impossible for Program Local Governments to submit PBS reports in time as stipulated by law.

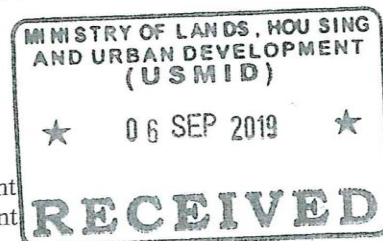
Considering the above factors, we do hereby provide IDA No Objection to suspend the PBS requirements from the minimum conditions of USMID-AF, until the issues have been addressed to the satisfaction of IDA. We will however consider, during Midterm Review (MTR), Program Local Government performances regarding the PBS requirements as part of the USMID-AF Performance Measures after the review of the performance assessment tool.

This letter shall therefore become part of the addendum to the Program Operational Manual (POM) and used as an integral part of the Program assessment tool.

Sincerely,

Antony Thompson
Country Manager

cc: Hon. Betty Amongi
Minister of Lands, Housing and Urban Development
Ministry of Lands, Housing and Urban Development
Kampala



Mr. Keith Muhakanizi
Permanent Secretary/Secretary to the Treasury
Minister of Finance, Planning and Economic Development
Kampala

Ms. Dorcas Okalany
Permanent Secretary
Ministry of Lands, Housing and Urban Development
Kampala

Mr. Benjamin Kumumanya
Permanent Secretary
Ministry of Local Government
Kampala

Mr. Vincent B. Byendaimira
Acting Director, Physical Planning and Urban Development
Ministry of Lands, Housing and Urban Development
Kampala

Ms. Maris Wanyera
Ag. Director, Cash and Debt Policy
Ministry of Finance, Planning and Economic Development
Kampala

Mr. Fred Twesiime
Ag. Commissioner
Development Assistance and Regional Cooperation Department
Ministry of Finance, Planning and Economic Development
Kampala

Mr. Isaac Mutenyo
Program Coordinator, USMID
Ministry of Lands, Housing and Urban Development
Kampala

Ms. Anne Kabagambe
Executive Director, Africa Group 1
World Bank Group
Washington D.C, USA



Contact us

Edgar Isingoma

Partner

IDAS

T +256 312170080/1

E eisingoma@kpmg.com

Judith Erone

Partner

IDAS

T +256 312170080/1

E jerone@kpmg.com

www.kpmg.com

© 2023. KPMG Uganda is a registered partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are registered trademarks or trademarks of KPMG International