

LOCAL GOVERNMENT EXCELLENCE FUND (LGEF)

OPERATIONAL MANUAL FOR
LOCAL GOVERNMENTS

MARCH 2021





**DEVELOPMENT INITIATIVE
FOR NORTHERN UGANDA**



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ACRONYMS

ABI Trust	Agribusiness Initiative Trust	NPA	National Planning Authority
ACF	Agricultural Credit Facility	OAG	Office of the Auditor General
BFP	Budget Framework Paper	OPM	Office of the Prime Minister
CCO	Certificate of Customary Ownership	PBB	Programme Based Budgeting
CTA	Chief Technical Advisor	PPDA	Public Procurement and Disposal of Public Assets Authority
CG	Conditional Grants	PPP	Public-Private Partnership
DDP	District Development Plan	PSFU	Private Sector Foundation of Uganda
DINU	Development Initiative for Northern Uganda	RSC	Regional Service Centre
DLB	District Land Board	RTA	Regional Technical Advisor
DRRF	District Road Rehabilitation Fund	SDGs	Sustainable Development Goals
FAO	Food and Agriculture Organization	START	Support to Agricultural Revitalization and Transformation
IP	Implementing Partner	SME	Small and Medium Enterprise
KPI	Key Performance Indicator	TA	Technical Assistance
LED	Local Economic Development	UAAU	Urban Authorities Association of Uganda
LDC	Least Developed Country	UDBL	Uganda Development Bank Limited
LG	Local Government	ULGA	Uganda Local Governments Association
LGFC	Local Government Finance Commission	UNCDF	United Nations Capital Development Fund
LGEF	Local Government Excellence Fund	UNDAF	United Nations Development Assistance Framework
MoFPED	Ministry of Finance, Planning and Economic Development	UNDESA	United Nations Department of Economic and Social Affairs
MoLG	Ministry of Local Government	UNDP	United Nations Development Programme
MoLHUD	Ministry of Lands, Housing and Urban Development	URF	Uganda Road Fund
MoWT	Ministry of Works and Transport		
NDPII	Second National Development Plan		

FOREWORD

The Development Initiative for Northern Uganda (DINU), an integrated development programme which aims to address, in a comprehensive and coordinated manner, the key development challenges in Northern Uganda. The aim of DINU Programme is to *“Consolidate Stability in Northern Uganda, Eradicate Poverty and Under-Nutrition and Strengthen the Foundations for Sustainable and Inclusive Socio-Economic Development”*.

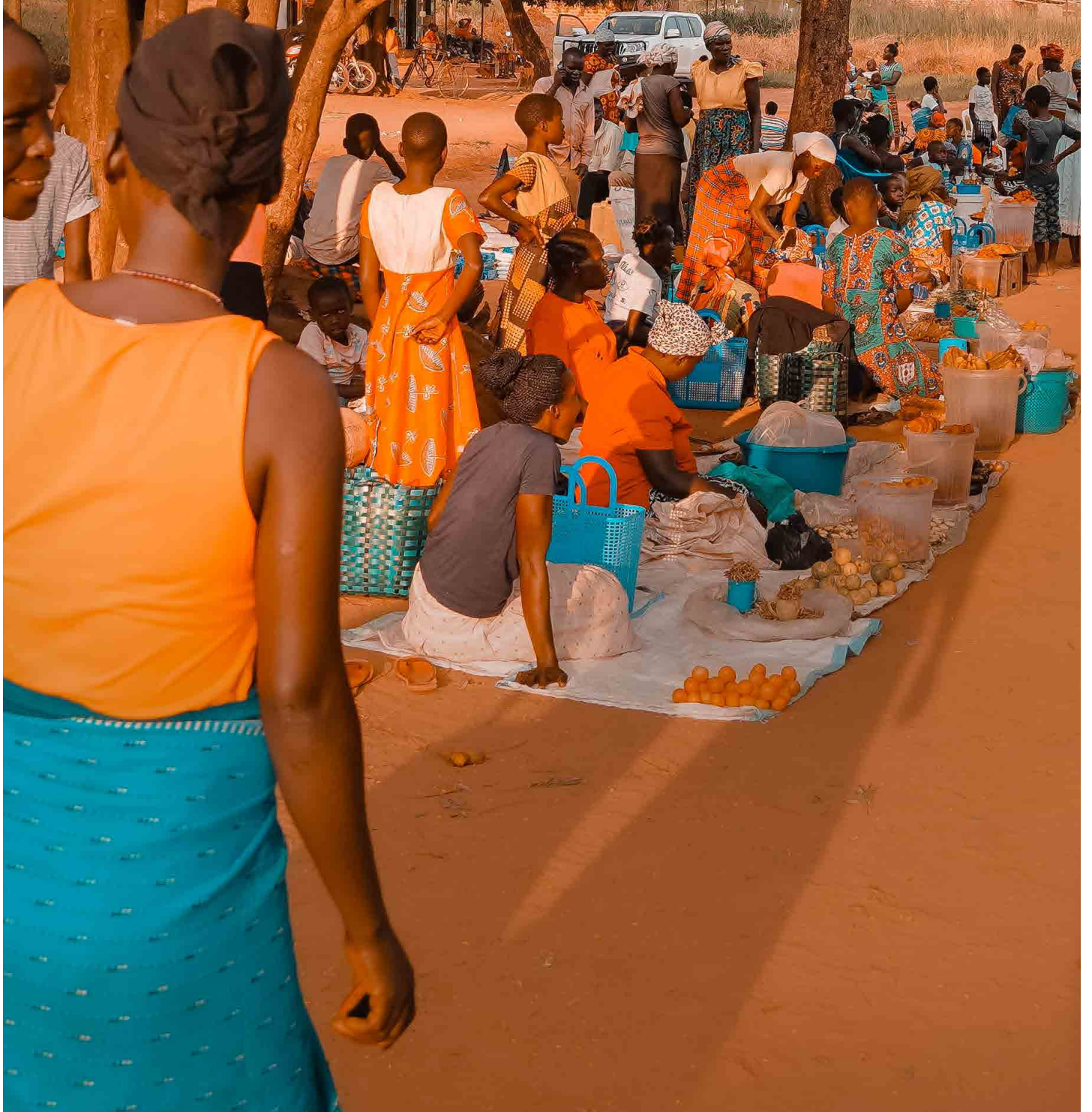
The Ministry of Local Government is in partnership with the United Nations Capital Development Fund (UNCDF) in implementation of the Good Governance of the DINU. The Good Governance component seeks to strengthen capacity, gender-responsive Good Governance and the rule of law at the level of local government authorities and empower communities to participate in improved local service delivery. The Local Government Excellence Fund (LGEF) is a Grant mechanism under the Good Governance component. The main objective of the LGEF is to provide financial incentives for improved performance of the participating Local Governments as a catalyst to promote effective and efficient public service delivery and improved business environment through provision of economic infrastructure. The LGEF is a discretionary in nature and so allows for the Local Governments to identify priority socio-economically transformative projects to be financed by the Grant. The LGEF is performance-based and linked to the Local Government Performance Assessment system, the better a District performs the higher the relative share of Grant it is allocated, and, vice versa. It therefore serves as a financial incentive to compel the Local Governments to perform better.

This DINU-LGEF Operational Manual has been developed to guide the participating Local Governments and the managers of the DINU Programme on the operational modalities of this Grant.



Ben Kumumanya
PERMANENT SECRETARY
MINISTRY OF LOCAL GOVERNMENT

CHAPTER 1: INTRODUCTION



1.1 BACKGROUND

As far back as 1992, the Government of Uganda adopted decentralization as part of comprehensive national policy reforms aimed at poverty eradication. The implementation of the decentralization policy and enabling legislation has led to the attainment of a wide range of achievements, notable among which are the increased quantity of social services, infrastructure as well as improved governance. However, the policy implementation still faces challenges, notable among which include a weak revenue base, limited community involvement and ownership, and a weak inter-face between the Community and Local Governments, hence affecting downward accountability.

In fulfilling this mandate, the Ministry of Local Government (MoLG) developed a 10-year Sector Strategic Plan (2013-2023) with a goal to deepen decentralization, enhance service delivery and transform local governments into well administered entities with vibrant local economies. Through this framework, the Ministry has been implementing a series of programmes and projects aimed at achieving transformative reform in the Local Government sector, including efforts to support recovery of Northern Uganda.

1.2 THE DEVELOPMENT INITIATIVE FOR NORTHERN UGANDA (DINU) PROGRAMME

The European Union through its 11th European Development Fund in collaboration with the Government of Uganda launched the Development Initiative for Northern Uganda (DINU), an integrated development Programme which aims at addressing some of the key development challenges in Northern Uganda. The DINU Programme objective is to consolidate stability in Northern Uganda, eradicate poverty and under-nutrition and strengthen the foundations for sustainable and inclusive socio-economic development. The Project will benefit 40¹ districts with a total population of over 7 million people.

The Specific Program Objectives include:

<p>1</p> <p>Increase food security, improve maternal and child nutrition, and enhance household incomes through support to diversified food production and commercial agriculture and through improving household resilience (notably to climate change) and women empowerment.</p>	<p>2</p> <p>To increase trade of commodities within the region, within the country, and with neighbouring countries through the improvement of transport and logistic infrastructures.</p>	<p>3</p> <p>Strengthen capacity, gender-responsive good governance (core mandate and general broad mandate) and the rule of law at the level of local government authorities and empower communities to participate in improved local service delivery.</p>
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The Programme is using an integrated territorial approach, connecting key sectors and areas for an inclusive and sustainable socio-economic development of the region. This will be achieved through supporting a selection of value-chains (taking into account the respective agro-ecological zone types of the sub-regions), addressing the identified bottlenecks, and working with local private sector. The Local Governments in the participating districts will be supported to respond to the local needs through the delivery of quality services to its citizens as well as improving upwards and downwards accountability mechanisms.

¹ Including 5 newly created Districts of Karenga, Nabilatuk, Kwanja, Kapelebyong and Obongi

The United Nations Capital Development Fund (UNCDF) is implementing designated components of the Development Initiative for Northern Uganda (DINU) Programme.

UNCDF contributes to the programme in three areas:



Food Security and Agriculture:

UNCDF will design and implement a mechanism for providing Business Development Services and seed capital in the form of loans, grants and reimbursable grants to promising projects. Women and youth will be deliberately targeted, and project that aim at reducing environmental risks and ecological scarcities (green economy) will be promoted. To support implementation of this component, UNCDF will establish and manage START Facility (Support to Agricultural Revitalization and Transformation in Northern Uganda) designed to finance small and medium agribusinesses.



Transport Infrastructure:

UNCDF will support rehabilitation and upgrading of selected numbers of priority districts and community access roads within four priority districts (Amudat, Adjumani, Abim, Moyo) to enable implementation of roads rehabilitation programs by districts. To this effect, UNCDF will establish and manage a District Road Rehabilitation Fund. UNCDF will also support districts and communities in road maintenance by providing support to district authorities to improve their capacities to plan investment and maintenance programmes, identify and implement appropriate technologies and approaches such as low cost sealing and labour based methods, draft appropriate technical specifications and prepare designs and manage road assets.



Good Governance: UNCDF will use local public financial management systems as the entry point to enhance capacities of local authorities to better fulfil their core and broad mandates (notably in relation to the other sectors targeted by this programme) and better respond to local needs and deliver quality services to its citizens, improving upwards accountability mechanisms. This component includes two

It is under this component that UNCDF in partnership with the Ministry of Local Government has established the Local Government Excellence Fund.

1.3 RATIONALE FOR ESTABLISHING LOCAL GOVERNMENT EXCELLENCE FUND

Uganda's ability to access Regional and International market will depend on the participation of its people in trade. This participation is best done through (i) organized firms which are competitive in the domestic market and able to reward those who are actively participating in a way of providing employment and income and (ii) a Local Government system that is providing the required Local Economic Development (LED) infrastructure services to improve business environment for households and business to thrive.

Northern Uganda is recovering from a protracted period of political instability that saw the destruction of the social and economic fabric. The Government sustained interventions through the Peace, Recovery and Development Programme one, two and now three have yielded progressive gains including improving the overall security situation that now allows freedom of movement and the resumption of economic activities. However, the region is still faring poorly against development indicators as it

continues to “Lag behind the rest of the country” in terms of most human development indicators, with women being disproportionately affected. The region needs to embrace LED and effectively support firms and businesses to grow.

Many LGs are struggling with provision of socio-economic services and catalyzing LED. It is therefore imperative that the local governments in this region are repositioned to play the crucial role of bridging this gap through provision of the much needed socio-economic infrastructure to improve business climate. The local governments need to innovate and pro-actively respond to local needs and deliver quality services to the citizens, improving upwards and downwards accountability mechanisms. The LGEF is designed to incentivize the local actors to effectively reposition for this much needed transformation.

It’s therefore important that additional funds availed to LGs to finance economic infrastructure project under the Trade Industry and Local Economic Department. The Local Government Excellence Fund (LGEF) has therefore been designed as a transfer mechanism for discretionary grants linked to the performance of the beneficiary local governments to support LGs develop Economic Infrastructure projects. The LGEF will provide financial incentives to good performing LGs and, in so doing, will strengthen the LG performance assessment system as well as the performance-based intergovernmental fiscal transfer mechanisms, such as the Discretionary Development Equalization Grant (DDEG) and the Trade and Commercial services grant to LG². The LGEF is in line with Article 193 (4) of the Constitution which provides for subsidies or special provisions for the least developed districts based on the degree to which a Local Government unit is lagging behind the national average standard for a particular service.

This Operational Manual has thus been prepared to guide the Local Governments in the use and management of the LGEF. The Manual should be used in line with the Public Financial Management Act (2015), Public Procurement and disposal Act (2003), and Local Government Act (1997 as amended).

1.4 STRUCTURE OF THE MANUAL

The DINU-LGEF Manual is organized in nine chapters.

CHAPTER 1

covers the background of the Development Initiative for Northern Uganda and the Local Government Excellence Fund, rationale for establishing the LGEF, and, the structure of the Manual.

CHAPTER 2

presents the LGEF Objectives and Design principles and alignment and synergies with other DINU components.

CHAPTER 3

outlines the LGEF Allocation criteria, Grant size and Performance component.

CHAPTER 4

covers the LGEF Project Preparation Process and the Funds Disbursement arrangements.

CHAPTER 5

presents the use of LGEF Funds.

CHAPTER 6

presents LGEF Planning.

CHAPTER 7

outlines the Procurement process

CHAPTER 8

sets forth the Institutional Implementation arrangements,

CHAPTER 9

presents LGEF Monitoring.

² In this Regard LGEF is hope to build a case for a potential trade and commercial services development grant to LGs for Economic Infrastructure projects to support business environment improvement at local level.

CHAPTER 2:

LGEF OBJECTIVES AND DESIGN PRINCIPLES



2.1 OBJECTIVES OF THE LGEF

The main objective of the LGEF is to provide financial incentives for improved performance of the beneficiary local governments as a catalyst to promote effective and efficient public service delivery, improved business environment through provision of economic infrastructure.

The specific objectives incorporated in the LGEF include:

- 1 To improve the capacity of district LGs to plan and manage discretionary funds and thus strengthen the national systems for decentralized governance, promotion of trade, industry and local economic development and support advocacy for further devolution of functions to LGs;
- 2 Improve capacity of Local Governments to plan for and implement Economic infrastructure projects for an improved business environment in support of Local Economic Development at local level.
- 3 To improve the responsibility and accountability of district LGs for their performance by directly linking fund allocations to their performance;
- 4 To strengthen the new national performance assessment system by incorporating the results of annual performance assessments in the grant allocation decisions;
- 5 To increase the availability of discretionary development funds for economic infrastructure projects in the most disadvantaged districts by complementing other discretionary fund flows, such as the Peace Recovery and Development Plan (PRDP) grant and the Discretionary Development Equalization Grant (DDEG); Trade and Commercial Services Grant.
- 6 Enable LGs to allocate funds to priority trade and Local Economic Development needs that are within their mandate and that are consistent with the National Priorities
- 7 To improve LG planning for and contribution to, social and economic empowerment of young people and women by extending additional funding for catalytic economic projects;
- 8 To bring to scale best practices in using public resources intended to finance local investments identified through local planning processes; and
- 9 To incentivize the environment for decentralization reforms and business environment improvement.

2.2 DESIGN PRINCIPLES

The Ministry, participating Local Governments and communities are required to comply with the following LGEF design principles:

- Use of government systems** and procedures- including disbursement procedures, grant utilization, accounting and implementation procedures and performance assessment procedures to strengthen capacity of the participating districts in public financial management.
- Districts as the implementing agency** - The districts will be responsible for the implementation of the LGEF at their level. Where there are capacity gaps, they will be assisted by the line Ministries and the DINU Project Team and capacity building activities to address such gaps.
- Inbuilt incentives through performance and competition** - Although each district LG will be allocated an indicative planning figure (IPF) for the duration of the LGEF period. Access and utilization of the fund will be based on performance. As the LGEF progresses, some districts may get less or more depending on the level of commitment and implementation track record. This will build on the LG annual performance assessment under the Government of Uganda.

- iv) **Focus on promotion of trade, local economic development and social and economic empowerment of women and youth**, - The design of the LGEF takes into account the fact that district LGs have limited funding for promoting trade and LED as well as economic empowerment of women and young people. Although planning and utilization of the LGEF follows the procedures for the DDEG and trade and commercial services grant, it makes a special emphasis on projects that contribute to harnessing Uganda's population dividend. Women and youth will be given special representation in the Community Project Management Structures with each having at least 30% representation both in Executive positions and non-Executive positions.
- v) **Co-financing** - The design of the LGEF actively promotes co-financing and mingling of funds coming from other sources of district revenues, including own source revenues, and other government transfers to ensure an adequate size of the projects to have impact from the investments. The participating LGs may also complement LGEF funds with market-based finance either through bank loans or partnerships with the private sector (PPP).
- vi) **LG and community financial contribution of at least 20%** - the respective Local Governments, Lower Local Government(s) and beneficiary communities are required to make a financial contribution of not less than 20% of the total budget for each of the LGEF projects. Such contribution may be monetary, in-kind or intellectual, or any other form as may be agreed upon by the Ministry and the respective participating Local Government.
- vii) **Alignment and synergies with the other components of DINU** - The LGEF will be aligned with the other components of DINU to achieve greater synergies and economies of scale as appropriate. Key linkages are expected across all three strategic components (Agriculture, Infrastructure and Governance) with particularly strong linkages and mutually reinforcing effect with the Governance Component.
- viii) **Stability and predictability** - The LGEF will be provided in a timely and predictable manner during the project period with IPFs announced early enough before the beginning of the financial year to enable proper planning and budgeting.
- ix) **Participation and inclusiveness** - The initiatives financed from LGEF must be generated and implemented through a popular participatory and inclusive process in line with the national planning guidelines and procedures. Information on the LGEF shall be accessible to the public to enhance citizen involvement in particular, the private sector, women and the youth, and refugees where applicable who are perceived to be excluded from key decision-making processes.
- x) **Climate Change Resilience** – The initiative will finance local government's efforts in mitigating impact of Climate change, increase resilience and adaptation to climate change.

2.3 ALIGNMENT AND SYNERGIES WITH OTHER DINU COMPONENTS

In addition to the Good Governance component of the DINU, under which the LGEF falls, there are two other components, namely Food security, Nutrition and Livelihoods and, the Infrastructure development (transport, logistics, water and energy) components

The LGEF planning and utilization will be implemented with due regard to the development and economic activities undertaken under the other components of DINU. These include, for example, activities that foster linkages between smallholder farmers, agro-processors and market operators and provide seed capital for agricultural SMEs as well as activities aiming at building local government capacities in service delivery and revenue generation or related to improved road access to remote areas.

TABLE 1: KEY SYNERGIES WITH DINU ACTIVITIES

ACTIVITY	TYPE OF INTERACTION
SPECIFIC OBJECTIVE 1:	
To increase food security, improve maternal and child nutrition, and enhance household incomes through support to diversified food production and commercial agriculture and through improving household resilience (notably to climate change) and women empowerment”	
<p>Activity (a) Foster linkages between smallholder farmers, agro-processors and market operators</p>	<p>LGEF will encourage integration of enabling infrastructure that promotes and fosters backward and forward linkages between producers, processors and market operators into LG capital investment plans and will provide finance for such investments (e.g., access roads; market and storage facilities, water supply and irrigation systems; Demonstration Centers, etc.).</p>
<p>Activity (b) Providing seed capital to incubation projects</p>	<p>LGEF will work to align LG capital investment plans, thematically and geographically, as well as its own investments with the investments from the START Facility (Support to Agricultural Revitalization and Transformation) that provides funding to agricultural SMEs engaged in value addition activities.</p>
SPECIFIC OBJECTIVE 3:	
To increase trade of commodities within the region, within the country, and with neighboring country through improved transport and logistic infrastructures	
<p>Activity (c) Rehabilitation and construction of selected roads connecting remote and disadvantaged districts to the main road network</p>	<p>LGEF planning will take into account the emerging economic and social opportunities generated by the improved access to remote and disadvantaged areas and will integrate relevant projects in such areas.</p>
SPECIFIC OBJECTIVE 3:	
To strengthen capacity, gender-responsive good governance and the rule of law at the level of local government authorities and empower communities to participate in improved local service delivery.	
<p>Activity (d) Strengthen capacities of Local Governments in public financial management</p>	<p>LGEF will benefit from the improved capacity of local governments to identify service delivery deficits, plan, budget, implement and monitor public programmes in a gender-responsive manner and in compliance with the legal requirements. This will ensure an adequate quality and socio-economic impact of project identified for the LGEF. At the same time, LGEF will facilitate application of the newly acquired/improved capacities through a learning-by-doing approach while implementing the LGEF.</p>
<p>Activity (e) Strengthen capacities of mandated local government units to efficiently mobilize and equitably allocate and utilize local revenue and resources</p>	<p>LGEF will encourage target LGs to co-finance LGEF projects with own source revenues and market-based finance when appropriate, creating incentives for additional revenue mobilization. LGEF will take into account OSR generation efforts when deciding on the LGEF annual allocation as part of the performance assessment, providing financial incentives for improved revenue generation.</p>
<p>Activity (f) Support and strengthen local governments’ accountability institutions in their interaction with line ministries and national accountability institutions.</p>	<p>LGEF will incorporate strong accountability and reporting mechanisms to the OPM, MoLG, MoFPED, MoTIC and other line ministries. Participating LGs will be regularly audited by the Office of the Auditor General and Inspectorate of Government. UNCDF will also institute regular audits to be undertaken by private firms.</p>
<p>Activity (g) Incentivize performance of Local Governments and to stimulate community involvement</p>	<p>LGEF is designed as a performance-based fund with a variable increasing performance component, thus producing financial incentives for LG improved performance. LGEF will use transparent, participatory and inclusive planning and implementation procedures to stimulate direct community involvement, particularly young people, women and the private sector.</p>

CHAPTER 3:

LGEF ALLOCATION



3.1 GRANT ALLOCATION FORMULA

The LGEF will use a simplified grant allocation formula compatible with that for the DDEG and Trade and Commercial Services Grant that includes the following components:

- i) Constant share to ensure that minimum allocations for construction of meaningful infrastructure are available to the LGs;
- ii) Population share to provide for demand/scale of delivering services;
- iii) Land area to provide for costs of delivering services; and
- iv) Performance share to incentivize better performance of LGs in line with the main objective of the LGEF.

The intent of the allocation formula is to be compatible as much as possible with the DDEG and the trade and commercial services grant allocation formula, be simple and fair but at the same time be adjusted to DINU’s objectives and structure and provide added value. The key difference with the DDEG and Trade and Commercial Services grant allocation formula includes the absence of poverty headcount, hard to work/reach and conflict criteria. This is so because these three criteria are already incorporated in the selection criteria of the beneficiary LGs.

The performance component of the grant will depend on the performance of the LG during an annual LG performance assessment. The results of the assessment will be weighted and compared to the performance of other LGs.

The LG PA system has three dimensions/elements which are mutually reinforcing:

- i) Strengthening **accountability and the linkage of expenditure to national and local priorities** for service delivery by linking the appointment of Accounting Officers and signing of Performance Contracts to adherence to core **budget and accountability** requirements;
- ii) Strengthening the **management of service delivery and development projects** at the local level. This will be by subjecting the allocation of a share of the discretionary and sectoral development grants to the results of LG performance assessment of cross cutting and sectoral **institutional processes and systems**; and
- iii) Incentivizing the provision of **service delivery results and processes** in individual service delivery units (schools, health facilities), by linking the size of operational transfers to these units to the actual performance of these service delivery units.

The LGEF Grant size: The total amount of the LGEF grant is €2,700,000³. The grant will be allocated in a progressively increasing manner as the participating LGs build their PFM capacity starting from €400,000 for the first year over a period of 4 years. The detailed allocation is shown in table 3.

TABLE 3: ALLOCATIONS OF THE LGEF

	2018/19	2019/20	2020/21	2021/22
LGEF grant, EUR	400,000	500,000	900,000	900,000
LGEF grant, UGX'0004	1,512,000	1,875,000	3,888,000	3,888,000

³ The LGEF grant is being used to pilot Trade Industry and Local Economic Development Sector Grants, with focus on Economic Infrastructure and we will continue to resource mobilize for it. The amount and number of LGs to benefit will change as resources become available.

⁴ Based on the Trading Economics (TE) forecast (<http://www.tradingeconomics.com/uganda/currency/forecast>). Ugandan Shilling Forecasts are projected using an autoregressive integrated moving average (ARIMA) model calibrated using TE analysts’ expectations.

3.2 PERFORMANCE COMPONENT

The revised LG Performance Assessment system is currently under implementation. However, the first LGEF allocation in FY 2018/19 will not use performance assessment results offering the participating LGs a one-year grace period after the start of the programme to allow them to benefit from the capacity development delivered by DINU and address the most critical performance gaps. This, however, will not apply to any additional local governments that will be included in the subsequent years. Each will be subjected to the exiting performance assessment results.

Allocations for each subsequent year will be informed by the annual performance assessment and will see a variable performance component increasing each year and reaching a weight of 75% by the end of the program (FY 2021/22). Before changes are introduced, LGs will be informed of the details and implications of the revised performance assessment system.

The different components of the allocation formula will be applied as shown in table 4 below during the programme's lifetime.

TABLE 4: ALLOCATION CRITERIA FOR THE LGEF

	2018/19	2019/20	2020/21	2021/22
Constant	10%	10%	10%	10%
Land area	5%	5%	5%	5%
Population	85%	65%	40%	10%
Performance	0%	20%	45%	75%

The application of the allocation formula to the first-year allocation (without the performance component) to the pre-identified district LGs returns district allocations varying from UGX 124 million to UGX 606 million. Compared to the 2016/17 approved budget (currently under implementation), the total LGEF allocation is slightly below the total amount of locally raised revenues (LRR) although the LGEF/LRR ratio will vary significantly depending on the revenue generating capacity of the district LG: from 0.4 for better performing districts to 4.8 for districts with low revenues.

CHAPTER 4:

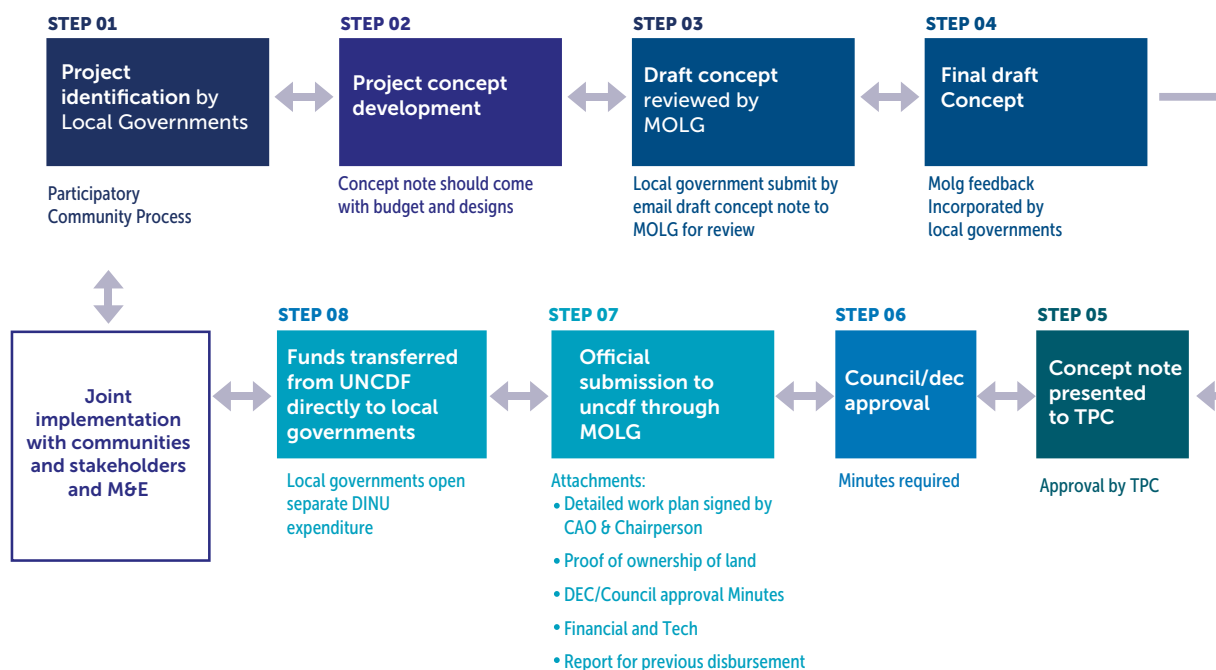
LGEF DISBURSMENT



This chapter presents the procedure for development of LGEF projects and for disbursement of LGEF funds.

4.1 ESTABLISHMENT PROCEDURES

LGEF Project Development and Funds Transfer Steps.



1 Project Identification (See Annex.... Prioritization Cirteria)

Local Governments will organize community engagement meetings to identify project ideas through participatory process.

2 Concept Note Development (See Annex..... for Template)

The LG works with stakeholders to develop the project concept note. At this stage project designs, drawings, specifications and budget should be developed.

3 4 MoLG and other Sector Ministries Review and Validate.

The Draft concept note submitted to MoLG and other relevant Sector Ministries for review through e-mail and feedback provided and incorporated by the LGs to provide final draft concept note. The Review of Concept note by MoLG and other relevant Ministries will include Field Verification/ Validation.

5 Presentation to PTC

The draft concept is presented to PTC for their input and endorsement

6 DEC or Council Approval.

The Concept note will be presented to DEC or council for approval

7 8 Submission to UNCDF through MOLG for Fund transfer.

The LG will submit the approved project to UNCDF through MOLG and funds will be transferred to LG DINU account directly. The submission should have the following attachments:

- i) Funds Request Letter signed by the Chief Administrative Officer
- ii) Detailed work plan signed by CAO& Chairperson
- iii) Proof of ownership of Land
- iv) MoU with partners if applicable.
- v) DEC/Council approval Minutes
- vi) Financial and Technical Report for previous disbursement to confirm that at least 70% of the previous LGEF released has been either spent or committed by the LGs; and
- vii) Bank Statement.

Fund Establishment procedure

UNCDF will communicate the total available annual LGEF allocation and proposed allocation per district to MOLG in advance to allow enough time for inclusion in the budget circular and reflection in the LG Performance Contract, Budget Estimates and Annual Work Plan.

Every LG shall access bare minimum LGEF and IPF will vary according to the criteria above. Nine District LGs namely, Amudat, Amuria (including the newly created District of Kapelebyong), Omoro, Otuke, Yumbe, Zombo, Agago, Kole and Napak will benefit from the LGEF under the DINU project for the four years of the project for the first five and two years for the last four⁵.

Vertical Allocation

Given the nature and size of the expected investments from the DINU grants; the need to have impact from the investments, capacity constraints at sub county level; and a need to have manageable supervision centers –100% of the LGEF will be allocated to the District level, and funds will not be fragmented across the sub counties and Municipalities, and Town councils. The Municipalities, sub counties and Town councils will, however, be actively involved in all the planning, budgeting and project implementation processes. The Sub counties will, however, continue to receive the DDEG from GoU. The District can, however, apply all the LGEF funds to one Sub county or Town council or Municipality. The District should give consideration to Municipalities and Town Councils.

Approval should be sought from the Ministry of any arrangements contrary to the provisions provided in this Manual.

4.2 DISBURSEMENT ARRANGEMENTS

UNCDF will transfer funds for the LGEF directly to the participating LGs based on project concept notes and work plan after receiving clearance from MOLG.

Except for the first-year release when the funds will be split between the participating LGs according to the formula explained above, all subsequent disbursements will be based on a verified performance assessment of the participating LGs. MoLG and UNCDF will determine the annual allocation per district based on the following factors:

- i) Total annual allocation as communicated by UNCDF;
- ii) Each LG's performance results; and
- iii) Other components of the allocation formula.

⁵ The participating district local governments will open a special account under the name "Local Government Excellence Fund" in a designated commercial Bank for receipt of the LGEF funds. The number of LGs will change as noted earlier as more funds are mobilized.

CHAPTER 5:

USE OF THE LGEF FUNDS



5.1 DEVELOPMENT BUDGETING AND MANAGEMENT REQUIREMENTS

To maximise synergies, the LGs will use the same Planning, Budgeting, Procurement, Project Execution, and Performance Assessments for the LGEF as for the other development funds: Discretionary Development Equalisation Grant; Sector Development Grants; Local Revenue; and Donor/NGO Funding. However, separate reporting procedures will be instituted for the LGEF as described further as an additional fiduciary measure.

In preparing and implementing the development budget there are a set of standard requirements that must be fulfilled which are summarised in the table below and described thereafter.

TABLE 5: SUMMARY OF BUDGETING AND MANAGEMENT REQUIREMENTS

SUMMARY OF REQUIREMENTS	
REQUIREMENTS ON THE USE OF THE LGEF	
Allocations across categories	<ul style="list-style-type: none"> Capital investments for Socio-economic Development, Trade Industry and Local Economic Development– minimum 95%
OVERALL DEVELOPMENT BUDGET REQUIREMENTS	
Principles for selecting Investments	<p>The principles for selecting all Local Government Investments mean that investments should be:</p> <ul style="list-style-type: none"> Within the mandate of LGs (Second Schedule of the LG Act Cap 243); Incorporated in the LG approved district development plan, Work Plan and Budget; Can be completed with the resources in the budget and made fully functional; Have provisions for recurrent cost implication to be borne by the LG, LLG to commit to implementing Focus on public rather than private goods; Do not have negative environmental and social impacts; Able to mitigate effects of Climate Change; Take into consideration equity issues (e.g. gender, etc.) and explicitly benefit women and youth; and Following Sector Budgeting Requirements and standards for all LG Investments.
Investment servicing costs	<p>For the LGEF, the investment service costs shall be maximum of 5% of the cost of Capital Investment outputs.</p> <p>Investment servicing costs include:</p> <ul style="list-style-type: none"> preparation of designs, technical specifications and bills of quantities community mobilisation and sensitisation land acquisition technical training of beneficiaries project supervision and monitoring

Unlike the DDEG, the LGEF grant does not include a provision for capacity development. This is so because the LGEF facility is integrated in the overall DINU programme and is closely related to its capacity development activities. The gaps and shortcomings of the participating LGs identified during the LGEF implementation or through annual performance assessments will be addressed using the funds allocated to the relevant DINU components.

5.2 SECTOR DEVELOPMENT BUDGET REQUIREMENTS FOR LGEF

As a top-up to the DDEG for Economic Infrastructure, the LGEF will be used as pilot for Trade, Industry and Local Economic Development Grant and the Investment menu with therefore include business environment improvement infrastructure projects. All investments submitted for finance should have a demonstrable impact on social and economic empowerment of young people and women. In addition, capital investments and other development activities may be implemented in both rural and urban areas as agreed with the relevant Town Council and on the condition that such investments strengthen rural-urban linkages, improve markets for agricultural production, and create additional social and economic opportunities for young people and women.

The table below provides details of LGEF investment menu, provides indicative lists of capital investments for trade promotion and business environment improvement and which may or may not be funded under the sector development budget from central government grants.

TABLE 6: CAPITAL INVESTMENTS

SECTOR	INDICATIVE POSITIVE LIST	INDICATIVE NEGATIVE LIST
Works & Transport	<ol style="list-style-type: none"> i. Rehabilitation and/or construction of district roads and/or urban with associated infrastructure ii. Construction or rehabilitation of foot paths, culverts and bridges iii. Street lights (urban areas) iv. Urban Solid and liquid waste management v. Urban transport (bus/taxi/lorry parks) vi. Urban beatification (public parks, play grounds, urban landscaping etc.) 	<ul style="list-style-type: none"> • Rehabilitation and/or construction of national roads within the district • Procurement of heavy plant or road equipment such as motor vehicles, tractors, graders
Agriculture, Trade Commercial Services	<ol style="list-style-type: none"> i. Small-scale communal valley dams for livestock watering with a watering trough or a cattle crush. ii. Small level irrigations systems in drought prone areas for communal use, irrigation demonstration centres at small scale iii. Construction of slaughter slabs and abattoir, Livestock markets, Communal cattle dips iv. Equipment to support tests for emergent Avian flu or influenza outbreaks among poultry cattle v. MIS to support data management for farming produce, SMEs and other value addition and trade aspects as they evolve. vi. Demonstration fish ponds, fisheries landing sites, cool chains for landing sites, fish drying kiln vii. Market structures viii. Group marketing facilities such as storage ix. Plant clinics/mini laboratories 	<ul style="list-style-type: none"> • Large scale valley dams • Farmer Institutional Support Services • Large scale Training centres • Specialist Farmer field schools – which should be at this stage co-ordinated by the centre

SECTOR	INDICATIVE POSITIVE LIST	INDICATIVE NEGATIVE LIST
Water and Environment	<ul style="list-style-type: none"> i. Water sources/points: <ul style="list-style-type: none"> a. protected springs; b. shallow wells, c. boreholes (hand pump, motorised) d. piped water supply system (GFS, borehole pumped, surface water) e. communal water harvesting systems ii. Public toilets iii. Sewerage disposal iv. Solid waste management 	<ul style="list-style-type: none"> • Household toilets • Household water harvesting systems/tanks; • Drainage/storm water drains • Cross-district piped water systems • Drainage/storm water drains • Cross-district piped water systems
Social Development	<ul style="list-style-type: none"> i. Facilities: <ul style="list-style-type: none"> a. Community / Training Centres and business centres b. Public libraries c. Reception Centres ii. Purchase of processing machinery and Equipment's iii. Community tourism centresWWWW 	<ul style="list-style-type: none"> • Transport: Motor Vehicles

TABLE 7: CAPITAL INVESTMENTS FOR ADMINISTRATION

SECTOR	INDICATIVE POSITIVE LIST	INDICATIVE NEGATIVE LIST
Public Sector Management / Administration	<ul style="list-style-type: none"> i. Community and Governance centres ii. Equipment for administrative offices iii. Solar systems, generators, extension of grid power to administrative offices and business centres 	<ul style="list-style-type: none"> i. Purchase of vehicles for officers who are not entitled ii. Purchase of military equipment. iii. Non-capital items.

TABLE 8: OTHER DEVELOPMENT ACTIVITIES

SECTOR	INDICATIVE POSITIVE LIST	INDICATIVE NEGATIVE LIST
Agriculture/ Commercial Services	<ul style="list-style-type: none"> i. Provision of support to community-based multiplication of planting and stocking materials ii. Support to community hatcheries for fish fry and fingerlings iii. Establishing commodity outlet centres for bulking; value addition; grading; packaging and branding of farmer produce including appropriate small milk cooling plants iv. Establishing information centres to enhance information flow (market and other general information). 	<ul style="list-style-type: none"> i. Procurement of vaccines

5.3 WOMEN AND YOUTH EMPOWERMENT

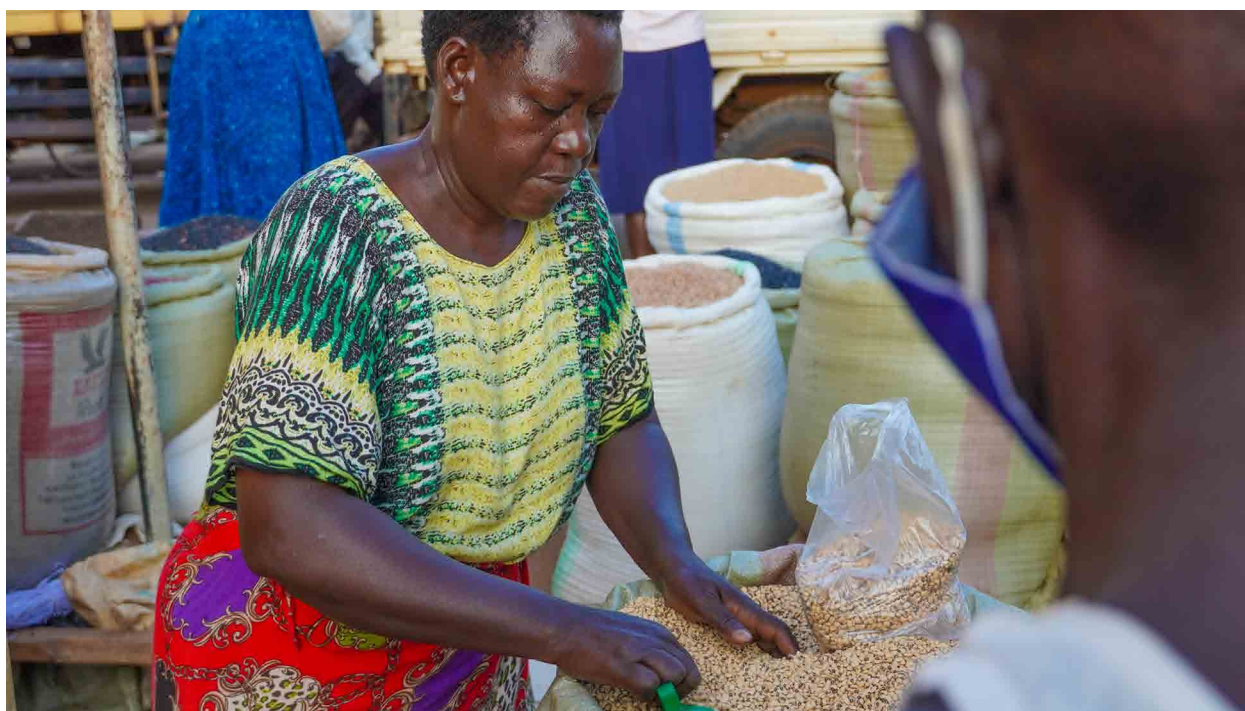
Women and youth are a very critical group for socio-economic transformation and attainment of Middle income status. The youth constitute about 77% of the population and are a great opportunity for increased production and productivity. Yet youth unemployment rate remains high at 9%⁶. While the women constitute about 51% of the population.

DINU takes into account that:

- i) Women have a key role in the socio-economic sphere in Northern Uganda, both as potential entrepreneurs, and as key drivers in addressing food insecurity and poor nutrition; and
- ii) Northern Uganda's population is set to double by 2040, presenting massive poverty reduction and job creation challenges, necessitating a focus on youth.

DINU specifically seeks to empower women and youth on various dimensions, and the LGEF follows the same approach by integrating women's and youth's social and economic empowerment into the LGEF capital investments and other development activities.

Capital investments and other development activities should be designed to maximize the access of women and young people to the benefits of roads, telecommunications, energy and water. Such investments and activities should help women to carry out everyday chores more efficiently, such as the supply of piped water, free up time for educational opportunities, productive work, and participation in community life and decision making. Improving rural roads, transportation facilities and services increases rural women's mobility and can increase their productivity and income by easing access to markets, reducing post-harvest loss of perishable goods. Improvements to rural water and irrigation systems and transportation infrastructure reduce the amount of time women spend on arduous tasks such as fetching water and tending family crops. These investments will bring returns in the form of increased women's engagement in market-based activities and greater productivity. Women's unpaid work, particularly in the care economy, needs to be given greater attention. Reducing and redistributing women's unpaid work by improving access to infrastructure and technology is an important aspect of women's empowerment.



⁶ Uganda Bureau of Statistics: Uganda National Household Survey, 2016/17

TABLE 9: EXAMPLES OF ELIGIBLE INVESTMENTS

INVESTMENT AREAS	INDICATIVE ACTIVITIES
CAPITAL INVESTMENTS FOR SERVICE DELIVERY	
Economic activities by women and young people (works, transport, agriculture, water and environment)	<ul style="list-style-type: none"> • Construction or rehabilitation of roads, culverts and bridges that connect areas where economic activities by women and young people take place • Street lights to support economic activities of women and young people • Construction of market facilities for women and young people • Construction and equipment of demonstration farms/ponds targeting women and youth groups • Other investment projects structured as PPPs with the participation of women and young people
CAPITAL INVESTMENTS FOR ADMINISTRATION	
Rehabilitation/construction and equipment	<ul style="list-style-type: none"> • Community centres for women and young people • Equipment to facilitate outreach and activities targeting women and young people, such as collection and analysis of relevant data, provision of education and information services, etc.
OTHER DEVELOPMENT ACTIVITIES	
Economic activities by women and young people (works, transport, agriculture, water and environment)	<ul style="list-style-type: none"> • All activities from the indicative positive list, particularly those that target women and young people to encourage their engagement in agriculture and commerce, support to information centres to enhance information flow, etc.

5.4 CO-FINANCING WITH MARKET-BASED FUNDS

To increase the leverage of the LGEF funds, the participating LGs may use market-based finance provided by development or commercial lenders or private business entities.

The first decision to be made by the LG is whether an infrastructure project can and should be financed from internal or external funds. External funds (unless they come as grants) have a cost, and the municipality needs to decide if this cost is affordable given the nature of the infrastructure to be financed. The projects likely to be financed with market-based funds include revenue-generating projects and larger infrastructure projects that cannot be financed from regular LG resources. Even when the decision is taken to tap into market-based funds, the LG should explore options for hybrid finance that combine own-source revenues and grants with external equity and debt.

Once the decision on funding with market-based capital has been made, the district LG must consider the following two options:

- i) Borrowing from financial institutions or specialized development banks; and
- ii) Engaging private sector participation through contracts, leases, and concessions

Borrowing from financial institutions, particularly for smaller projects, may be the most straightforward option, particularly when a hybrid financing structure is employed. Local governments in Uganda are legally allowed to borrow under the Local Governments Act but their borrowing capacity is limited by the Fifth Schedule of the said Act to 25 percent of the locally generated revenue provided that a local government council demonstrates ability to meet its statutory requirements. Given the current financial position of most local governments, borrowing against the LG balance sheet (revenues) will not result in a substantive financial leverage and may be suitable for only small-scale projects.

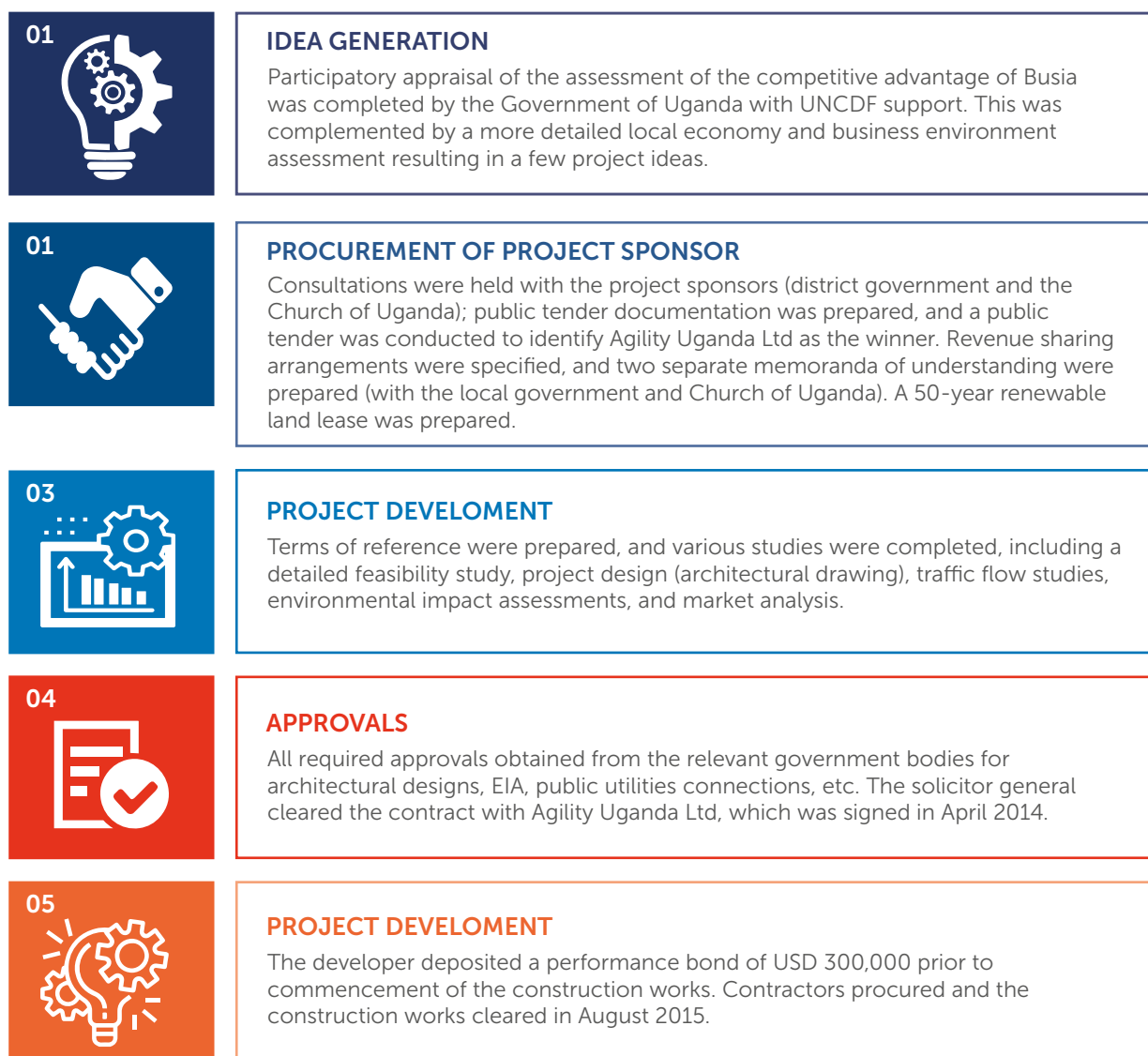
For larger projects, local governments may choose between two options:

- i) Borrowing through a project company (Special Purpose Vehicle, SPV) that has a separate and distinct legal personality from the LG, or
- ii) Meeting the financing requirement for a project without borrowing through a private partner contribution, either to an SPV or a joint venture.

In the first option, the LG establishes a wholly or partly owned company; in the second option, the LG enters into an agreement with a private sector entity. Both options involve transfer of certain LG resources or right of use to a different entity (either a newly formed SPV or a private partner) and will require applications of the provisions of the Public-Private Partnerships Act of 2015.

The diagram below demonstrates the key steps in the development of a co-financing scheme with the private sector using the example of a multi-purpose parking project in Busia implemented in a partnership between the Busia Municipality, Church of Uganda and a Private Investor.

FIGURE 1: STEPS IN THE DEVELOPMENT OF A JOINT VENTURE



Development and structuring of projects that allow the use of market-based finance require specialised expertise and technical assistance. Such assistance will be delivered by UNCDF to the participating LGs as part of the DINU implementation.

The projects that can be funded using external finance will be identified at the beginning of the programme to allow enough time to their development, structuring and securing of external finance. Such projects:

- i) Should be compliant with the budgeting requirements for capital investment projects for service delivery (Section 6.2), and
- ii) Must reach financial closure at least one year prior to the completion of the programme to allow for adequate post-investment support for these projects.



CHAPTER 6:

LGEF PLANNING



The participating Local Governments will be responsible for planning for LGEF Projects with support of the Ministry. Identification of priorities shall be informed by the Local Government Development Planning process. The participating LGs will make deliberate effort to secure, promote and build partnerships in the planning and implementation of the LGEF projects.

6.1 PLANNING PRINCIPLES

Bottom-up planning

LGEF grant planning shall be in accordance with the governments' decentralization policy. To this end, all beneficiary LGs are expected to derive their investment priorities through bottom-up consultative planning, in accordance with the harmonized participatory planning guidelines and the regular annual planning processes that run from November to June.

Additionality

In planning for the LGEF grants, LGs should not duplicate activities funded under other grants, or by development partners. The LGEF grant is meant to augment rather than replace ongoing activities. LGs are strongly urged to collaborate closely with the respective line ministries and other Implementing Partners in their areas to ensure that there is no duplication. Special attention should be paid to aligning LGEF investments with the other DINU activities in the same LG to improve synergies and create economies of scale.

Adherence to national and sector standards

In all cases LGs must adhere to the national planning guidelines, as the Local Government Development Planning Guidelines and national and sector standards regarding the nature and specification of various investments/processes they plan to undertake using LGEF grants. Sector line ministries shall ensure that the guidelines prescribing the required standards are being followed, as they review the LGs' annual LGEF work plans.

Functionality

LGs are required to ensure that complementary aspects that make the existing investments functional, such as staffing and provision of recurrent items, are given priority in resource allocation. Additionally, all new infrastructure investments must be comprehensively planned, making provisions for all the required components to ensure that they will be functional once finalized. On staffing issues LGs are advised to consult with the sector line ministries to see if provisions have been made in the wage bill to cater for new staff to run the new facilities. In addition, the LGEF work plans must be accompanied by a resettlement and compensation plan in the case of those projects in which people will be displaced, lose income, livelihood, assets, shelter or access to means of income.

Co-financing

LGs are encouraged, where appropriate, to mingle LGEF funds with other sector and unconditional grants as recommended for the DDEG. The objective is to ensure a greater impact of the projects by increasing their scale. For example, a larger community center or a road may be built using LGEF and DDEG funds, etc. In all such cases, the LGEF contribution should be clearly defined and separated from other fund sources to ensure proper financial reporting. The LGs may also complement LGEF funds with market-based finance as explained above.

Assistance will be provided to the participating LGs to incorporate the proposed LGEF investments in the District Development Plan and their medium-term capital investment plans. Furthermore, the LGs will be assisted in the elaboration of their financing strategy aligned with the other DINU interventions, primarily revenue mobilization initiatives. The LG financing strategy will identify sources of finance for proposed capital investments in the form of grants, loans or private sector co-financing depending on the nature of the project as well as specific actions required to secure the required external capital. The LG financing strategy will be then reflected and operationalized in annual plans and budgets.

CHAPTER 7:

PROCUREMENT

Procurement can be referred to as the process of acquisition of goods, works and services to satisfy identified needs in the right quantity, quality, time, source and price. All LGEF procurement shall be undertaken as per Government of Uganda PPDA policies and standards. The Local Governments are the Procuring entities for the LGEF projects. All Officers who shall participate in the Procurement process shall demonstrate a high degree of transparency, ethics and integrity.

7.1 PRINCIPLES OF PUBLIC PROCUREMENT

The basic principles for procurement of goods, services and works are:

- a) Promotion of transparency, accountability and fairness;
- b) Achievement of value for money;
- c) Keeping confidentiality until successful bidder is notified of the award;
- d) Following the existing code of conduct;
- e) Use of open competitive bidding;
- f) Public accessibility; and
- g) Award to best evaluated offer

7.2 PROCUREMENT UNDER LGEF

Procurement at Local Government Level

The procurement office and the procurement panels at the LG level shall be responsible for the procurement function. The Procurement panels have the powers to award contracts for works, services and goods and to decide on the disposal of assets within their area of jurisdiction. However, there must be value for money.

Procurement Planning

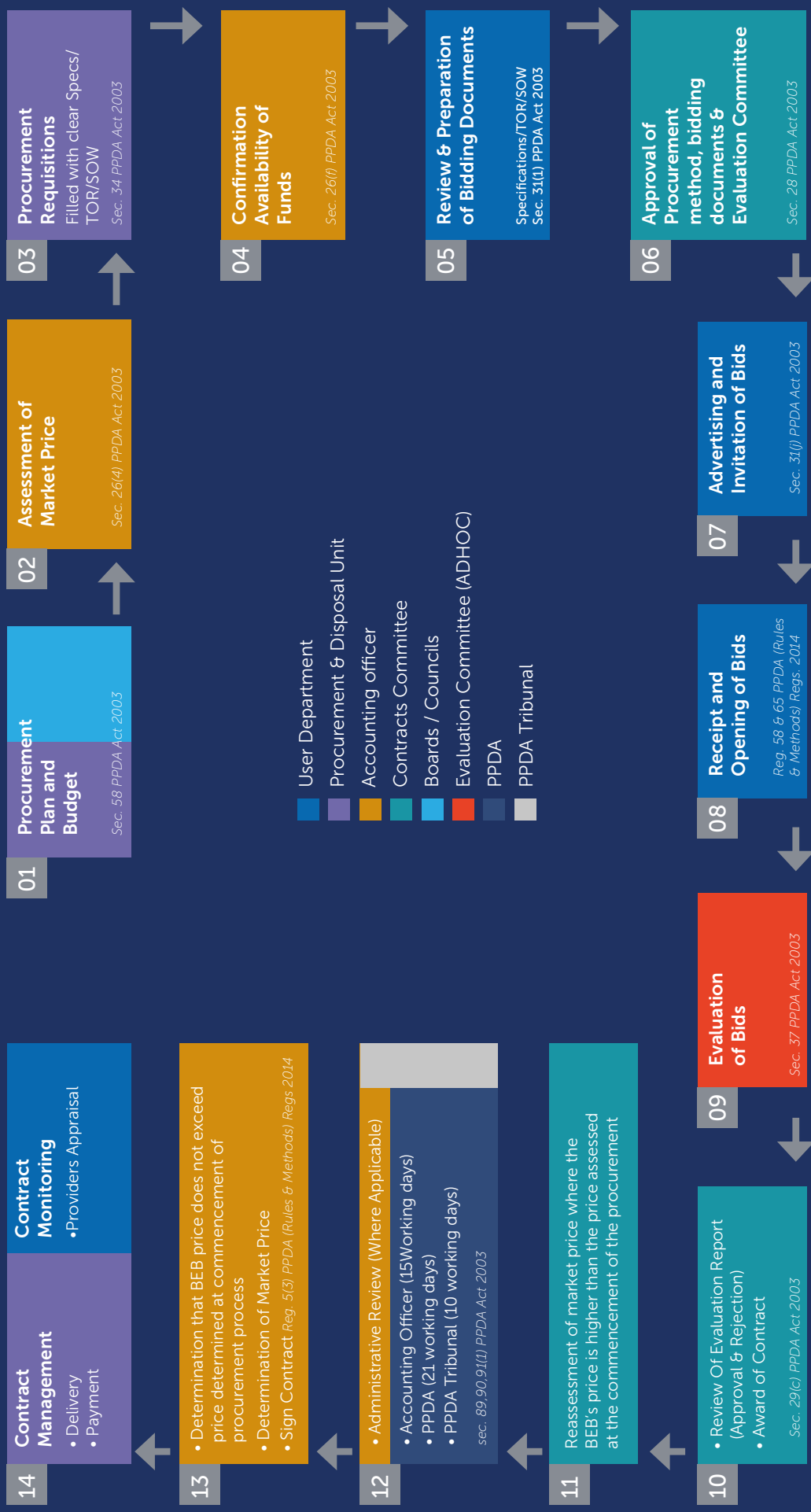
Procurement planning starts with identification of procurement needs. Each Department within the LG identifies the required goods, services and works and prepares a procurement plan for the department. The Procurement Office prepares a consolidated LG procurement plan which is approved by the District Council as part of the approved development plan.

Procurement Cycle and Roles and Responsibilities of Stakeholders

The Procurement cycle and roles and responsibilities of Stakeholders as set forth by the PPDA shall apply to procurements under the LGEF. Please see chart below.

ROLES AND RESPONSIBILITIES IN THE PROCUREMENT CYCLE

PPDA / 07



Note: In case this cycle is not adhered to, please inform the Accounting Officer or PPDA



PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS AUTHORITY

Plot 37 Nakasero Road, UEDCL Towers 5th Floor | P.O Box 3925 Kampala, Uganda | +256-414-311100 | www.ppda.go.ug

Sample Procurement Plan

.....LG

FY.....

Item/ Description	Qty	Procurement Method	Procurement Process schedule							CoWs/S	Estimated amount	Contracted Amount
			Bid docs prepared	TOR	Adv.	BO	TE	CA	D			

CoWs/S – Certificate of Works/Services **BO** – Bid opening **D** – Delivery/implementation
TOR – Terms of Reference **TE** – Technical Evaluation
Adv. – Advert **CA** – Contract Award

Procurement Implementation

The LG Procurement Units shall liaise with the relevant heads of departments in drafting the bid documents as well as contract administration.

The LG Procurement Units shall be responsible for quality assurance and procedure adherence of all procured documents prior to presentation to the procurement panel for approval or contract award.

The Procurement method for each particular contract shall depend on the threshold and category

Tendering Process

There are different methods of tendering;

- i) **Non-competitive procurement (single tender):**
- ii) **Open tendering:** An invitation to tender has to be announced, and all interested tenderers shall be given an equal opportunity to participate.

Invitation to tender shall bind tenderers to submit the following documents:

- tax clearance certificate
- trader’s license
- bid security (1% or 2% of tender price)
- signed certificate of site inspection
- power of attorney
- joint venture agreement where the bidders have formed a joint venture
- any other document that is deemed necessary depending on the type of work or service to be provided
- date of site visit, closing date and date of tender opening

Supervision of LGs in respect to the Procurement Function

PPDA working with MOLG shall conduct annual audits of Procurement in LGs. MoLG shall also be at the disposal to LGs for the provision of technical guidance in Procurement as may be required.

Disposal of Assets procured

All LGEF Assets belong to the respective participating LG and shall be disposed-off using Government of Uganda PPDA policies and rules.

CHAPTER 8:

INSTITUTIONAL IMPLEMENTATION ARRANGEMENTS



The LGEF leverages support from different stakeholders who play different roles. This section therefore elaborates the mandates, roles and responsibilities of the various stakeholders

8.1 LOCAL GOVERNMENTS

District LGs will be responsible for planning, budgeting, implementing and reporting on Program funded activities, consistent with their mandate under the LGs Act CAP243. The Chief Administrative Officers will be responsible for implementing and reporting on the LGEF activities, with support from the district technical planning committee (heads of departments). Town clerks and the municipal technical planning committee will be engaged in planning, budgeting and implementation of projects in urban areas and will report to the district LG. District councilors (as well as municipal councilors where appropriate) will monitor LGEF implementation and provide oversight functions at the district level.

The LGs will coordinate all actors including Civil Society Organizations (CSOs), the Private sector and Community.

Participating Communities: A Project Management Committee (PMC) will be constituted for each Project by the Local Government in line with terms of reference here attached as Appendix 4.

Civil Society Organizations (CSOs): The Local Governments shall leverage complementary resources from CSOs for the LGEF projects. Such complementary resources may be towards widening the scope of a project funded by LGEF or provision of other requisite facilities or components not funded by the LGEF but are critical for the functionality and viability of the project.

Private Sector: The Private sector will participate in provision of goods and services for the LGEF projects.

The Local Governments shall leverage complementary resources for the LGEF projects through Public Private Partnerships (PPP). Such complementary resources may be towards widening the scope of a project funded by LGEF or provision of other requisite facilities or components not funded by the LGEF but are critical for the functionality and viability of the project.

8.2 MINISTRY OF LOCAL GOVERNMENT

Specifically, MOLG as the coordinating agency will have the following roles with respect to the LGEF grant is to:

- i) Provide overall guidance on LGEF implementation for incorporation in the annual budget framework (BFP) paper preparation guidelines issued by MoFPED;
- ii) Provide LGEF grant initial planning figures (IPFs) for incorporation in the BFP Medium Term Expenditure Framework (MTEF) prepared by MoFPED;
- iii) Co-ordinate the submission of detailed LGEF project concept notes, work plans and budgets by the participating LGs;
- iv) Ensure LG compliance with the LGEF guidelines and GoU accountability standards;
- v) Co-ordinate the submission of quarterly and annual progress reports by implementing LGs;
- vi) Request UNCDF to release LGEF allocations;
- vii) Monitor LGEF implementation at LG level in conjunction with Sector line Ministries;
- viii) Produce and submit to UNCDF within three months of the beginning of each new; fiscal year an annual Program report which will provide information on the following:
 - a) Summary of the LGs assessment results and the corresponding disbursed amounts; and
 - b) Summary of aggregate Program expenditures and infrastructure delivered by LGs.

8.3 SECTOR LINE MINISTRIES

All development allocations under the LGEF shall adhere to sectoral requirements set out in the respective sector policies and guidelines. The respective sector ministries shall play key functions to ensure the proper management and utilisation of the LGEF allocated to their sectors alongside sector development grants and funding from other revenue sources.

The Ministry of Finance, Planning and Economic Development (MoFPED) and the Office of the Auditor General (OAG) will also play significant roles in Program implementation. MoFPED will be responsible for ensuring that Program resources are budgeted for and disbursed within the National Medium-Term Expenditure Framework (MTEF), while the OAG will ensure that the Program audit and the value for money audits are carried out.

8.4 UN CAPITAL DEVELOPMENT FUND

The UNCDF team will be responsible for:

- i) Overall fiduciary responsibility to the EU Delegation for the use of LGEF funds.;
- ii) Development and timely issuance of the memoranda of understanding and letters of agreement to enable the functioning of the LGEF and timely release of funds;
- iii) Reporting to the European Union as per the Delegation Agreement;
- iv) Reviewing implementation progress and achievement of the LGEF results;
- v) Providing support for implementation issues as well as institutional capacity building;
- vi) Monitoring systems performance to ensure their continuing adequacy through LGEF monitoring reports, audit reports, as well as field visits; and
- vii) Monitoring changes in risks to the LGEF and compliance with legal agreements and, as needed, the DINU Programme Document.

CHAPTER 9:

PROJECT MONITORING



The Program will be monitored and reported on using the existing Government systems. Key elements of the monitoring and reporting structure during implementation will include regular reports from district LGs to UNCDF, MoFPED, OPM, MoLG and MoTIC, annual performance assessments, value for money audits, and the mid-term review report.

Below is a table outlining the monitoring framework for the LGEF.

9.1 DINU MONITORING PROCESS

TABLE 10: KEY ELEMENTS FOR MONITORING

WHAT IS MONITORED	PURPOSE OF MONITORING	WHO MONITORS	WHEN TO MONITOR	WHEN TO SUBMIT REPORT	SUBMIT TO WHO
i) Communication of Indicative Planning Figures (IPFs)	To establish whether beneficiaries are aware of their budget envelope for Capital Development. This will enable them to plan realistically within the available resources	CAO/TC, CFO Planner	December/ January	January	DISTRICT COUNCIL
ii) Funds disbursement	To establish whether LGEF are disbursed to District & Sub- Counties on timely basis and in a systematic manner	CAO/TC & SC Chief/ TC/ATC	On Quarterly basis	When at least 75% of initial release has been expended.	SC/TC/DIV Council, District /TC Council
iii) Performance of the Development Plan	To review the performance of the Plan in respect of its base year so as to use it as a basis for rolling it over to the next Planning period	CAO/TC, CFO, Planner	April/May	May	District/Municipal Council
iv) The Planning Process a) Performance of the previous year b) Community participation by sex c) Community priority needs and identified projects d) Community and SC Projects approved by the SC Council e) Compliance of approved investments (Parish, SC & District investments) to Schedule 2 of the LG Act 1997 f) Balanced budget g) Operation and maintenance system for investments h) Functional District Technical Planning Committee (DTPC) & functional SCTPC	To ascertain the level of community participation in planning; community priority needs; compliance to the LG Act 1997 and sustainability of the planned investments	DTPC	January - May	May	District Council, PMU

WHAT IS MONITORED	PURPOSE OF MONITORING	WHO MONITORS	WHEN TO MONITOR	WHEN TO SUBMIT REPORT	SUBMIT TO WHO
v) Procurement – Compliance to the Public Procurement and Disposal of Assets (PPDA) Rules and Regulations	To establish compliance to the PPDA regulations	Internal Auditor	Quarterly (September, December, March, June)	Quarterly	CAO Council
vi) Implementation: a) Certification b) Progress of investments (whether on schedule or not) c) Budget performance (whether projects are within budget or not) d) Reasons for delays and Cost Deviation e) LGEF Outputs (number of facilities being implemented or completed and their expenditure) f) Lessons learned g) Communication of lessons learned to stakeholders e.g. beneficiaries, implementers, policy makers; and h) Use of lessons to refine policies, laws, regulations, procedures	1. To assess whether technical supervision is done 2. To take inventory of projects progress and output and pick lessons for refinement of policies, laws and procedures.	DTPC and Municipal TPC	Quarterly (September, December, March, June)	Quarterly	District/Municipal Council, PST MoLG
vii) Financial Management and Accountability a) Books of accounts b) Quarterly Audit reports c) Final accounts d) LPO e) Stores system	To assess compliance to the PFM Act (2015); PFM Regulations (2016)	DTPC	Quarterly	Once a year in May	PMU
viii) Operation and maintenance of completed facilities	To establish whether the completed facilities are well utilised and well maintained	PMC DTPC	- PMC to monitor on routine basis - DTPC to monitor on Quarterly	Quarterly	District/Municipal Council, PMU

WHAT IS MONITORED	PURPOSE OF MONITORING	WHO MONITORS	WHEN TO MONITOR	WHEN TO SUBMIT REPORT	SUBMIT TO WHO
ix) Follow up action on remedial action for gaps identified during assessment, Mid Term Evaluation (MTR) and routine M&E	To find out whether action was taken to address the problem/gap	District /Municipal TPC	Quarterly	September December March June	District Council; PMU
x) Institutionalise M&E system, experiences & lessons	To capture & document experiences and lessons learned for onward submission to policy makers and stakeholders so that policies, laws and procedures are refined and performance improved.	District/Municipal TPC	Quarterly	September December March June	District/Municipal Council, CAO/TC
xi) Participation of the private sector	To establish the participation of the private sector in service provision and capacity building in LGs	District, Municipal TPC	Once a year	November	District/Municipal Council, CAO/TC
xii) Compliance to policies, laws, regulations and procedures.	To establish whether LGs are complying to the LG Act 1997; FAR 1998; policies & procedures	National Assessment Team (MoLG & partners)	May/June	June	Project Steering Committee; LGs
xiii) Mid Term evaluation (MTR)	To establish whether LGEF is meeting its objectives and contributing to overall goal of the DINU Programme – Consolidating Stability in Northern Uganda, Eradicate Poverty and Under-Nutrition and strengthen the foundations for sustainable and inclusive socio-economic development.	UNCDF	November/ December	December	UNCDF; MoLG; LGs

9.2 PARTICIPATION OF PRIVATE SECTOR

(To be compiled at the end of every calendar year in November)

TABLE 11: INVOLVEMENT OF THE PRIVATE SECTOR IN SERVICE DELIVERY

All works and services carried out Jan-Dec	Description of each undertaking	Total Project Cost	Comments	Information to be compiled by
A. List of services/works tendered out to private contractors				CAO; Director for Technical Services & CFO
B. Supplies by the private suppliers				CAO & CFO
C. Purchases of Supplies undertaken by the LG (without contracting)				CAO & CFO
D. List of services/jobs tendered out to Consultants/NGOs/CBOs and other civic societies				CAO & CFO
E. List of Services/works carried out by the LG staff (Force Account)				CAO & CFO
F. List of services & studies e.g. Training, research, designing, carried out by the LG staff				CAO; CFO & Personnel Officer or a CB activities designated staff

9.3 DISTRICT LGEF DISBURSEMENT SCHEDULE FOR FY----- - FORM X

TABLE 12: FORM X: DISTRICT LGEF DISBURSEMENT SCHEDULE FOR FY

Local Government (1)	LGEF IPF (2)	Quarterly Releases for FY -----				Total (7)	Balance 8
		Jul-sept (3)	Oct-Dec (4)	Jan-Mar (5)	Apr-Jun (6)		
District							
Total							

Prepared By :
 CFO/Treasurer :
 Date :

Approved By :
 CAO :
 Date :

9.4 FORM A: LGEF FINANCIAL SUMMARY SHEET A

TABLE 13: LGEF FINANCIAL SUMMARY SHEET A

MINISTRY OF LOCAL GOVERNMENT - LOCAL GOVERNMENT EXCELLENCE FUND				
FINANCIAL SUMMARY SHEET A				
(a) District				
(b) Program: LGEF				
(c) For the period to.....				
(d) Currency: (Uganda Shillings)				
(I)	(II)	(III)	(IV)	(V)
	Period Amount	Annual Budget	Year to date	Available Budget
(e) Opening Balance				
(f) Advance Received				
(g) Co-funding by LG				
(h) Available Funds	= (e) + (f) + (g)			
<u>Expenditure by Description</u>				
1. Fixed Assets (Min 95%)				
2. Invest Servicing costs (max 5%)				
3. Bank charges				
(i) Actual Expenditure	= 1 + 2 + 3			
(j) Closing Balance	= (h) - (i)			
(k) Outstanding Obligations				
(l) Planned Expenditure				
(m) Total requirements	= (k) + (l)			
(n) Less Closing Balance	= (j)			
(o) Advance Requested	= (m) - (n)			
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>.....</p> <p>Prepared by</p> <p>Date</p> </div> <div style="width: 45%; text-align: right;"> <p>.....</p> <p>Certified by Accounting Officer</p> <p>Date</p> </div> </div>				

9.5 ACCOUNTABILITY FORM C: PHYSICAL PROGRESS REPORTS

All LGs are required to submit Physical Progress Report (Form C1) that come every quarter and the project completion report (C2), which comes at the end of implementation of each project. This is to ensure that the PMU/MoLG can keep track of the progress being made by LGs in the implementation of the programme and account to partners of achievement of project goals and objectives. The forms/ templates shall be part of the accountability to be submitted by a LG before fund for the next quarter is released. The Physical Progress Report Form C is to be filled as part and parcel of the quarterly accountability and the project completion report will be completed at end of implementation of each project.

Form C-1: Progress Report Template

LGEF GRANTS TO LOCAL GOVERNMENT

Template Instructions: This reporting template has been prepared for LGEF to LGs

This template is intended to be used in conjunction with the LGEF manual and financial reporting template

This template is intended to provide local government with a consistent reporting template while detailing early results and documenting best practices and success. Not all information in this template will be required for all programs.

LOCAL GOVERNMENT DETAILS

LG Details	
Name of Local Government	<i>Text Here</i>
Council address	<i>Text Here</i>

CONTACTS

Principal contact person within Council			
First Name	<i>Text Here</i>	Sex (M/F)	<i>Text Here</i>
Surname	<i>Text Here</i>	Position	<i>Text Here</i>
Phone	<i>Text Here</i>	Email	<i>Text Here</i>

PROJECT DESCRIPTION

Project details			
Project (title)	<i>Text Here</i>		
Project Summary and scope	<i>Text Here</i>		
Project Start Date:	<i>Text Here</i>	Project End Date:	<i>Text here</i>

REPORTING PERIOD

Reporting Period			
Start of period	<i>Please provide: Date (month/ quarter)</i>	End of period	<i>Please provide: Date (month/ quarter)</i>

PROJECT COSTINGS

Project costings			
Total Project Cost (UGX)	<i>Please text here</i>	Project Funding contribution by LG and Other Partners (UGX)	<i>Please text here</i>
Actual Expenditure to Date (UGX)	<i>Please text here</i>	Total Project Co- Funding paid to date (UGX)	<i>Please text here</i>
Estimated Final Total Project Cost (UGX)	<i>Please text here</i>	Project co-Funding not yet paid (UGX)	<i>Please text here</i>

PROJECT PROGRESS

Project progress			
Estimated Project Commencement Date:	<i>Please put the date here</i>	Actual Project Commencement Date:	<i>Please put the date here</i>
Estimated Project Completion Date:	<i>Please put the date here</i>	Per cent of project complete (%)	<i>Please text here</i>
Project Performance	On track	Minor Risks	Major Risks
			Complete

Please provide a list of tasks/activities and scheduled completion dates from the approved project work plan. Also detail update of the estimated progress (as a percentage) and any relevant comments.

Project task/activity	Scheduled completion date	Progress - % complete	Status/comment

For each task/activity not completed by the planned completion date, or likely to be delayed, please describe any changes to the project schedule required.

Project task/activity	Revised completion date	Describe whether this change is likely to affect the overall project timeframe, scope or budget?	Has a variation request been (or will be) submitted? (include date submitted)
			Date: <input type="checkbox"/> Yes <input type="checkbox"/> No

List any other issues that have occurred during the reporting period that have impacted on project delivery.

Category	Issue	Describe how the issue is being managed/Action taken (include date)
Health/safety		
Weather event		
Environment		
Security and Conflicts		
Others (please specify)- Can also add rows below		

ESTIMATION OF EARLY RESULTS OF THE PROJECT:

(a) Number of jobs supported

Please provide details of the jobs during construction and following completion of project	
Construction	
No. Council Jobs	Please text here (Disaggregate data by Sex and Age (Youth/Adult)
No. Contractor Jobs	Please text here (Disaggregate data by Sex and Age (Youth/Adult)
No. New Business' attracted and No. of people employed	Please text here (Disaggregate data by Sex and Age (Youth/Adult)
Facility Operational	
No. Council jobs	Please text here (Disaggregate data by Sex and Age (Youth/Adult)
Contractor jobs	Please text here (Disaggregate data by Sex and Age (Youth/Adult)
New Business' attracted and No. of people employed	Please text here (Disaggregate data by Sex and Age (Youth/Adult)

(b) Business' facilitated by LGEF infrastructure projects

Please provide details of the business facilitated by the project following its completion	
No. of Existing business and indicate what has changed for them.	Please text here (Please disaggregate by type of business, sex of owner, Age of owner (Youth/Adult)
No. of New business attracted and indicated what has attracted them	Please text here (Please disaggregate by type of business, sex of owner and age of owner (Youth/Adult))

CONTRACTOR/THIRD PARTY PAYMENTS/FORECASTS

Please Indicate payments to contractors Vs level of constructions			Status (Paid/pending)	Comments
Forecast #	Future Claim Date	Claim Amount (UGX)		
Payment 1	Date			
Payment 2	Date			
Payments 3	Date			
Forecast Total				

PROJECT SIGNAGE AND ACKNOWLEDGEMENT OF FUNDING CONTRIBUTION BY PARTNERS

Has all construction and permanent signage been erected at the Project Site? <input type="checkbox"/> Yes <input type="checkbox"/> No		If signage has not been erected is an exemption being sought?	<input type="checkbox"/> Yes <input type="checkbox"/> No
		Has an exemption been granted?	
Provide status and comments:	Text here	Photographic evidence of plaque or other signage acknowledging the contribution of the partners- GoU, EU, UNCDF, LG and any other Partner	<input type="checkbox"/> Yes <input type="checkbox"/> No

DEMONSTRATION OF PROGRESS TO ACHIEVING GOALS OF DINU PROGRAM USING A CASE STUDY:

Please in the section provide one case study to demonstrate how the project is impacting lives of the communities(Use the guidelines provide here to include relevant photos)

GUIDELINES FOR CASE STUDIES

1. *Get a story among DINU project beneficiaries/community to show how the projects affected their lives.*
2. *Include a photo of the interviewed beneficiaries (preferably within their/his or their working environment).- Take as many photos showing respondent(s) practically emphasizing the above four mentioned aspects.*

Note: It is important to first create rapport!!

3. *The case study story should be based on interviews with selected beneficiaries. In particular, it is advisable to describe the situation of the selected beneficiaries before and after the intervention.*
4. *Highlight how the intervention has improved/changed their livelihood. It is important that beneficiaries come forth as unique individuals with specific experiences, needs, wishes and problems. To this purpose, the following information could be requested to the interviewees:*
 - i. *Name, age, occupation, family status (how many members? age?, etc.), geographical location of where they live/reside.*
 - ii. *Description of the land (size, land owned, sharecropped or leased) and/ or the livestock owned, crops grown, etc), incase its agriculture project support*
 - iii. *Description of their personal life before the intervention, difficulties faced (family needs, difficult in accessing market infrastructure and income situation, advocacy related challenges faced, production challenges, participation challenges, drought or environmental challenged, other social challenges Etc.) and impact of the disaster/challenges in their personal and family life.*
 - iv. *Details concerning the contribution of the project in their personal and family life or community and how the situation has changed. What has improved/worsened?*
 - v. *Information concerning the utilization of the surplus (saved, sold, re-invested, payments of debts and/or services).*
 - vi. *Description of their dreams and plans for the future. What do they want to achieve and for whom (themselves, their family, their children, their community etc.)?*
5. *Try to identify individual DINU programme beneficiaries that have an experience to share, do it willingly and are communicative.*
6. *Be on the look-out for innovative and interesting features; seek comments on issues that you personally have found to be particularly striking, or interesting.*
7. *Always ask interviewees if they want their testimonies to be published. Don't necessarily avoid descriptions of problems and failures (where possible give them to sign a consent form in this effect after sharing their experiences)*

MEDIA ENGAGEMENTS

Provide a summary of any project-related media and communications both during the reporting period and upcoming/proposed. Include relevant organization reports/newsletters/media releases/events. Attach copies of any media clips/documents to this report or provide web links. Add rows to tables if required.

Media/publications/events for reporting period				
Date	Media/publications/events	Copy sent to MOLG and UNCDF		Link
		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No	

Upcoming or proposed media/publications/events	
Date	Media/publications/events

AUTHORIZATION

On behalf of the Council, I certify that all details in this form (and any supporting documents) are true and complete.

Name of Authorized Person		Position	
Signature		Date signed	

PICTORIAL ILLUSTRATION OF PROGRESS:

PHOTO 1:

PHOTO 2:

PHOTO 3:

PHOTO 4:

PHOTO 5:

Form C-2: Project Completion Report Template⁷

LGEF GRANTS TO LOCAL GOVERNMENT

Template Instructions: This reporting template has been prepared for LGEF to LGs
This template is intended to be used in conjunction with the LGEF manual and financial reporting template
This template is intended to provide local government with a consistent reporting template while detailing early results and documenting best practices and success. Not all information in this template will be required for all programs.

LOCAL GOVERNMENT DETAILS

LG Details	
Name of Local Government	<i>Text here</i>
Council address	<i>Text here</i>

PROJECT DETAILS

Project details	
Project (title)	<i>Text here</i>
Project description	<i>Text Here - Please here detail the key deliverables of this project</i>

CONTACTS

Principal contact person within Council			
First Name	<i>Text here</i>	Sex (M/F)	<i>Text here</i>
Surname	<i>Text here</i>	Position	<i>Text here</i>
Phone	<i>Text here</i>	Email	<i>Text here</i>

PROJECT COMPLETION DATES

Project dates	
Estimated Project Completion Date	<i>Text here</i>
Actual Project Completion date	<i>Text here</i>
Explanation for Variance, if any	<i>Text here</i>

⁷ This should be completed for every project that has been completed and launched

PROJECT FUNDING

Breakdown of project costs (include all funding sources)	Amount at time of Project Concept stage (UGX)	Actual at project completion (UGX)
Total Project Cost ((a)+ (b)+ (c)	<i>Text here</i>	<i>Text here</i>
(a) DINU Contribution	<i>Text here</i>	<i>Text here</i>
(b) Total Third Party Contributions (please specify contributor details and 'actual' amounts in table below)	<i>Text here</i>	<i>Text here</i>
(c) Total contribution by LG	<i>Text here</i>	<i>Text here</i>
Please provide explanation for variation if any in project cost at inception and completion	<i>Text here</i>	

Third Party Contributions (actual at project completion)		
<i>Please indicate sources and value of all funding contributions to the project. Do not include in-kind contributions in this section</i>		
Name of Contributor (Entity contributing funding)	Description of contribution (e.g. grant, loan, etc.)	Amount (UGX)
<i>Text here</i>	<i>Text here</i>	<i>Text here</i>
<i>Text here</i>	<i>Text here</i>	<i>Text here</i>
<i>Text here</i>	<i>Text here</i>	<i>Text here</i>
Total other Third Party Contributions		

PROJECT OUTCOMES

Project outcomes	
<i>In this section please provide a description of achievements of outcomes and impact of the project. Could undertake an internal evaluation /measure of these achievements and should be summarized here. Be sure to indicate impact on jobs, business environment, household incomes, women and youth empowerment, impact on climate change, peace& security and poverty reduction</i>	<i>Text here</i>

RISKS AND ISSUES

List any risks and/or issues that occurred and had significant impacts on the project. Provide statements of how any risks/issues were managed.

Category	Risk	Mitigation Strategy implemented
Health/safety	<i>Text here</i>	<i>Text here</i>
Weather event	<i>Text here</i>	<i>Text here</i>
Environment	<i>Text here</i>	<i>Text here</i>
Security and Conflicts	<i>Text here</i>	<i>Text here</i>
Others (not listed above, please specific- Can add rows below)	<i>Text here</i>	<i>Text here</i>

PHOTOGRAPHS OF COMPLETED WORKS

Provide at least three (3) colour photographs of the completed works or attach copies.	
--	--

PROJECT SIGNAGE AND ACKNOWLEDGEMENT OF FUNDING CONTRIBUTION

Confirm all construction and permanent signage has been erected at the Project Site?	<input type="checkbox"/> Yes
Provide a photograph of the plaque or other permanent sign acknowledging the project partners	<input type="checkbox"/> Attached

MEDIA AND COMMUNICATIONS

Provide a summary of any project-related media. Include relevant reports/newsletters/media releases/events. Attach copies of any media clips/documents to this report or provide web links.

Add rows to tables if required.

Media/publications/events for reporting period	
Date	Media/publications/events

Upcoming or proposed media/publications/events	
Date	Media/publications/events

RECOMMENDATIONS/COMMENTS (INCLUDING LESSONS LEARNT)

Recommendations or comments as a result of undertaking the project.	<i>Text here</i>
How can we use the lessons learnt from the project to improve LG planning, Implementation and monitoring?	<i>Text here</i>
Describe lessons learnt during the project.	<i>Text here</i>

PROJECT CASE STUDY TO DEMONSTRATE ACHIEVEMENT OF GOALS OF DINU PROGRAM

<p>Please in the section provide one case study to demonstrate how the project is impacting lives of the communities or improving practices in LGs (Use the guidelines provide here to include relevant photos)</p>	<p>GUIDELINES FOR CASE STUDIES</p> <ol style="list-style-type: none"> 1. <i>Get a story among DINU project beneficiaries/community to show how the projects affected their lives.</i> 2. <i>Include a photo of the interviewed beneficiaries (preferably within their/his or their working environment). - Take as many photos showing respondent(s) practically emphasizing the above four mentioned aspects.</i> <p>Note: It is important to first create rapport!!</p> <ol style="list-style-type: none"> 3. <i>The case study story should be based on interviews with selected beneficiaries. In particular, it is advisable to describe the situation of the selected beneficiaries before and after the intervention.</i> 4. <i>Highlight how the intervention has improved/changed their livelihood. It is important that beneficiaries come forth as unique individuals with specific experiences, needs, wishes and problems. To this purpose, the following information could be requested to the interviewees:</i> <ol style="list-style-type: none"> i. <i>Name, age, occupation, family status (how many members? age?, etc.), geographical location of where they live/reside.</i> ii. <i>Description of the land (size, land owned, sharecropped or leased) and/or the livestock owned, crops grown, etc), incase its agriculture project support</i> iii. <i>Description of their personal life before the intervention, difficulties faced (family needs, difficult in accessing market infrastructure and income situation, advocacy related challenges faced, production challenges, participation challenges, drought or environmental challenged, other social challenges Etc.) and impact of the disaster/challenges in their personal and family life.</i> iv. <i>Details concerning the contribution of the project in their personal and family life or community and how the situation has changed. What has improved/worsened?</i> v. <i>Information concerning the utilization of the surplus (saved, sold, re-invested, payments of debts and/or services).</i> vi. <i>Description of their dreams and plans for the future. What do they want to achieve and for whom (themselves, their family, their children, their community etc.)?</i> 5. <i>Try to identify individual DINU programme beneficiaries that have an experience to share, do it willingly and are communicative.</i> 6. <i>Be on the look-out for innovative and interesting features; seek comments on issues that you personally have found to be particularly striking, or interesting.</i> 7. <i>Always ask interviewees if they want their testimonies to be published. Don't necessarily avoid descriptions of problems and failures (where possible give them to sign a consent form in this effect after sharing their experiences)</i>
---	--

SUPPORTING DOCUMENT CHECKLIST

Indicate which documents referred to in the above sections are attached to this report

<input type="checkbox"/>	Colour photographs of the completed works
<input type="checkbox"/>	Photograph of plaque or sign acknowledging the contribution of the Queensland Government
<input type="checkbox"/>	Copies of Media clips...
<input type="checkbox"/>	Other

REPORT APPROVAL

	I certify that: <ul style="list-style-type: none"> the information contained within this report and its attachments is true and correct the approved project has been completed in accordance with the MoU the Project Funding has been expended in accordance with the MoU 		
Name of Authorized Person		Position	
Signature		Date signed	

ATTACHMENTS

PROJECT PROFILES (VOLUME II)

1. General Project Information:

1.1 Title of the Project:

1.2 Acronym:

1.3 District\Municipalities:

Sub Counties/Division:

1.4 Total Project Cost:

1.5 Sector:

Subsector:

1.6 Reference/Contact Person and personal contacts details:

1. Brief Description of the Project/Summary

[Provide a brief description of the project, including a background, situation analysis (what problems/challenges exist that the project is going to address), objectives, expected outcomes, revenue generation and profits, developmental impact(s) to affected communities]

2. Strategy

Project rationale and implementation Approach

- i) You must include a description of how the project contributes to achievement of DINU overall goal to consolidate stability in Northern Uganda, poverty reduction and under-nutrition and strengthening the foundations for sustainable and inclusive Socio-economic development;*
- ii) Describe how the project is linked to or will contribute to the interventions in the District Plan*
- iii) Describe why the should be implemented and how it will be implemented*

3. Project Results

- i. Project overall goal and objectives*
- ii. Project Outcomes, Outputs and Activities*

4. Cross-cutting issues:

- i) Describe how the project contributes to Economic Empowerment of Youth and Women*
- ii) Describe how the project contributes to Climate change resilience and adaptation*
- iii) For districts with refugees, explain how the project will impact on the refugees in your district*

5. Sustainability of the results

Describe how the project results/outcomes will be sustained both institutionally, financially and technically

6. Partnerships:

Describe how the project will contribute to building of partnerships at the local level

7. Project Management and Implementation

8. Results and Resources Framework

Intended outputs	Output targets for years	Indicative activities	Responsible partners	Budget (UGX)	Source of Fund

9) Annual workplan and Budget

EXPECTED CP OUTPUTS and indicators including annual targets	PLANNED ACTIVITIES <i>List all activities to be undertaken during the year towards stated outputs</i>	Timeframe	Planned Budget	Schedule of payments	

10. Value for money analysis

11. Visibility and outreach

12. Monitoring framework and Evaluation

13. Assumptions and Risks

APPENDIX 1: LGEF PROJECT PRIORITISATION GUIDELINES

LOCAL GOVERNMENT EXCELLENCE FUND PROJECTS IDENTIFICATION AND PRIORITISATION METHODOLOGY

Background

The Local Government Excellence Fund (LGEF) is a top-up to the Discretionary Development Equalization Grant (DDEG). The overall objective of the LGEF is to provide incentives for improved performance of the beneficiary Local Governments as a catalyst to promote effective and efficient Public Service Delivery. The fund benefits nine Local Governments namely: Amudat, Amuria, Omoro, Otuke, Yumbe, Zombo, Napak, Kole and Agago.

The LGEF is disbursed using existing government systems. Access and utilization of the fund is based on performance of the Local Governments during the Government Annual Performance Assessment of LGs. Notwithstanding performance, LGs are required to invest the fund in transformative Public goods and services with emphasis on social and economic empowerment of women and youth; and Climate resilience projects. The projects funded using the LGEF shall be generated through a participatory and inclusive process.

Local Governments are required to generate Work Plans, Budgets and Project Proposals which are submitted to the Ministry for approval. After approval of the Work Plans, Budgets and Project Proposals, the districts will request for the funds from UNCDF through the Ministry of Local Government. UNCDF will then disburse the funds direct to the District General Account.

The LGEF is currently being implemented under the Development Initiative for Northern Uganda (DINU) Program- a flagship Programme under the 11th European Development Fund (EDF). The overall objective of the Programme is *"To consolidate stability in Northern Uganda, eradicate poverty and under-nutrition and strengthen the foundations for inclusive and sustainable socio-economic development"*. The guidelines are designed to help the program stakeholders prioritize and select projects to be implemented under the LGEF.

LGEF Project Identification

Project identification process. Project identification results in a number of projects selected for further development and finance. Project identification is the initial step, which is designed to ensure that the projects taken for further development meet some pre-established criteria and are implementable. The projects identification process involves three distinctive steps:

A. Collection of project ideas.

In order to ensure the LGEF projects directly contribute to achieving the DINU Goal of - *consolidate stability in Northern Uganda, eradicate Poverty and Under-Nutrition and strengthen the foundations for inclusive and sustainable socio-economic development*, the LGEF projects need to focus on Public Goods and Services with emphasis on social and economic empowerment of women and youth; and climate resilience. The project ideas were generated through two process which include;

- i) Participatory bottom up process were the collection of project ideas started at the community level using a Mini-PACA tool focusing on Michael Porters Diamond to diagnose the local economy and come up with project ideas. In participation were the Village, Parish and Sub county level actors. Who included-
- Parish Development Committee
 - Village local council Committees
 - Sub county council
 - Women and Youth from community
 - Civil Society organizations
 - Religious leaders and
 - Private sector.
- ii) Top down approach through consultations with the District Executive Committee and members of the District Technical Planning Committee (TPC). The SWOT tool was used to diagnose the economy at this level and some project ideas were also selected. A review of the District Development Plan was also undertaken to triangulate the project ideas.

B. Initial screening.

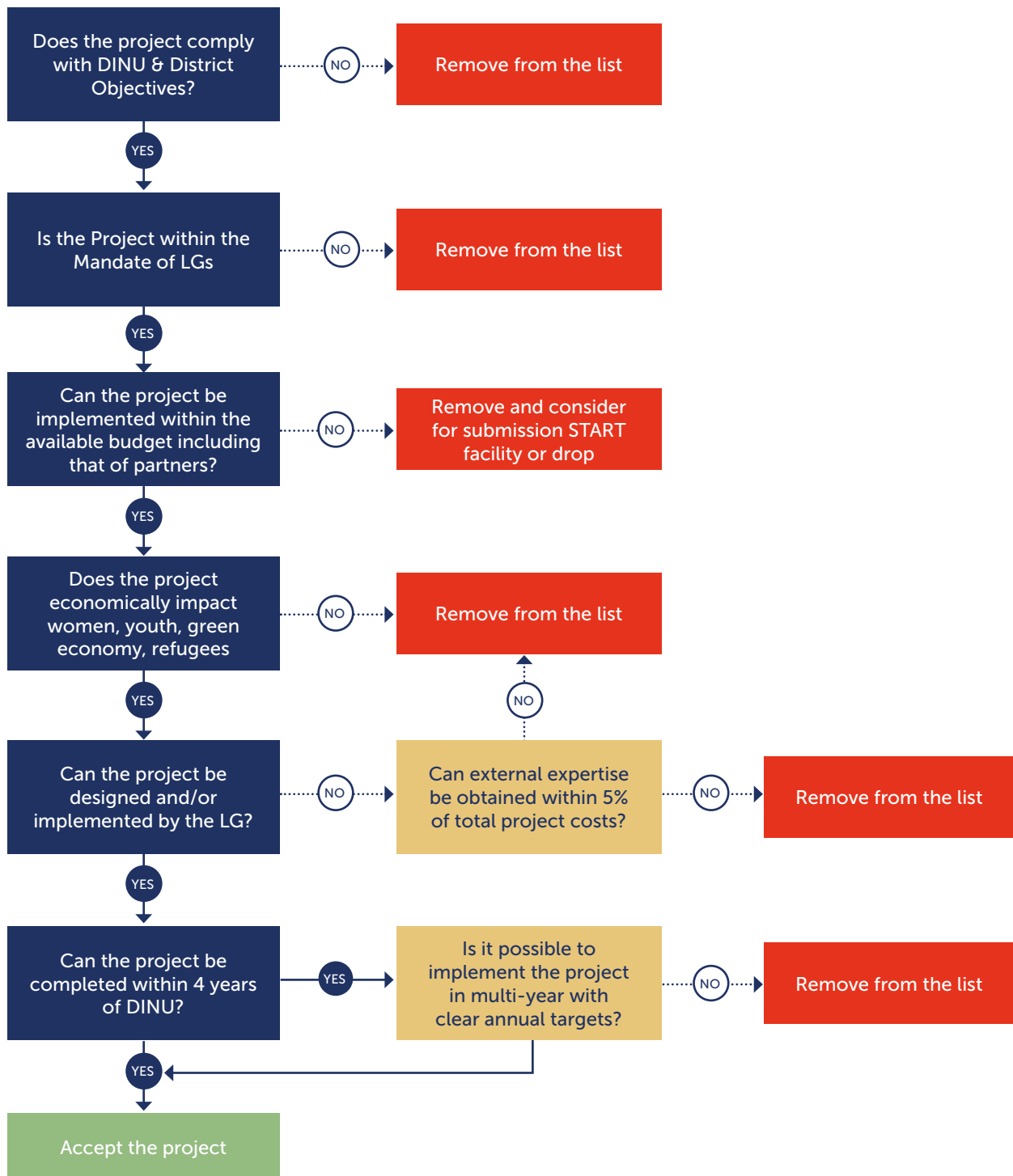
The Districts Executive Committee selected members from the TPC who formed the DINU projects task force. The task force consisted of the Commercial Officer, The District Community Development Officer, The District Environment and Natural Resources Officer, The District Engineer, the District Planner and office of the CAO. The task force was assigned to formulate projects from the project ideas from the community and District level stakeholders, undertake initial screening and develop detailed project profiles after discussion and approval of the screened project by the District Executive Committee. The Task force after this will also develop the detailed project profiles. from formed out of Initial screening consists of checking project proposals against an established set of criteria to decide on their appropriateness and feasibility. The teams developed the following criteria against which they screen the long list of project to come up with the short list:

- Demonstrable impact on socio-economic empowerment of women and young people, green economy/climate change and refugees and local government revenues.
- Leveraging of private capital and Co-mingling with other public funds
- Compliance with DINU Objectives and the District Priorities
- Project affordability and sustainability. Analysis of project affordability is based on the estimation of the size of the project and its nature and includes the following dimensions:
 - Budget. Is the project within the expected budget to be allotted to the District⁸?
 - Is the project within the mandate of local governments?
 - Complexity. Is the project simple enough to be developed and/or implemented by the District?
 - Duration. What is the anticipated duration of the project?

Below is the Initial project screening Steps to be followed:

⁸ We used the IPF provided by MOLG to LGs and extrapolated for 4 years.

Initial project screening Steps Followed



Presentation of the Screened list to the District Executive Committee for initial approval

The initial screening process gave rise to a long list of projects which were presented to the District Executive Committee and members of the Technical Planning Committee for discussions and further refining. This stage reduced the list further to what the local governments are officially going to submit to the MOLG.

APPENDIX 2: ENVIRONMENTAL AND SOCIAL SCREENING FORM



DEVELOPMENT INITIATIVE FOR NORTHERN UGANDA (DINU) LOCAL GOVERNMENT EXCELLENCE FUND (LGEF)

ENVIRONMENT AND SOCIAL SCREENING FORM

(To be completed by the District Field Appraisal Team)

1. PROPOSED PROJECT NAME:
2. SECTOR:
3. PROJECT LOCATION: Village/Cell:
- Parish/Ward:
- Sub-county/TC/Division:
- District:
4. DATE OF FIELD APPRAISAL:

PART A: ENVIRONMENTAL AND SOCIAL CHECKLIST

SN	Checklist Questions			Additional Data needs
PROJECT SITING				
1.	Who selected the site of the Project			
		Yes	No	
2.	Is the Project sited near conservation worthy ecosystems, flora or fauna (e.g protected areas, wetlands, forests, sites of historical or cultural importance) which may be impacted negatively as a result of project activities?			
3.	Is the Project sited near major water bodies (rivers, lake, lagoons, wetland, etc)?			

4.	Is the Project sited near main domestic/commercial use such as borehole, water well, spring etc?			
5.	Is the Project sited in an area prone to soil erosion			
6.	Are there people who will be displaced/removed from the Project site?			
7.	Will the Project lead to migration into the area?			
8.	Is the community in agreement about the Project site?			
PROJECT INPUTS				
9.	Will the Project require large volumes of construction materials to be taken from local sources (eg gravel, stones, water, timber, fire wood)?			
10.	Will the Project require use of heavy machinery and equipment?			
11.	Will the Project require significant levels of service amenities to support the workforce?			
12.	Are the chemicals/oils be used in the Project approved for use in Uganda?			
PROJECT ACTIVITIES				
13.	Will the construction/implementation activities lead to degradation or loss of quality of any environmental component such as forests, air, soils, water, wildlife, fish, plain, swamp/wetland, etc?			
14.	Will the project construction activities present dust/ chemical/ smoke pollution risks or lead to a significant increase in noise pollution in neighbourhood?			
15.	Will Project implementation activities lead to significant employment opportunities?			
ANTICIPATED PROJECT OUTCOMES				
16.	Will the Project result in significant quantities of wastes or eroded material?			
17.	Will the Project lead to significant changes in land use patterns?			
18.	Will the Project lead to unplanned/squatter settlements or access to conservation-worthy ecosystems or over exploitation of natural resources (eg land, forests)?			
19.	Be likely to require mitigation measures that result in the Project being socially or financially unacceptable?			

For each of the questions above, if the response is “YES”, then a mitigation measure must be identified and integrated in the overall Project. See Annex 1 for possible mitigation measures.

PART B: GENDER AND EMPOWERMENT IMPACT ASSESSMENT

Practical & Strategic Empowerment Factors impact +2 considerable positive +1 some impact 0 no objection -1 negative impact NI no information	Impact (+2, +1,0,-1,NI)			More Information Required	Remarks
	Youth	Women	Men		
1. Does the intervention enhance youth and wo/men’s access to basic infrastructure (water, roads....)?					
2. Does the intervention enhance youth and wo/men’s access to resources and technology ?					
3. Does the intervention better youth and wo/men’s health ?					
4. Does the intervention enhance youth and wo/men’s opportunities for education or training ?					
5. Does the intervention improve youth and wo/men’s income opportunities ?					
6. Does the project identify barriers to youth and wo/men’s participation in the project					
7. Does the intervention involve youth and wo/men as active partners in the development project?					
8. Does the intervention enhance youth and wo/men’s opportunity to organize ?					
9. Does intervention enhance youth and wo/men’s control over resources and/or technology?					
10. Does the intervention enhance youth and wo/men’s democratic rights ?					
Total Empowerment Score:					

Follow up: Additional information needed (specify):.....

.....

.....

Other action recommended (specify):

.....

.....

Note: The Project can only be recommended for funding when the total score on ‘Youth’ and on ‘Women’ is at least 10.

PART C: OVERALL RECOMMENDATION BY FIELD APPRAISAL TEAM

ASSESSMENT	TICK AS APPROPRIATE
Recommended for funding	
Deferred - Returned for Improvement	
Rejected	

SIGNATURE OF THE DISTRICT FIELD APPRAISAL TEAM

NAME	DESIGNATION	SIGNATURE	DATE
1.			
2.			
3.			
4.			
5.			

ANNEX 1:

TECHNICAL GUIDELINES FOR MITIGATION MANAGEMENT FOR DIFFERENT PROJECT TYPES

COMMUNITY SCHOOLS AND BUILDINGS

Siting / Preparation Stage:

- Choose an appropriate site for your project approved by the community.
- Avoid dumpy or water logged sites and wetland areas
- Look at other alternatives and weigh the advantages against disadvantages of different sites
- Avoid termite infested areas. Where there are no alternatives take measures against termites in the designs and during construction.
- Consider other existing structures on site in relation to your new project
- Incorporate indigenous customs and building techniques in project designs if possible
- Consider adapting layouts to fit natural patterns on project sites
- Remember to clear only the affected site and not to cut trees when not necessary
- Ensure a holistic design approach, taking into account the operations of the existing building, buildings to be added and support facilities like water supply, sanitation and the environment
- Base design criteria and selection of materials according to local conditions and availability of resources
- Design for maximum efficiency in materials and energy use

Construction Stage:

- Always take measures to minimise off site effects like quarries, debris, tree cutting, and to restoring them
- Ensure all your building waste is attended to - do not bury paint tins and plastics as they do not decompose
- Incorporate permanent erosion control plans on the site - provide a drainage system in the areas close to the school and always include dish drains around your buildings
- Ensure that the sand digging is done a good distance away from the school buildings and make sure you bury the quarries regardless of distance and area affected
- Make sure you clear all the debris or broken bricks from the kilning site and use them in the construction for back-filling (when crushed), brick drains construction of paved walkways etc.
- Avoid massive disruption of top soils during construction
- Cover haulage trucks carrying cement or lime and avoid vegetation destruction to create temporary access roads to the construction site
- Provide enclosed storage for cement, lime and oils
- Outline safety techniques and accident emergency measures during construction activities
- Collect only adequate wood for brick making (kilning) – consider alternative brick making technologies if forest cover is deteriorating
- Use water to minimise the dust generation
- Remove excess materials of laterite, stone aggregate, concrete blocks, bricks, timber pieces

Operation Stage:

- Dig a pit for ordinary waste, do not through tins, glass and plastics in pits
- Plant trees and flowers around the school
- Do not cut and trees unnecessarily around the premises
- Do not allow animals to use the school premises for grazing

COMMUNITY HEALTH CENTRES

Siting / Preparation Stage:

- Choose an appropriate site for your project approved by the community.
- Avoid dumpy or water logged sites and wetland areas
- Look at other alternatives and weigh the advantages against disadvantages of different sites
- Avoid termite infested areas. Where there are no alternatives take measures against termites in the designs and during construction.
- Ensure the appropriate guidelines for disposal of waste is followed
- Ensure the construction plans are according to MOH guidelines, but incorporating community views and wishes
- Make sure you consult experts on the equipment required for the full operations of the health centre and if not among the project components, find out the cost and who will provide it upon completion of the project

Construction Stage:

- Avoid chopping down trees if you can
- Remember that the activity of digging soils from any part of the land will result in quarries, minimise and restore these.
- Always take measures to minimise off site effects like quarries, debris, tree cutting, and to restoring them
- Ensure all your building waste is attended to - do not bury paint tins and plastics as they do not decompose, consider recycling e.g flower pots etc.
- Incorporate permanent erosion control plans on the site - provide a drainage system in the areas close to the health centre and always include dish drains around your buildings
- Consider the drainage system in the areas close to the school and always include dish drains around your buildings and ensure rain water is taken away from the buildings as much as possible.
- Make sure you clear all the debris or broken bricks from the kilning site and use them in the construction for back-filling (when crushed), brick drains construction of paved walkways etc.
- Clean construction sites daily and provide adequate building waste disposal methods
- Use water to minimise the dust generation

Operational Stage:

- Make sure the system for disposal of waste is adequate and functional
- Planting another tree in the community for every tree cut is a good environmental practice.
- Separate disposal systems for medical or hazardous wastes; put in place safety procedures
- the trees should only be cut if other solutions to save the building are not viable. Trees should be planted away from buildings

LATRINES AND WATER BORNE TOILETS

Siting / Preparation stage

- Ensure the V.I.P is built downhill from the well and bore-hole to reduce the chances of ground water pollution
- Incorporate into larger waste disposal systems where possible
- Select appropriate technology for waste water disposal
- Weigh siting alternatives with environmental considerations in mind
- Check the type of soils at the site – construction on of a VIP latrine in sandy soils shall require extra care and expertise
- Design centralised systems to avoid leakage – do not scatter pit latrines around the site unnecessarily, this spreads ground contamination on site

Construction Stage

- Study the latrine technical drawings carefully before starting to build
- Take measures to avoid the collapsing of the foundation walls while building, especially in sandy soils
- Make sure you have the technical drawing all the time on site
- Incorporate permanent erosion control plans on the site

Operation Stage

- Ensure hygiene education on the uses of the facilities
- Do not through toxic or hazardous waste in pit latrines – as this could lead to ground water pollution upon which most communities rely for domestic water supply
- Keep the pit latrine clean all the time

SMALL SCALE WATER SUPPLY AND WATERING PROJECTS

Wells and Bore holes:

Siting:

- Always site your wells or bore holes at a higher ground level compared to the pit latrines or septic tanks and soak-aways. Make sure community and water point committee understands and agrees with siting
- Make sure community and water point committee approves the design of the protected spring
- Weigh siting alternatives with environmental considerations in mind
- Select workable water extraction or booster systems
- Make efforts to have the water tested periodically

Construction stage

- Make sure water point committee understands the design and is involved in supervision of the construction
- Provide effective drainage for water spills at water pumping or collection points
- Install adequate pumps approved by Ministry of Water
- Confirm water yielding levels before implementation
- Dig wells only in the dry season

Operation Stage

- Provide adequate protection from livestock
- Regulate the use of water points through community agreements or local bye laws (e.g. washing at water points, no water wastage, user fee payments etc)
- Make sure the water point committee have adequate tools and learn how to maintain the water point

CATTLE WATERING POINTS AND WATER RETENTION RESERVOIRS

Siting /Preparation Stage

- Make sure community agree on the site and the usage
- Ensure that the layout of the furrows or field is not too steep (gradient)
- Ensure the siting of the project avoids or minimises encroachment on swamps and other ecologically sensitive areas
- Avoid dislocation of populations and communities

Construction Stage

- Follow technical guidelines from Ministry of Water
- Avoid massive topsoil disruption
- Mitigate topsoil disruption
- Plant trees and other ground cover

Operational Stage

- Take measures to avoid siltation from the feeding streams
- Take measures to avoid erosion around the water point/reservoir
- Make sure community agrees on usage of the water

ACCESS AND COMMUNITY ROADS

Siting

- If the route is other than the old road, make sure environmental assessment of new road bed is done
- Make sure the communities agree with the route of the road
- Select your road route such that there are no or less disturbances of human communities
- Consider alternative options
- Make adequate consultation and ensure participation of all potentially affected communities
- Pay particular attention to the drainage along the road
- Minimize loss of natural vegetation during construction
- Incorporate adequate and effective drainage works in the designs
- Ensure careful siting and management of construction camps to avoid environmental and social disruption

Construction Stage

- Carry out earth movements during the dry season
- Protect drainage channels with berms
- Consider a good number of drainage outlets
- Avoid the use of heavy equipment and vehicles if you can during construction

Operation Stage

- Provide for anti-littering or anti-dumping local bye-laws on roadsides
- Make agreement with District Council on maintenance

BRIDGES/CULVERTS

Siting

- Make sure communities agree with bridge sites and consider alternative sites,
- Ensure that special attention is paid to the drainage system along the road leading to the bridge
- Regulate through local agreements or bye laws the transportation of materials through the bridge
- Ensure safety is considered in the design e.g. the provision of bridge side barriers

Construction

- Cleanup construction sites, recycle building waste materials
- Construction during dry season ; take measures to minimise erosion of river banks
- Minimise the disruption

Operation

- Agree with community and District Council on maintenance of structures

ANNEX 2:

GENERIC ENVIRONMENTAL REVIEW (ER) CHECKLIST FOR PROJECTS AT COMMUNITY LEVEL IN SECTORS NOT COVERED BY MITIGATION MEASURES CHECKLISTS

Type of Expected Impact	Description of Impact	Proposed Mitigation Measure
PHYSICAL ENVIRONMENT		
Increased soil erosion?		
Increased sediment load into receiving waters?		
Likely contamination of surface or sub-surface waters?		
Excessive dust, waste or noise during construction or operation?		
BIOLOGICAL ENVIRONMENT		
Removal or disturbance of natural vegetation?		
Project in core or buffer area of a protected area?		
Disruption or disturbance of animals or any locally important animal habitat?		
SOCIAL ENVIRONMENT		
Aesthetic degradation of a landscape?		
Degradation or disturbance of a historical or cultural site?		
Transport or use of toxic substances that poses a risk to human health?		
Involuntarily displacement of individuals or families		
Economic losses to individuals or families because of the Project?		

APPENDIX 2: TERMS OF REFERENCE FOR PROJECT MANAGEMENT COMMITTEE



EUROPEAN UNION

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MINISTRY OF LOCAL GOVERNMENT DEVELOPMENT INITIATIVE FOR NORTHERN UGANDA (DINU)

PROJECT MANAGEMENT COMMITTEE (PMC) TERMS OF REFERENCE (ToR)

1. INTRODUCTION

The Development Initiative for Northern Uganda (DINU) is a flagship Programme of the 11th European Development Fund (EDF). The overall objective of the DINU is *“To consolidate stability in northern Uganda, eradicate poverty and under-nutrition and strengthen the foundations of sustainable and inclusive socio-economic development”*.

The Beneficiary Communities, the LGs and LLGs are the pillars of the DINU Project, therefore their active participation throughout the Project Cycle is critical for the success of the interventions. One such avenue for participation of the key stakeholders is in the Project Management Committee.

2. PROJECT MANAGEMENT COMMITTEE - DEFINITION

- 2.1 Project Management Committee (PMC) is a select Committee established for a specific Project.
- 2.2 Each Project shall have a Project management Committee.

3. COMPOSITION OF PMC

- 3.1 The Project Management Committee shall constitute of a maximum of thirteen (13) members drawn from:
 - i) Local Government (District/Municipality): Representatives shall include both technical and elected leaders relevant to the Project
 - ii) Lower Local Government(s) where the Project is located: Representatives shall include both technical and elected leaders relevant to the Project
 - iii) Community/beneficiaries: There shall be at least one male and one female representative of the beneficiaries/community
 - iv) Civil Society Organization (CSO)s: In the case that a CSO is a partner to the Project it becomes an automatic member. Where a Project is not directly supported by any CSO the CAO in consultation with the District Community Development Officer (DCDO) shall select a suitable representative of CSOs from among those operating in related fields to the components/objectives of the Project and preferably operating in the LLG(s) where the Project is located.
- 3.2 At least 30% of the PMC shall be female, at both the Executive and overall Committee levels.

4. EXECUTIVE COMMITTEE OF PMC

- 4.1 The members shall select from amongst themselves a Chairperson, a Vice Chairperson and a Secretary to constitute the Executive Committee of the Project Management Committee.
- 4.2 The Executive Committee shall provide leadership to the Committee

5. ROLES AND RESPONSIBILITIES OF PMC

- 5.1 The main function of the PMC is to ensure effective implementation of the Project in accordance with the Project guidelines.
- 5.2 The specific roles and responsibilities of the PMC include:
 - i) Mobilization of the involvement of beneficiaries, community members and other key stakeholders in Project implementation; including making community contribution to the Project.
 - ii) Monitor and supervise contractors or service providers involved in Project implementation
 - iii) Provide oversight to the site and processes at the site to ensure value for money
 - iv) Monitor implementation at the project: quality and quantity of the inputs/materials, timeliness, and compliance to Safeguards.
 - v) Ensure safety of Project assets and materials
 - vi) Provide liaison between Contractor/Service Provider(s) and the community.
 - vii) Ensure equitable sharing/distribution of Project assets/benefits among the target beneficiaries
 - viii) Plan for and ensure sustainability of subproject assets/benefits (prior to establishment of a User Committee).
 - ix) Meet regularly (at least once each month) to review progress of the Project.
 - x) Prepare and submit report on progress of Project implementation (at least monthly) to the CAO –highlighting challenges, if any, for intervention of District level leaders.
 - xi) Ensure regular feedback to the community on progress on Project implementation through monthly Project community meetings.

Note: *Some of the PMC members shall be carried forward to the User Committee for institutional memory.*

6. FACILITATION

- 6.1 Service on the Project management Committee is voluntary, and as such, it shall not attract remuneration.
- 6.2 However facilitation, where necessary, shall be provided by either the Project, Lower Local Government or Local Government in form of transport, stationery, meals and refreshments for the effective delivery of the responsibilities of the PMC.

7. TERM OF OFFICE OF PMC

7.1 The term of office of the Project Management Committee shall tally with the duration of the Project.
(After which a User Committee shall take up on the Operation and Maintenance responsibility)

8. REPORTING

8.1 The PMC shall report to the appointing authority, in this case the Chief Administrative Officer, with copy to the Senior Assistant Secretary of the LLG(s) where the Project falls.

9. ETHICAL CONDUCT

9.1 The PMC shall commit to serve with the highest level of:

- i) Integrity,
- ii) Moral conduct,
- iii) Zero tolerance to corruption, and
- iv) Professionalism (by technical officers).

1.9 Non-compliance by a member to any of the principles in Section 7 above shall lead to removal from PMC by the Appointing Authority.



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