

**The Republic of Uganda**

**Discretionary Development Equalisation Grant (DDEG)**

**Budget and Implementation Guidelines Effective from FY 2020/21**

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### Foreword

As you are aware the Ministry of Local Government (MoLG) in consultation with other Key Stakeholders embarked on the review of the Discretionary Development Equalization Grant Guidelines for FY 2020/21 to address Challenges encountered during implementation in the previous years.

The challenges identified have informed the Revision of the Guidelines to include the following Expenditure Areas, namely;

1. Construction or Renovation and Furnishing of Administration Offices;
2. Construction or Renovation of Staff Quarters;
3. Titling of Land where Government Facilities are located;
4. Allocation of 10% towards Investment Servicing Costs and Monitoring;
5. Development of Physical Plans ;
6. Allocation of 10% of DDEG to Parish Chiefs and Town Agents in pursuit of the Parish Model to support of Planning ,Data Collection and Monitoring of all Government Programs and Projects;

It should be noted the Grant is still inadequate to address all Socio-Economic challenges in the Local Governments. The LG Sector intends to mobilize additional resources to address these challenges. I, therefore, urge all the Technical and Political Leaders to adhere to these Guidelines for optimal delivery of the required Services to our Citizens.



Permanent Secretary

### Ministry of Local Government

Abbreviations

|  |  |
| --- | --- |
| BFP | Budget Framework Paper |
| BoQs | Bills of Quantities |
| CAO | Chief Administrative Officer |
| CDO | Community Development Officer |
| CLIC | Community and Livelihood Improvement Component |
| DDEG | Discretionary Development Equalisation Grant |
| DEC | District Executive Committee |
| DP | Development Plan |
| FYs | Financial Years |
| GoU | Government of Uganda |
| HR | Human Resource |
| IDA | International Development Association |
| IGFTR | Intergovernmental Fiscal Transfer Reform |
| IPFs | Indicative Planning Figures |
| LGFC | Local Government Finance Commission |
| LGMSD | Local Government Management Service Delivery Program |
| LGs | Local Governments |
| LLGs | Lower Local Governments |
| LRDP | Luwero-Rwenzori Development Program |
| MC | Municipal Council |
| MDAs | Ministries, Departments and Agencies |
| MLHUD | Ministry of Lands, Housing and Urban Development |
| MoFPED | Ministry of Finance, Planning and Economic Development |
| MoLG | Ministry of Local Government |
| MoU | Memorandum of Understanding |
| MoWT | Ministry of Works & Transport |
| NDP | National Development Plan |
| NPA | National Planning Authority |
| OPD | Outpatient Department |
| OPM | Office of the Prime Minister |
| OTIMS | Online Transfer Information Management System. |
| PBS | Program Budgeting System |
| PDU | Procurement Department Uganda |

|  |  |
| --- | --- |
| PIP | Performance Improvement Plan |
| PPDA | Public Procurement and Disposal of Public Assets Authority |
| PRDP | Peace Recovery and Development Plan |
| RGCs | Rural Growth Centres |
| SAS | Senior Assistant Secretary |
| TC | Town Council |
| TPC | Technical Planning Committee |
| UBOS | Uganda Bureau of Statistics |
| USMID | Uganda Support to Municipal Infrastructure Development |

1. Introduction

The Discretionary Development Equalisation Grant (DDEG) consolidated the former Development Grants aimed at ensuring that allocations are focused on areas where services are lagging behind national average standards as provided for in the Constitution Article 193 (4). The grants consolidated were: Equalization Grant; Local Government Management Service Delivery Program (LGMSD); Peace Recovery and Development Plan (PRDP); Luwero-Rwenzori Development Program (LRDP); and Uganda Support to Municipal Infrastructure Development (USMID). This consolidation, which is part of the Intergovernmental Fiscal Transfer Reforms coordinated by Ministry of Finance, Planning and Economic Development (MoFPED), necessitated the development of harmonised guidelines.

In September 2017, DDEG guidelines were jointly issued to Local Governments (LGs) by the Office of the Prime Minister; Ministry of Local Government; Local Government Finance Commission, and Ministry of Lands, Housing & Urban Development. The guidelines provided information about the DDEG, associated requirements for its budgeting in the development budget of LGs as well as implementation guidelines.

A number of lessons have been learnt during the use of the guidelines for budgeting and implementation for the last three FYs (2017/18, 2018/19, 2019/20) which have necessitated revisions and refinements whilst continuing to be aligned to the relevant national policies. In addition, the creation of Local Government Sector led to transfer of Central Government coordination of DDEG from OPM to MoLG which added to the need for update of the guidelines.

The main changes of these guidelines compared to the DDEG Guidelines issued in 2017 are:

* 1. Permission to title land where Government facilities are seated like schools, Health Centres, and administration blocks among others
  2. Permission to use DDEG to construction of offices at District and Municipality
  3. Allow Sub County, Divisions, Town Councils to use the grant not only for livelihood but also for infrastructure development
  4. Increase of investment servicing costs from 2 per cent to max. 10 per cent
  5. 10 per cent of the Sub County Grant support towards Parish Planning, data collection and monitoring of Government programs and projects
  6. Introduction of reporting templates for Performance Improvement Plan (PIP), site visits, and physical progress reports.
  7. Support to physical planning

The guidelines are structured as below (roles of LGs in highlighted chapters):

1. General introduction,
2. NDP and Sector Policy priorities
3. Objective and structure of the DDEG,
4. Roles and responsibilities central government MDAs in management of DDEG,
5. Guidelines and procedures for DDEG grant allocations across DDEG windows and LGs,
6. Guidelines for Districts and Municipalities for management of the DDEG:
   1. Infrastructure projects,
   2. Investment servicing costs,
   3. Performance improvement activities
7. Guidelines for Sub - Counties, Division and Town Councils for management of the DDEG:
   1. Infrastructure projects,
   2. Investment servicing costs,
   3. Income generation for improved livelihood
8. Annexes
9. National Development Plan and Sector Policy Priorities

In order to ensure equitable subnational development across the country, Article 193 (4) of the Constitution provides for subsidies or special provisions for the least developed LGs based on the degree to which a LG unit is lagging behind the national average standard for a particular service. One of the objectives of the reform to fiscal transfers1 is therefore to distribute resources more equitably across LGs, so that those LGs which are less well-off are able to catch up. In addition, the Third National Development Plan (NDP III) Goal focuses on increasing average household Incomes and Improve the quality life of Ugandans. This therefore calls for equitable allocation of resources, applying variables and weights in the formula agreed on by stakeholders. This is also a key requirement under the Intergovernmental Fiscal Transfer Reform (IGFTR). The reform to fiscal transfers therefore also builds in greater discretion for LGs to allocate resources to local priorities in line with the respective sector policies and LG Development Plans.

Objectives and structure of the DDEG

1 Other objectives of the intergovernmental fiscal transfer reform are to improve adequacy, equity and efficiency of LG financing.

### Objectives of the DDEG

The objectives of the DDEG are to:

* + 1. Enable LGs to allocate funds to priority local development needs that are within their mandate and are consistent with the National priorities by provision of **discretionary development** funding.
    2. Provide LGs with equitable access to development financing, ensuring that more disadvantaged LGs receive additional funding to enable them catch up with the rest of the country. In doing so, the grant is **the Equalization Grant provided for in the Constitution** Article 193 (4); and primary financing for regional development programmes under affirmative action. Adherence by LGs to sectoral budget requirements will ensure that allocations are focused on areas where they lag behind national average standards for a service.
    3. Provide development financing which caters for the **differing development needs of rural and urban areas.**
    4. **Improve LGs capacities and systems for provision of quality services**. This is through rewarding good performance & sanctioning poor performance; coupled with performance improvement support to address areas where LGs have gaps.

### Structure of the DDEG

The DDEG is structured based on the differing development priorities of rural and urban LGs as follows:

* + 1. The **District** discretionary development equalisation grant; and
    2. The **Urban** discretionary development equalisation grant.

The **District** DDEG has 7 windows for: (i) PRDP District Development (allocated to PRDP III Districts only); (ii) PRDP Sub-County Development (allocated to PRDP III Sub-Counties only); (iii) LRDP District Development (allocated to LRDP Districts only); (iv) LRDP Sub-County Development (allocated to LRDP Sub-Counties only); (v) LG Grant -Districts Development (allocated to the remaining Districts only); (vi) LG Grant Sub-County Development (allocated to the remaining Sub- Counties only); and (vii) Refugee Hosting District Development (allocated to the refugee hosting LGs benefitting from USMID).

Similarly, the **Urban** DDEG shall have 5 windows: (i) Municipal USMID (allocated to USMID Municipalities only); (ii) Division – USMID (allocated to USMID

Municipalities only); (iii) Municipal – Non USMID (allocated to the remaining Municipalities only); (iv) Division – Non USMID; and (v) Town Councils (allocated to Town Councils only).2

Additional windows may be created to cater for any other regional development programmes that may be introduced. However, any additional window MUST adhere to the principles in these harmonised guidelines. (See Annex 1 showing LGs by DDEG Window)

*Table 1: Overview of DDEG Grant Windows*

|  |  |
| --- | --- |
| **Grant** | **Purpose** |
| **District Discretionary Development Equalisation Grant** | * Address development needs of rural areas * Provide discretion to LGs to fund local priorities * Increase adequacy of funding whilst giving preferential treatment to LGs that are lagging behind the national average standard for a particular   service |
| o/w PRDP District Development |
| o/w PRDP Sub-County Development |
| o/w LRDP District Development |
| o/w LRDP Sub-County Development |
| o/w LG Grant District Development |
| o/w LG Grant Sub-County Development |
| o/w Refugee Hosting Districts - (USMID) | - Strengthen LGs ability to cope with refugee influx and to deliver critical infrastructure to host communities/LGs  as well as refugees |
| **Urban Discretionary Development Equalisation Grant** | * Address development needs of urban areas * Provide discretion to LGs to fund local priorities * Increase adequacy of funding whilst giving preferential treatment to LGs that are lagging behind the national average standard for a particular   service |
| o/w Municipal USMID |
| o/w Division – USMID |
| o/w Municipal – Non USMID |
| o/w Division – Non USMID |
| o/w Town Councils |

1. Roles and Responsibilities of MDAs and LGs regarding DDEG

Schedule 2 of the LG Act Cap 243 stipulates the functions and services for which the LGs are responsible (mandated) including: Primary Education; Primary Health Care; Water and Sanitation; Feeder Roads, Production,

2 It is also expected that the DDEG guidelines can be used for new multi-sectoral funding such as e.g. climate related finance.

Community Development and Environment Protection. The implementation of these mandates requires spending on operational costs, performance improvement and investments in services and facilities. Operational costs are catered for in the recurrent budget, which is funded by Conditional, Unconditional Grants and locally raised revenues. Investment in services, facilities and Capacity Development are catered for in the Development Budget. The Development Budget is funded by: Sector Development Conditional Grants; DDEG; contributions from unconditional transfers and locally raised revenues, and Development Partner support.

A DDEG Task Force was constituted to ensure that activities related to the implementation of DDEG are properly coordinated. The Task Force is chaired by MoLG with representation from other relevant MDAs.

The roles of national stakeholders during the planning, budgeting, implementation and monitoring of DDEG are outlined below:

*Table 2: Roles of MDAs regarding DDEG*

|  |  |  |
| --- | --- | --- |
|  | Task | Lead |
| 1. | Overall Coordination | MoLG (Policy and Planning) |
| 2. | Development and updating of DDEG Grant, Budget and Implementation Guidelines | DDEG Task Force |
| 3. | Formal issuance of DDEG Grant, Budget and Implementation Guidelines | MoLG on behalf other MDAs |
| 4. | Dissemination and orientation of LGs on the DDEG Grant, Budget and Implementation Guidelines | DDEG Task Force |
| 5. | Issuance of IPFs as part of the First and Second Budget Call Circulars | MoFPED |
| 6. | Issuance of standard technical designs to ensure standard structures across the country as defined by  sectors (in liaison with MoWT and MLHUD). | MoLG |
| 7. | Assessing LG Workplans and Budgets to establish  whether they comply to the guidelines and provide feedback for corrective actions to LGs | MoLG w. DDEG Task Force |
| 8. | Monitoring LGs to establish whether they comply with the guidelines during implementation | DDEG Task Force |
| 9. | Analyse LG reports (i) quarterly and annual from PBS  and (ii) DDEG specific progress and outcome reports from LGs (templates to be developed). | MoLG with quarterly  presentations to DDEG Task Force |
| 10. | Providing performance improvement support to address areas of underperformance. | PIP Task Force |
| 11. | Monitoring the output, outcomes and impact of DDEG funds to service delivery, employment and incomes. | DDEG Task Force (through commissioned studies) |

LGs will be responsible for among others: developing and approving plans and budgets, implementation of projects, monitoring, reporting and

accountability. The details are provided in chapters 6 and 7 of these guidelines for respective types of LGs.

1. Procedures/Guidelines for Allocating the DDEG

The DDEG is allocated to LGs in a three-step process. The first step is to allocate the DDEG resources across the windows explained above. The second step is to allocate the DDEG resources across LGs within each window using the DDEG allocation formula. The third step is to allocate the DDEG resources to eligible and approved activities within a LG. The details are elaborated below.

### Allocation of the DDEG across windows

The principle of allocating the DDEG across windows, is to ensure that the affirmative action nature of PRDP and LRDP projects is maintained, and the World Bank funding of the USMID Municipalities and refugee hosting districts can be retained3. On this basis, the allocation of DDEG resources across windows is based on historical allocations.

**Table X: Allocation of resources across DDEG windows from FY 2018/19 &FY 2019/20**

|  |  |  |
| --- | --- | --- |
| **LG Type/ window** | **2018/19** | **2019/20** |
|  | in Ushs billions | in Ushs billions |
| **District** | **121,901,567,416** | **168,020,781,926** |
| **PRDP Districts** | 38,534,598,156 | 38,534,598,160 |
| **PRDP Sub-counties** | 54,319,855,233 | 54,319,855,232 |
| **LRDP Districts** | 5,567,378,501 | 5,567,378,501 |
| **LRDP Sub-counties** | 7,847,991,381 | 7,847,991,381 |
| **LG Grant Districts** | 6,487,173,821 | 6,487,173,821 |
| **LG Grant Sub-counties** | 9,144,570,324 | 9,144,570,326 |
| **Refugee Hosting (USMID)** | 0 | 46,119,214,506 |
| **Urban** | **19,207,517,331** | **251,725,223,763** |
| **Non-USMID M/C** | 4,143,815,253 | 4,143,815,253 |
| **Non-USMID Division** | 3,390,394,297 | 3,390,394,297 |
| **USMID M/C** | **only included in**  **supplementary budget** | **232,517,706,432** |
| **USMID Division** | 5,673,307,781 | 5,673,307,781 |
| **Town Councils** | 6,000,000,000 | 6,000,000,000 |
| **All LGs** | **141,109,084,747** | **419,746,005,690** |

3 As per financing agreement between the World Bank and the Government of Uganda

**From the table above, you will notice that;**

1. The additionality of the PRDP and LRDP to the relevant groups of districts is maintained whereby LGs under PRDP will continue to get relatively higher per capita allocations compared to those that are not covered.
2. Similarly, the total allocation provided under IDA funding to USMID municipalities will not reduce. Rather Government of Uganda will provide additional allocations to meet its co-funding obligations to USMID and cater for investments not eligible under the IDA supported USMID.
3. However, some LGs may experience decrease in allocations because of creation of new LG units yet total resource envelope remains the same.
4. As and when additional resources become available, it is planned to gradually allocate more DDEG to the LGs that receive the lowest level of funding particularly for: LG Grant DDEG; Municipal non-USMID DDEG and Town Councils DDEG windows. As mentioned, above the guidelines may be applied with additional guidance for specific purpose/regional grant schemes.

### Allocation of the DDEG between Districts/Municipalities and Sub counties /Town councils / Divisions

Rationale for specific rule for sharing of the grant among levels of Local Government:

* + The specific legal mandates of respective levels of local governments as stipulated in second schedule of the LG Act,
  + To ensure a certain level of equity in resource allocations within districts and Municipalities among lower levels of Local Governments,

Some windows of the DDEG are funded entirely by DP funded projects and have revised rule accordingly to cater for project specific objectives (table below).

|  |  |
| --- | --- |
| **District Discretionary Development Equalisation Grant – windows** | **Specific percentage allocated each level of LG** |
| o/w PRDP District Development | 35% |
| o/w PRDP Sub-county Development | 65% |
| o/w LRDP District Development | 35% |
| o/w LRDP Sub-County Development | 65% |
| o/w LG Grant District Development | 35% |
| o/w LG Grant Sub-County Development | 65% |
| o/w Refugee Hosting Districts - (USMID) | 100% of IDA |
| **Urban Discretionary Development Equalisation Grant** |  |
| o/w Municipal USMID | 100% of IDA |

|  |  |
| --- | --- |
| o/w Division – USMID | 100% of GoU |
| o/w Municipal – non USMID | 50% (GoU) |
| o/w Division – non USMID | 50% (GoU) |
| o/w Town Councils | 100% of TC window (GoU) |

### Allocation of the DDEG across LGs in a given window

### Allocation across Districts and Municipalities

The second step is the distribution of DDEG resources within the windows using the allocation formula. The DDEG will be allocated 50/50 based on two components: (i) the basic allocation based on socio-economic variables; and

(ii) the performance component based on the results of the LG performance assessment, weighted by the basic allocation. As per the overall Intergovernmental Fiscal Transfer Reform objectives, the purpose is to: promote equitable allocation within a particular window; and promote efficiency in the use of funds for improved service delivery objectives.

#### Basic allocation based on socio-economic variables

The grant allocation formula for the basic component (albeit with different weighting applicable to both district and urban LGs) is described in the table below.

*Table 3: The DDEG allocation formula*

|  |  |  |  |
| --- | --- | --- | --- |
| **Variable name** | **Weights in**  **percentage** | | **Justification** |
|  | **District**  **DDEG** | **Urban**  **DDEG** |  |
| Constant (fixed allocation for higher/  LLGs) | 25 | 20 | Ensure that Higher and Lower LGs have minimum allocations for construction and  completion of meaningful infrastructure |
| Rural Population /  Urban Population | 30 | 62 | Provide for demand/scale of delivering  services |
| Rural poverty headcount/Urban  poverty head county | 40 | 15 | Equalizing variables - to allocate greater resources to districts that lag behind as per  article 193 (4) of the Constitution. |
| Conflict | 5 | 3 | Allocate more resources to LGs severely  affected by conflict4. |

4 The conflict variable is calculated as follows: (i) 60 points to category 1 districts (severely conflict or cattle rustling affected), (ii) 30 points to category 2 districts (sporadically conflicts and/or cattle rustling affected), (iii) 10 points to category 3 districts (conflict spill over) points to districts without conflicts the

Overall, the intent of the allocation formula is that it should: be objective, simple and easy to understand; be (politically) acceptable; use reliable information from official sources.

#### Performance-based component of the allocation formula

In order to provide strong incentives to LGs to improve effective operations and service delivery, the size of the DDEG for Districts and Municipalities is adjusted against the performance of the LGs during the Annual LG Performance Assessment that is conducted between October and December each year.

The impact from the results of the assessment is weighted (scaled) with the basic allocation formula discussed in the previous sub-section to ensure that every performance indicator has a noticeable impact on the actual size of the allocations, and that the system provides incentives for all (larger as well as smaller LGs). The system ensures that LGs with a performance score above the average score receive additional funding and a LG with a score that is below the average is allocated lower resources. The system also ensures that all the funds are allocated (no balances).

### Allocation of DDEG across LLGs

The DDEG is allocated across LLGs based on the variables described in the table below.

*Table 4: The DDEG allocation formula*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Variable name** | | **Weights in**  **percentage** | **Justification** | | | | |
|  | | LLGs |  | | | | |
| Constant allocation  LLGs) | (fixed  for | 25 | Ensure that Higher and Lower LGs have minimum allocations for construction and  completion of meaningful infrastructure | | | | |
| Rural Population /  Urban Population | | 75 | Provide  services | for | demand/scale | of | delivering |

Note that the allocations to Sub-Counties, Municipal Divisions and Town Councils are currently not assessed and hence not subjected to LLG PA results.

last 35 years. The MOLG, OPM, LGFC and MoLHUD will develop the criteria and determine the districts that fall within the respective categories.

### GUIDELINES FOR DISTRICTS AND MUNICIPALITIES

District and Municipal LGs can use the DDEG for a wide range of infrastructures within the mandate of LGs according to LGs own local priorities and needs. In addition, the LGs are allowed to utilize the grant for investment servicing/monitoring of DDEG as well as for Performance Improvement support within the maximum thresholds provided below.

*Table 5: Main types of Expenditure Items and expenditure thresholds*

|  |  |
| --- | --- |
| Main Expenditure Items | Threshold |
| Infrastructure Projects, including Physical Planning and land titling | Minimum 80% |
| Investment Servicing and Monitoring5 | Maximum 10% |
| Performance Improvement | Maximum 10% |

The following three subchapters present the procedures for management of each of these three components of the DDEG.

* 1. Infrastructure projects at District and Municipal levels
     1. Eligible Activities

It is eligible for districts and municipalities to use the DDEG funds for the following list of activities.

*Table 6: Positive List/Investment Menu*

|  |  |
| --- | --- |
| LG Mandated Services | Eligible Activities |
| Administration | 148272 – Administrative Capital (construction or rehabilitation and furnishing of government offfices)  XXX Development of **Physical Plans**  **XXX** Titling of land where government facilities are located |
| Primary Education | 078180 – Classroom construction and rehabilitation (incl. fencing, safety, rain water harvesting etc.)  078181 – Latrine Construction (incl. rehabilitation and emptying)  078182 – Teacher house construction and rehabilitation  078183 – Provision of furniture to primary schools |

5 Regional/purpose-specific windows may have a higher /lower allocation for this depending on the start-up preparations and awareness needed, planning, design, etc., defined as and when they are on board.

|  |  |
| --- | --- |
| LG Mandated Services | Eligible Activities |
| Secondary Education | 078280 – Secondary school construction and rehabilitation (incl. latrine construction, fencing, safety, rain water harvesting etc.)  078281 – Administration block rehabilitation 078282 – Teacher house construction  078283 – Laboratory and science room construction |
| District Hospital and Primary Health Care | 088281 – Staff houses construction and rehabilitation 088283 – OPD and other ward construction and rehabilitation  088155 – Standard pit latrine construction (incl. rehabilitation and emptying)  088156 – Hand washing facility installation  088182 – Maternity Ward construction and rehabilitation 088183 - OPD and other ward construction and rehabilitation  088184 – Theatre construction and rehabilitation |
| Water and Sanitation | 098151 – Rehabilitation and repairs to rural water sources; 098180 – Construction of public latrines in RGCs  098181 – Spring protection  098183 – borehole drilling and rehabilitation 098184 – construction of piped water system 098185 – Construction of dams  098303 Tree planting and greenery of public places, including erosion protection around infrastructure, riverbanks etc.  098307- River Bank and Wetland Restoration (including Up-grading of degraded water catchment areas)  - Water harvesting and storage and supply, e.g. rainwater harvesting and improved local water retention through ponds and improved irrigation practices. |
| District Engineering Services | 048281 – Construction of public building including major up-grading6  048104 – Community access roads maintenance 048106 – Urban roads maintenance  048152 – Urban roads re-sealing  048154 – Urban paved roads maintenance 048155 – Urban paved roads rehabilitation  048156 – Urban unpaved roads maintenance |

6 E.g. to ensure that they are resilience against the threats from climate change etc.

|  |  |
| --- | --- |
| LG Mandated Services | Eligible Activities |
|  | 048159 – District and Community Access roads maintenance  048174 – Bridges for District and Urban Roads  048380 – Street Lighting Facilities constructed and rehabilitated  048381 – Construction and rehabilitation of urban drainage infrastructure  048382 – Construction and rehabilitation of solid waste collection and disposal facilities  048383 – Urban Beautification Infrastructure |
| Production and Environment Protection | 018280 – Valley dam construction 018281 – Cattle dip construction 018282 – Slaughter slab construction 018283 – Livestock market construction  018284 – Plant Clinic/Mini Laboratory Construction 018285 – Crop marketing facility  018305 Tourism Promotional Services  - Irrigation schemes |
| Commercial Services | 068380 – Construction and Rehabilitation of markets 068381 – Construction and rehabilitation of bus stands, lorry parks and other Economic Infrastructure (including car wash bay etc.)  - Demonstration areas for private business and one- stop shops for interaction between business and the  private sector |

**Administrative Capital\* refers to Construction or Rehabilitation and Furnishing of Gov’t offices**

### Ineligible Activities (Negative List)

The Districts and Municipalities cannot use the DDEG funds for:

1. Recurrent cost activities;
2. Livelihood projects
3. Purchase and repair of vehicles;
4. Projects with unsettled land issues
5. Private goods and private business with exclusive options for utilization
6. All kinds of credit schemes and insurances, guarantees etc.
7. Projects which have a detrimental environmental/and or social impact
8. Projects which are not following public design standards

### Development of the Annual work plan and budget

The infrastructure projects must be derived from the LG 5 – year Development Plan and incorporated in the annual plans and budgets approved by the LGs. Budgeting for infrastructure construction shall comply with the LG budgeting guidelines issued by Ministry of Finance, Planning and Economic Development. For multi-year projects LGs must plan and budget with clear phasing of the project in accordance to available resources by fiscal year. The table below presents the key steps to be followed for Development of the Annual work plan and budget.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Date** | **Step** | **Responsible** |
| 1. | September | Present the IPFs to TPC and DEC - Inform them of the available resource envelope | District / Municipal  Planner |
| 2. | October | Identification of projects to be constructed using DDEG (and other sector development grants) - Priorities investments that can fit within the resource  envelop | District / Municipal Planner |
| 3. | November | Presentation to the Budget Conference | Planner |
| 4. | November | Conduct a Desk Appraisal - To establish whether the prioritized investment is: (i) derived from the DDP; (ii) eligible for expenditure under DDEG; (iii) will have no negative environmental and social impact. For details refer to annex 4 – detailed  guidelines for desk appraisal | TPC |
| 5. | November | Conduct field Appraisal - Check for: (i) technical feasibility; (ii) social acceptability; and (iii) customize designs – ensure environmental screening, climate adaptation etc. - For details refer to annex 5 – detailed guidelines for desk  appraisal | TPC |
| 6. | December | Incorporate in the BFP | Planner |
| 7. | February | Production of customized technical designs – use  technical designs from sectors | LG Engineer |
| 8. | February | Preparation of Engineers Estimates | LG Engineer |
| 9. | March/  April | Incorporate in the Annual Work Plan and Budget | Planner |

* + 1. **Procurement**

All procurements must be done in accordance with PPDA Act and LG Procurement Regulations 2006.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Date** | **Step** | **Who** |
| 1. | May | Incorporation in the procurement plan | PDU |
| 2. | May | Prepare bidding documents including BoQs and evaluation criteria | User departments /  PDU |
| 3. | July | Advertising for infrastructure projects to be  constructed | PDU |
| 4. | July | Receipt of bids | PDU |
| 5. | August | Evaluation of bids | Evaluation  Committee |
| 6. | August | Award of contracts | Contracts  Committee |
| 7. | September | Signing of contracts and commence  implementation | CAO/Town  Clerk |

* + 1. **Contract Management**

|  |  |  |
| --- | --- | --- |
| **No.** | **Step** | **Who** |
| 1. | Formation of the contract management team: This will include:   * Contract manager (Head of user department) * Project manager (Engineer) * Members: planning, procurement, environment, community development. | CAO / Town Clerk |
| 2. | Labelling of projects: | Contractor |
| 3. | Supervision: | Contract management  team |
| 4. | Certification of works – including detailed measurement  sheets | Project manager |
| 5. | Payment of contractors | CAO / Town Clerk |
| 6. | Maintenance of procurement files | PDU |
| 7. | Commissioning | Chairperson/Mayor |

* + 1. **Reporting**

|  |  |  |
| --- | --- | --- |
| **No.** | **Step** | **Who** |
| 1. | Site progress reports: A LG should conduct site visits and  meetings at least quarterly. | Engineer |
| 2. | Quarterly physical and financial progress report (PBS) and DDEG specific report | Planner with Engineer and  User Department. |
| 3. | Annual physical and financial progress report (in PBS) and DDEG specific report | Planner with Engineer and  User Department. |
| 4. | Outcome/impact reporting (in agreed format to be  developed: incl grievances, lessons learned etc.) | Planner with User  Department. |

### Investment Servicing and Monitoring

### Eligible Expenditures

There are a number of activities that must be undertaken in order to properly plan, implement and monitoring the construction of infrastructure projects. A LG can use a maximum of 10% of the DDEG to fund these activities.

Which activities should be eligible and how should they be coded?

|  |  |
| --- | --- |
| **Budget codes** | **Activities - Positive List** |
| 281504 - Monitoring, supervision and appraisal of capital works | Project identification and appraisal (desk and field), including review of the impacts from climate change, and screening/classification  Contract management and execution activities. Routine monitoring  Data bases and systems |
| 281502 – Feasibility Studies for Capital Works | Preparation of engineering designs and cost estimation, including design work on review of additional costs from impact from climate change and climate proofing of infrastructure  Location studies for geotechnical, environmental, review of e.g. flood levels to ensure safety of existing buildings and studies of more resilient development in sectors impacted  Preparation of bidding documents including preparation of BoQs |
| 098309 – Monitoring and Evaluation of Environmental Compliance | Environmental and social impact assessments Preparation of environmental and social management plans,  Mainstreaming of climate change in plans, budgets, contracts, and monitoring. |

### Negative List

Everything not explicitly mentioned above.

### Development of Annual Work Plan and Budget

The Annual Work Plan for implementing Investment Service Costs should be coordinated under the Planning Department.

|  |  |
| --- | --- |
| **Activity** | **Responsible** |
| i. Identification of priority investment servicing costs | Planner in consultation with user departments, engineer, environmental officer and community development officer  and clerk to the council. |
| ii. Presentation and discussion of  workplan in TPC | Planner |
| iii. Presentation and discussion of  workplan in - DEC / MEC | CAO / TC |
| iv. Incorporation into District/Municipal Work Plan  and Budget for approval. | Planner |

### Implementation of Work Plan and Budget

According to the Work Plan, the respective beneficiary Departments will implement activities by making requisitions to the CAO/ TC through the Planning Department. The key departments to use the investment service costs include: user department, Engineering department, Environment, Community Development, Planning.

### Reporting

Reporting procedures will follow the normal procedures of the LG. The User Department will provide an activity report using a standard reporting template, which will then inform the PBS quarterly reporting system

### Performance Improvement Activities

### Introduction

The LGs have the responsibility to ensure that all stakeholders at the LG level have the required skills, knowledge and attitudes to perform their functions.

LG Performance Improvement Activities will be implemented by Districts and Municipalities.

The focus will be to address gaps identified from the LG PA.

District/Municipal Administration (HR Unit) will coordinate all Performance Improvement Activities

The procedures for development, implementation and reporting of Performance Improvement Activities are briefly described below.

### Development of Performance Improvement Plan

|  |  |  |
| --- | --- | --- |
| **Date** | **Step** | **Who** |
| May  (previous FY) | Prepare preliminary budget provisions for PIP up  to max. 10% of DDEG for inclusion in LG budget under Administration. | Administration  Department (HR unit) |
| January | Review and/or analyse the LG PA Report to identify performance improvement gaps. Hold individual discussion with the respective staff and political leadership in the LGs to discern the underlying causes of underperformance in the local government  Prepare tentative proposals of the actions to be  undertaken by the LG. | Administration Department (HR unit) |
| February | Develop Performance Improvement Plan and Budget. The PIP should include: the issue, proposed activity (what and how); responsible (who), when and Output targets (precisely what will be achieved when the activity is implemented) | Administration Department (HR unit) |

|  |  |  |
| --- | --- | --- |
| **Date** | **Step** | **Who** |
|  | The draft PIP should be discussed by LG TPC and District Executive Committee (DEC) to validate and substantiate the analysis and proposals and ensure that all the most important areas of underperformance identified in the LGPA are  addressed. |  |
| February | Approval of the Performance Improvement Plan. The LG Chairperson and Accounting Officer should sign the PIP committing to implementing  the PIP | CAO /Town Clerk |

### Implementation of Performance Improvement Plan

*Table 7: Eligible Activities/Positive List*

|  |  |
| --- | --- |
| **Budget codes** | **Activities / examples of expenditure** |
| 221003 – Staff training (on the job) | Short term training, skills development |
| 221012 – Small Office Equipment | Office Equipment  Retooling |
| 221002 – Workshops and Seminars | Benchmarking on best practices, |
| 312213 – ICT Equipment | ICT Equipment, including data bases on  e.g. climate changes, vulnerabilities, early warning systems, etc. |
| 225001 – Consultancy Services – Short –term | Development of Physical Plans for Local Governments.  Support to strengthen the planning process and mainstreaming of cross – cutting issues, e.g. climate adaptation, especially if LGs have performed poorly  in the LG PA. |

***N/B: Capacity Building activities include Retooling***

### The negative list – may be financed from other sources but not DDEG:

* + - * Staff training (career development)
      * Travel abroad
      * Procurement of vehicles and motorcycles
      * Operation and maintenance of vehicles

### Implementation Modalities

1. Administrative actions – to enforce requisite procedures and processes to improve performance e.g. records management, etc
2. On the job-training by the LG staff (understudies, mentoring etc..)
   * The District/Municipal Resource Pool: LG Resource Pools shall be constituted and used for implementing performance improvement activities for LGs. Remuneration of the members of the resource pool should adhere to the circular on duty facilitating allowances issued by Ministry of Public Service.
3. Request for support from the NRP coordinated by MoLG
4. Procurement of private service providers: Private service providers shall be procured in accordance with LG PPDA Regulations 2006.

### Monitoring and reporting on Performance Improvement

* + For each activity there must be a report to CAO,
  + Regular monitoring of PIP activities to be mainstreamed within LG monitoring – responsibility of HR unit,
  + Annual PIP Report (July)

### Overall Monitoring and Reporting Responsibilities

Districts and Municipalities are in addition to normal PBS reporting, required to undertake additional quarterly and annual reporting on the DDEG that also incorporates reports from their respective Sub counties, Divisions and Town councils.

This includes:

* + - Quarterly financial and physical progress report
    - Outcome Reporting

# GUIDELINES FOR SUBCOUNTIES, DIVISIONS AND TOWN COUNCILS

Sub Counties, Divisions and Town Councils can use the DDEG for three main type of activities:

1. **Infrastructure projects**, including economic, social and administrative infrastructures as well as environmental protection projects
2. **Livelihood and Income generation projects for community groups**
3. In addition, the LGs can spend up to maximum ten (10) percent of the DDEG on **Investment Servicing Costs including Monitoring and Evaluation.**

|  |  |
| --- | --- |
| Expenditure Item | Threshold |
| 1. Infrastructure Projects including Economic, Social infrastructures, Physical planning and land titling. | Up to 80% |
| 2. Livelihood, Income generation and Environmental protection Projects for community groups | Up to 80% |
| 3. Investment Servicing and Monitoring | Maximum 10% |
| 4. Support Parish Planning including data collection, Monitoring all projects and programs in parish | Maximum 10% |

This chapter presents the procedures for LGs to follow for planning, budgeting, implementation and monitoring of each of these three main categories of expenditures under the DDEG.

The DDEG is fully discretionary for the Sub Counties, Divisions and Town Councils with the exception that maximum ten percent can be spent on investment servicing.

This chapter for the Sub Counties, Divisions and Town Councils is therefore divided into five main parts:

1. How to plan for the allocation of grants across the two main windows: infrastructure, livelihood/income generation.
2. How to plan, implement and report on Infrastructure projects (including economic, social ,Administrative infrastructures as well as environmental protection projects and Physical Planning)
3. How to plan, implement and report on Livelihood and Income generation projects for community groups,
4. How to manage costs for Investment Servicing and Monitoring using the DDEG – for both all types of projects mentioned above.
5. How to manage the funds for Parish Planning & Monitoring of projects

### Planning to Determine Balance Between different types of development projects

Based on the normal annual planning process for Sub counties, Divisions and Town councils the councils will determine share of funding allocated for infrastructure projects , livelihood and income generating projects respectively.

LLG are not obliged to either category, but exercise discretion based on their local priorities.

The main steps are outlined below.

The technical Planning Committee will review existing development plan and identify proposed priorities that can be funded with resources from DDEG.

|  |  |  |
| --- | --- | --- |
| **Date** | **Step** | **Responsible** |
| September | Present the IPFs to TPC and Subcounty / Town  council / Division - the Council and TPC - Inform them of the available resource envelope | SAS / Town Clerk |
| September | Identification of projects to be constructed using  DDEG - Priorities investments that can fit within the resource envelope | CDO |
| October | Presentation to the Budget Conference | CDO |

The following subchapters explain the subsequent detailed procedures for the respective types of development projects as will be selected by LLGs.

### Infrastructure Projects

### Eligible Activities

The development responsibilities of Sub Counties, Divisions and Town Councils are described in the LG Act (2nd schedule).

It should be noted that the larger infrastructure investment priorities identified by the Sub Counties, Divisions and Town Councils should be forwarded the Districts and Municipalities where more substantive levels of funding for infrastructure is available

* + 1. Positive List/Investment Menu

LLGs can only invest in infrastructure projects where:

1. They can meet the recurrent cost implications. In the case the recurrent costs are being met by the districts or municipality, the LLG must have clear authorization prior to construction.
2. They have sufficient funds to complete the investment within the financial year.
3. In urban areas, infrastructure projects which are consistent with the physical plan.
4. LLGs can use funds for development of physical development plans

### Negative List

1. Recurrent cost activities;
2. Purchase and repair of vehicles and motorcycles;

### Development of the Annual Work Plan and Budget

Budgeting for infrastructure construction shall comply with the LG budgeting guidelines issued by Ministry of Finance, Planning and Economic Development. The infrastructure projects must be derived from their development plan and incorporated in the annual plans and budgets approved by the LGs.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Date** | **Step** | **Responsible** |
| 1 |  | Conduct a Desk Appraisal - To establish whether the prioritized investment is: (i) derived from the Development Plan; (ii) eligible for expenditure under DDEG; (iii) will have no negative environmental and social impact. | Sub County / Town Council / Division Technical Planning  Committee |
| 2 |  | Conduct field Appraisal - Check for: (i) technical feasibility; (ii) social acceptability; and (iii) customize designs – ensure environmental screening, climate  adaptation etc. | CDO |
| 3 |  | Submit to District / Municipal Planner to Incorporate in the  BFP | SAS / Town  Clerk |
| 4 |  | Liaise with the District/ Municipal engineer for production  of customized technical designs – use technical designs from sectors | SAS / Town Clerk |
| 5 |  | Liaise with the District/ Municipal engineer for preparation  of Engineers Estimates | SAS / Town  Clerk |
| 6 |  | Incorporate in the Annual Work Plan and Budget | CDO |

### Procurement

All procurements must be done in accordance with PPDA Act and LG Procurement Regulations 2006.

Sub-counties / Town councils /Divisions should manage procurement through the District / Municipal PDU.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Date** | **Step** | **Who** |
| 1. | April | Sub County/ Town Council / Division to prepare  procurement plan and submit to PDU | SAS / TC |
| 2. | May | Incorporation in the procurement plan | PDU |
| 3. | June | Prepare bidding documents including BoQs and  evaluation criteria | SAS / PDU |
| 4. | July | Advertising for infrastructure projects to be  constructed | PDU |
| 5. | July | Receipt of bids | PDU |
| 6. | August | Evaluation of bids | Evaluation  Committee |
| 7. | July | Award of contracts | Contracts  committee |
| 8. | July | Contracting of contractors – include a work plan | CAO/TC/SAS |
| 9. |  | Payments of contractors | SAS / TC |

* + 1. **Contract Management**

Sub County / Town Council / Division to liaise with District/ Municipal contract management team.

|  |  |  |
| --- | --- | --- |
| **No.** | **Step** | **Who** |
| 1. | Formation of the contract management team: This will include:   * Contract manager (Head of User Department) * Project manager (Engineer) * Members: planning, procurement, environment, community development. | CAO / TC/SAS |
| 2. | Labelling of projects: | Contractor |
| 3. | Supervision: | Contract  management team |
| 4. | Certification of works – including detailed  measurement sheets | Project manager |
| 5. | Payment of contractors | SAS / TC |
| 6. | Maintenance of procurement files | PDU |
| 7. | Commissioning | Chairperson |

* + 1. **Reporting**

|  |  |  |
| --- | --- | --- |
| **No.** | **Step** | **Who** |
| 1. | Site progress reports: A LG should conduct site visits and  meetings at least quarterly. | Engineer |
| 2. | Quarterly physical and financial progress report (PBS)  and sent to Planner | CDO |
| 3. | Annual physical and financial progress report (in PBS)  and sent to Planner | CDO |
| 4. | Outcome/impact reporting (in agreed format to be  developed: incl grievances, lessons learned etc) | CDO |

### Community Livelihood Improvement Component (CLIC)

### Introduction

The specific activities to be supported under this component include contribution to income generating activities and environment protection activities of organized groups. In the sense that the grant is intended to support livelihood improvement activities and community groups (not individuals), as later explained more in detail. The livelihood improvement component of DDEG shall be called “Community Livelihood Improvement Component” (hereinafter referred to as CLIC).

To be more specific, the following are the guiding principles of implementing CLIC:

1. Active and intensive community participation;
2. Transparency and accountability;
3. Groups to follow five basic principles (as much as applicable): i) regular meetings, ii) regular savings, iii) inter-loaning, iv) timely repayment, and v) proper bookkeeping;
4. Strengthen community level institutions, local government actors/institutions and their capacities to ensure mainstreaming and sustainability of livelihood initiatives in the long run;
5. Continuous training and capacity building of communities;
6. Gender responsiveness in both planning, identification of beneficiaries and project management;
7. Equity sensitivity, that is fairness in distribution of benefits, for example, worse off communities receiving more;
8. Viability and sustainability of investments. Investments should only be undertaken in areas where communities can easily manage on their own especially after the project;
9. Community contribution to the development effort. This is to promote participation and ownership of the development effort;
10. Sound environmental and social safeguards. All interventions will have to be screened to assess environmental impacts and mitigation measures planned and implemented; and,
11. Direct flow of funds to the community projects.

### Eligible Groups and Activities

Beneficiaries for CLIC under DDEG must be organized as community groups, not individuals. Organized community groups are membership organizations made up of a group of individuals in a self-defined community who have joined together to further common interests. The common interests might be related to production, consumption, the use of common pool resources or the delivery of services.

Furthermore, community groups eligible for CLIC are required to fulfil the following conditions:

### Conditions

Community groups applying for CLIC will be first assessed against these conditions (Form 4-1 of CLIC):

1. Having its own by-laws and management structure;
2. Having a geographical base for the enterprise within a village/cell;
3. Registered with LGs;
4. The size of the group shall range between 10 and 35 members;
5. Evidence of community contribution either in cash or in kind; and,
6. In existence for at least one year and functional at the time of assessment.

A group that fails to meet any one of these conditions for primary conditions shall not qualify for the next level of assessment. Those that failed to qualify shall be taken to mentoring by CDOs for future assessment and qualification.

The **activities** include contribution to income generating and environment protection activities of organized groups:

098303 – Tree Planting and Afforestation

018301 – Trade Development and Promotion Services 018302 – Enterprise Development Services

068306 – Industrial Development Services

e.g. welding equipment, maize milling, carpentry workshops, ox-ploughs, multiplication centers

|  |  |
| --- | --- |
| **Category** | **Indicative Enterprises** |
| Agricultural production/agribusiness and value-addition | * Fruit growing and juice making * Dairy production * Poultry/egg production * Piggery * Improved goats rearing * Aquaculture/integrated farming * Labour-saving technologies (e.g. animal traction) * Apiary - honey production * Agro-forestry/tree propagation * Maize milling * Cassava chipping * Irish potatoes growing * Others |
| Non-agricultural activities | * Carpentry and joinery * Metal fabrication * Packaging (making of environmentally friendly paper bags) * Hairdressers and saloons * Catering and hotel management * Events management * Others |

Community groups benefiting from CLIC shall receive a one-off allocation not exceeding ten (10) Million Uganda Shillings from LLGs depending on the type of the project. Beneficiary community groups as a precondition shall make their own contribution, in kind, or cash (or both where possible) towards the cost of the project.

### Negative List

The following type of projects are not eligible:

1. Projects that benefit individuals who are not part of the groups. Projects/activities should benefit communities - preferably with spill over effects to general public e.g. by demonstrating innovations that can be adopted by others,
2. Land purchase, titling or compensation
3. Purchase of equipment such as motor vehicles/motorcycles or their parts
4. Projects leading to adverse impact on environment (vetted by environmental screening)

### Development of the Annual Work Plan and Budget

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Date** | **Step** | **Who** |
| 1. |  | Social mobilization: |  |
| 2. |  | Prioritised by the communities: Submission of Expression of  Interest: |  |
| 3. |  | Preliminary assessment/desk appraisal: | LLG TPC |
| 4. | Feb | Present IPFs to LLGs | Planner |
| 5. | Feb | Present IPFs to TPC and Executive |  |
| 6. | Mar | Conduct field appraisal | LLG TPC |
| 7. | Mar | Present to the LLG Budget Conference |  |
| 8. | Mar | Incorporate in the annual work plan and budget |  |
| 9. | April | Approval by the LLG Council |  |
| 10. | May | Communicate approved projects |  |

### Implementation & procurement

The LLGs shall follow the guidelines stipulated in the Local Government Finance and Accounting Regulations 2007 and the Public Finance Management Act 2015, particularly those on community procurement.

The processes involved include:

* + - 1. After the project has been approved, the LLG shall prepare MOU signed by Chairperson of the group, Village Chairperson and Sub-county Chief or Town Clerk, witnessed by the Community Development Officer (CDO) at LLG.
      2. The LLG will transfer the funds to the respective community group account. The group shall acknowledge receipt of the funds.
      3. The community group will prepare a procurement plan, receive quotations, places an order, receives a delivery notes/invoices and issues receipts.
      4. All community group expenditures will be authorized by Sub-County Chief or Town Clerk.
      5. All beneficiary groups are required to prepare relevant records as guided by the SAS/TC
      6. The community group will account for the received funds to the LLG and the LLG Accounting Officer will consolidate the community accountabilities into the Financial Summary.

### Reporting

* + Monitoring and supervision of activities implemented by LLGs and community groups;
    - The District/Municipality together with LLG shall be responsible for monitoring of the activities.
    - CDO and Parish Chief are responsible to monitor activities on the ground.
    - Also, local leaders such as Village Chairperson shall take part in the monitoring
    - LLGs are required to report on groups supported.

### Investment Servicing and Monitoring

### Introduction

There are a number of activities that must be undertaken in order to properly plan, implement and monitoring projects.

A LLG can use a maximum of 10% of the DDEG to fund these activities.

### Eligible Activities

|  |  |
| --- | --- |
| **Budget codes** | **Activities** |
| 281504 - Monitoring, supervision and appraisal of capital works | *Project identification and appraisal (desk and field) Contract management and execution activities.*  *Routine monitoring* |
| 281502 – Feasibility Studies for Capital Works | *Preparation of engineering designs and cost estimation Preparation of bidding documents including preparation of BoQs* |
| 098309 – Monitoring and Evaluation of Environmental  Compliance | *-* environmental and social impact assessments *Preparation of environmental and social management plans,* |

### Negative List

Everything not mentioned above

### Development of Annual Work Plan and Budget

The Annual Work Plan for implementing Investment Service Costs should be coordinated under the SAS/TC.

|  |  |
| --- | --- |
| **Activity** | **Responsible** |
| Identification of priority investment servicing costs | CDO in consultation with other Extension  Workers. |
| Presentation and discussion of workplan in TPC | CDO |
| Presentation and discussion of workplan in – Executive Committee | SAS/TC |
| Incorporation into LLG Work Plan and Budget for approval. | SAS/TC |

### Implementation of the Work Plan and Budget

According to the Work Plan, the respective LLGs will implement investment servicing activities using experts from the Districts or Municipalities. The technical staff from the Districts/Municipalities will implement activities by making requisitions to the SAS/TC. The key departments to use the investment service costs include the User Department,Engineering,Environment,CDO and Planner.

### PARISH FUNDS

Sub Counties, Divisions and Town Councils are required to report on all programs and projects implemented by Government and non-Government Actors. To compliment monitoring efforts at the Subcounty,Town Council and Division level, a Parish Chief/Town Agent will carry out quarterly Monitoring in the parish/ward. The 10% of DDEG budget to the Sub Counties, Divisions and Town Councils to be allocated proportionately to the Parish Chiefs/Town Agent. The funds will be applied to support Development planning, Data collection and monitoring of all programs and projects at Parish Level. This is in line with Parish Model approach.

For Development and follow up a Parish Development Plan, the Parish Chief will carry out routine monitoring of all Programs, Projects and compile Quarterly reports for submission to the Sub County Chief / Town Clerks.

### Reporting

Reporting will follow the structures at the LLG. The Sub County Chief/ Town Clerk will consolidate the reports, and submit to the District. From the field reports, the District and Municipal Leadership should take up corrective action, where need be. District/MC will share the consolidated reports with MoLG on a quarterly basis. The SAS / Town Clerks will avail funds on a quarterly basis to the Parish Chiefs who will acknowledge receipt of the funds for the outputs to be delivered. The Parish Chief/Town Agent will submit the Quarterly physical progress report using a standard reporting template, from the MoLG.

# Annexes

## Annex 1 DDEG IPFs for FY 2020/21