DEVOLUTION IN UGANDA: AN EXPERIMENT IN LOCAL SERVICE DELIVERY

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SUMMARY

The ongoing programme for reform and reduction of the public service in Uganda relies heavily on the devolution of provision and delivery of most major public services to the lowest appropriate levels (primarily the District Councils1), and therefore local government is becoming a key element in the search for new ways of governance. The rationale is that the overriding problem, as in much of Africa, is poverty and that the most effective way of tackling it is by the empowerment of the people to provide the services that they judge necessary and to decide their own local priorities in the allocation of resources. Whether the experiment succeeds will be determined in large measure by the ability and desire of the Government to ensure that local authorities have access to at least the same levels of resources as the previous service providers. Of equal importance is the capacity and ability of local government to meet the challenge, and this begs the question as to whether professional staff have the experience and competence and whether the elected members have the political skills, probity and integrity for the task. The policies have been well thought-out and the solutions appear to be capable of implementation, but the ‘people factor’ will also be critical to success. The present scenario is guardedly encouraging; the devolution programme will probably meet sufficient of its objectives to justify the changes, given continuing donor support, and performance will improve as local authorities gain experience and self-confidence. For its part, Government will need to resist the temptation to over-supervise, and intervene only sparingly.

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As a central feature of its overall public sector reform programme, the Uganda Government is deeply involved in one of the most radical devolution initiatives of any country at this time, and one which is actively supported by a substantial part of the donor community. International aid is funding, in particular, a comprehensive Public Service Reform Programme (PSRP), together with a Local Government Development Programme operating under the PSRP umbrella. The intended result is not merely decentralisation (the shifting of implementation, rather than power, away from the centre), but the downwards transfer of full responsibility for major public services. This calls for services to be delivered at the lowest level of governance capable of the task, and local authorities are the delivery vehicles, generally the 472 District Councils, although there are opportunities to participate right down to the village level.

Local government, then, is the chosen instrument for implementing a major part of the revolutionary change in the way in which Uganda is governed. If it fails, it threatens the entire reform programme. Success will depend heavily on the relationships between central and local authorities, and in particular, the way in which the Ministry of Local Government (MoLG) relates both to local authorities and to other central Government departments. To respond to the challenge, the Ministry has been undergoing remodelling and reorganisation.

The purpose of this article is to examine these relationships and to assess the prospects of the devolution policy meeting the expectations of the Government and the wider community.

Local government is embedded in the fabric of public administration in Uganda through comprehensive and detailed provisions in the Constitution.3 The significance of this is two-fold—that a system of local government

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1These are large units of administration, with average populations in excess of 500,000.
2As in January 2000, there are proposals to increase the number by up to 11.
3Article 11: there are 34 detailed clauses establishing the local governance system.

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responsible for fully devolved delivery of most major services is a key part of the political and administrative structure of the nation; and that the system is constitutionally protected from fundamental change (or abolition) by ordinary legislative intervention alone.

The essential principles are:

- **Devolution**, transferring powers and responsibilities for important functions, not merely delegating them;
- **Decentralisation**, so that decisions are made and actions taken at the level that enables the maximum participation and control by the people;
- **Democratic governance**, so that all adult people can participate in the process;
- **Financial resources**, so that local bodies will have the wherewithal to carry out their functions;
- **Staff resources**, so that employees owe their loyalty and commitment to the local community, not to a remote government department;
- **Regulatory powers**, giving actions and decisions of local governments the force of law.

The constitutional provisions are explicitly supported by primary legislation the stated purpose of which is ‘to give effect to the decentralisation and devolution of functions, powers and services; and to provide for decentralisation at all levels of local governments to ensure good governance and democratic participation in and control of decision making by the people’.4

Prime responsibility for implementing the devolution programme lies with the MoLG. Its raison d’être is to ensure that local governance functions efficiently and effectively; its sole purpose is to enable, assist and encourage local governments to perform well. The critical importance of this is the responsibility placed upon local authorities to deliver key public services that in other jurisdictions are delivered by single purpose statutory bodies, agencies, parastatals or by the Government itself. They are in charge of a very large proportion of the nation’s public expenditure. The quality of local services that they deliver therefore determines, to a considerable extent, the well-being and quality of life of the whole nation.

There is, however, considerable dispersal of powers and responsibilities regulating local government. The MoLG has neither complete power of oversight nor any role as final arbiter in case of disputes between central and local administrations. In governance terms, the Ministry is only one player in the local government environment, which also includes the office of the President, the Ministry of Public Service, the Auditor-General, the Electoral Commission, the Local Government Finance Commission and other statutory bodies, as well as line ministries. In particular, all line ministries have concurrent roles to ‘monitor and co-ordinate Government initiatives and policies as they apply to Local Governments, to coordinate and advise persons and organisations in relation to projects involving direct relations with Local Governments, and to assist in the provision of technical assistance to Local Governments’.5 Paradoxically, this fragmentation of central jurisdiction over local government may be a source of strength for devolution, no ministry or agency being able to claim exclusive ownership of it.

The services to be delivered by District Councils include education (nursery, primary, secondary and technical); health services, including most hospitals and health centres, maternity and child welfare; communicable diseases; HIV/AIDS; public and environmental health; water; and most roads.6 However, the devolution initiative is concerned with more than service delivery. Its intention is to take the fabric of governance down to the grass-roots level,7 to involve a new constituency of participants in the democratic process, and to ensure that disadvantaged or under-represented groups, i.e. women, young people and the disabled, have an important place in the new dispensation.8

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4Preamble to the Local Governments Act (LGA), 1997.
5The Local Governments Act, 1997, s. 98.
7Under Part 4 and Part 5(B) of the Second Schedule, LGA, 1997, Principal Councils are obliged to devolve a wide range of their own devolved powers to lower local government councils.
8There are specific provisions in the electoral clauses of LGA, 1997, for reserved seats for women, youth councillors and councillors representing the disabled (Ss. 117–119).
A striking characteristic is the high degree of autonomy given to the local authority, with freedom to provide services ‘as it deems fit’. There is a marked absence of fetters on the ability of a local authority to govern its own area in its own way. There is a minimum of central control over budgetary processes, and local authorities are free to make their own budgets provided they are balanced and take into account the Local Government Three Year Development Plan. A local authority is not obliged to obtain the Government approval for its draft budgets. This is of crucial importance. In other jurisdictions ostensibly wedded to the principles of devolution, local authority budgets require central approval. Where this happens, local autonomy is illusory.

At the same time, there is a range of statutory options open to the Government if major problems or crises occur, although by no means do they all vest in the Minister of Local Government. For example, in the event of a local authority becoming dysfunctional, the power to take over its functions rests with the President.

It is the evident intention of the Government that the recently created National Planning Authority (NPA) will have a key role in policy planning for the reform programme. The levels of governance are already connected by a planning system that centres on the District Councils. There is an obligation imposed upon them by the Constitution to prepare the District Development Plans. Lower level local authorities must also make plans, which are included in the district plans, and these are then submitted to the NPA to be used as information bases for coordinated Government Plans, for resource allocations and for policies and decisions impacting upon local authorities that are the prerogative of the central Government. If the system works efficiently, it should provide a sound base for reasonably consistent implementation of devolution.

There are valuable tools available to the Minister of Local Government for securing harmonisation of management methods and service delivery standards, such as a power to make financial regulations, a power to delegate functions and a power to make regulations ‘for any local government purpose’.

Nevertheless, the MoLG does not have a particularly strong position with the NPA. It is the Minister of Finance who is responsible for what is intended to become the main development planning body. Local government is primarily represented through the Local Government Finance Commission and the Town and Country Planning Board, neither of which is answerable to the MoLG. There is no assured representation of other bodies concerned with local government, such as the local authority associations, although the Minister does have power to appoint additional ex-officio members.

The Ministry ‘legal’ mandate is the co-ordination of and advocacy for local governments (an ‘enabling’ function); guidance by the Minister in a case of improper, unlawful or inefficient conduct by a council (an ‘advisory’ function); and the power to make statutory instruments (a ‘regulatory’ function).

The ‘policy’ mandate is to ‘establish, develop and facilitate the management of self-sustaining, efficient and effective local government systems capable of service delivery to the people in order to foster good democratic governance and integrated social and economic development’. The Ministry therefore clearly regards itself predominantly as an enabling body.

It is seen in the Ministry and within the Government circles generally that traditional financial management and budgeting systems are not geared to the requirements of devolution and that radical changes are needed to focus upon outputs rather than continue with the input-biased system that is customary. The main challenge is to recast conventional departmental budgets to become programme budgets. If this can be achieved, it should be possible to implement a financial management system that will share information throughout the Government departments and local authorities.

The Government’s approach has been to develop its Results Orientated Management (ROM) system across the whole public service as part of the PSRP. Since its main aim is ‘to improve the efficiency and effectiveness in service delivery (i.e. by local authorities under the devolution strategy) within available resources, and thus contribute to the Government’s efforts in eradicating poverty’, the clear implication is the development of a single financial management and budgeting system across the whole of central and local government. If this is achieved...

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(and it is inevitably a long term strategy and process), the implications both for improved resource management and for governance generally are considerable. The primary focus will be upon results, not upon processes, and the reporting of performance against targets. This may lead to improved accountability by officials, better prioritisation and therefore improvement in the allocation of resources, and the strengthening of strategic management capability. There is also an implication for transparency. It is not possible for the envisaged system to work properly without the exchange, sharing and pooling of information and this means that detailed financial data, much of which may have been regarded as of a confidential nature in traditional administrations, will have a very wide circulation.

The ROM approach entails three key components—the policy statement, the policy plan and the programme budget. The last of these requires wholesale changes in public service budgeting and accounting procedures. To change systems in every government department and every local authority to one common system throughout the public service is a monumental task per se. Successful implementation may also depend very largely on the installation of computer links between every user of the system, and this has significant resource implications.

There is a sound regulatory framework for the management of an individual local authority’s financial affairs, targeted particularly at local staff at various levels who have some kind of responsibility for the Council’s funds. The Ministry has definitive roles in setting common standards for financial management and responsibility for the design of manuals, guides and other financial instruction documents, and power of approval of new accounting systems.

The regulations include a comprehensive range of accounting precedents and forms, which, in addition to securing a standard form of presentation and reporting, also lend itself to computerisation on standard programmes. This in turn should be able to provide the Ministry with a complete picture of the state of the finances of every individual local authority and of local government as a whole, which would be an invaluable management tool and monitoring and control mechanism.

Given the standardised financial documentation prescribed, there is potential for a large and uniform database, especially with a computer network linking the Ministry with all local governments. For crisis management alone, this information would enable the Ministry to intervene immediately if the financial returns, or lack of them, suggested that a crisis was in the making.

Current priorities are monitoring local authorities with special attention to accountability of Councillors to the community, training of newly elected Councillors, improving the local government revenue base, widening the tax base, introducing information systems linking all the key players involved in local governance, involvement of the private sector in service delivery and public awareness initiatives (the ‘transparency’ factor). 12

Advice to the Government on the distribution of revenue between central and local government and the allocation of money to local authorities from the Consolidated Fund comprises the main role of the Local Government Finance Commission, which also has a mandate to consider new sources of local revenue and to advise local government on appropriate levels of tax.

The indispensable condition for success is the adequacy of the resources to support the task and the institutional capacities of local authorities to carry it out. The former is a combination of the financial and the physical—vehicles, plant, computers and other essential assets. It is not enough to provide local authorities with powers to tax and to borrow. Local revenues will never be more than a minimal proportion of funding. It is of essence that the transfer of a service responsibility is accompanied by the simultaneous transfer of equivalent funds, staff and assets from the Government Department that was previously responsible for the service. Initial implementation requires the transfer of the skilled and experienced people who delivered the service when it was a central responsibility.

The Ministry’s current priorities embrace capacity-building for service delivery, compliance with law, standards and national policy and implementation of decentralisation and democratic governance. The focus is on monitoring, training, revenue and tax efficiency, information, service delivery and transparency. Problem areas in full decentralisation implementation include financial management deficiencies due to capacity gaps in local government accounting and audit processes. 13

These priorities indicate that the main concern of the Ministry is the ability of local government to deliver the devolution programme. The Ministry has the power of regulation regarding management methods and service delivery standards, and its authority is underpinned by specific regulatory powers, such as calling a commission of inquiry into grave adverse reports on the management of a local authority, and to take action on any finding by the Local Government’s Public Accounts Committee of mismanagement.

But an additional key factor is the capacity of the Ministry itself.

It is a small Ministry, with a current budget of US$ 1.5 million, out of a total Government budget in the order of US$ 860 million. The budget is distributed as shown in Figure 1, with scarcely half being allocated to decentralisation and field services.

The ‘professional’ staffing resource is about 40 people, and this team carries the primary burden for ensuring the introduction of devolved service delivery, maintenance of standards, the production of Annual Performance Plans, strategic direction and policy management and an exhaustive inspection regime. As an important element of the Government’s overall reform programme is to reduce the size of the public sector, the prospects of increasing the staff numbers in the Ministry are remote. Staff are distributed by function as shown in Figure 2.

Additional resources are available through a Decentralisation Secretariat which is something of a hybrid, being donor-funded and staffed by specialists on contract, and not part of the public service. The possible mainstreaming of the Decentralisation Secretariat remains something of a dilemma in view of the major implications for the Ministry structure and staffing. It is not clear how it is to be mainstreamed (if this is the chosen organisational solution) or continued at its current level of activity without donor funds and externally employed personnel, should this situation materialise in the near future. The one certainty in this situation is that discontinuance of the Decentralisation Secretariat will mean a major loss of resource to a Ministry already under stress.
The backcloth to the entire initiative is the scope and impact of donor interventions. As in much of Africa, there is very heavy reliance upon donor funding, which tends to make up a substantial proportion of public spending (the total of foreign aid received by Uganda is upwards of US$ 1.5 billion). Local government is supported by a mixture of central Government and donor funds, but it falls to the MoLG to administer donor funding. There is thus a particular capacity issue relating to the need, in a small organisation, to balance the Ministry’s own work against the workload demands created by donor projects. Most development is donor-funded, currently totalling some US$ 235 million, of which US$ 123 million is directly allocated to local government institutional development with the balance to specific projects. This is a massive programme to be managed by a single Ministry. It is also something of an Achilles’ heel in that donor dependency is so pronounced that any change in donor policy, direction, priorities or funding levels might fatally undermine the entire devolution initiative.

To ensure that there is a proper standard of co-ordination, liaison, monitoring, evaluation, supervision and promotion and protection of the interests of the Uganda Government requires substantial staff inputs. It is also likely, given the size and scope of donor projects, that a considerable proportion of staff time in local authorities is taken up with donor interventions. There is therefore a role for the Ministry in streamlining donor procedures so as to minimise the workload falling on local authorities.

The apparent lack of a clear management focus for interfacing with donors suggests a capacity-building imperative that will aggregate the rather scattered responsibilities under a single administrative unit to take charge of all donor issues, incorporating both those in which the Ministry has a direct involvement and benefit, such as donor-funded assistance in councillor training, and those where the relationship is more at arm’s length i.e. being delivered and supervised in the field. It is a major task that is unlikely to be within the present capacity of the Ministry to shoulder, but consolidated monitoring and evaluation is a key part of the Ministry’s harmonisation duty.

A major statutory duty is the inspection and monitoring role. The Local Governments Act specifically provides that ‘for the purposes of ensuring implementation of national policies and adherence to performance standards on the part of local governments, Ministries shall inspect, monitor and shall where necessary offer technical advice, support supervision, and training within their respective sectors’. The nature of the task itself is a complex one. There are different types of inspections; some exclusive to the MoLG; some done jointly with other ministries; others project or programme focussed. There has been an increase in the number of councils, and an increase in the functional complexity of roles. Compliance inspections are required by law but there is a dichotomy here as the Ministry wishes to concentrate on service improvement. It is possible that different ministries give guidelines for inspections that are not always consistent with national policies or conflict with each other. It is virtually inevitable, therefore, that most effort is put into the inspection duty rather than the developmental role.

The Ministry is responsible for dealing with the secondment of Government staff to local authorities on request or with concurrence. This is not currently a major workload but this situation could change as the decentralisation process gathers momentum. Some technical staff are deployed to local authority areas as ‘delegated’ staff i.e. they remain directly employed as line Ministry officials. This is a potential threat. It is fundamental to the devolution concept that staff become the employees of the local government delivering the service, owing it loyalty as well as accountability otherwise devolution becomes cosmetic rather than real, with the line Ministry continuing to deliver the service under the cloak of ‘delegation’.

Full implementation of the devolution programme has thrown up some precisely identified problem areas. There are statutes enacted under previous highly centralised systems that are incompatible with the decentralisation concept. Attending to these will call for a substantial allocation of parliamentary time.

There are gaps between the transfer of functions and the transfer of staff and resources together with difficulties in the recruitment and retention of suitably qualified local government staff. However, anecdotal evidence suggests that the overall quality of District Council Chief Administrative Officers is satisfactory, and this is supported by donor reports that those trained under a dedicated bilateral programme achieved good academic standards, successfully reinserted themselves into mainstream local administration on their return, and are all still in post.

There are also financial resource situations that arise from a mismatch between cost of providing decentralised services (and it seems inevitable that the overall and unit costs of delivering services by a large number of local authorities will be higher in comparison with delivery by a single government department) and the central government grant support for them, exacerbated by a narrow local government tax base and low collection efficiency; and financial management deficiencies due to capacity gaps in accounting and audit processes.

One major fetter on strengthening the capacities of the local governments has been dysfunctionality in Kampala City Council, because the city is of such size and importance in the context of local administration that poor performance might tend to have a disproportionate impact. Fortunately, this problem is being vigorously addressed through a specific component of the Local Government Development Programme.

Another is the central inertia that militates against change through the disinclination of central bureaucracies to let go. An almost inevitable problem area for full implementation of the decentralisation policy is reluctance in some ministries to transfer staff in line with the transfer of functions, together with recruitment and retention problems in local authorities due to uncompetitive local government salaries and conditions of service in comparison with the public service. A particular example is secondary education where there has been little real progress towards a local government take over primarily because teachers are still on the Government payroll.

There is also a possible counter-trend. As noted above, Uganda is a recipient of donor funds on a very large scale. A high proportion is project-orientated and administered at local level. The future direction for international aid programmes is away from project-based interventions towards budget-support. This will tend to shift money and decisions on its application back to the centre. Government already has strong control over local government through the grant mechanisms that account for the bulk of every local authority’s resources. The British experience indicates that the higher the Government’s proportional contribution to local revenues the greater its propensity to control local expenditures. Donors could provide a counterweight to this gravitational pull by the simple device of transferring funds directly to the beneficiaries—mainly districts—but the mechanisms to secure accountability would be daunting.

For the purposes of capacity building, outputs and productivity, the policy planning approach adopted by the MoLG requires specific programme budgets, or, to put it another way, budgets need to be produced on a programme basis. The conventional approach disconnects the real activities and outputs of the MoLG from the financial resource, and therefore it is not possible to properly plan or fund the specific activities that have been given priority in the MoLG Workplans, or to know how much each activity costs. Neither is it possible to allocate financial priorities in accordance with the comparative importance that the MoLG gives to each activity. If ROM is to be a successful management system, it is necessary for there to be a precise alignment between policy statement, policy plan and programme budget.

There are over one thousand local authorities, thus creating a strong democratic fabric for the governance of Uganda, but this density of local authorities is inevitably expensive to maintain and difficult to administer. The system has been in existence for only 5 years, and more experience is needed to judge whether this very large number of local authorities is sustainable. The Government is also creating a considerable number of new local authorities. The reasons appear to be political rather than for administrative convenience but one consequence of this is that the stage of devolution varies widely as between areas. In comparatively settled and developed urban areas such as Jinja, much has been achieved whereas there are rural authorities, especially those recently created, that possess more enthusiasm than resources and lack the most basic necessities such as telephones, electricity and piped water supplies—or even a room in which to meet. However, the problems are recognised and are being addressed.

Institutional capacity also involves the political judgement and integrity of the decision-makers as well as the professional capabilities of officials. There has been a major shift in political accountability from Members of Parliament to Councillors and therefore much will depend on their competence. The Ministry has a substantial training programme for Councillors which has donor support, but there is no substitute for experience. This is undoubtedly a major problem not only because devolved local administration is still in its infancy but, more importantly, because of the high attrition rate at elections resulting in the loss of political experience almost as soon as it has been gained, which is also likely to have marked effects on stability, consistency and continuity. Although there is fairly robust
data on the turnover rate, there is little more than anecdotal information on the reasons. It is commonly held that a main cause is that candidates make exaggerated promises that have no realistic chance of being fulfilled and the electorate takes its revenge on polling day. It seems that local politics will need to become much more discerning and sophisticated before voters see through the blandishments of candidates and reject them at first instance.

The complexity of administering a large number of local authorities is emphasised by the supervisory regime. Inspections are prime task for the Ministry and form the largest part of its work. At the same time, all the relevant line ministries have a supervisory responsibility. If all inspections are carried out zealously, the average district council may expect a procession of inspectors—from the Ministry of Health to inspect the clinics, from the Ministry of Works to check on roads maintenance and so on. It is essential that the Government satisfies itself that local authorities are achieving proper standards and efficiency in delivering services that are largely paid for by the Government. It is also important that inspections are coordinated in such a way that visits to local authorities are not unnecessarily disruptive (and add value to service standards through quality control); and that costs are shared wherever possible, for example, through joint inspection teams so that expenditure on inspections does not outstrip their value. More fundamentally, care should be taken that supervision of local authorities does not become so close and unremitting that they become mere delivery agents for Government and the spirit of devolution is lost.

It would be naïve to imagine that local authorities will be other than closely supervised and monitored. The Government meets almost all of the costs of service provision, and since a very substantial part of government revenues are of donor origin, it is inevitable that the funding agencies also will take a close interest in how money is being applied. This highlights the fundamental dilemma which is probably inherent and inevitable in major devolution situations. Central Government must ensure that the bodies to which responsibility for services has been devolved inter alia, are capable of handling the task, are efficient qualitatively and quantitatively, have acceptable standards of probity and public conduct, and achieve Government-set standards of value-for-money. To satisfy itself on all these issues, Government must supervise and monitor, and when it does so, it begins to undermine devolution. Moreover, if the British experience is a reliable guide, the greater the central contribution to local revenues, the greater the Government intervention as to how it is spent. When most of the cost of local services is met by government subvention, there will always be a tension between freedom and accountability, and a temptation at the centre to interfere.

The process is now more than 5 years in being. It needs time to mature, and the likelihood is that many more years will need to elapse before it is possible to judge whether it is a success. Devolution strategies elsewhere are no further advanced, and thus do not yet provide lessons or guidelines for the future or predictions as to how they might fare. Failure is sure to be evident much sooner because any major breakdown in services will tend to show up quickly. If devolved service provision on the scale intended by the Ugandan initiative works, it may form a template for public sector reform elsewhere and provide an interesting contrast to the strong counter-trends in local government in Britain, recently described by The Economist as ‘probably the most centralised country in the world after North Korea’.  

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16Devolution of provincial and district government powers to local government has begun in Pakistan; it is under-reported.