



**REPUBLIC OF UGANDA**

**MINISTRY OF LANDS, HOUSING AND URBAN DEVELOPMENT**

Sustainable Urbanization and Housing Programme

**GUIDELINES FOR PHYSICAL PLANNING  
GRANT TO DISTRICT LOCAL  
GOVERNMENTS**

SEPTEMBER/2024

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## **FORWARD**

Government has prepared the Physical Planning non-wage conditional grant guidelines to support the Physical Planning function of District local governments to implement priority programs and projects under the Sustainable Urbanization and Housing Programme agreed upon between the Ministry of Lands, Housing and Urban Development, and the local governments.

The funds shall be used to support preparation of physical development plans, supervision, monitoring of programs, projects and developments for compliance with Physical Development Plans, policies, laws, regulations, standards and guidelines related to land use, urban and rural development within the Districts.

Article 242 of the Constitution, 1995, mandates Government under laws made by Parliament and policies made from time to time, regulate the use of land. The Physical Planning Act 2010 cap 142 decentralized powers of Physical planning to local governments in terms of land use planning, development control, land registration and administration among others through the physical planning committees.

Activities implemented shall range from awareness creation, enhancement of the functions of the Physical Planning Committees, preparation and implementation of Physical Development Plans (PDPs) within the districts.

Expenditure under this grant shall be in accordance with the Public Finance and Accountability Act (2003). Reports submitted by local governments will not only be assessed against the outputs and activities but also in line with existing laws and regulations. Therefore, district local governments receiving this grant should comply with public sector values such as honesty, integrity and accountability.



Richard Juuko

**FOR PERMANENT SECRETARY**

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## **1.0 Introduction and background**

Physical Planning is a systematic process of prescribing land uses for different parts of an area and articulating infrastructure and other services needed to support these land uses at a given time and space. It therefore combines land use planning and other spatial decisions, encompassing such elements as infrastructure, whether social, economic or environmental.

Government of Uganda is committed to ensuring orderly, progressive, and sustainable development both in the urban and rural areas, as part of the National agenda clearly articulated in the Uganda Vision 2040 and the Third National Development Plan (NDP III).

The Physical Planning function in Uganda is enshrined in the Physical Planning Act 2010 cap 142 which declares the entire country a planning area. This means that any development whether in an urban or rural area is subject to development control as per the respective area's spatial development plan. Further, the Physical Planning function in Uganda was devolved under the decentralisation governance system to Lower Local Governments and thus it is their responsibility to plan and regulate development.

Although the physical planning function generates substantial amount of revenue, it receives least or none of the budget allocation to support its activities thus constraining its functions. The effect of this has manifested in a number of ways such as increased non-compliance towards guided development, haphazard urban growth and encroachment on fragile ecosystems. This gap in the long term will affect the efforts towards attaining Sustainable Urbanization and Housing Programme outcomes.

The government extended support through the physical planning grant in the financial year 24/25 to support forty districts in the enhancement of the physical planning function. The districts selected for the initial grant are listed in annex II. Although these local governments have not yet received the funding, they have already been sensitised on the grant and guidelines for



management of the grant have already been disseminated as preliminary activities.

## 2.0 Grant Information

### 2.1 Structure and Objectives of the grants

The structure and purpose of the physical planning grant is summarized in the table below

Grant	Purpose
Sector conditional grant	<ul style="list-style-type: none"><li>a) Facilitate the operation of the physical planning committees within the Districts</li><li>b) Public sensitisation and engagement to create awareness and increase compliance levels</li><li>c) Preparation and implementation of Physical Development Plans (PDPs)</li></ul>

### 2.2 Linkage to the NDP III

Physical Planning and Urbanisation is a sub program under the Sustainable Urbanization and Housing Programme (SUHP) in the National Development Plan 2020/21-2024/25 (NDP III). Therefore, the Sub-Programme efforts are geared towards attainment of the program outcome as follows;

- High levels of investment, competitiveness and employment
- Access to decent housing
- Organized urban development
- Orderly, secure and safe urban areas



Therefore the grant will enhance the District Local Government's ability to contribute to the attainment of the program's outcome.

As government prepares the National Development Plan (NDP) IV, the physical planning grant will be further be aligned to the sub program under the Sustainable Urbanization and Housing Programme (SUHP) in the NDP IV.

### **2.3 Procedures and Guidelines for allocating the respective Grants across District Local governments**

The allocation for the physical planning grant for the financial year 24/25 was affected by budget cuts as such a criteria was developed and only 40 districts were selected to benefit from the pilot process to be able to attain substantial results from the grant. The selection was based on availability of Substantive Physical Planner, regional representation, availability of an approved District PDP and high population size as of 2024 (see Annex –II)<sup>1</sup>. In total 40 Districts were selected as per the above criteria.

The selected District Local Governments were allocated an equal amount. The budget allocation of 890 Million Uganda Shillings the selected District Local Government was to receive 800 Million Uganda Shillings in total for the physical planning functions and 90 Million Uganda Shillings would be used for grant administration and management by MoLHUD. Therefore each select District Local Government should receive approximately 20,000,000 UGX annually

The physical planning grant for the financial year 25/26 shall include all District Local governments. The expected grant portfolio is 2bn UGX and this shall be distributed equally to all districts to support the function of physical planning. 10% of the allocation shall be used for administrative purposes and management by Ministry of Lands, Housing and Urban Development.

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<sup>1</sup> UBOS Revised Subcounty Population Projections From 2015 To 2030 For 146 Districts



Its expected that the equal distribution to all districts shall aid regional balance and enhance orderly development in the country as a whole.

## 2.4 Utilisation of the grants by the District Local Government

The funds shall be disbursed directly to the accounts of the local governments by Ministry of Finance Planning and Economic Development. The funds shall be used in three areas; operations of the Physical Planning Committees, public awareness creation and Preparation and implementation of Physical Development Plans (PDPs). The percentages distribution of utilisation among the three areas is as follows;

Grant Areas	Scope of activities	Percentage (%)
Operations of the Physical Planning Committees	<ul style="list-style-type: none"> <li>• Assessment of development applications and land registration application</li> <li>• Field site inspection for development and land registration application</li> <li>• Support to Sub county Physical Planning Committees</li> </ul>	40%
Public awareness creation	<ul style="list-style-type: none"> <li>• Meetings with various stakeholders ( political leadership, security, Landlords, technical officers, cultural leaders, CSOs) at the District and at the Sub counties</li> <li>• Community baraza's for feedback and consultations</li> </ul>	20%
Preparation and implementation of Physical Development	<ul style="list-style-type: none"> <li>• Preparation of Local/Detailed plans for Peri-Urban growth centres ( Major Centres where</li> </ul>	40%





Plans (PDPs)	<p>there is no plan)</p> <ul style="list-style-type: none"> <li>• Retooling of the Physical Planning Office ( GPS/Computers)</li> </ul>	
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### 3.0 Financial and Technical Reporting

District Local Governments shall report in accordance with the Local Government Act (1997) and the Public Finance and Accountability Act (2003). Whereas it is clear that officers responsible for Physical Planning administratively report to the Chief Administrative Officers, they are technically required to report to Ministry of Lands, Housing and Urban Development. Under these guidelines, officers responsible for Physical Planning are required to send copies of the quarterly and annual reports to the Permanent Secretary or official delegated by the Permanent Secretary of Ministry of Lands, Housing and Urban Development.

This will help ease coordination, planning and will guide subsequent releases which will be performance based. The reports shall be in soft copies and shall be submitted to the address indicated on the guidelines and/or a web platform that shall be communicated. Whereas the soft copies shall be used to update information about a District, hard copies submitted by the Chief Administrative Officer shall be the official reports of the District

Districts are required to submit 5 reports annually, including 4 Quarterly and 1 annual report. The reports shall include both technical and financial reports (*see attached Annex III*). Technical reports should not only reflect outputs but also outcomes. Districts are required to submit their reports within a fixed timeframe as shown below;

Reports	Timeline
1 <sup>st</sup> Quarter Report	15 <sup>th</sup> October



2 <sup>nd</sup> Quarter Report	15 <sup>th</sup> January
3 <sup>rd</sup> Quarter Report	15 <sup>th</sup> April
4 <sup>th</sup> Quarter Report	15 <sup>th</sup> July
Annual Report	15 <sup>th</sup> July

## **ANNEX-II- Selected Districts for financial year 24/25**

<b>District Local Government</b>	<b>Population as of 2024</b>
Mubende	704,800
Luwero	580,200
Mityana	388,600
Rakai	352,500
Nakaseke	268,500
Tororo	667,000
Mayuge	648,700
Kamuli	620,300
Bugiri	575,300
Bududa	332,600
Oyam	516,700
Nwoya	379,100
Kole	325,100
Agago	269,300
Lira	265,700
Serere	431,300
Soroti	344,600
Kumi	325,900
Alebtong	299,900
Moroto	131,300
Rukungiri	346,300



Kisoro	342,700
Kanungu	296,700
Kabarole	243,500
Kasese	876,200
Kakumiro	704,000
Isingiro	700,400
Ntungamo	586,800
Ibanda	299,200
Bundibugyo	298,900
Kyegegwa	638,500
Kyenjojo	625,000
Kagadi	505,100
Kikuube	454,600
Bunyangabu	216,300
Yumbe	856,600
Nebbi	321,900
Sheema	229,300
Koboko	307,900
Maracha	226,300



## ANNEX-III- Report Format

### TECHNICAL

#### 1. Introduction and Background

#### 2. Sub-Grant Items

##### 2.1 PPC Operations

- Dates of PPC sitting and key emerging issues for MoLHUD's attention
- PPC Minutes (as attachment)

##### 2.2 Awareness creation

- Brief concept note for the awareness activity
- Issues raised during the awareness
- Key emerging issues and action points
- Evidence of engagements (Pictorial and attendances)

##### 2.3 Preparation and implementation of Physical Development Plans (PDPs) Brief concept note for monitoring and supervision activity

- Commencement of the PDP preparation of a peri-urban growth centres
- Evidence of field visits during stakeholder engagement (pictorial and attendances)
- Status brief activity report for the PDP preparation and implementation where there is already an existing plan

#### 3. Recommendations

Note: The reports should not be more than 20 pages

### FINANCIAL

#### 1. Introduction and Background

#### 2. Work plan of the Sub-Grant Items

- a. PPC Operations
- b. Awareness creation
- c. Preparation and implementation of Physical Development Plans (PDPs) Evidence of

#### 3. Payment voucher

#### 4. Payment acknowledgement (receipts/ payment forms) against planned activities

#### 5. Recommendations

Note: The reports should not be more than 10 pages

