



THE REPUBLIC OF UGANDA

Ministry of Lands, Housing and Urban Development

Uganda Support to Municipal Infrastructure Development, Additional Financing (USMID-AF) Program

Program Operational Manual (POM)

Ministry of Lands Housing and
Urban Development
P.O. Box 7096
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Acronyms/Abbreviations

| | |
|--------------|---|
| CAO | Chief Administrative Officer |
| CDOs | Community Development Organizations |
| CFO | Chief Finance Officer |
| CGV | Chief Government Valuer |
| CIID | Criminal Investigation and Intelligence Directorate |
| CSO | Civil Society Organization |
| DDEG | Discretionary Development Equalization Grant |
| DLIs | Disbursement Link Indicators |
| DLR | Disbursement Linked Results |
| EA | Environmental Assessment |
| EIA | Environmental Impact Assessment |
| EMP | Environment Management Plan |
| ESIA | Environmental Social Impact Assessment |
| ESMF | Environmental and Social Management Framework |
| ESMP | Environmental and Social Management Plan |
| ESSA | Environmental and Social System Assessment |
| F&C | Fraud and Corruption |
| FAR | Finance and Accounting Regulations |
| FDSC | Fiscal Decentralization Steering Committee |
| FINMAP | Finance Management Program |
| GGAC | Good Governance and Anti-Corruption |
| GoU | Government of Uganda |
| IFMIS | Integrated Financial Management Information System |
| IGFT | Inter-Governmental Fiscal Transfer |
| IGG | Inspectorate General of Government |
| IgTRP | Inter-governmental Transfer Reform Program |
| IPFs | Indicative Planning Figures |
| IS | Institutional strengthening |
| ISG | Institutional strengthening Grant |
| ISNA | Institutional strengthening Needs Assessment |
| IVA | Independent Verification Agent |
| LDG | Local Development Grant |
| LED | Local Economic Development |
| LG | Local Government |
| LG PAM | Local government Performance Assessment Manual |
| LGA | Local Government Act |
| LGFC | Local Government Finance Commission |
| M&E | Monitoring and Evaluation |
| MCs | Minimum Conditions |
| MDA | Ministries, Departments and Agencies |
| MDF | Municipal Development Forum |
| MDG | Municipal Development Grant (under DDEG for USMID MLGs) |
| MEO | Municipal Environment Officer |

| | |
|----------|--|
| MLG | Municipal Local Governments |
| MLHUD | Ministry of Lands, Housing and Urban Development |
| MoFPED | Ministry of Finance Planning and Economic Development |
| MoLG | Ministry of Local Government |
| MoPS | Ministry of Public Service |
| MoWE | Ministry of Water and Environment |
| MoWT | Ministry of Works and Transport |
| MTEF | Medium Term Expenditure Framework |
| MTR | Mid-Term Review |
| NEMA | National Environmental and Management Authority |
| O&M | Operations and Maintenance |
| OAG | Office of the Auditor General |
| OBT | Output-Based Tool |
| OSR | Own Source Revenue |
| PA | Performance Assessment |
| PAD | Project Appraisal Document |
| PBS | Program Budgeting System |
| PDO | Program Development Objective |
| PMs | Performance Measures |
| POM | Program Operational Manual |
| PPDA | Public Procurement and Disposal of Public Assets Authority |
| PSC | Program Steering Committee |
| PST | Project Support Team |
| PTC | Program Technical Committee |
| TC | Town Clerk or Town Council |
| TPC | Technical Planning Committee |
| UAAU | Urban Authorities Association of Uganda |
| UNRA | Uganda National Road Authority |
| URF | Uganda Road Fund |
| USMID | Uganda Support to Municipal Infrastructure Development |
| USMID-AF | Uganda Support to Municipal Infrastructure Development- Additional Financing |
| VFM | Value for Money |

Foreword

After the successful implementation of the first phase of the Uganda Support to Municipal Infrastructure Development (USMID) Program, Government, spearheaded by the Ministry of Lands, Housing and Urban Development (MLHUD) has received additional financing to the tune of US\$ 360 million from the World Bank/IDA to implement the second phase of the Program (USMID Additional Financing-USMID-AF) for 5 years starting in fiscal year 2018/19.

USMID-AF will maintain the development objective of the first phase and will extend the geographical coverage of the Program to eight additional municipal local governments of Kitgum, Kamuli, Mubende, Kasese, Busia, Ntungamo, Apac and Lugazi and also introduce support to 8 districts of Adjumani, Moyo, Yumbe, Arua, Isingiro, Kiryandongo, Kamwenge and Lamwo, that have faced a high influx of refugees to strengthen these LGs' abilities to cope with the recent and future refugee influx in Uganda and to deliver critical infrastructure to host communities/local governments. The program will deepen impact and results in terms of institutional strengthening, planning and financial management, infrastructure provision and local economic development. USMID-AF draws a lot of lessons from the implementation of the first phase of USMID.

This Operational Manual for USMID-AF has been prepared by the Ministry of Lands, Housing and Urban Development (MLHUD) in order to guide the participating Municipal and District Local Governments in the implementation of the USMID-AF Program. Improvements to the operational manual have been drawn from lessons learned from implementing the first phase of USMID. This manual includes the performance assessment tool that will be used for verifying program performance at the MLHUD, Municipal and District Local Governments level by the Independent Verification Agent (IVA). This performance assessment must be undertaken by all participating Local Governments before funding can be allocated to the Local Governments and to MLHUD, given that this is a Program for Results (PforR).

I call upon all participating Municipal/District Local Governments to internalize this Manual and comply with the requirements so as to make the implementation of USMID-AF a success.

Dorcas W. Okalany
PERMANENT SECRETARY
January, 2019

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1.0 INTRODUCTION

1.2 PROGRAM CONTEXT

The Uganda Support to Municipal Infrastructure Development Program Additional Financing (USMID-AF) will be implemented in a context where Uganda has successfully implemented the Uganda Support to Municipal Infrastructure Development (USMID) Program from September 2013 to December 2018.

Additional Financing for the USMID Program was one of the recommendations made by the USMID Program mid-term review (MTR) that was conducted in May 2016. The recommendation for USMID-AF was based on the conclusion that the benefits from the USMID Program needed consolidation in order to ensure sustainability of achievements made in institutional capacity and infrastructure investments and that more resources were required for sustainability especially in building strong Municipal own source revenue enhancement opportunities.

USMID-AF is anchored on the current status of the urban sector in Uganda and the aspirations of Uganda as envisioned in Vision 2040 and the second National Development Plan (NDPII). Infrastructure development and human resource development are identified among the fundamentals for achievement of a middle income economy. The additional funding will focus on urban infrastructure development but with minimal expenditures to institutional support of the Municipal Local governments and the MLHUD.

By June 2016 there were 41 Municipalities with a total night population of 3,249,609. It is projected that urban populations will grow at a rate of 5% every year. The regional distribution of these fast growing urban areas will catalyze rural-urban migration. Due to the apparent rural-urban migration, it is expected that the population growth will move faster than the capacity to plan. It is therefore essential that any further intervention in these Municipalities hinges on improved urban service delivery, integrated development planning and institutional capacity strengthening.

Although USMID is set to achieve its set objectives by program closure in 2018, the urban services required by the ever-increasing urban population are still on a high and increasing demand. The institutional capacity of the Municipalities must therefore grow in similar proportion if the Municipalities are to meet the demand for services.

Any subsequent operation to consolidate the achievements from USMID implementation while at the same time seeking to achieve the long-term national urban development

agenda must be guided by Vision 2040 and NDPII. Vision 2040 guides on the establishment of four regional cities; Gulu, Mbale, Mbarara and Arua and five strategic cities of Hoima (oil), Nakasongola (industrial), Fort Portal (Tourism), Moroto (Mining) and Jinja (Industrial) which have been identified as part of the urban corridor development. All these except Nakasongola are already Municipalities under the USMID program. Any further urban development efforts must put into consideration the unique benefits and strategic advantages of these cities if their strategic objectives in national development are to be achieved. NDP II recognizes the urgent need to transform local governments into vibrant economies capable of delivering quality services to their communities and sustainably generating local revenue. Urbanization will be pursued as a broad strategy to provide among others: a platform for social transformation, mutual people-to-people interactions and employment opportunities for rural immigrants; markets for goods and services; reduced transaction cost, efficient and effective service delivery. USMID AF will respond to the proposed national strategy for urbanization.

Uganda is currently the largest host of refugees in Africa and the third-largest host in the world, with over 1.4 million refugees. Refugees settled in Northern Uganda, predominantly in the West-Nile sub-region, now constitute more than one-third of district populations. The influx of refugees has turned the rural communities into settlements with urban characteristics. Uganda has one of the most progressive refugee regimes in the world, where refugees have right to work, establish business, move freely within the country, access social services, own property, and obtain documentation. Refugees are also given plots of land on which to cultivate and build houses. This is putting enormous pressure on LGs' ability to provide adequate infrastructure and services to this rapidly increased population, given that refugees are not limited to refugee settlements and can freely move to urban areas and access services. Most long-term refugees have failed to "graduate" from humanitarian aid at a time when humanitarian budgets are shrinking. It is therefore, critical to find ways to transition from humanitarian to development responses in Uganda and move from parallel to integrated service provision. USMID-AF will contribute directly to this aim through infrastructure investments and strengthening of the planning process, which will seek to facilitate the transition from the emergency response to long-term development and socio-economic integration.

The Program will specifically contribute to enhanced public infrastructure, improved management and delivery of urban services through the strengthening of the capacities of the municipalities and the MLHUD to respond to the urban development challenges, as well as contributing to a closure of the funding gap by provision of core funding for investments and institutional strengthening support. The Program will support the

implementation of the recently approved National Urban Policy.

This Manual provides a brief description of the core elements in USMID-AF and the detailed operational modalities for the handling of the grants provided to the participating municipalities and district local governments that are hosting large numbers of refugees.

1.2 USMID –AF OBJECTIVES AND CORE COMPONENTS

1.2.1 Program Development Objective (PDO)

The Program development objective (PDO) is to enhance the institutional capacity of selected municipal¹ LGs to improve urban service delivery. Program's expected outcomes are (i) strengthened capacities of participating municipalities in fiduciary, safeguards, urban planning and own source revenue (OSR) generation, (ii) increase in total planned infrastructure completed by participating municipal LGs, (iii) enhanced service delivery through improved local infrastructure in Local Governments hosting refugees, and (iv) enhanced capacity of MLHUD for urban development, management and back-stopping for the implementation of the Program.

Program beneficiaries will be the population living within the municipal jurisdiction as well as the transient population. Through the enhancement of the financial and institutional capacities, all participating municipalities will have the capacity to implement and resources to finance a reasonable number of municipal services to address the current service delivery gaps. In general, beneficiaries under the Program would therefore include the participating municipalities and their institutions and their constituents, the business communities through the creation of enabling environment, the communities in beneficiary districts that are hosting refugees and the refugees as well as private contractors through their engagement in the implementation of the various sub-projects prioritized by the municipalities within the core infrastructure and service delivery areas, based on a clear demarcation of the investment menu, see Section 2.

The USMID-AF Program will support and complement the Government program – the Discretionary Development Equalization Grant (DDEG) which is a performance based grant. USMID-AF will fully utilize and enhance key features of the DDEG system, in particular the funds allocation formula for the urban DDEG to the municipal USMID window.

The USMID-AF funds will be used for three main purposes (a) to leverage institutional strengthening both at the municipal LGs and the MLHUD for urban development and management – the Municipal institutional strengthening Grant; (b) investments to improve municipal urban infrastructure – the Municipal Development Grant; and (c)

¹ 1) Arua MC, (2) Gulu MC, (3) Lira MC, (4) Moroto MC, (5) Soroti MC, (6) Tororo MC, (7) Mbale MC, (8) Jinja MC, (9) Entebbe MC, (10) Masaka MC, (11) Mbarara MC, (12) Kabale (13) Fort Portal, (14) Hoima MC, (15)Kasese, (16) Kitgum, (17) Kamuli and (18) Mubende and 4 others to be added to the program in the second year of operation.

support to selected district² LGs hosting refugees to improve planning, land tenure security, and small scale infrastructure investments targeting refugees and host communities. The program will be executed and coordinated by the MLHUD which is responsible for urban development. The institutional strengthening at the municipal LGs level will target technical, fiduciary (financial and procurement), Local Economic Development and environmental and social sustainability with a focus on the following seven thematic areas:

- i. Improved linkage between Municipal Physical Development Plan, Five year Development Plan and Budgeting;
- ii. Increased municipal own source revenue (OSR);
- iii. Improved procurement performance;
- iv. Improved municipal Accounting and core financial management
- v. Improved Execution/Implementation of infrastructure sub-projects for improved urban service delivery;
- vi. Improved accountability and transparency (monitoring and communication); and
- vii. Enhanced environmental and social sustainability (Environmental, social and resettlement due diligence).

Disbursements to participating municipalities and the MLHUD will be based on their regular performance results, as measured by an independent (third party) annual assessment. To achieve the results of institutional strengthening and improvement in infrastructure provision, the USMID assessment tool has been enhanced by raising the bars in three areas (i) the minimum conditions, (ii) institutional performance improvements indicators, and (iii) delivery of quality infrastructure (see annex IV). While infrastructure delivery assessment will focus on completion rates, the value for money (VFM) in terms of the 3Es (efficiency, effectiveness and economy) and the execution of budgets for investment projects, operations and maintenance; the municipal institutional strengthening assessment will focus on the seven thematic institutional strengthening areas above since they are core in making the municipal LGs respond effectively to the Uganda urban challenges.

The Program is expected to result in improvement of the percentage/number of municipalities which have improved fiduciary safeguards and urban planning process and percentage of total planned infrastructure completed by participating municipalities, and with due consideration and priority on projects which benefit the women, youth and private sector.

1.2.2 Activities Eligible for Funding Under the Program

USMID-AF Program will finance four major areas of activities namely (i) urban infrastructure investments with associated investment servicing costs (engineering design, preparation of bidding documents and supervision) - (US\$245 million), (ii)

² Adjumani, Moyo, Yumbe, Arua, Isingiro, Kiryandongo, Kamwenge and Lamwo

institutional strengthening for the municipal LGs (US\$10 million), (iii) institutional strengthening for MLHUD and program management and coordination (US\$ 45 million) and (iv) support to refugee hosting Local Governments - (US\$ 60m).

Since USMID-AF will add further resources to the existing urban DDEG for the 22 municipal LGs through the Municipal USMID window, allocated to municipalities only, the government DDEG grant flow through the Division- USMID window to the Municipal Divisions of the 22 municipalities will be added on to the USMID-AF Program flows. The government contribution to DDEG in the 22 municipalities will cater for investments not eligible under USMID-AF.

Municipal Infrastructure Investments Activities

The Program will provide an enhanced municipal development grant (MDG) for urban infrastructure investments to the twenty two program municipalities. Under the Program, the average allocation per capita will increase from the current US\$ 24 under USMID to an average US\$ 35 per capita over the 4 cycles of allocations with the highest amount of US\$ 45 per capita in the third year. The objective of the enhancement in the MDG is to allow the participating municipal LGs to provide improved urban services consistent with their mandates under the Second Schedule of the LGs Act CAP 243, while addressing the current investment backlog. Municipalities will access the enhanced MDG window based on them meeting the minimum access criteria and will also be rewarded or sanctioned based on their performances as assessed by an independent firm every year. The USMID performance assessment tool has been enhanced to take into consideration the increase in the per capita allocation under the Program and the need to enhance municipal LGs capacities.

In order to achieve the intended Program impact, the investments activities to be funded out of the enhanced MDG of the Program will be limited to a few sub-sets of infrastructure works which are not currently benefiting from any form of transfers from central government, consistent with municipal service delivery mandate³ as provided for under the LGs Act (CAP243) – Second Schedule and are critical for the functionality of a municipal LG. The MLHUD will coordinate support and inputs from the various sector ministries with respect to design standards for the various sub-projects to be funded under the Program. Execution of infrastructure sub-projects will be contracted out through open competitive bidding to competent firms in line with government policy. Like under the government program, municipal LGs may use part of the Program funds to procure consultancy services for preparation of engineering designs, preparation of

³ Eligible infrastructure to be funded under the Program were agreed through consultative meetings with Government and the participating municipalities

bidding documents, and supervision of works.

Institutional Strengthening and Systems Development Activities

The Program will provide funds to finance institutional strengthening and systems enhancement activities to strengthen the institutional capacities of the participating municipal LGs and the MLHUD for improved urban management and development. This support is intended to ensure that Program risks are addressed so as to achieve the Program objectives and results.

The Program institutional strengthening activities will be aligned to those of the institutional strengthening grant (ISG) of the government program. The institutional strengthening activities under the Program will respond to both the demand and supply side of the institutional strengthening needs of the municipal LGs under the Program, as well as those for the MLHUD to perform its overarching mandate for urban development and provide support to the municipal LGs for activities required for the Program success. The Program will support capacity enhancement at the municipal LGs related to the following seven thematic institutional improvement areas:

- i. Improved linkage between Municipal Physical Development Plan, Five year Development Plan and Budgeting;
- ii. Increased municipal own source revenue (OSR);
- iii. Improved procurement performance;
- iv. Improved municipal Accounting and core financial management
- v. Improved Execution/Implementation of infrastructure sub-projects for improved urban service delivery;
- vi. Improved accountability and transparency (monitoring and communication); and
- vii. Enhanced environmental and social sustainability (Environmental, social and resettlement due diligence).

Municipal LGs will access the more formal training from existing local institutions. Training and support of this type will be procured by each municipal LGs themselves on the basis of their annual capacity-building plans which will be formulated on the same timing cycle as their five year development plans. In addition to this demand driven institutional strengthening, the MLHUD will also provide supply driven institutional strengthening support to the municipal LGs. Training of this type will be provided through a number of MLHUD centrally procured and managed mentoring activities intended to address specific issues in a municipality or cross cutting issues affecting all the municipal LGs. The Program Support Team (PST) established within MLHUD, will support in providing the necessary technical back-up support to the municipal LGs. Given the fact that capacity-building needs of different municipal LGs vary, and will vary over time, the institutional

strengthening support from the MLHUD will be determined after annual performance assessments have been completed. The financing of institutional strengthening activities under both the municipalities and MLHUD institutional strengthening plans will be through Disbursement linked indicators (DLIs) 4 and 5 respectively.

The Program will support institutional strengthening and system development at the MLHUD related to finalizing the development of the Physical Planners' Registration Act⁴, finalizing the amendment of the Physical Planning Act⁵ with a view to strengthening the effectiveness of the National Physical Planning Board, finalizing the National Land Acquisition, Resettlement and Rehabilitation Policy⁶, finalizing the review of regulations, standards and guidelines for the implementation of the Physical Planning Act, 2010, Support to the implementation of the recently approved National Urban Policy; implementation of the National Solid Waste Strategy, Development of standard urban roads design for Municipalities and Cities; development of climate smart capital investment planning and development of guidelines for development of cities and metropolitan areas; technical capacity for local economic development Support to the Office of the Chief Government Valuer; Establishment of a data repository that captures the costs and completion times of categories of infrastructure projects completed in the Ugandan context to improve accuracy of cost estimating at both conceptual and engineering stages and Support to the new urban development agenda.

The MLHUD and each of the 22 municipal LG will be required to prepare an institutional strengthening plan detailing the activities, objectives, resources assigned (budget), delivery method and implementation timeline in order to be able to access funding under the Program.

Support to Local Governments Hosting Large Numbers of Refugees

The program will support eight districts currently hosting large numbers of refugees to improve planning, land tenure security, and small infrastructure investments targeting refugees and host communities.

1.3 GUIDING PRINCIPLES

The design of the Program has been guided by the following principles:

- (i) Use of existing intergovernmental system (IGS) both in terms of intergovernmental relations (IGR) and intergovernmental fiscal transfer system (IGFTS) so as to

⁴ The Principles for the Physical Planners' Registration Bill were approved by Cabinet on 8th February, 2017

⁵ The Principles for the Physical Planning Act Amendment Bill were approved by Cabinet and a draft Bill is in place

⁶ Consultations on the draft policy are on-going.

strengthen capacity at both central and LGs for urban development and management consistent with the decentralization policy and the mandates/functions of central government and LGs as provided for in the Constitution and LG Act, CAP 243;

- (ii) Use of Government system - Ministry of Lands Housing and Urban Development (MLHUD) is the executing agency while the Municipalities and the district local governments hosting refugees are the implementing agencies consistent with their legal mandates. Where there are capacity gaps, they will be assisted by technical assistants. Prioritization of sub-projects for implementation shall therefore be the responsibility of the municipalities/local governments based on local infrastructure and institutional needs. While doing this, the central government (MLHUD and other relevant sector line ministries) will provide the necessary oversight, national standards, guidance and technical back-up support tailored to the needs of each municipality/Local Government to improve its service delivery, structure and performance;
- (iii) Inbuilt performance assessment to reward good performers' and sanction poor performers. This is to encourage competition amongst municipalities for institutional strengthening. This will be based on the improved performance assessment tool detailed in Annex IV. The district LGs hosting refugees will be assessed using the national performance assessment system coordinated by the Office of the Prime Minister. The performance assessment scores shall be used to calculate the funds allocation to each local government under the refugee host window component of the program.
- (iv) Inclusive Urban Planning and Growth including creation of enabling environment for private sector to thrive.

The Program will support the following main areas:

i. Municipal Development Grants (US\$ 245 million) over Program period

The objective of this component is to enhance the financial resources of the participating municipalities (from current average US\$ 24 per capita to an average of US\$ 35 per capita) for improving municipal infrastructure to address the current gaps. The Program will fund municipal infrastructure development in the twenty two selected municipalities⁷ and will cover activities associated with:

- (i) Construction and rehabilitation of infrastructure;
- (ii) Associated design and supervision costs of infrastructure investments; and

⁷ (1) Arua MC, (2) Gulu MC, (3) Lira MC, (4) Moroto MC, (5) Soroti MC, (6) Tororo MC, (7) Mbale MC, (8) Jinja MC, (9) Entebbe MC, (10) Masaka MC, (11) Mbarara MC, (12) Kabale (13) Fort Portal, (14) Hoima MC, (15) Kasese, (16) Kitgum, (17) Kamuli and (18) Mubende and 4 others to be added on in the second year of program implementation.

(iii) Supply of goods and services for selected services.

ii. Municipal Institutional Strengthening Grant (US\$ 10 million) over Program period

The participating municipalities will receive grants to strengthen their capacities to execute their mandates for delivering a wide range of urban infrastructure and services. The municipalities will be provided with US\$ 10 million as Municipal Institutional Strengthening Grant (ISG) as part of the overall DDEG allocation. The funds will be used to implement comprehensive institutional strengthening plans that respond to capacity gaps unearthed by the annual assessments. The activities to be implemented will focus on tooling, discretionary capacity building/institutional strengthening, and career development.

iii. Institutional Strengthening of MLHUD (US\$ 45 million) over Program period

The Program will provide US\$ 45million for program management & coordination and institutional strengthening support to MLHUD focusing on the following:

- (i) Institutional support to MLHUD to strengthen the system of urban development, physical planning, enhancing performance of the Chief Government Valuer (CGV), providing supply driven institutional support to the municipalities for activities which can be pooled together for economies of scale and that cut across all municipalities.
- (ii) Program management support to strengthen the capacity of the MLHUD to better execute its mandate with regard to urban development and management. The support will have the following main elements: systems development for urban management, tooling/retooling of the MLHUD, design of follow-on operation and USMID-AF Program Implementation.

iv. Support to Local Governments hosting large numbers of refugees (US\$ 60 million) over the program period

The USMID-AF Program will provide US\$60million to support Local Governments that are hosting large numbers of refugees to improve planning, land tenure security and infrastructure investments to benefit both refugees and host communities.

2.0 MUNICIPAL DEVELOPMENT GRANT (MDG)

2.1 INTRODUCTION

This section describes: i) the nature of the USMID –AF grant and links with other grants; ii) the size of the grants; iii) the allocation criteria; iv) the access conditions and performance-components of the grants; and v) make references to accountability and reporting measures defined in subsequent sections.

2.2 NATURE OF THE USMID-AF MDG AND LINKS TO OTHER GRANTS

Over the five year period, a total of US\$ 245 million will be transferred to the selected 22 Program municipalities as Municipal Development Grant (MDG). This enhanced MDG (up to US\$ 45 per capita) is to provide adequate financial resources of the participating municipal LGs for provision of improved urban services consistent with municipal LGs mandates under the Second Schedule of the LGs Act CAP 243. Municipalities will access the enhanced MDG window based on them meeting the minimum access criteria and will also be rewarded or sanctioned based on their performances as assessed by an independent firm every year. The USMID assessment tool has been enhanced to take into consideration the increase in the per capita allocation under the Program and the need to enhance municipal LGs' capacities.

The USMID –AF MDG will supplement the existing urban DDEG in the 22 program municipalities. The MDG will be allocated to the Program municipalities for investment in local development and poverty reduction, particularly related to infrastructure improvements and based on their development plans. Focus will be on larger infrastructure investments in the municipalities in core areas such as roads, street lighting, solid waste management, economic infrastructure that generate revenue and provide employment, etc. within a clearly defined group of eligible expenditure (investment menu). Government will provide allocations to the Municipal Divisions in the 22 municipalities through other funding to meet its obligations and cater for investments not eligible under IDA USMID-AF.

2.3 SIZE OF THE USMID-AF MUNICIPAL DEVELOPMENT GRANT

The total amount of funds from the USMID- AF MDG is US\$ 245 million over the period of 5 years (from FY 2018/19 to FY 2022/23), but as the lending instrument applying is the Program for Results (PforR) the actual size of the grants to be disbursed annually will depend on the municipal performance against the annual benchmark, and for each municipality the relative performance compared with other municipalities. The MDG will

cover municipal infrastructure development in the eighteen municipalities of Arua, Gulu, Lira, Moroto, Soroti, Tororo, Mbale, Jinja, Entebbe, Masaka, Mbarara, Kabale, Fort Portal, Hoima, Kasese, Mubende, Kitgum and Kamuli starting from the first year and will be expanded to include Busia (Eastern), Apac (Northern), Ntungamo (Western) and Lugazi (Central) in the second year of implementation.

The actual allocation of the grants will depend on (i) the basic component, allocated based on the allocation criteria; and (ii) the performance component based on the performance of the municipality relative to the others.

Indicative planning figures on the MDG will be provided to the municipalities in November each year.

The overall size of the allocation per year is linked to the performance of all municipalities involved as defined in the Disbursement Linked Indicators (DLI 1-4), see annex III.

The MDG will be disbursed annually and will be linked to three DLIs (but municipalities will receive one aggregated amount). The DLIs are linked as follows:

- i. **DLI 1** – linked to municipal compliance with minimum conditions: FY 2018/19 – FY 2021/22: Every FY a certain amount will be allocated to each municipality (using the basic allocation formula) provided that the municipality has complied with the minimum conditions (See Annex IV);
- ii. **DLI 2** – linked to municipal institutional performance improvements in seven thematic areas of:
 - a) Improved linkage between Municipal Physical Development Plan, Five year Development Plan and Budgeting;
 - b) Increased municipal own source revenue (OSR);
 - c) Improved procurement performance;
 - d) Improved municipal Accounting and core financial management
 - e) Improved Execution/Implementation of infrastructure sub-projects for improved urban service delivery;
 - f) Improved accountability and transparency (monitoring and communication);
 - g) Enhanced environmental and social sustainability (Environmental, social and resettlement due diligence).

The DLI 2 allocation is done each year from FY 2018/19 – FY 2021/22. The size of the grant to each municipality will depend on the performance of all municipalities against the annual performance benchmark as well as the relative weighted performance of each municipality. The criteria for measuring performance are included in the Annex IV- Performance assessment tool.

- iii. **DLI 3** – linked to municipal delivery of infrastructure funded under the Program: From FY 2018/19– FY 2021/22, municipalities will get a performance based part of the allocations which size depends on the performance on achievement of planned infrastructure targets. From FY 2018/19, results from the value for money audit will

be incorporated in this index on performance, see Annex III.

The calculation of each window – DLI 1, 2, and 3 are discussed further in the Project Appraisal Document (PAD) and Financing Agreement.

Each municipality will receive one MDG allocation annually based on the DLIs, provided it has complied with the minimum access conditions above. The basic allocation criteria are explained below.

2.4 ALLOCATION CRITERIA FOR THE MDG

Horizontal Allocation

The MDG will be allocated to the participating municipalities based on the allocation formula for the DDEG. The allocation will include two components, namely; (i) the basic component allocated based on the allocation criteria; and (ii) the performance component based on the results of the 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.

i) Basic component allocated based on the allocation criteria

The grant allocation for the basic component is described in the table below:

Table 1 Allocation Criteria for the Basic Component

| Variable name | Weight (%) | Justification |
|---|-------------------|---|
| Constant (fixed allocation for higher LGs shared equally) | 20 | Ensure that higher LGs have minimum allocations for construction of meaningful infrastructure |
| Urban Population | 65 | Provide for demand/scale of delivering services |
| Poverty Head count | 15 | Equalizing variables - to allocate greater resources to local governments that lag behind as per article 193 (4) of the Constitution. |

The overall 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 like UBOS population figures, poverty head count; not introduce pervasive incentives at sector level and is above all equalizing.

ii) Performance-based component of the allocation formula

In order to provide strong incentives to municipalities to improve effective operations and service delivery, the size of the MDG for the municipalities will be adjusted against the performance of the municipalities during the annual performance assessment. The impact from the results of the assessment will be 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 municipalities). The system will ensure that municipalities with higher performance scores receive additional funding than those with lower performance scores.

Vertical Allocation

Given the nature and size of the expected investments; the need to have impact from the investments; capacity constraints at divisions; and a need to have manageable supervision centers –100% of the MDG will be allocated to the municipal level, and funds will not be fragmented across the divisions. The divisions will, however, be actively involved in all the planning, budgeting and project implementation processes. The municipal divisions will be funded by the GoU contribution to USMID-AF and will be used to fund activities not provided for under USMID-AF.

2.5 MINIMUM (ACCESS) CONDITIONS AND PERFORMANCE MEASURES

2.5.1 Minimum Access Conditions (MACs)

The 22 municipalities covered under the USMID-AF will be eligible for the MDG provided that they have complied with the defined Minimum Access Conditions (MACs). The MACs, which are defined in the Performance Assessment Tool, are put in place to ensure that there are sufficient safeguards and the municipalities have the basic capacity to handle these significant funds properly.

In order for a municipality to get access to the MDG, it should meet ALL the minimum conditions at the point of time of the assessment. As the minimum conditions are basic safeguards, the qualification bar is kept at the minimum required level to ensure that the municipalities have sufficient capacity to handle this significant amount of funds. No grace period will be allowed, as the system is well informed, there is a strong system of assessment and quality assurance and the indicators are to be assessed at the time of any assessments, hence it is not possible to improve afterwards etc. This is particularly important as the performance is relative, and the municipalities will be compared with other municipalities. It is also important to ensure full transparency around the assessment and to improve the timeliness of the entire process.

The MACs are applied for all the DLIs under the MDG – the Minimum Condition- window (DLI 1), the institutional performance window (DLI 2) and the infrastructure achievement window (DLI 3).

2.5.2 Performance Measures (PMs) and Grant Adjustments against the Performance

In addition to MACs, USMID-AF applies a number of clearly defined Performance Measures (PMs). Municipalities with a relatively good performance will be rewarded and those with relatively poor performance will be penalized. The system has been designed in a manner which will strengthen the mutual competition across the municipalities and which will provide continuous incentives to improve on the performance (see also the performance assessment tool). The system of performance-based allocations is designed in a manner whereby there will be:

- i. A combination of the needs-based indicators (population, poverty head count and a constant) and the performance-based results.
- ii. Rewards (allocations), based on scores attained by the municipality - but also against the weighted basic allocation and the scores of other municipalities;
- iii. A stronger competition and mutual checks and balance introduced in the system;
- iv. A simplification of the allocation system, ensuring a robust administration of rewards and sanctions;
- v. A clear communication on the results and the reasons why the grants are at the level they are for everyone involved, including central and local governments as well as the communities.

2.5.3 Eligibility Process for Reward or Penalty

The system of performance-based allocations, provides that the MACs are fully complied with. The grants will be based on three DLIs: 1) the basic windows, which will be allocated based on compliance with MACs and the needs-based formula and 2) the institutional performance enhancement allocation (linked to DLI 2) and the infrastructure achievement performance allocation (linked to DLI 3). Please refer to Annex III for further details on the allocation formula.

The municipality will get access to the MACs allocation portion of the Program (DLI 1) provided that it has complied with all the MACs. The two other allocations are based on the relative weighted performance of each municipality whereby municipalities are compared with other municipalities, and whereby improvements above the average will be rewarded and below performers penalized. The system ensures a strong competition, checks and balance, that all funds are allocated, and strong incentives for continuous improvements, as 65 points of 100 maximum points is better than 64 points which is better than 63 points etc. In other words all points will count and none of the performance measures can be neglected.

2.6 ELIGIBLE EXPENDITURES/INVESTMENT MENU

2.6.1 Activities to be funded under the MDG element of the Program

Core municipal urban services for which Municipal Councils are mandated to provide under the law will be eligible for funding under the Program. However, in order to achieve the intended Program impact, the activities to be financed out of the enhanced MDG element of the Program (eligible expenditures) will be limited to a few sub-sets of infrastructure works which are not currently benefiting from any form of transfers from central government, consistent with municipal service delivery mandate⁸ as provided for under the LGs Act (CAP 243) – Second Schedule and are critical for the functionality of a municipal LG. The MLHUD will coordinate support and inputs from the various sector ministries with respect to design standards for the various sub-projects to be funded under the Program. Execution of sub-projects will be contracted out through open competitive bidding to competent Firms in line with relevant government policy.

Part of the MDG will be used to finance associated investment servicing costs such as procurement of consultancy services for preparation of engineering designs, environmental and social management plans, preparation of bidding documents and tender assistance; procurement of Consultants for supervision of civil works and related procurement as well as other contract management and execution activities. Investment servicing cost will therefore be permitted under the MDG so as to address the technical capacity constraints at municipal level. Municipalities can use up to 10% of the MDG to finance associated investment servicing costs.

The sub-set of investment activities to be funded under the enhanced MDG element of the Program by the municipalities is presented in the table below and consistent with the mandates of municipal LGs under the LGs Act.

Table 2 Activities which can be funded by the municipalities/districts under the MDG and LDG window

| Objective – enhance the financial resources of the participating municipal LGs for provision of improved core municipal services | Previous phase infrastructure investment menu | USMID-AF infrastructure investment menu |
|---|---|---|
| 1. Urban Roads and associated infrastructure (rehabilitation and construction) | <i>Urban Roads and associated infrastructure:</i> Integrated road construction with drainage works, cycle lanes, bus bays, pedestrian walkways, street lights, trash bins. | <i>Urban Roads and associated infrastructure:</i> Integrated road construction with drainage works, cycle lanes, pedestrian walk ways, street lights, garbage bins, traffic lights, etc. |
| 2. Urban Transport | <i>Urban Transport and beautification:</i> Bus/taxi/lorry parks and associated market stalls for vendors at these sites | <i>Urban Transport and beautification:</i> Bus, taxi and |

⁸ Eligible infrastructure to be funded under the Program were agreed through consultative meetings with Government and the participating municipalities.

| Objective – enhance the financial resources of the participating municipal LGs for provision of improved core municipal services | Previous phase infrastructure investment menu | USMID-AF infrastructure investment menu |
|--|---|--|
| | | lorry parks and associated market stalls for vendors at these sites ⁹ . |
| 3. Urban solid and liquid waste management | Urban solid and liquid waste management: Solid waste management strategies for each MC, liquid waste related to slaughter houses | Urban Solid and liquid waste management: Addressing bottlenecks in the solid waste management ¹⁰ cycle, IEC materials, institutional capacity, including waste reduction strategies. |
| 4. Drainage | Drainage Master Plans for each MC, standalone drainages | Urban drainage: Not necessarily linked to the road networks incl. implementation of the Drainage Master Plans. |
| 5. Water and sewerage extension ¹¹ ; to peri-urban areas. | Water and sewerage extension; to peri-urban areas. | Water and sewerage extension; to peri-urban areas. |
| 6. Urban Local Economic Infrastructure | Urban Local Economic Infrastructure: Markets, Slaughter houses, | Urban Local Economic Infrastructure: Markets, Slaughter houses <u>Additional LED Infrastructure:</u> <ul style="list-style-type: none"> • Servicing land for industrial and commercial uses¹² • Public infrastructure servicing tourism, including roads to sites, site upgrading, toilets, craft markets, etc. • Parks for micro enterprises and cottage industries e.g. artisan/Jua Kali parks and other cottage industries¹³. Incubators / innovation centres for quality upgrading and business management skills ¹⁴ . |

⁹ Investments in bus, taxi and lorry parks will be complemented with market stalls in the same locations to support local producers and vendors' access markets and consumers.

¹⁰ Category A projects shall be excluded and are not eligible for funding under the project.

¹¹ Water and sewerage being under the jurisdiction of National Water and Sewerage Corporation (NWSC), may be included on a case by case basis through partnership arrangements between the corporation and the municipalities that chose to prioritize it.

¹² Including extending electricity, water and other utilities.

¹³ Common use infrastructure and other quality upgrading services could also be provided within these parks to support Firms and link them with key supporting agencies. For example, firms called for a decentralization of UNBS product certification services to the local government level to improve their access to these services.

¹⁴ To be run in partnership with institutions with experience in this area such as Uganda Small Scale Industries Association (USSIA), Uganda Industrial Research Institute, etc.

| Objective – enhance the financial resources of the participating municipal LGs for provision of improved core municipal services | Previous phase infrastructure investment menu | USMID-AF infrastructure investment menu |
|---|---|---|
| 7. Urban beautification | Urban beautification: Public parks; play grounds; urban landscaping; urban greening (e.g. planting of trees on roads verges,) | Urban beautification: Public parks; play grounds; urban landscaping; urban greening (e.g. planting of trees on roads verges) |
| 8. Support to Infrastructure in Local Governments Hosting Refugees: a) District and Community Access Roads to make them motorable throughout the year for easy mobility and access of services by both host communities as well as refugees; and b) Infrastructure strengthening interaction and peaceful co-existence amongst host communities and refugees. | NA | Infrastructure in Local Governments hosting refugees: a. small bridges and box culverts on impassable sections; b. Culverts and fill material to address bottlenecks in swampy areas; c. Removing black spots prone to accidents Infrastructure promoting sports, art and culture (play fields, resource centres, community buildings. |

2.6.2 Sub-Projects Identification and Screening Process

Uganda has an elaborate legal system, which provides for bottom-up participatory planning and budgeting in LGs. The Municipal LGs will prepare the various sub-projects to be funded under the Program in a participatory manner, with involvement of the divisions as well as the Municipal Development Forum (MDF) and private sector associations. Since municipalities have great funding gaps in core infrastructure areas; the enhanced MDG window of the Program of US\$ 245 million will be used by the participating municipalities to finance a few larger tangible sub-projects per FY, to ensure that funds are not fragmented in a large number of (often) non-completed projects. To ensure transparency and accountability, the sub-projects to be funded under the Program will be included in the municipal physical development plan, municipal five year development plan, which means it has been demanded by the community/CSOs/MDF/private sector, reviewed by the technical planning committee of the municipal LG, the municipal LG budget committee provided for the financing in the annual budget, and both the municipal plan and budget discussed and approved by the municipal elected council. Each sub-project will be screened by the municipal technical planning committee (heads of departments) using the screening criteria, which are presented in the Box 1 below.

Box 1. Screening criteria in the selection of sub-projects to be funded under the Program

- Municipal needs and a wide number of beneficiaries with due consideration of the gender balance.
- Preference for investments based on competitive advantages of the municipality
- Preference for already designed projects under USMID e.g. storm water and drainage master plans, solid waste management plans and roads designed under first phase of USMID.
- Economic impact and justification, focusing on projects which have large impact on the urban growth, job creation and local economic development.
- Investments that improve business environment for private sector and can encourage private sector expand in the locality.
- Spatial location of the investments to ensure some equity across the areas.
- Focus on projects which will benefit more than one division, i.e. cross-divisional projects.
- Crosscutting issues are properly addressed in the proposals and designs.
- Linked to the physical plan and the spatial development.
- Capacity available for operational and maintenance; and support instruments in place to ensure this in future.
- Consultations with the sectors on the links with sector plans, investments and prioritization.
- HIV/AIDs implications and handling of these issues, e.g. in the contracting process and project implementation.
- Climate smart and resilient investments.
- Aligned to the national vision and the national planning frameworks.
- Systems for project implementation and monitoring to ensure completion and future quality and sustainability.
- Projects with minimal land take or/and displacement of people.
- Avoid projects requiring high compensation costs.

In addition to the eligible investments mentioned above, the investment service costs (meeting engineering designs, construction supervision, environmental and social assessments, and related costs directly associated to the investments) as well as related equipment are also eligible and can also be met by the USMID-AF MDG. However, general retooling of the municipalities will not be eligible to be financed by the MDG as it is to be covered under the institutional strengthening grants.

Each Municipality, assisted by the MLHUD shall develop an inventory of potential infrastructure at program commencement which shall be used as a baseline to guide prioritization and engineering designs. From the inventory of infrastructure the municipal council will prepare a prioritized list of sub-projects from the above menu for financing under the Program, based on its specific local needs, and reflected in its development plan, linked to its physical development plan. In the preparation of the prioritized list of investments, municipal councils are strongly advised to be selective for maximum impact of the resources made available to them, to ensure functionality of investments and avoid spreading out thinly across several activities, see the following section. A project can be co-funded from various sources, but it should be made clear where the source of funds derive from in the reporting and accountability, see Sections 6.

2.6.3 Investment servicing cost

Costs related to the preparation, planning, appraisal, technical supervision, etc. of investments can be funded by the USMID-AF MDG up-to-limit of 10 % of the size of the grants. Below is a guideline for the types of costs that may be covered through consultants hired by the concerned municipality.

- i. Engineering designs of civil works;
- ii. Conducting environment and social impact assessments with mitigation measures;
- iii. Development of Resettlement Action Plans (RAPs);
- iv. Preparation of detailed engineering design documents– this could include surveying proposed project areas, preparation of designs and cost estimates for projects to the level of completed tender documents, procurement related costs directly related to infrastructure investments and tender assistance;
- v. Supervision of construction and other technical supervision- this could cover the supervision of construction work on projects from inception to project handover. In order to manage the client-contractor-supervisor relationship and ensure clear distinction of roles and responsibilities during contract management, private consulting Firms shall be procured to undertake construction supervision and act as the Project Manager's Representative while the Municipal engineering department retains the role of contract manager and project manager. Supervision by Municipal departments or hired consultants should be done against clear supervision plan and a documented agreements;
- vi. Specialized equipment;
- vii. Materials laboratories.

The limit of 10% of the MDG has been allocated to investment servicing costs because of the expected high cost demands of the preparatory and engineering supervision activities of the relatively large infrastructure projects and the fact that to ensure quality work and achieve value for money the Municipality will need to hire the services of competent persons/Firms to provide the necessary support to achieve the separation of roles between the client-supervisor-contractor relationship. MLHUD shall continuously support Municipalities right from identification of sub-projects, preparation and feasibility, engineering designs, procurement, contract management and projects handover. In order to ensure quality outputs, the Municipality shall seek approval of Consultants' terms of references & deliverables, procurement documents and contracts from MLHUD. In addition, any variations on contract above contract amount for any contract under the program shall be reviewed and approved by MLHUD.

All expenditures for investment servicing costs for all Local Council levels should be clearly indicated in the municipal budgets and in the reporting formats.

2.6.4 Negative List – Ineligible expenditures

Investments should be made with due consideration to the criteria in Section 2.6. There are, however, few costs areas, which cannot be supported by the USMID-AF grants.

These include:

- i. Investments outside of the LG Act;
- ii. Investments outside of the designed investment areas, e.g. investments in health and education facilities;
- iii. Salaries to municipal staff;
- iv. Private goods as well as investments that directly bring municipalities into competition for business with private firms i.e. investments, which benefit less than 100 people these among others include, shopping malls, hotels and stadiums,
- v. Credit schemes, loans etc.;
- vi. Investments, which have severe environmental and social impacts, see sections 9 and 10;
- vii. Allowances for staff.

In addition it is not allowed to “borrow” from the grants or interest earned therefrom for other activities even when it is expected that later repayment shall be made when funds are mobilized. Failure to comply with the investment menu above, will lead to suspension of the municipality from receiving grant allocations, demand for full repayment of the ineligible expenditure, and ultimately cancelling of the grants, as per the MoU (Program Participation Agreement) signed between MLHUD and the Municipal Council participating in the USMID-AF, see copy in Annex I.

2.7 OTHER GRANT ISSUES

Monitoring

The municipality will develop an M&E and project supervision schedule, which should be listed in the LG annual and quarterly work plan to guide the monitoring and supervision activities. At the end of every monitoring and supervision activity, the municipality will prepare a monitoring report following the M&E reporting formats on planning and implementation. At the end of each quarter and year, the municipality will prepare a combined report comprising all M&E activities carried out following the format given in table below. For each report, include an annex of pictorial representation of progress as well as list of people participating. This report will be the source of information when preparing the physical progress reports and the accountability report of the USMID-AF MDG.

Table 3 LG Quarterly and Annual M&E report format

| Activity monitored | Location | Quarter | Findings/ status (Please include annex of pictorial indication of progress) | Remarks |
|---|--|----------------|---|--|
| Road construction including the implementation of the related environment mitigation measures | Road crossing two divisions in X Municipality. | 2nd quarter | E.g. 5 kilometres of road opened; 0.3 km. swamp raised, 5 culverts fixed; destroyed grass and trees replanted | Example: De-silt the drains to allow flow of water; control soil erosion of the road |
| Construction of New Market | Division X | 2nd quarter | Market 50 % completed, but weaknesses in the construction of the related toilets | Ensure that the issues are rectified in the final construction. |

2.8 USMID –AF RELEASES AND DISBURSEMENT SCHEDULES

Releases

The municipalities under USMID-AF will receive funds on an annual basis in July/ August. 100% of the funds will flow to the municipal tier of urban authorities. Each Municipal Accounting Officer (the Town Clerks) shall keep and maintain records of the disbursements made under USMID-AF.

Commitments

Municipalities may transfer funds from one FY to another as long as the projects/costs are committed (contracted). Unutilized funds at the end of each financial year shall be rolled-over to the next financial year. However, at the end of the program period in FY2022/2023 any unutilized fund balances shall be returned to the MLHUD and subsequently to the funding agency.

2.9 OPERATIONS AND MAINTENANCE STRATEGY AND PLAN

The operations and maintenance (O&M) plan for Local Governments (LGs) should be linked with the mission of the LG and should cover all investments. The O&M planning cycle shall follow the planning cycle of Government. Annex VIII provides details on operations and maintenance strategy and planning.

3.0 MUNICIPAL INSTITUTIONAL STRENGTHENING SUPPORT

3.1 INTRODUCTION

This section describes: i) the nature of the USMID-AF Municipal institutional strengthening grant (MISG); ii) the size of the grants and the allocation criteria; iii) the access conditions and performance-components of the grants; and iv) the scope of the activities to be implemented under the grant.

3.2 NATURE OF THE MUNICIPAL INSTITUTIONAL STRENGTHENING GRANT (MISG)

The MISG will provide resources to the participating municipal Local Governments for the demand-driven institutional strengthening targeting special urban capacity needs. This grant will focus on the 7 Program Result areas of:

- i. Improved linkage between Municipal Physical Development Plan, Five year Development Plan and Budgeting;
- ii. Increased municipal own source revenue (OSR);
- iii. Improved procurement performance;
- iv. Improved municipal Accounting and core financial management
- v. Improved Execution/Implementation of infrastructure sub-projects for improved urban service delivery;
- vi. Improved accountability and transparency (monitoring and communication);
- vii. Enhanced environmental and social sustainability (Environmental, social and resettlement due diligence).

3.3 SIZE AND ALLOCATION CRITERIA FOR THE MISG

The size of the MISG will be US\$ 10 million over a four year period (FY2018/19-FY 2021/22). Indicative planning figures on the MISG will be provided to the municipalities in November each year. The MISG will be disbursed under DLI 4 which will ensure that Municipal LGs have built local capacity by utilizing Program funds. This DLI will ensure that municipal LGs have a comprehensive institutional strengthening plan, and that they execute the plan.

The LG institutional strengthening plan will be LG specific and will comprise measures to improve gaps in technical, fiduciary and environmental and social systems, as revealed by the Program's annual performance assessment. Among other things, each municipal

institutional strengthening plan will specify the activity, objective, the resources assigned and the implementation timeline. Municipalities which have not complied with minimum access conditions for MDG (i.e. are not eligible for DLIs 1, 2 and 3) will still be able to access funding under DLI 4 so as to address their institutional capacity gaps and prepare themselves to qualify to receive funding in the following year¹⁵. Release of the MISG to the municipalities will depend on compliance with a number of pre-defined access conditions – see 3.4 below.

In the first 2 years (FY 2018/19-FY 2019/2020), allocation for the MCs will be based on a simple equal share, as each municipal unit has the same administrative structure and core administrative functions. During the third and fourth year (FY 2020/21 and FY2021/22), the allocation of the grant will depend on how effectively and efficiently municipalities implement their institutional strengthening plans and the municipal absorption of the previous funds against the target set in the DLI 4. The grants will be allocated to the municipal level, but will support all necessary functions regarding urban service delivery at the relevant tier of government. Municipalities will further be given tailored intensive institutional strengthening support from the supply-driven component managed by the MLHUD. This will largely be based on the required capacity needs as per national policy in the lands, housing and urban development sector and the identified unique capacity gaps in some Municipalities.

3.4 MINIMUM ACCESS CONDITIONS

The minimum requirements for accessing the MISG are:

- i) The Municipality must have prepared a comprehensive annual institutional strengthening plan incorporating institutional strengthening needs of divisions. The annual institutional strengthening plan should have Institutional strengthening activity targets, overview of the funding sources, and overview of how each activity is funded, including timing, method for implementation and how they are linked to the challenges (see Chapter 7.0 and Form D2). The annual institutional strengthening plan should be approved by the Council and the PST before implementation; and
- ii) A report and Accountability for the utilization of the previous fiscal year institutional strengthening grant releases. The municipality must adhere to the eligible expenditures as per the investment menu and activities as per approved plan.

¹⁵ From FY2020/21 onwards, DLI 4 will disburse against the execution – not just adoption - by Municipal LGs of the annual capacity building plan. It is not possible to do this for the first two years as the annual financing and disbursement cycle does not permit sufficient execution time to have lapsed for an “execution assessment” to be made

Release of the MISG for any financial year shall be made only after submission of a report of the implementation of the plan for the previous year to the MLHUD. Release of funds shall be after verification and acceptance of the report by PST.

The MISG remains available even for municipalities that do not qualify for the Municipal Development Grant (MDG) but have fulfilled the above minimum access requirements. When a Municipality does not meet the above minimum access conditions for the MISG, the funds lost shall be available for allocation to other Municipalities that meet the requirements.

3.5 SCOPE OF ACTIVITIES FOR INSTITUTIONAL STRENGTHENING

The USMID-AF Municipal institutional strengthening (MISG) will be used to focus on the special needs of the municipalities that address challenges facing the urban sector and for handling infrastructure projects. The grant shall be used for funding activities that lead to institutional strengthening of the municipal LG and that enable the Municipality effectively and efficiently implement the project. The use of the grant will focus on the following core areas:

- i) Tooling/retooling (Office furniture, equipment, and office refurbishment);
- ii) Physical Planning, Urban Systems Development, and Plans/Strategies;
- iii) Specialized technical plant and equipment;
- iv) Assessing comparative advantages of localities and development of investment profiles for the locality;
- v) Systems for enhancing own source revenue collection;
- vi) Participation in Central Government trainings and consultations;
- vii) Career development; and
- viii) Discretionary institutional strengthening for core areas of importance for urban development and for handling of infrastructure programs as assessed in the annual performance assessments. This will include short courses.

It is up to the municipalities to make the most efficient allocation across the above activities, within the eligible activities and guidelines, depending on the local needs. Below is guidance in each of these.

i) Tooling/Retrofitting

Expenditure under Tooling/Retrofitting shall not exceed 30% of the annual allocation. The focus for tooling/retooling should be the 7 result areas (section 3.2). Retrofitting funds will be used by the municipalities for office refurbishment and to procure office furniture, equipment and tools to facilitate the functionality of their officials in handling of larger

infrastructure programs and for urban development. For expenditures under Tooling/retooling, the MCs shall first obtain technical advice and specifications from MLHUD/PST before implementation.

ii) Physical Planning, Urban Systems Development, Plans and Strategies

Expenditure under Physical Planning, Urban Systems Development, Plans and Strategies shall not exceed 15% of the annual allocation. The focus should be on development of municipal-wide physical plans, urban systems, plans and strategies and their operationalization. The plans and strategies will include support to the implementation of approved physical development plans, labeling of properties and plots, street naming and securing right of way and areas for ecological purposes as indicated in the detailed physical development plans.

iii) Specialized Technical Plant and Equipment

Expenditure under specialized technical plant and equipment shall not exceed 25% of the annual allocation. The focus will be on providing necessary specialized equipment to operationalize developed systems, plans and strategies such as solid waste management and storm water drainage and maintenance of the urban infrastructure.

iv) Assessing comparative advantages of localities and development of investment profiles for the locality

Expenditure under assessing comparative advantage of localities and developing investment profiles shall not exceed 10% of the annual allocation. The focus will be on providing institutional strengthening in Local Economic Development (LED), public private partnerships, local economy assessment and developing investment profiles for the locality. These investment profiles should be published and used to attract investment in the locality. The Municipal leadership under this activity should also be facilitated to market the locality using these profiles. The municipalities based on the comprehensive comparative advantage assessment report can also develop dedicated LED strategies which should be integrated into the 5 year municipal development plan.

v) Systems for enhancing own source revenue collection

Expenditure under systems for enhancing own source revenue collection shall not exceed 5% of the annual allocation. The focus will be on developing and implementation of an own source revenue strategy, enumeration and assessment of potential revenue sources, administration of the revenue collection process and enforcement of payment. This could include updating the property tax roll, and procuring approved systems for improved revenue collection.

vi) Central Government trainings and consultations

Expenditure under Central Government trainings and consultations shall not exceed 10% of the annual allocation. The focus will be on facilitating local government staff invited to

attend MLHUD/USMID organized workshops, trainings, seminars, conferences and events. This is part of the supply driven institutional strengthening to the municipalities.

vii) Career Development

Expenditure under Career Development shall be limited to 5% of the annual allocation. Career development should target municipal staff involved in urban development/management. This includes staff from both the municipal level and municipal divisions. These may include staff from the physical planning unit, works and engineering department, trade and commercial office, finance/ internal audit, law enforcement, economic planning, procurement, environmental/ social safeguards, community development. Career development will be provided following the guidelines below:

- a) The course duration should not exceed 9 months;
- b) Courses must be related to the positions and staff career paths within the Municipal Council;
- c) Staff must not have benefited from a career development course under any government Capacity Building Grant within the two years;
- d) Courses must be provided by a reputable Institution of Higher Learning that have been delivering similar courses for a reasonable period of time;
- e) Courses must take place in Uganda;
- f) Program should be structured/ staggered such that municipal capacity is not depleted at any one time.

viii) Discretionary Institutional Strengthening (IS) Activities

Expenditure under Discretionary IS activities shall not exceed 5% of the annual allocation. Discretionary IS activities will include short-term skills development regarding improvement in management of municipal services especially regarding bridging the capacity gaps identified in the performance assessment. The areas that could be supported include: project management (design, procurement, implementation and supervisions of projects), local economic development (including skills in PPPs), operation of infrastructure investments (both existing and new ones), and environmental and social management.

The municipality should effectively manage the provision of IS activities especially where the private providers are engaged to ensure that they use staff members who are qualified to deliver the assignments and who understand the LGs system and urban issues.

MCs may exceed the threshold of relevant IS core areas with prior approval of

MLHUD/PST. In addition, the municipalities shall submit terms of reference for all institutional strengthening activities involving the procurement of technical support or consultants to the MLHUD/PST for clearance prior to signing of contracts.

Coordination of Municipal IS activities

The coordination of institutional strengthening activities will be done by the Municipal HRD function as the case is for other institutional strengthening activities being implemented in the municipalities. The Municipal HRD unit will ensure that municipal level institutional strengthening activities transcend to divisions and benefit the relevant staff from the physical planning unit, works and engineering department, trade and commercial office, finance/ internal audit, law enforcement, economic planning, procurement, environmental/ social safeguards and community development.

Municipalities will use the annual audits by Office of the Auditor General (OAG), Public Procurement and Disposal of Public Assets Authority (PPDA), and the annual performance assessment report and the recommendations therein to identify the institutional strengthening needs and to target support towards the weaker performance areas. The HRD unit will ensure cost-effective implementation of activities bringing together personnel from different divisions. This will not only reduce costs, but will also allow the sharing of experiences and ideas and lay the basis for future inter-governmental co-operation and collaboration.

4.0 CENTRAL LEVEL INSTITUTIONAL STRENGTHENING (IS) ACTIVITIES AND PROGRAM MANAGEMENT SUPPORT

4.1 INTRODUCTION

This section describes: i) the nature of the institutional strengthening support for the central government coordinated by MLHUD; ii) the access conditions of central government level support iii) Institutional Strengthening (IS) activities by the MLHUD iv) Outreach IS activities to municipalities including supply driven IS activities iv) Program coordination and management.

4.2 THE NATURE OF INSTITUTIONAL SUPPORT TO MLHUD

The objective of this support estimated at US\$ 45 million over the five year Program period, is to i) strengthen the capacity of the MLHUD to better execute its mandate and overarching role with regard to urban development, ii) provide supply-driven institutional strengthening support to program municipal councils and support program implementation at the Municipality level and iii) enable efficient and effective implementation, management and coordination of the Program.

4.2.1 Strengthening the Institutional Capacity of MLHUD

Institutional Support to MLHUD will focus on the following:

i) Systems for urban development and management

MLHUD will be supported to implement policies, plans and strategies for urban development such as: the National Urban Policy; The national land acquisition and resettlement policy including the rollout of the recently developed module on the management of land acquisition resettlement and rehabilitation; the Physical Planning Registration Board bill; support the amendment of the Physical Planning Act; the National Sustainable Urban Development Plan; implementation and rollout of the Physical Planning and Urban Management Information Systems (PPUMIS); the National Solid waste management strategy; Development of standard urban roads design for Municipalities and Cities; development of urban transportation policy/strategy; development of climate smart capital investment planning & topographical resiliency maps and Development of guidelines for development of cities and metropolitan areas; establishment of a data repository that captures the costs and completion times of categories infrastructure projects completed in the Uganda context to improve accuracy of cost estimating at both conceptual and engineering stages and Storm Water and Drainage Master Plan Strategy and City Development Strategies, etc. A database for urban indicators will be developed

with support from Uganda Bureau of Statistics (UBOS). The Ministry will under this support train staff and enhance professionalism of staff through both local and international participation to professional forums and benchmarking trips. Other activities that are in line with government policy and that contribute to the urban development agenda shall be eligible under this support.

ii) Tooling/retooling of the MLHUD

Under the tooling/retooling sub-component, MLHUD will procure, replace and maintain equipment, tools and technical software such as GIS, AutoCad, ArchCad and program vehicles. In addition support will be provided for improvement of the ministry resource centre and library, office accommodation, office equipment and furniture so as to improve the working environment of the Ministry and to enable it undertake its mandate. The Ministry will also use this support to carry out technical designs and make start-up construction for the lands, housing and urban development office headquarters.

iii) Support to the office of the Chief Government Valuer

Challenges in land acquisition have continued to impact negatively on infrastructure investments country wide. The purpose of this support to the office of the Chief Government Valuer is to build the valuation function capacity to execute its mandate. Focus will be on staff training, building systems, standards and guidelines for valuation for land and other properties. The office will also be provided with the necessary technical and office equipment.

4.2.2 Supply-driven institutional strengthening support to program Municipal Councils and Support Program Implementation at the Municipality level

This shall involve development of systems for Municipalities to enable them better execute their mandates and program implementation support through Ministry's outreach activities to Municipalities.

i) Institutional and Systems Development at the Municipalities.

As part of its oversight role of urban development, MLHUD through studies, changes in legal framework and government policy and shifts in the international urban development agenda identifies capacity gaps in Municipal Local governments. Capacity gaps that may not be addressed by the Municipalities under the Municipal Institutional Grant may also be identified during program implementation. MLHUD shall use this support to address such gaps. Interventions under this support shall include such activities as improvement to raising local revenue collection by introducing automated revenue systems; building capacity of Municipalities to enable them attract investment and local economic development for creation of employment; participation in local and international professional conferences, benchmarking and exchange study tours/events and urban

development forums. To enable citizen participation in urban development activities and enhancing transparency and accountability, MLHUD will support the development and operation of the UNUF and MDFs.

In as much as possible the ministry will liaise with relevant government MDAs to ensure their participation as provided for under their respective mandates.

ii) Outreach Program Implementation Support Activities to Municipalities.

This will involve program implementation support that the Ministry and MDAs offer to Municipalities to enable them deliver project results. It consists of hands-on support and on-the-job training of Municipality staff by PST and the Ministry departments. The focus shall be; in the 7 thematic/result areas (see 3.2 above), weaknesses identified in annual performance assessments, Value for Money audit recommendations, program implementation challenges, capacity to integrate climate change risk management and enhance sustainability of the investments. It includes, among other things support supervision of infrastructure developments, procurement management, contract management, environmental and social safeguards management and financial management and other support identified during program implementation.

4.2.3 Program Implementation and Coordination

Overall coordination and implementation of the program is the responsibility of the MLHUD through the PST. The Program will support all activities related to the overall coordination, implementation, monitoring and evaluation encompassing reporting, fiduciary and safeguards; outcome and impact evaluation; annual performance assessments; support to audits; qualitative enquiries; technical assistance and research to inform government policies, program mid-term review and Program implementation. Whenever necessary it will entail hiring of short-term consulting services to undertake program assignments leading to achievement of program results. It will also encompass professional, administrative and operational costs for the Program Support Team (PST). In addition the Program will provide resources for costs related to program committees and inter-sectoral coordination and consultations. Support will also be provided under this area for the preparation of follow-on program/project or intervention that will ensure sustainability of program results after closure of USMID-AF.

5.0 SUPPORT TO DISTRICTS HOSTING REFUGEES

5.1 INTRODUCTION

In addition to the 22 program Municipalities, the USMID-AF program supports urban centres and their wider district local governments in 8 districts hosting large numbers of refugees. The eight refugee hosting districts that are supported include: Adjumani, Moyo, Yumbe, Arua, Lamwo, (in Northern Uganda); Kiryandogo (in Central); Isingiro and Kamwenge (in Western Uganda). However, implementation of activities in Kamwenge and Lamwo districts will commence in the second year of program operation.

Support under the refugee host communities' window includes support to physical planning of the refugee host communities and their neighbouring areas within the district; enhanced land tenure security for both refugees and host communities; and infrastructure investments. This section describes the funding allocation to the 8 district local governments, the intervention areas and the roles of the MLHUD and the participating local governments.

5.2 AREAS OF INTERVENTION

Support to districts hosting large numbers of refugees will include 4 main intervention areas: i) Rehabilitation and construction of Infrastructure investments to be undertaken by the district local government; ii) development of physical development plans; iii) enhancing land tenure security and iv) support implementation of infrastructure development and coordination of activities within the 8 target districts to be undertaken by the MLHUD.

Support to the refugee host districts shall be from proceeds of funds under DLI 7 and 8 as follows:

DLI 7: Funds to be used by MLHUD/PST to support development of physical development plans, land tenure security, support supervision and monitoring of infrastructure investments and oversight to implementation of activities in the 8 target districts.

DLI 8: Funds to be transferred to the 8 Districts for infrastructure development. Actual allocation to each district shall depend on the annual performance score obtained from the national annual performance assessment carried out by the OPM.

Rehabilitation and Construction of Infrastructure in District Local Governments

Most of the funds under the refugee window (75%) shall be transferred to the 8 district local governments as Local Government Development Grants (LGDG) to support infrastructure investments provided under the investment menu in table 2 section 2.6.1. Support under infrastructure investments shall be from proceeds of funds received under DLI 8. The support will target small infrastructure investments benefiting refugees and their host communities. Such infrastructure may include; small bridges, culverts, black spots on roads and infrastructure that enhances social cohesion such as leisure/sports parks, community centres, etc. Identification of sub-projects shall be done by the district councils through local participatory processes but with support from MLHUD. Due to the limited capacity of the district local governments to procure, supervise and manage infrastructure contracts, the MLHUD through the PST will play a key role in support supervision and approval of infrastructure plans, procurement and contract management. This support shall include up to 10% investment service cost for procurement management, hire of supervising consultants, contract management and other related supervision costs.

Preparation of Physical Development Plans (PDP)

MLHUD shall support the 8 target districts to develop or update their Physical Development Plans (PDPs). The physical plans will target areas with a high influx or potential of having high influx of refugees. The plans shall be the reference that other sectors will use when implementing their development within the refugee host communities, neighbouring urban centres and the districts. The physical plans are aimed at preventing unplanned developments within the refugee host communities and surrounding areas. The MLHUD shall use funds under this support to hire consultants, for stakeholder engagements to ensure ownership of the PDPs, and institutional capacity support to the district local government departments responsible for physical planning. The institutional capacity support may include provision of training to technical staff, provision of office equipment such a computers, laptops and printers. Actual items shall be determined after the Ministry has carried out a capacity needs assessment of each district.

Enhancing Land Tenure Security for Host Communities and Refugees

Support under land tenure security is intended to prevent potential conflict that may arise due to unclear land ownership between host communities and the refugees. MLHUD shall use experiences gained from similar interventions to undertake Systematic Land Adjudication and Certification (SLAC) in the refugee host communities. Activities under this support shall include among others; assessment of the level of land use and

ownership within the host communities; stakeholder engagements; and surveying, parceling and titling of land for host communities and any public land within refugee settlements.

Support to Infrastructure Development and Implementation in Districts

The MLHUD shall support districts to assess the status and condition of infrastructure within the districts hosting refugees. This will guide on further infrastructure support during program implementation. In addition to support supervision to local governments, MLHUD shall engage field based short term technical assistants to support local government throughout the infrastructure development project cycle: sub-project identification, feasibility studies, procurement, construction and contract management. Further support shall go towards monitoring and evaluation of the implementation of all activities in the 8 target districts.

6.0 INSTITUTIONAL FRAMEWORK FOR THE PROGRAM

6.1 INTRODUCTION

This section describes the institutional arrangements of USMID-AF Program including the roles and functions of the i) Program Steering Committee (PSC)/Fiscal Decentralization Steering Committee (FDSC), ii) Program Technical Committee (PTC), iii) The MLHUD/PST, vi) the program Local Governments.

6.2 INSTITUTIONAL ARRANGEMENTS

The institutional arrangement for Program implementation is as per the Government of Uganda structure and consistent with the legal provisions. At the central level, the Ministry of Lands, Housing and Urban Development (MLHUD); Ministry of Local Governments (MoLG); Ministry of Finance, Planning and Economic Development (MoFPED); and the Office of the Auditor General (OAG) shall ensure that Program resources are budgeted for and disbursed within the national Medium Term Expenditure Framework (MTEF), and that Program accounts are audited as per statutory requirements.

Policy issues arising during the implementation of the Program will be coordinated at the national level through the Program Steering Committee (PSC)/Fiscal Decentralisation Steering Committee (FDSC). The PSC will be responsible for making policy decisions regarding emerging policy issues which have impact on the Program.

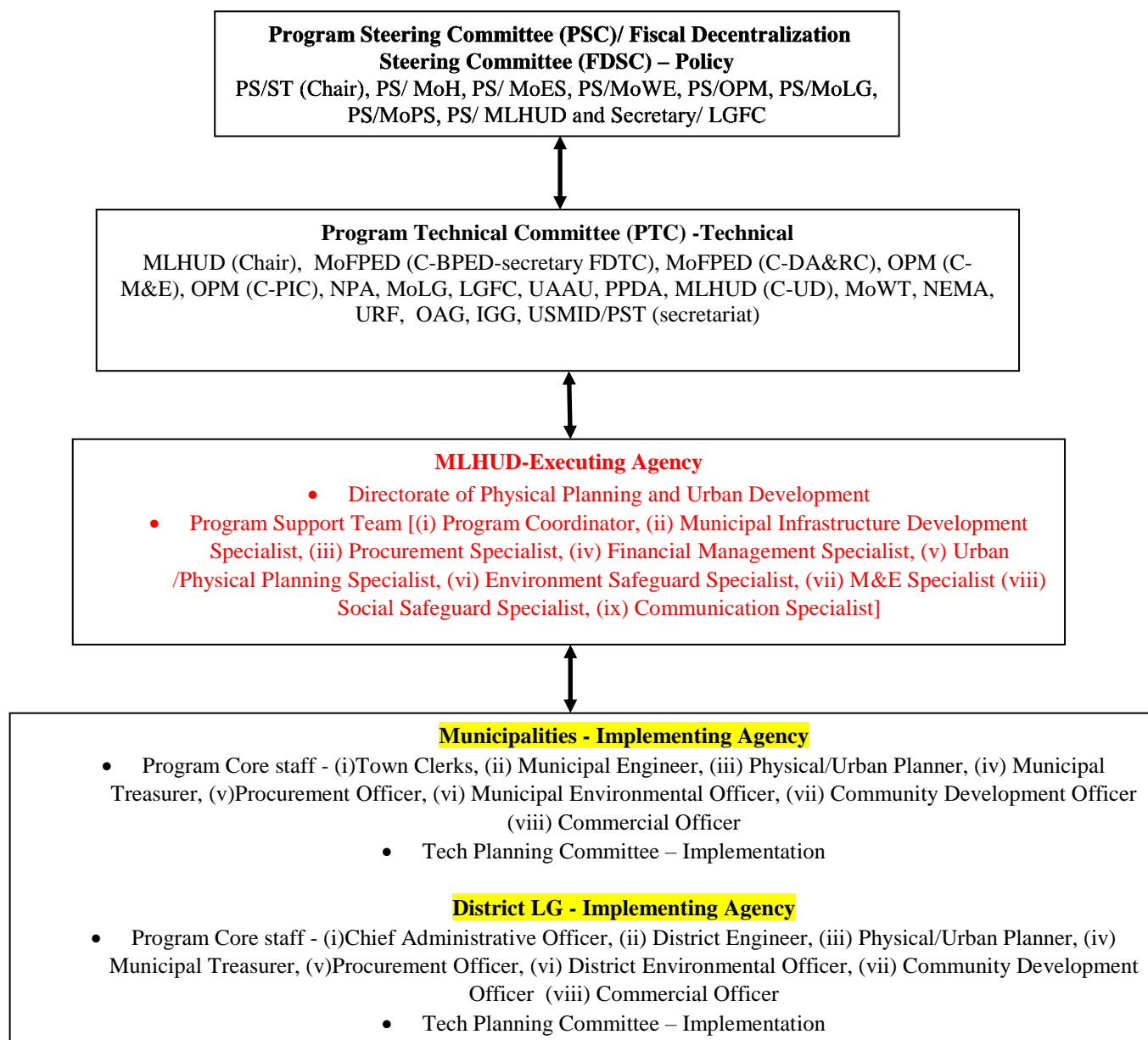
Technical issues that might have impacts on the Program will be addressed by the Program Technical Committee (PTC) comprised of key technical staff from relevant ministries, departments and agencies. Emerging policy issues will be forwarded to the PSC for resolution.

The MLHUD will be the executing and coordinating ministry for the Program. This is because the Program is focusing on urban development which is the mandate of the MLHUD consistent with the mandates of other sectors. In this regard the MLHUD shall have the overall responsibility for implementation and accounting for USMID-AF funds to the National Parliament. The Ministry's oversight role will be strengthened by the Program Support Team (PST) to ensure that USMID-AF is implemented as per IDA/GoU protocol and financing agreement. In addition to USMID, the PST shall continue to provide technical support to other World Bank funded projects being implemented by the Ministry such as Competitiveness Enterprise Development Project (CEDP) and Albertine Region Sustainable Development Project (ARSDP).

The USMID-AF participating municipalities/ districts will be responsible for planning, budgeting, implementation and reporting on Program funded activities consistent with their mandate under the LG Act CAP 243.

The implementation arrangements are outlined in the chart below.

Chart: Institutional Arrangement for Program implementation



The specific functions of each entity are outlined below.

6.2.1 Program Steering Committee (PSC)/Fiscal Decentralization Steering Committee (FDSC)

The Fiscal Decentralization Steering Committee (FDSC) chaired by the Permanent Secretary/Secretary to the Treasury with members comprising of the Permanent Secretaries of Ministry of Health (MoH), Ministry of Education and Sports (MoES), Ministry of Water and Environment (MoWE), Office of the Prime Minister (OPM), Ministry of Local Government (MoLG), Ministry of Public Service (MoPS), Ministry of Lands, Housing and Urban Development (MoLHUD) and Secretary Local Government Finance Commission (LGFC) will handle all policy issues emerging from USMID-AF, given the overlap in membership and functions with the USMID-Program Steering Committee (PSC). Other Permanent Secretaries may be co-opted depending on the issues being discussed.

6.2.2 Program Technical Committee

The Program Technical Committee (PTC) will comprise technical staff from relevant central government ministries, departments and agencies. The membership will include:

- i) the Director, Physical Planning and Urban Development -MLHUD (Chair),
- ii) the Commissioner, Urban Development-MLHUD,
- iii) the Commissioner Budget Policy and Evaluation Department (BPED)- MoFPED who is the Secretary to the FD Technical Committee,
- iv) Commissioner Development Assistance and Regional Cooperation Department of MoFPED – responsible for overall debt management,
- v) the Commissioner M&E - OPM who is the Chair of the LGs’ performance assessment Task Force,
- vi) Commissioner Policy Implementation Coordination (PIC) - OPM who coordinates the implementation of DDEG,
- vii) Representative of the Ministry of Works and Transport (MoWT)
- viii) Representative of National Planning Authority (NPA)
- ix) Representative of the Ministry of Local Government (MoLG)
- x) Representative of the Local Government Finance Commission (LGFC)
- xi) Representative of the National Environment Management Authority (NEMA),
- xii) Representative of the Urban Authorities Association of Uganda (UAAU),
- xiii) Representative of the Public Procurement and Disposal of Public Assets Authority (PPDA),
- xiv) Representative of the Uganda Road Fund (URF),
- xv) Representative of Office of the Auditor General (OAG)- will be an observer,
- xvi) Representative of Inspectorate of Government (IGG)- will be an observer,
- xvii) The Program Coordinator USMID/PST MLHUD (Secretary).

The decisions for the PTC will be shared with the Fiscal Decentralization Technical Committee (FDTC)¹⁶ chaired by the Director Budget- MoFPED. The FDTC will forward policy issues to the Fiscal Decentralization Steering Committee (FDSC)/ PSC.

Lessons from the implementation of USMID show that whereas representatives of municipalities are not members of the PTC, their presence at the PTC meeting is very important for cross learning and promoting the community of practice. Representatives of the municipalities will therefore be invited to attend the PTC meetings.

The functions of the PTC, will amongst other, be to:

- i. Advise the Program Support Team (PST) on technical issues relating to the Program;
- ii. Review, monitor and approve the program work plan, budgets and quarterly progress reports;
- iii. Provide technical guidance for program implementation;
- iv. Identify policy issues that need attention of the Program Steering Committee (PSC);
- v. Ensure the program is implemented in line with the Program Operation Manual (POM);
- vi. Ensure that quarterly rotational meetings are held for program monitoring in the field;
- vii. Highlight and resolve technical or coordination issues impacting on program progress;
- viii. Discuss issues that may be affecting the Municipalities and the urbanisation agenda;
- ix. Ensure that the USMID-AF Program is captured in the Municipal development plans.

6.2.3 Ministry of Lands, Housing and Urban Development/Program Support Team (PST)

Being the executing agency, MLHUD shall be the Secretariat of the USMID-AF Program. The Ministry shall coordinate with other ministries, departments and agencies for effective implementation of the Program. The PS/MLHUD shall ensure that all resources under the Program are planned and accounted for in accordance with the financing agreement and the national law. To mitigate technical, fiduciary and safeguard risks associated with the Program, MLHUD shall maintain at a minimum the following experts to be funded under the Program:

¹⁶ composed of representatives with members who handle transfers at a senior level from: MoFPED (BPED, ISSD); MoLG; LGFC; OPM, ministries making transfers to LGs, representatives from LGs (UAAU, ULGA etc..) and CSOs.

- i) Program Coordinator;
- ii) Municipal Infrastructure Development Specialist;
- iii) Procurement Specialist;
- iv) Financial Management Specialist;
- v) Urban/ Physical Planning Specialist;
- vi) Environment Specialists;
- vii) Monitoring and Evaluation Specialist;
- viii) Social Safeguard Specialist; and
- ix) Communication Specialist.

The Program Coordinator shall be responsible for overall program implementation and coordination, and shall provide supervisory support to PST and ensure that they provide technical support and mentorship in their respective areas of **specialty** to the municipalities and MLHUD. The performance of the specialists will be evaluated at the end of each contract.

The Ministry (MLHUD) shall issue implementation support guidance and instructions to Municipalities/Local governments to ensure compliance to financing agreement, PAD and regular agreements between IDA/World Bank and MLHUD during program implementation support missions. Further guidance and instructions shall be issued from time to time depending on how the program is implemented in each Municipality. Such guidance and instructions are meant to ensure efficient implementation of activities and to avert potential risks during program implementation. As such the MLHUD shall have powers to invoke sanctions including suspension of grant disbursement, suspension or termination of participation in the program, to any Municipality or Local Government that does not follow the guidance/instructions or ignore to implement such instructions.

6.2.4 USMID-AF Participating Municipalities/ District Local Governments

At the municipal/ District level, the Town Clerk (TC)/ Chief Administrative Officer (CAO), as Accounting Officer, will be responsible for overall USMID-AF Program implementation and management. He/ She will ensure that the funds are managed in accordance with the LGs Act CAP243 and other applicable national laws, regulations and guidelines. The TC/ CAO shall submit all periodic reports and information required by MLHUD in the stipulated timeframe and format. A Memorandum of Understanding (MoU) (participating agreement) between MLHUD and the participating municipalities/ District Local Governments stipulating the obligations of either parties shall be signed prior to Program commencement. The TCs/ CAOs shall ensure that municipalities/ District Local Governments meet the minimum conditions and comply with the obligations in the MoU. The TCs shall ensure that performance targets in the annual performance assessment are attained. Failure to comply with guidance from the Ministry and the provisions of the

PAD and this POM shall lead the MLHUD to invoke sanctions to the non-compliant Municipality or Local government. Such sanctions shall include suspension of the grant disbursement, suspension from participation in the USMID-AF or full termination of the Municipality/Local government from the program.

6.2.5 Civil Society Organizations (CSO) and Private Sector

Community and private sector participation shall be enhanced through involvement of the Municipal Development Forum (MDF). It is, therefore, important that the membership of the MDF be expanded to include wide range of membership from private sector associations such as chambers of commerce, investor associations and trader's associations, among others including both local and international Firms. The role of MDF will be to act as a bridge between the citizens, private sector Firms and government. They will participate in sub-project identification, monitor Program implementation and provide oversight functions at the municipal level. Additionally, the commercial office will organize regular public private dialogues with the wider members of private sector community to discuss the specific issues affecting economic growth and private sector development in the region. These issues will be presented during MDF meeting as well as to the council through the TPC. Box 2 below give details of the dialogue with private sector.

Box 2-Organizing Effective Dialogue with Private sector.

- (i) It is important for business to engage in dialogue with local levels of government that often have the power to take – and implement – decisions that affect private sector development. The dialogue can be held at the municipality level for all actors in case of homogenous business environment. However, since the dialogue normally focuses on economic growth and private sector development, it's important that the dialogue be based on economic commonalities- cluster specific and this at times can go beyond political boundaries. The dialogue should involve a broad spectrum of private sector actors including, domestic firms, private sector associations, chamber of commerce, FDIs etc. The dialogues initially can be hosted at the municipal offices, but the venue can later be rotated amongst the actors. The mayor and Town Clerk must be in attendance. To ensure sustainability of the dialogue, municipalities should seek to develop the management, communication, presentation, negotiation and advocacy skills of local Chambers of Commerce or prominent business associations. Two champions should be identified one from public sector and another from private sector. The platform will also have a facilitator- the commercial officer. Professional facilitators could be brought on board occasionally depending on the complexity of the topic to be discussed. The facilitator and champions should ensure effective communication among all parties.
- (ii) The Dialogue should focus on organizational and process issues to ensure that the PPD at the Municipality results in elimination of obstacles to investment and private sector growth in the municipality. This local dialogue with private sector can also address national issues to ensure that national policies address local needs. Such national level issues should be flagged to office of the Mayor for onward advocacy and discussions at national level. The local issues and solutions from the dialogue should be further channelled through TPC and municipal councils for solutions where appropriate. Through the dialogue, barriers to private sector development that are caused by local government regulations and practices are identified and resolved. The business through the dialogue will advise the LG on the barriers and the two can work together to resolve them.
- (iii) To make the dialogues effective for private sector and local authorities it's important that it should focus on tangible, hands-on matters, such as discussions of administrative processes (registration, tax administration, business licensing, customs clearances etc.); discussions on access to land for investment; discussions on business premises; business linkages and access to inputs for production etc.

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|------|--|
| (iv) | To build trust, commitment and credibility in the platform, the municipality should ensure, in the early stages that the parties identify “quick wins” – reforms that can be implemented by the local government with immediate tangible benefits to the private sector. |
| (v) | To keep the platform focused on productive issues for the private sector growth, all participants in the dialogue must understand the context for the consultation and the goals for the dialogue. In which regard its becomes vital for the Municipality to organize some outreach training on the most pressing economic issues for the municipality, how to meaningfully engage in dialogue and what the firms should expect from the dialogue. |

7.0 FINANCIAL MANAGEMENT AND ACCOUNTABILITY REQUIREMENTS

7.1 INTRODUCTION

This section describes the financial and accountability requirements of the Program. It highlights the general requirements, the administration of funds, funds disbursements including the financial and physical progress reporting.

7.2 GENERAL REQUIREMENTS

The USMID-AF Municipal Development Grant (MDG), Municipal Institutional strengthening Grant (MISG) and the Local Government Development Grant (LGDG) are being provided to program local governments as Development Budget Support. The normal LGs accounting procedures will therefore apply in terms of the need for LGs to make sure that both the processes and support documents as detailed in the legal and regulatory framework governing financial management in the local governments such as Public Financial Management Act and LGs Financial and Accounting Regulations 2007 are adhered to. Each level of LG shall use the invoices, delivery notes, LPOs, receipts, vouchers as and when necessary. However these support documents shall be kept at each Municipality and shall be demanded by Auditor General Staff, other reviewers/assessors authorized by executing agency and other government agencies such as Inspectorate of Government as and when required.

Under the LGs Financial and Accounting Regulation, 2007 (section 59), all LGs are required to have all the necessary books of accounts and ensure that they are properly kept. The mandatory books of accounts are:

- i) A Cash book
- ii) A Vote book
- iii) A General Ledger and Subsidiary Ledgers
- iv) A Journal
- v) An Abstract
- vi) An Assets register

The above books are considered properly kept if they are regularly posted and up-dated. This is also being monitored in the annual performance assessments. Municipalities and districts that are implementing the Integrated Financial Management System (IFMS) which automatically generates the mandatory books of accounts shall be deemed to have

kept proper books of accounts under the Program. However, the Auditor or any other reviewer shall be provided with a print out of reports when as and when required. As a minimum a monthly bank reconciliation statement duly approved by the Accounting Officer shall be kept in hard copy form.

7.3 ADMINISTRATION OF FUNDS

The Permanent Secretary/Secretary to Treasury appoints on annual basis an Accounting Officer for each higher local government (District and Municipal Local Government) in accordance with the Public Financial Management Act. As a minimum condition, each Municipal Local Government shall have an appointed accounting Officer for each financial year. The Accounting Officer (Town Clerk/Chief Administrative Officer) shall be responsible for administration of all resources remitted to the Local Government in accordance with PFM Act and shall ensure that resources provided under USMID –AF are properly planned, spent on eligible expenses and accounted for in accordance with the laws and regulations governing Public resources in Uganda and USMID-AF specific requirements.

The Executing Agency shall have a responsibility to ensure that all resources disbursed under USMID –AF are utilised for the intended purpose. Pursuant to this, the Executing Agency shall have authority to make periodic financial management reviews of financial records for USMID-AF and advise the Municipal/District Local Government to remedy any default established during inspection. When a Municipal or District Local Government remedies a default identified by the executing Agency, the issue shall be deemed to have been corrected through internal control systems and the LG may not be penalised for a remedied issue.

7.3.1 Funds Disbursements to Local Governments

Program Local Governments must submit quarterly and annual work plans to the MoFPED with copy to MLHUD at the beginning of each Financial Year as part of the PBS. MLHUD will then submit to the MFPED details of the compliance of the municipalities with the requirements and the fund release requests. The MLHUD then transfers the funds directly to municipalities in one instalment per annum (July/August) for capital Development Grants. The Executing Agency may release the MSIG funds to Municipal LGs annually, Semi-annually or Quarterly. Initially quarterly releases may be made to act as an incentive for the MCs to make complete quarterly progress reports. The releases may be made on semi-annual and annual basis as the LG's capacity to submit complete quarterly progress reports in time. Further releases of funds to Local Governments are made upon submission of satisfactory accountability and reporting for the previous releases to MLHUD and MoFPED.

The funds committed (not yet utilized) funds by end of each current FY, shall be utilized in the ensuing FY by the Local Governments. This shall require re-budgeting in consultation with PS/ST. The funds rolled to ensuing year shall be included in the national budget of the respective municipal vote for the FY (through budget revisions) and accounted for in the regular reporting of fund as provided for in this Manual. The funds disbursed to the Municipalities/Districts under USMID-AF Program shall not exceed the funds allocated in the national budget for the financial year. The actual funds received may exceed the projected funds in the national budget especially due to foreign exchange variations or a higher performance in annual assessment than expected. The funds in excess of national budget allocation shall only be disbursed after a supplementary budget has been approved by Parliament through the PS/ST.

7.3.2 Special Program Bank Accounts

The executing Agency shall open in bank of Uganda 2 dedicated accounts for USMID – AF. One of the accounts shall be the designated account (in United States Dollar currency) on which all loan proceeds shall be received from IDA/World Bank while another account shall be maintained in local currency (Uganda Shillings) for local transactions.

The Municipal local governments should use separate and dedicated Bank accounts for: 1) the MDG and the 2) MISG respectively. In the same respect the Districts shall use separate and dedicated Bank accounts for the Local Government Development Grant (LGDG). The Local Governments on IFMS have all migrated to Tier 1 and use Treasury Single Account in order to transact on IFMS. The Accountant General shall guide from time to time on modalities on TSA implementation and when the accounts maintained in the commercial banks should be phased out in consultation with IDA/World Bank.

A special book of accounts and ledger should be kept for each of the grants. The funds for the grants should strictly be used to finance investments stipulated in the local government work plans submitted to and approved by the MLHUD.

The MISG should be used to finance only institutional strengthening activities stipulated in the Municipal annual Institutional strengthening plans approved by Council and after obtaining concurrence of the Executing Agency (MLHUD).

7.3.3 USMID-AF Accountability Requirements

Whereas the funds will be released annually or semi-annually, accountability and reporting to the MLHUD shall be done on a quarterly basis in a manner that is aligned with the quarterly local government reporting obligations. All USMID – AF funds released

to the District and Municipal Local Governments shall be spent at that level in the designated Program Accounts. The District and Municipal Local Government shall not transfer funds to the sub-counties and Municipal Divisions respectively. However, the investments shall be made in the divisions or lower local governments by the Higher Local Governments. Therefore, the District and Municipal Councils shall retain full responsibility to account for the financial Resources. Investment in Divisions shall include institutional capacity building program involving staff at the divisions.

Like any other IDA/World Bank funded Projects/Programs, USMID AF is subject to periodic financial management reviews. Therefore, the Executing Agency shall send its Officers or a contracted firm(s) to make periodic financial management reviews on a sample basis. The reviews shall mainly emphasize eligible expenditure and internal controls. The FM reports shall be sent to LGs for comments and remedial actions taken. Once remedial action is taken based on the FM review recommendation, the MC may not be penalized in the annual assessment for a remedied transaction. In addition to the FM reviews conducted by MLHUD, IDA/World Bank may send its Agents to make financial management reviews on a sample basis. It will be the responsibility of the Accounting Officer to ensure that all USMID AF records required for FM review are available for review in accordance with the participating agreement provisions.

The USMID-AF reporting will rely on the PBS for some details from the (a) annual and quarterly work plans; and (b) quarterly physical progress reports (performance contracts).

The local governments will use the Program specific annual and quarterly work plans and the physical progress reporting forms contained in this manual which are not in the PBS as some of the municipal investments are not currently captured in the PBS formats. These include: drainage; solid waste collection and disposal facilities; water and sewerage; local economic infrastructure (markets, bus stands, lorry parks); urban beautification infrastructure (public parks, play grounds, urban landscaping and planting of trees on the verge of roads etc.). It is anticipated that MLHUD will submit these investments form requests to MoFPED and have them incorporated in the PBS.

The Accountability from a local government to MLHUD will have the following documents **in addition to the general PBS.**

- i. Financial Summary Sheets for the amounts meant for the local government (each for the MDG, MISG and LDG (Form A1 and A2)
- ii. Physical Progress Report (Form B1)¹⁷ .
- iii. Institutional strengthening / Institutional Progress Report (Form B2)
- iv. Bank reconciliation statements for the period covered by the report
- v. Quarterly Work Plan for the Local Government (Form D1)¹⁸
- vi. Quarterly Institutional Strengthening Schedule/Plan (Form D2)
- vii. Implementation progress reports on infrastructure, own source revenue, solid waste

¹⁷ This will be dropped after all relevant investment types have been incorporated in the PBS

¹⁸ This is adequately captured under PBS

- management etc. outlined in chapter 8.0
- viii. Environment and social management reports outlined in chapter 12.0

At the end of the financial year, together with quarterly accountability report, the local government will submit to MLHUD:

- i) Duly Filled Output/Impact Monitoring reports for the LG (Form E).
- ii) Duly filled Investment Inventories for the LG (Form F); and
- iii) Full accountability shall be considered met by a LG if all the above requirements are submitted to MLHUD by the end of January and July respectively.

It is the responsibility of the Accounting Officers to ensure that they receive the reports from each of the departments on time for review, refinement and consolidation of the reports for submission to MLHUD on the required due date.

7.3.4 Financial Summary Sheet – Forms A1 and A2

There are two forms, which will be used to account for the MDG, MISG and the LDG, and which will be filled in quarterly.

- i) Form (A1) will be used for MDG and LGDG, and
- ii) Form (A2) will be used for MISG.

Form A1: USMID –AF Financial Summary Sheet A1

MLHUD – USMID-AF Municipal/LG Development Grant

Financial Summary Sheet A1

(a) Municipality/District LG _____

(b) Program: USMID Municipal/LG Development Grant

(c) For the period _____ to _____

(d) Currency: (Uganda Shillings)

| (I) | (II) | (III) | (IV) | (V) |
|---|-------------------|---------------|--------------|------------------|
| | Period Amount | Annual Budget | Year to date | Available Budget |
| (e) Opening Balance | | | | |
| (f) Advance Received | | | | |
| (g) Co-funding from other sources (e.g. LDG) | | | | |
| Interest earned | | | | |
| (h) Available Funds | = (e) + (f) + (g) | | | |
| <u>Expenditure by Description</u> | | | | |
| 1. Core investments (min 90%) | | | | |
| 2. Investment servicing (max 10 %) | | | | |
| 3. Bank Charges | | | | |
| (i) Total Expenditure | add 1 to 3 | | | |
| (j) Closing Balance | = (h) - (i) | | | |
| (k) Outstanding Obligations | | | | |
| (l) Planned Expenditure | | | | |
| (m) Total requirements | = (k) + (l) | | | |
| (n) Less Closing Balance | = (j) | | | |

Prepared by

Certified by
Town Clerk/Chief Administrative Officer

Date _____

Date _____

Form A2: Financial Summary Sheet A2

MLHUD– USMID –AF – Municipal Institutional Strengthening Grant Financial Summary Sheet A2

(a) Municipality _____
(b) Program: Municipal Institutional Strengthening Grant
(c) For the period _____ to _____
(d) Currency: (Uganda Shillings)

| (I) | (II) | (III) | (IV) | (V) |
|---|-------------------|---------------|--------------|------------------|
| | Period Amount | Annual Budget | Year to date | Available Budget |
| (e) Opening Balance | | | | |
| (f) Advance Received | | | | |
| (g) Interest Earned | | | | |
| (h) Available Funds | = (e) + (f) + (g) | | | |
| <u>Expenditure by Description</u> | | | | |
| 1. Tooling/ Retooling | | | | |
| 2. Physical Planning, Urban Systems Development | | | | |
| 3. Specialized Technical plant & Equipment | | | | |
| 4. Systems for enhancing own source revenue | | | | |
| 5. Central Government Trainings | | | | |
| 6. Career Development | | | | |
| 7. Discretionary CB ¹⁹ support | | | | |
| 8. Others e.g. bank charges | | | | |
| (i) Total Expenditure | = Add 1 to 8 | | | |
| (j) Closing Balance | = (h) - (i) | | | |
| (k) Outstanding Obligations | | | | |
| (l) Planned Expenditure | | | | |
| (m) Total requirements | = (k) + (l) | | | |
| (n) Less Closing Balance | = (j) | | | |

Prepared by _____

Certified by
Town Clerk

Date _____

Date _____

¹⁹ This will include short-term skills development regarding improvement in management of municipal services especially regarding bridging the capacity gaps identified in the performance assessment. The areas that could be supported include: project management (design, procurement, implementation and supervisions of projects), operation of infrastructure investments (both existing and new ones), and environmental and social management.

The above Forms A1 and A2 must be filled based on the following Guidelines:

- a) The Name of Municipality/District LG:
- b) The program: USMID -AF
- c) The period for which the accountability is being done;
- d) Currency in which the accountability is being done:XX UGX.
- e) Opening balance, this is the cashbook at the beginning of the period, the Municipality is accounting for. If the accountability is a proceeding one, this should have been the closing balance of the former one.
- f) Advances received should only be the amounts received from the Ministry of Finance/Bank of Uganda.
- g) Co-financing; any co-financing banked on the account should feature in this subsection
- h) Available funds should be the sum of (e) + (f) +(g)
- i) Total Expenditure is the sum of the fixed assets and Investments servicing costs. The percentages in brackets represent the maximum amounts of the fund to be used in each category, but when filling the form the municipality should fill in the actual amounts spent which can be less investment servicing cost but more for fixed assets for that particular period.
- j) Closing balance is the difference between available funds and total expenditure. (h)-(i) which should be reconciled with the balance in the cashbook.
- k) Outstanding Obligations represent the financial commitments such as outstanding contractual commitments entered into and not yet fully paid for.
- l) Planned expenditure represents the amount the LG intends to spend in the coming period. These should include new activities for the period and the old activities that the Municipality did not accomplish in the past quarter.
- m) Total Requirements are the sum of the obligations and planned expenditure, (k)+(l)
- n) Less closing balance, that is (j)

7.3.5 Quarterly Physical Progress Reports (B1 and B2)

All Local Governments are required to submit two quarterly Physical Progress Reports.

- i) Comprehensive physical progress report as part of the PBS (or **Form B1** until when all investments are captured by the PBS);
- ii) MISG Progress Report (**Form B2**) as the details of institutional strengthening/ institutional strengthening activities and sources of funds are not captured under PBS.

This is to ensure that the MLHUD can keep track of the progress being made by LGs in the implementation of the Program. The form(s) shall be part of the accountability to be submitted by a Local Government before the fund for the next instalment is released.

The Physical Progress Reports Form B1 and Form B2, including reporting formats in chapter 8, are to be filled as part and parcel of the **quarterly** accountability. The forms are to be filled quarterly by the Head of Finance, with inputs from the relevant technical departments. The formats will be completed at each Local Government by entering the details in MS Excel and submitting both hard (print out) and e-copies copies to the MLHUD, together with the rest of the quarterly accountability not later than the last day of the first month of the quarter i.e. October, January, April and July.

The LGs should separately show and itemize, in their quarter Physical Progress Report-Form B1, activities for investment service costs according to areas shown in section 2.

ACCOUNTABILITY FORM B1: PHYSICAL PROGRESS REPORT (QUARTERLY) – B1²⁰

a) Municipality/District

b) Program/Project title.....

c) For the period (Month/ year)..... to..... (Month/ year)

| Project Name | Contract sum | Commence ment date | Actual completion date | Achieved physical progress | | | | Actual expenditure | | | | Source of funds | | Complete (Yes/No) | Comments |
|--------------|--------------|--------------------|------------------------|----------------------------|----|----|----|--------------------|----|----|----|-----------------|--------|-------------------|----------|
| | | | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | MDG/ LGDG | Others | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |

Signed (indicate name & sign).....

(Town Clerk)

Date & Stamp.....

Signed (indicate name and sign).....

(Head of Finance)

²⁰ As mentioned above, this form will be dropped after all Local Government investment types have been incorporated in the PBS

ACCOUNTABILITY FORM B2: MUNICIPAL INSTITUTIONAL STRENGTHENING GRANT PROGRESS REPORT ²¹

a) Municipality

b) Program/Project title.....

c) For the period..... to.....

| Key Areas | Activity Description | Planned Number | Actual Number | Actual Cost | Actual Quarterly Expenditures | | | | Sources of Funds | | | Remarks (including reasons for variations) | Complete Yes/ No |
|--|----------------------|----------------|---------------|-------------|-------------------------------|----|----|----|---------------------------------|------------------|--|---|-------------------------|
| | | | | | | | | | (indicate used funds by source) | | | | |
| | | | | | Q1 | Q2 | Q3 | Q4 | MISG | Others - specify | | | |
| 1. Tooling/ Retooling | 1.1) 1.2) | | | | | | | | | | | | |
| 2. Physical Planning, Urban Systems Development and plans/ strategies | 2.1) 2.2) 2.3) | | | | | | | | | | | | |
| 3. Specialized Technical Plant and Equipment | 3.1) | | | | | | | | | | | | |
| 4. Assessing Comparative Advantages of Localities and Development of Investment Profiles | 4.1) 4.2) 4.3) | | | | | | | | | | | | |
| 5. Systems for Enhancing Own Source Revenue | 5.1) | | | | | | | | | | | | |
| 6. Participation Central Government Trainings | 6.1) | | | | | | | | | | | | |
| 7. Career Development | 7.1) | | | | | | | | | | | | |
| 8. Discretionary Institutional Strengthening Activities | 8.1) 8.2) | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | |

Signed (indicate name & sign).....
(Town Clerk)

Signed (indicate name and sign).....
(Head of Finance)

Date & Stamp.....

The Municipal Human Resource Officer is responsible for reviewing Form B2 before onward submission to MoLHUD ensuring that all forms are correctly filled
Form B1 and B2 that will be poorly filled will not be accepted by MoLHUD.

²¹ Detailed information in this form is not captured under PBS. Hence the municipalities will continue to fill it in on a quarterly basis

Guideline for filling the Physical Progress Report – Form B1 and B2

The Physical Progress Report should be filled based on the guideline detailed hereunder in this section. Note that this form must be used until the projects are completed and is cumulative since at the end of the Financial Year a Local Government will be able to compare how much it has spent on a given project and what has been its total aggregate expenditure in the year.

Project Name: It should be as descriptive and quantifiable as possible. It should mention location etc. e.g. Rehabilitation of Nalufenya-Clive Road West Road of 2.27km to asphalt concrete standards.

Contract sum: This is the amount to be paid as per the contract.

Commencement date: This is the commencement date as per the contract.

Completion date: This is the date at which substantial completion and technical hand-over is achieved

Achieved physical progress: This is the quantity of certified civil works expressed as a percentage of overall civil works. This should be done cumulatively from quarter to quarter

Key Activities: This is a broad listing of key activities to be funded under the MISG. Key activities may have a number of activities that will be described and numbered in a serial manner.

Planned Number: This represents the planned number of items e.g. planned to procure 10 laptops. The column for actual number is used to record the actual number of laptops procured.

Actual Number: This is the actual number e.g. of items procured, study tours undertaken

Actual cost: This is the actual total cost of implementing the activity.

Actual expenditures: This is done cumulatively as follows: For the report of quarter one of the FY the first sub-column is filled. For quarter two, the first and second sub-columns are filled. For quarter three, the first, second, and third sub-columns are filled. At the end of the fourth quarter all the four sub-columns are filled.

Sources of funds (MDG/LGDG or MISG): The MDG/LGDG or MISG column should be filled by entering in how much funds from the MDG/LGDG or MISG has been used.

Others: Under this column fill in how much money has been used from other sources.

Completed: In this column mention, whether the project has been completed or not completed. Simply write Yes or No. In the last column state the reason as to why the project is not completed e.g. rains disrupted the work, contractor not paid on time, etc, (N.B that is if the project is not complete) One may include any other comment about the project implementation. For example excellent workmanship, the contractor absconded another was hired to complete the work, etc.

Comments/Remarks: The Officer (the project supervisor) filling this form should have visited the project site and therefore able to make comments. If the project is not completed, the comment should state the stage at which it is, whether or not it is on schedule. If not on schedule, give reasons. If completed comment on the utilization, operation and maintenance of the project.

7.3.6 Bank Reconciliation Statement (Form C)

In addition to the Financial Summary Sheet Form A1 and A2, the Physical Progress Report Form B1 and B2, each Local Government is required to submit a Bank Reconciliation statement for the reporting period - Form C.

7.3.7 Annual Quarterly Work Plan – Form D1 and Form D2

Disbursement under USMID-AF is based on the annual quarterly work plan submitted to

MoFPED with copy to MLHUD **under PBS**. However if a Local Government wishes to change its work plan in any quarter, it should resubmit the revised work plan and the new cash flow for that quarter. To revise the work plan, which might result into change of projects and budget, the following steps should be followed:

The user Department shall prepare the necessary documents, which may include project profiles (for new projects which were not in the development plan), revised work plan, and the budget by quarter required to implement the project.

The above revision shall be discussed by the Municipal/District Technical Planning Committee (TPC) and the proceeding of the discussion recorded.

The proposed change as adopted by the TPC shall be presented to the municipal/District Executive Committee for approval. The Town Clerk/CAO submits the revised work plan and cash flow projections to MLHUD for funding.

It is important for the Local Governments to ensure that the work plan and the cash flow are within the USMID-AF Indicative Planning Figure for that LG for that financial year. It is important to note that despite the **cash flow projections**, the instalments will be transferred in once a year.

The information regarding Physical Annual Quarterly Work Plan and cash flow is adequately captured under PBS as the format for this form is more or less the same with that of the Physical Progress Report Form B1. They are kept in the manual until it is ensured that all sectors/activities are fully captured by PBS. The Physical Progress Report should be based on the Annual Quarterly Work Plan – Form D1²². All the forms and accountability forms should bear the names of the signatories, the municipal stamp and the date.

A local government should separately show and itemize, in their Annual Quarterly Work Plan – Form D, activities for investment service costs according to areas indicated in the guidelines listed in section 2.5.

Irrespective of whether the information is captured under PBS or Form D1, the Annual Quarterly Work Plan will be accompanied by a Resettlement and Compensation Plan (see the Resettlement Policy Framework located in the office of the Environment Officer) in the case of projects which will involve displacement of people; loss of income, livelihood, assets, shelter or access to means of income. A Municipal/District Environment Management Plan should also be attached to the work plan.

²² As mentioned regarding form B1, this form will not be filled when all municipal investments are captured in the PBS

PHYSICAL ANNUAL QUARTERLY WORK PLAN – FORM D1²³

- a) Municipality/District
b) Program/Project title – USMID-AF
c) For the period (month and year)..... to (month and year).....

| Project Name | Expected Contract Sum | Expected Commencement date | Expected Completion date | Planned physical targets | | | | Planned expenditure | | | | Source of funds | |
|---|-----------------------|----------------------------|--------------------------|--------------------------|----|-----|-----|---------------------|----|-------|-------|-----------------|--------|
| | | | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | MDG/LGDG | Others |
| e.g. Rehabilitation of Road A | 3.5bn | February 3, 2019 | December 10, 2019 | 0 | 0 | 10% | 48% | 0 | 0 | 0.7bn | 2.1bn | | |
| e.g. Rehabilitation of Road B | 2.5bn | February 15, 2019 | December 13, 2019 | 0 | 0 | 11% | 50% | 0 | 0 | 0.8bn | 1.7bn | | |
| e.g. Supervision costs for rehabilitation of Road A and B | 300m | January 3, 2019 | December 13, 2019 | | | | | 0 | 0 | 50m | 50m | | |
| | | | | | | | | | | | | | |

Signed (name & signature).....
Town Clerk

Signed (name & signature).....
Head of Finance

Date and Stamp.....

Date.....

The Municipal/District Engineer is responsible for reviewing all Form Ds before onward submission to the MLHUD ensuring that all forms are correctly filled for all completed projects.
Poorly filled Form D1 will not be accepted by MLHUD.

²³ AS stated above, the information in this form will be eventually entirely captured by the OBT from the point of time when PBS covers all types of investments

URBAN INSTITUTIONAL STRENGTHENING - ANNUAL QUARTERLY WORK PLAN – FORM D2

a) Municipality

b) Program/Project title – USMID

c) For the period (month and year)..... to (month and year).....

| Key Areas | Activity Description | Linkage of Activity with Identified Challenge | Planned Number | Method of Implementation | Budgeted Cost | Planned Expenditures | | | | Sources of Funds | | |
|--|---|---|----------------|--------------------------|---------------|----------------------|------------|----|----|---------------------------------|-----------|-----|
| | | | | | | | | | | (indicate used funds by source) | | |
| | | | | | | Q1 | Q2 | Q3 | Q4 | ISG | Others | |
| 1. Tooling/ Retooling | 1.1) Supply of computers for physical planning unit | | 3 | Procurement | 18,000,000 | | 18,000,000 | | | 15,000,000 | 3,000,000 | OSR |
| 2. Physical Planning, Urban Systems Development and plans/ strategies | 2.1) | | | | | | | | | | | |
| | 2.2) | | | | | | | | | | | |
| 3. Specialized Technical Plant and Equipment | 3.1) | | | | | | | | | | | |
| | 3.2) | | | | | | | | | | | |
| 4. Assessing Comparative Advantages of Localities and Development of Investment Profiles | 4.1) | | | | | | | | | | | |
| 5. Systems for Enhancing Own Source Revenue | 5.1) | | | | | | | | | | | |
| | 5.2) | | | | | | | | | | | |
| 6. Participation Central Government Trainings | 6.1) | | | | | | | | | | | |
| 7. Career Development | 7.1) | | | | | | | | | | | |
| 8. Discretionary Institutional Strengthening Activities | 8.1) | | | | | | | | | | | |
| Total | | | | | | | | | | | | |

Signed (name & signature).....Signed (name & signature).....
Town Clerk Head of Finance

Date and Stamp..... Date.....

Filling Instructions for the Annual Quarterly Work Plan – Form D1 and D2

The Annual Quarterly Work Plan should be filled based on the guidelines detailed in the following section.

Project Name: Project Name should be as descriptive and quantifiable as possible. It should mention location etc. e.g. Rehabilitation of Nalufenya-Clive Road West Road of 2.27km to asphalt concrete standards. Do not describe projects in general terms such as gravelling roads etc. as one would be bound to ask how many kilometers of roads and in which division in the municipality is it located? It is therefore very important that each project should be described in a concise manner and in a quantifiable term as possible

Expected contract sum: This is as per the signed contract

Expected completion date: This is as per the signed contract

Planned physical targets: The quarterly planned targets of quantity of certified works. These are cumulative over the four quarters as shown in the example above.

Planned Expenditure: Amount of funds planned to be spent by quarter for the planned physical targets. These are cumulative over the four quarters as shown in the example above.

Key areas: these are the key areas to be supported by the Institutional strengthening Grant. The numbering in the format must be maintained

Activity description: This provides a description of the activity to be implemented within a given key area. The numbering of the activity description must be maintained.

Linkage with the identified challenge: this serves to show the reason the activity was selected for implementation

Planned number: provides the planned number of activities e.g. 10 computers to be procured, 3 staff to be trained

Method of implementation: this provides information on how the activity will be implemented e.g. procurement, Budgeted cost: this is the total estimated cost for the activity

Planned expenditures: These should be provided per quarter and should add up to the budgeted cost. It is possible to implement all the activities in one quarter.

Sources of funds (MDG/LGDG): The MDG/LGDG column should be filled by entering the amount of funds from the MDG/LGDG.

Sources of funds (MISG): The MISG column should be filled by entering the amount of funds from the MISG.

Others: Under this column fill in how much money is planned to be used from other sources. If it is in kind e.g. bricks, stones and sand, value them (monetize) and insert the figure. Mention the source of funding e.g. Community, World Vision, Action Aid, etc, in the comments column.

8.0 USMID-AF RESULTS REPORTING REQUIREMENTS

8.1 INTRODUCTION

Under the USMID-AF, in addition to the PBS reports and the reports mentioned above under Chapter 7 the following reports will be prepared by all program local governments:

- i) Output/Outcome/Impact Monitoring Reports; and
- ii) Investment Inventories.

Both reports shall be submitted once at the end of every Financial Year to the MLHUD, no later than the end of the month after the FY.

8.2 OUTPUT/OUTCOME/IMPACT MONITORING REPORTS (FORM E)

All completed projects should have a Completion Certificate (which is issued by the supervisor) as well as an Environment Certificate issued by the Municipal/District Environment Officer (where at planning stage a project was identified as likely to affect the environment). A report on every completed project should be made. The report is intended to capture project output, outcome and impact in terms of numbers of facilities created; the size of the structure in case of construction and water tanks; their outcome and impact on the people; the employment generated by the project; and the number of beneficiaries by sex.

Although this form is to be submitted at the end of every Financial Year (FY), it should be filled immediately on completion of the project and should accompany the certificate of completion and payment invoice. It should be updated at the end of the FY before submission. The update is important to capture changes brought about by the project. The Local Government will compile the reports in triplicate for submission to MLHUD, to Municipality/District file and to the division/ Sub County in which a project is located for accountability.

Instructions to filling Form E

| | |
|-------------------------------------|--|
| A. Project Name - | Fill in the project title as given in the investment profile. |
| Project No - | This is the project code as in the investment profile |
| FY - | This is the year being reported on. |
| B. Location - | Give the name of the Ward/Parish, Division/ Sub county and Municipality/District where the project is located. Where a project is located in more than one Ward or division, give all the names of the Wards involved. |
| C. Implementation Duration - | Indicate the planned and actual start date in terms of day, month and year. Give project completion date as planned and actual giving date, month and year. |

| | |
|--|--|
| D. Project Cost - | Three figures must be filled. First, the cost as in the Development Plan/investment profile; secondly, the contract sum as reflected in the contract document; and the actual cost at project completion. |
| E. Total Labor Cost - | Indicate the actual labour cost of the project. |
| F. Meeting National Standards - | Indicate whether a project has met technical, functionality (appropriate & working) environmental and overall standards by ticking only one of the boxes for each of the aforementioned areas, i.e. highly satisfactory, satisfactory, unsatisfactory or highly unsatisfactory. Check the technical completion certificate by the supervisor and the environment certificate by the Environment Officer or the Environment Focal Point Person. |
| G. Employment generated - | Indicate the planned person days (total number of planned days for the employees to work in order to complete project implementation) and the actual person days worked (total number of actual days worked by the employees to complete the project). The project supervisor in collaboration with the contractor should always keep track and make records of persons (by gender) employed on the project during its implementation on a weekly basis. |
| H. Female participation - | Indicate the planned female person days (total number of planned days for female employees to work in order to complete project implementation) and the actual person days worked (total number of actual days worked by the female employees to complete the project). |
| I. Output - | Indicate the number of facilities created by each project and by unit measurement where applicable e.g. street lights of 7 km of roads. Indicating the size of the system is very essential, as well as the unit construction cost (in terms of shillings per meter and unit). |
| Beneficiaries - | Give the number of people (by sex) directly benefiting from the project as well as those indirectly benefiting from the project. |
| Baseline - | Give the number of facilities existing before implementation of the project being reported, e.g. 20 km of roads with streetlights. |
| Impact - | Possible options (key sector indicators) are given in sub-column 1 of column 5 but there could be more. If a factor of impact is not given under a column for impact indicators, add it to the list. Report on the relevant indicator(s) in sub-section 2 of column 5. |

The form should be dully signed and stamped by the project supervisor and counter signed and stamped by the relevant Municipal Head of Department, Head of Sector and the Accounting officer. The names of signatories should be given.

(Note: This form is for completed projects only)²⁴.

The Municipal Engineer/Physical Planner is responsible for reviewing all the activities in the divisions. He/she will ensure that all forms are correctly filled for all completed projects. The number of completed projects can be determined from the Investment Inventory.

Forms, which are poorly filled, will not be accepted by MLHUD and will lead to withholding of funds.

²⁴ Other impact can best be determined by a field visit to site. Therefore, the person filling the form should first visit the site before filling in the form. They can utilize the investment service costs component of MDG to do this

Form E 1 – USMID-AF Output/Outcome/Impact Monitoring Report (Drainage)

Department: Technical Service & Works – Drainage (Note: use the correct sector form)

| Project Name: | | | | | | | | | |
|--|-------|-----|---------------|--|----------|--|------------------------|---|---|
| Project No..... FY..... | | | | | | | | | |
| B. Location: | | | | Division/Subcounty... | | | | | |
| Ward/Parish..... | | | | Municipality/District..... | | | | | |
| C. Project in Development Plan | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No | | Contracts Committee Award <input type="checkbox"/> Yes <input type="checkbox"/> No | | | |
| D. Implementation Duration | | | | Start Date (dd/mm/yy) Planned...../...../..... Actual...../...../..... | | Completion Date (dd/mm/yy) Planned...../...../..... Actual...../...../..... | | | |
| E. Project Cost: | | | | | | | | | |
| 1. Cost in Development plan: UGX..... | | | | | | | | | |
| 2. Contract sum: UGX..... 3. Actual Cost UGX..... | | | | | | | | | |
| F. Total Project Labour Cost: UGX..... 1. Estimated Cost (at completion): UGX | | | | | | | | | |
| G. Meeting National Standards | | | | Highly Satisfactory Satisfactory Unsatisfactory Highly Unsatisfactory | | | | | |
| Technical: | | | | <input type="text"/> | | | | | |
| Functionality rate: | | | | <input type="text"/> | | | | | |
| Environmental: | | | | <input type="text"/> | | | | | |
| Overall: | | | | <input type="text"/> | | | | | |
| H. Employment Generated | | | | Planned Person days Actual Person days | | | | | |
| I. Female Participation | | | | Planned Person days Actual Person days | | | | | |
| J. Output, Outcome & Impact of the Project | | | | | | | | | |
| Drainage | Unit | Qty | Beneficiaries | | | | Outcome/Impact | | |
| | | | Direct | | Indirect | | Baseline (Previous FY) | Examples: Outcome/Impact Indicators (pick any or more of the following as appropriate) | Outcome/Impact (report on the performance of the indicator/change/improvement brought about by the Project) |
| | | | F | M | F | M | | | |
| 1. Lined Drainage/stone pitching | Metre | | | | | | | -No. of malaria cases -No. of Dwelling Units no longer flooding -No. of Commercial properties no longer flooding -No. of roads/path ways no longer flooding -Others (specify) | |
| 2. De-silted Drainage | Metre | | | | | | | | |
| 3. Others (specify) | | | | | | | | | |
| | | | | | | | | | |

Prepared by a) Head of Section Approved by b) Head of Department

Date..... Date

Accounting Officer, Town Clerk/CAO Date.....

Direct Beneficiaries: Community residents leaving within a range 0.5 to 1 km. on either side of the drainage; Population in Dwelling Unit (DU) & Commercial Premises (CP) which are no longer flooding.
Indirect Beneficiaries: Community/catchment area within a range of 1 km. to 5km from the drainage

Note - F&M stands for females & males respectively.

Form E 2 – USMID-AF Output/Outcome/Impact Monitoring Report (Water and Sewerage)

Department: Technical Service & Works – Water & Sewerage (Use the correct sector form)

| | | | | | |
|--|------------------------------|-----------------------------|----------------------------|----------------------------|--|
| Project Name:..... | | | | | |
| Project No.....FY..... | | | | | |
| B. Location: | | Division/Subcounty..... | | Municipality/District..... | |
| Ward/Parish..... | | | | | |
| C. Project in Development Plan | <input type="checkbox"/> Yes | <input type="checkbox"/> No | Contracts | Committee Award | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| D. Implementation Duration | Start Date (dd/mm/yy) | | Completion Date (dd/mm/yy) | | |
| | Planned...../...../..... | | Planned...../...../..... | | |
| | Actual...../...../..... | | Actual...../...../..... | | |
| E. Project Cost 1. Cost in Development plan: UGX..... | | | | | |
| 2. Contract sum: UGX 3. Actual Cost UGX..... | | | | | |
| F. Total Labour Cost of the Project: UGX..... 1. Estimated Cost (at completion): UGX | | | | | |
| G. Meeting National Standards | Highly Satisfactory | Satisfactory | Unsatisfactory | Highly Unsatisfactory | |
| Technical: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Functionality rate: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Environmental: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Overall: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| H. Employment Generated | Planned Person days | | Actual Person days | | |
| I. Female Participation rates | Planned Person days | | Actual Person days | | |

J. Output, Outcome & Impact of the Project

| Water | Unit | Qty | Beneficiaries | | | | Outcome/Impact | | |
|---|------|-----|---------------|---|----------|---|------------------------|---|---|
| | | | Direct | | Indirect | | | | |
| | | | F | M | F | M | Baseline (Previous FY) | Examples: Outcome/Impact Indicators (you can pick any or more of the following as appropriate)) | Outcome/Impact (report on the performance of the indicator/change/improvement brought about by the project) |
| 1. Piped water coverage | Kms | | | | | | | | |
| 2. Water extension lines | Kms | | | | | | | | |
| 3. Public stand pipes | No | | | | | | | | |
| 4. Existence of sewerage system | | | | | | | | | |
| 5. Coverage of the extended sewerage system | Km | | | | | | | | |
| 6. Number of units served with sewer line | Km | | | | | | | | |
| 7. Planned extension of water system | No. | | | | | | | | |
| 8. Septic tank coverage | M3 | | | | | | | | |
| 9. Piped water: Stand pipes | No. | | | | | | | | |
| 10. Piped water: pipe network | Mtr | | | | | | | | |
| 11. Others (specify) | No. | | | | | | | | |

Prepared by a) Head of Section Approved by b) Head of Department

Date.....

Date

Accounting Officer, Town Clerk/CAO Date.....

Beneficiaries – Urban population within 0.25km walking Distance to water source

Indirect Beneficiaries: Persons who have received tender awards to supply materials, equipment & tools in respect to or construct water facilities such as technicians in water works, producers and traders of machine parts for water sources.

Note: F&M stands for females & males respectively.

Form E 3 – USMID-AF Output/Outcome/Impact Monitoring Report (Solid Waste)

Department: Technical Service & Works/Solid Waste (Use the correct sector form)

| | | | |
|--|--|----------------------------|--|
| A. Project Name:..... | | | |
| Project No.....FY..... | | | |
| B. Location: | | | |
| Ward/Parish..... | Division/Subcounty..... | Municipality/District..... | |
| C. Project in Development Plan | Yes <input type="checkbox"/> No <input type="checkbox"/> | Contracts Committee Award | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| D. Implementation Duration | Start Date (dd/mm/yy) | Completion Date (dd/mm/yy) | |
| | Planned...../...../..... | Planned...../...../..... | |
| | Actual...../...../..... | Actual...../...../..... | |
| E. Project Cost 1. Cost in Development plan: UGX..... | | | |
| 2. Contract Sum..... 3. Actual Cost UGX..... | | | |
| F. Total Labour Cost of the Project: UGX..... 1. Estimated Cost (at completion): UGX | | | |
| G. Meeting National Standards | Highly Satisfactory | Satisfactory | Unsatisfactory |
| Technical: | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Functionality rate: | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Environmental: | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Overall: | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| H. Employment Generated | Planned Person days | Actual Person days | |
| I. Female Participation rates | Planned Person days | Actual Person days | |

J. Output, Outcome & Impact of the Project

| Solid Waste | Unit | Qty | Beneficiaries | | | | Outcome/Impact | | |
|--|----------------|-----|---------------|---|----------|---|------------------------------|--|---|
| | | | Direct | | Indirect | | Baseline (Previous FY) | Examples: Outcome/Impact indicators (you can pick any or more of the following as appropriate) | Outcome/Impact (Report on the performance of the impact indicator/change/improvement brought about by the project) |
| | | | F | M | F | M | | | |
| Number of households with storage facilities | No. | | | | | | | -No. of cases of diarrhoea diseases | |
| Designated waste collection points | No. | | | | | | | -No. of cases of other sanitation related diseases | |
| Waste collection bins at every shops | No. | | | | | | | -Proportion of the population within easy access to garbage disposal facilities (garbage coverage) | |
| Garbage skips | M ² | | | | | | | | |
| Garbage Bunkers | | | | | | | | | |
| Landfills | | | | | | | | | |
| Landfill | | | | | | | | | |
| 8.Others (Specify) | | | | | | | | -Others (specify) | |

Prepared by a) Head of Section Approved by b) Head of Department

Date.....

Date

Accounting Officer, Town
Clerk/CAO

Date.....

Direct Beneficiaries : Population of the catchment area e.g. the municipality

Indirect Beneficiaries : Not applicable

Note: - F&M stands for females & males respectively.

Form E 4 – USMID-AF Output/Outcome/Impact Monitoring Report (Roads)

Department: Technical Service & Works – Roads (*Use the correct sector form*)

| A. Project Name:..... | | | | | | | | |
|---|-------|--|---------------|---------------------------|----------------------------|--|------------------------|--|
| Project No.....FY..... | | | | | | | | |
| B. Location: | | | | | | | | |
| Ward/Parish..... | | Division/Subcounty..... | | | Municipality/District..... | | | |
| (See Below) | | | | | | | | |
| C. Project in Development Plan | | <input type="checkbox"/> Yes <input type="checkbox"/> No | | Contracts Committee Award | | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| D. Implementation Duration | | Start Date (dd/mm/yy) | | | Completion Date (dd/mm/yy) | | | |
| | | Planned...../...../..... | | | Planned...../...../..... | | | |
| | | Actual...../...../..... | | | Actual...../...../..... | | | |
| E. Project Cost 1. Cost in Development plan: UGX..... | | | | | | | | |
| 2. Contract sum: UGX 3. Actual Cost: UGX..... | | | | | | | | |
| F. Total Labour Cost of the Project: UGX..... 1. Estimated Cost (at completion): UGX | | | | | | | | |
| G. Meeting National Standards | | Highly Satisfactory | | Satisfactory | | Unsatisfactory | | |
| Technical: | | <input type="text"/> | | <input type="text"/> | | <input type="text"/> | | |
| Functionality rate: | | <input type="text"/> | | <input type="text"/> | | <input type="text"/> | | |
| Environmental: | | <input type="text"/> | | <input type="text"/> | | <input type="text"/> | | |
| Overall: | | <input type="text"/> | | <input type="text"/> | | <input type="text"/> | | |
| H. Employment Generated | | Planned Person days | | | Actual Person days | | | |
| I. Female Participation rates | | Planned Person days | | | Actual Person days | | | |
| J. Output, Outcome & Impact of the Project | | | | | | | | |
| Roads | Unit | Qty | Beneficiaries | | | | Outcome/Impact | |
| | | | Direct | | Indirect | | Baseline (Previous FY) | Examples: Outcome/Impact Indicators (Pick any or more of the following as appropriate) |
| | | | F | M | F | M | | |
| Paved | Km. | | | | | | | -No. Of vehicles using the road -Willingness of transporters to use the road -Improved access to services like hospitals & banks -Improved access to markets by farmers -reduction in freight charges -Improved incomes of service providers e.g. traders, transporters, producers, producers of local building materials, etc. -Growth of road side markets & market towns/trade centres -Population served by the boat -Others (specify) |
| 2. Gravel (murrum) | Km. | | | | | | | |
| 3. Earth | Km. | | | | | | | |
| 4. Culverts | No. | | | | | | | |
| 5. Culverts | Metre | | | | | | | |
| 6. Bridges | No. | | | | | | | |
| 7. Bridges | Metre | | | | | | | |
| 8. Others (specify) | | | | | | | | |
| Prepared by a) Head of Section | | | | | | | | |
| Approved by b) Head of Department | | | | | | | | |
| Date..... | | | | | | | | |
| Date | | | | | | | | |
| Accounting Officer, Town Clerk/CAO | | | | | | | | |
| Date..... | | | | | | | | |

Direct Beneficiaries: Population of the catchment area in the vicinity of 1- 0.5km from the road; Vehicle owners, tax operators, transporters, passengers (average number of Vehicle per day recorded overtime e.g. one month); vendors along the road.

Indirect Beneficiaries: Population density of the area served by the road i.e. within a distance of 1 – 5 km. from the road. Population served by the infrastructure

Note: - F&M stands for females & males respectively.

Form E 5 – USMID-AF Output/Outcome/Impact Monitoring Report (Markets)

Department: Production & Marketing – Markets (*Use the correct sector form*)

| A. Project Name:..... | | | | | | | | | | |
|---|------|-----|------------------------------|---|-----------------------------|----------------------------|----------------------------|------------------------|--|---|
| Project No.....FY..... | | | | | | | | | | |
| B. Location: | | | | | | | | | | |
| Ward/Parish..... | | | Division/Subcounty..... | | | Municipality/District..... | | | | |
| C. Project in Development Plan | | | Yes <input type="checkbox"/> | | No <input type="checkbox"/> | | Contracts Award | | Committee Yes <input type="checkbox"/> No <input type="checkbox"/> | |
| D. Implementation Duration | | | Start Date (dd/mm/yy) | | | | Completion Date (dd/mm/yy) | | | |
| | | | Planned...../...../..... | | | | Planned/...../..... | | | |
| | | | Actual/...../..... | | | | Actual/...../..... | | | |
| E. Project Cost 1. Cost in Development plan: UGX..... | | | | | | | | | | |
| 2. Contract sum: UGX..... 3. Actual Cost UGX..... | | | | | | | | | | |
| F. Total Labour Cost of the Project: UGX..... 1. Estimated Cost (at completion): UGX | | | | | | | | | | |
| G. Meeting National Standards | | | Highly Satisfactory | | Satisfactory | | Unsatisfactory | | Highly Unsatisfactory | |
| Technical: | | | <input type="text"/> | | <input type="text"/> | | <input type="text"/> | | <input type="text"/> | |
| Functionality rate: | | | <input type="text"/> | | <input type="text"/> | | <input type="text"/> | | <input type="text"/> | |
| Environmental: | | | <input type="text"/> | | <input type="text"/> | | <input type="text"/> | | <input type="text"/> | |
| Overall: | | | <input type="text"/> | | <input type="text"/> | | <input type="text"/> | | <input type="text"/> | |
| H. Employment Generated | | | Planned Person days | | | | Actual Person days | | | |
| I. Female Participation rates | | | Planned Person days | | | | Actual Person days | | | |
| J. Output, Outcome & Impact of the Project | | | | | | | | | | |
| Production | Unit | Qty | Beneficiaries | | | | Outcome/Impact | | | |
| | | | Direct | | Indirect | | | | | |
| | | | F | M | F | M | | | | |
| | No. | | | | | | | Baseline (Previous FY) | Examples: Outcome/Impact Indicators (Pick any or more of the following as appropriate) | Outcome/Impact (report on the performance of the indicator/change/improvement brought about by the project) |
| I. Commercial Markets | No. | | | | | | | | --No. Of farmers within easy access to markets --Improved incomes of the farmers | |
| Food/animal markets | No | | | | | | | | | |
| Street vending | No | | | | | | | | | |
| Free Trade Zones | No | | | | | | | | | |
| Others | | | | | | | | | | |
| Prepared by a) Head of Section | | | | | | | | | | |
| Approved by b) Head of Department | | | | | | | | | | |
| Date..... | | | | | Date | | | | | |
| Accounting Officer, Town Clerk/CAO | | | | | | | | | | |
| Date..... | | | | | | | | | | |

Direct Beneficiaries: Number of vendors/traders employed in the market

Indirect Beneficiaries: Population in the catchment area e.g. Division.

Note - F&M stands for females & males respectively.

Form E 6 – USMID-AF Output/Outcome/Impact Monitoring Report (Street Lighting)

Department: Works – Street Lighting (Use the correct sector form)

| A. Project Name:..... | | | | | | | | | | |
|--|------|-----|--|---|----------------------|---|--|--|---|--|
| Project No.....FY..... | | | | | | | | | | |
| B. Location: Parish..... | | | Division/Subcounty..... | | | | Municipality/District..... | | | |
| C. Project in Development Plan | | | Yes <input type="checkbox"/> No <input type="checkbox"/> | | Tender Board Award | | Yes <input type="checkbox"/> No <input type="checkbox"/> | | | |
| D. Implementation Duration | | | Start Date (dd/mm/yy) | | | | Completion Date (dd/mm/yy) | | | |
| | | | Planned...../...../..... | | | | Planned/...../..... | | | |
| | | | Actual/...../..... | | | | Actual/...../..... | | | |
| E. Project Cost1. Cost in Development plan: UGX..... | | | | | | | | | | |
| 2. Contract sum: UGX3. Actual Cost UGX..... | | | | | | | | | | |
| F. Total Labour Cost of the Project: UGX..... 1. Estimated Cost (at completion): UGX | | | | | | | | | | |
| G. Meeting National Standards | | | Highly Satisfactory | | Satisfactory | | Unsatisfactory | | Highly Unsatisfactory | |
| Technical: | | | <input type="text"/> | | <input type="text"/> | | <input type="text"/> | | <input type="text"/> | |
| Functionality rate: | | | <input type="text"/> | | <input type="text"/> | | <input type="text"/> | | <input type="text"/> | |
| Environmental: | | | <input type="text"/> | | <input type="text"/> | | <input type="text"/> | | <input type="text"/> | |
| Overall: | | | <input type="text"/> | | <input type="text"/> | | <input type="text"/> | | <input type="text"/> | |
| H. Employment Generated | | | Planned Person days..... | | | | Actual Person days | | | |
| I. Female Participation rates | | | Planned Person days | | | | Actual Person days | | | |
| J. Output, Outcome & Impact of the Project | | | | | | | | | | |
| | Unit | Qty | Beneficiaries | | | | Outcome/Impact | | | |
| | | | Direct | | Indirect | | | | | |
| | | | F | M | F | M | | | | |
| | No. | | | | | | Baseline (Previous FY) | Examples: Outcome/Impact Indicators (Pick any or more of the following as appropriate) | Outcome/Impact (report on the performance of the indicator/change/improvement brought about by the project) | |
| 1. Streets with lights (lit) | Km. | | | | | | | | | |
| 2. Areas serviced with street lights | No | | | | | | | | | |
| 3. Street lights functioning | Km | | | | | | | | | |
| | | | | | | | | | | |
| Prepared by a) Head of Section Approved by b) Head of Department | | | | | | | | | | |
| Date..... | | | | | Date | | | | | |
| Accounting Officer, Town Clerk/CAO Date..... | | | | | | | | | | |

Direct Beneficiaries: Population in the catchment area e.g. Division

Indirect Beneficiaries: Transporters; producers and traders

Note - F&M stands for females & males respectively.

Form E 7 – USMID-AF Output/Outcome/Impact Monitoring Report (Slaughter House)

Department: Works – Slaughter House (*Use the correct sector form*)

| A. Project Name:..... | | | | | | | | | | |
|--|------|-----|--|---|-----------------|---|----------------------------|------------------------|--|---|
| Project No.....FY..... | | | | | | | | | | |
| B. Location: | | | | | | | | | | |
| Ward/Parish..... | | | Division/Subcounty..... | | | | Municipality/District..... | | | |
| C. Project in Development Plan | | | <input type="checkbox"/> Yes <input type="checkbox"/> No | | Contracts Award | | Committee | | <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| D. Implementation Duration | | | Start Date (dd/mm/yy) | | | | Completion Date (dd/mm/yy) | | | |
| | | | Planned...../...../..... | | | | Planned/...../..... | | | |
| | | | Actual/...../..... | | | | Actual/...../..... | | | |
| E. Project Cost 1. Cost in Development plan: UGX..... | | | | | | | | | | |
| 2. Contract sum: UGX 3. Actual Cost UGX..... | | | | | | | | | | |
| F. Total Labour Cost of the Project: UGX..... 1. Estimated Cost (at completion): UGX..... | | | | | | | | | | |
| G. Meeting National Standards | | | Highly Satisfactory | | Satisfactory | | Unsatisfactory | | Highly Unsatisfactory | |
| Technical: | | | <div></div> | | <div></div> | | <div></div> | | <div></div> | |
| Functionality rate: | | | <div></div> | | <div></div> | | <div></div> | | <div></div> | |
| Environmental: | | | <div></div> | | <div></div> | | <div></div> | | <div></div> | |
| Overall: | | | <div></div> | | <div></div> | | <div></div> | | <div></div> | |
| H. Employment Generated | | | Planned days | |Person | | Actual | |Person days | |
| I. Female Participation rates | | | Planned days | |Person | | Actual | |Person days | |
| J. Output, Outcome & Impact of the Project | | | | | | | | | | |
| | Unit | Qty | Beneficiaries | | | | Outcome/Impact | | | |
| | | | Direct | | Indirect | | | | | |
| | | | F | M | F | M | | | | |
| | No. | | | | | | | Baseline (Previous FY) | Examples: Outcome/Impact Indicators (Pick any or more of the following as appropriate) | Outcome/Impact (report on the performance of the indicator/change/improvement brought about by the project) |
| 1. Existence of Abattoir | No. | | | | | | | | | |
| 2. Functional Abattoir | No | | | | | | | | | |
| Others (specify) | | | | | | | | | | |
| Prepared by a) Head of Section Approved by b) Head of Department | | | | | | | | | | |
| Date..... Date | | | | | | | | | | |
| Accounting Officer, Town Clerk/CAO Date..... | | | | | | | | | | |

Direct Beneficiaries: Population in the catchment area e.g. Division

Indirect Beneficiaries: Transporters; producers and traders of animal

Note - F&M stands for females & males respectively.

Form E 8 – USMID-AF Output/Outcome/Impact Monitoring Report (Industrial Parks)

Department: Works – Industrial Park (Use the correct sector form)

| A. Project Name:..... | | | | | | | | | | |
|--|------|----------------------|--|----------------------|---|----------------------|--|--|---|--|
| Project No.....FY..... | | | | | | | | | | |
| B. Location: | | | | | | | | | | |
| Ward/Parish..... | | | Division/Subcounty..... | | | | Municipality/District..... | | | |
| C. Project in Development Plan | | | <input type="checkbox"/> Yes <input type="checkbox"/> No | | Contracts Committee Award | | <input type="checkbox"/> Yes <input type="checkbox"/> No | | | |
| D. Implementation Duration | | | | | | | | | | |
| Start Date (dd/mm/yy) | | | | | Completion Date (dd/mm/yy) | | | | | |
| Planned...../...../..... | | | | | Planned/...../..... | | | | | |
| Actual/...../..... | | | | | Actual/...../..... | | | | | |
| E. Project Cost | | | | | | | | | | |
| 1. Cost in Development plan: UGX..... | | | | | | | | | | |
| 2. Contract sum: UGX | | | | | 3. Actual Cost UGX..... | | | | | |
| F. Total Labour Cost of the Project: UGX..... 1. Estimated Cost (at completion): UGX | | | | | | | | | | |
| G. Meeting National Standards | | | | | | | | | | |
| | | Highly Satisfactory | | Satisfactory | | Unsatisfactory | | Highly Unsatisfactory | | |
| Technical: | | <input type="text"/> | | <input type="text"/> | | <input type="text"/> | | <input type="text"/> | | |
| Functionality rate: | | <input type="text"/> | | <input type="text"/> | | <input type="text"/> | | <input type="text"/> | | |
| Environmental: | | <input type="text"/> | | <input type="text"/> | | <input type="text"/> | | <input type="text"/> | | |
| Overall: | | <input type="text"/> | | <input type="text"/> | | <input type="text"/> | | <input type="text"/> | | |
| H. Employment Generated | | | | | Planned Person daysActual Person days | | | | | |
| I. Female Participation rates | | | | | Planned Person daysActual Person days | | | | | |
| J. Output, Outcome & Impact of the Project | | | | | | | | | | |
| | Unit | Qty | Beneficiaries | | | | Outcome/Impact | | | |
| | | | Direct | | Indirect | | | | | |
| | | | F | M | F | M | Baseline (Previous FY) | Examples: Outcome/Impact Indicators (Pick any or more of the following as appropriate) | Outcome/Impact (report on the performance of the indicator/change/improvement brought about by the project) | |
| 1. Gazetted Industrial Park | No. | | | | | | | | | |
| 2. level of Infrastructure provision i.e. Water, electricity, roads, drainage | Km | | | | | | | | | |
| 3. Street lighting connected with these parks | Km | | | | | | | | | |
| 4. Waste collection points | Km | | | | | | | | | |
| 5. Sewerage coverage | Km | | | | | | | | | |
| Others (specify) | | | | | | | | | | |
| Prepared by a) Head of Section Approved by b) Head of Department Date..... Date Accounting Officer, Town Clerk/CAO Date..... | | | | | | | | | | |

Direct Beneficiaries: Investors and employees in the Industrial parks.

Indirect Beneficiaries: Population in the catchment area e.g. Division

Note - F&M stands for females & males respectively.

Form E 9 – USMID-AF Output/Outcome/Impact Monitoring Report (Vehicles Parks)

Department: Works – Vehicle Parks (*Use the correct sector form*)

| | | | | | | | | | | | |
|---|------|-----|---------------|--|----------|--------------------------|------------------------|--|---|--------------------------|--|
| A. Project Name:..... | | | | | | | | | | | |
| Project No.....FY..... | | | | | | | | | | | |
| B. Location: Parish..... | | | | Division/Town..... | | | | Municipality/District..... | | | |
| C. Project in Development Plan | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No | | Contracts Award | | Committee <input type="checkbox"/> Yes <input type="checkbox"/> No | | | |
| D. Implementation Duration | | | | Start Date (dd/mm/yy) | | | | Completion Date (dd/mm/yy) | | | |
| | | | | Planned...../...../..... | | | | Planned...../...../..... | | | |
| | | | | Actual...../...../..... | | | | Actual...../...../..... | | | |
| E. Project Cost | | | | | | | | | | | |
| 1. Cost in Development plan: UGX..... | | | | | | | | | | | |
| 2. Contract sum: UGX..... 3. Actual Cost UGX..... | | | | | | | | | | | |
| F. Total Labour Cost of the Project: UGX..... 1. Estimated Cost (at completion): UGX..... | | | | | | | | | | | |
| G. Meeting National Standards | | | | Highly Satisfactory | | Satisfactory | | Unsatisfactory | | Highly Unsatisfactory | |
| Technical: | | | | <input type="checkbox"/> | | <input type="checkbox"/> | | <input type="checkbox"/> | | <input type="checkbox"/> | |
| Functionality rate: | | | | <input type="checkbox"/> | | <input type="checkbox"/> | | <input type="checkbox"/> | | <input type="checkbox"/> | |
| Environmental: | | | | <input type="checkbox"/> | | <input type="checkbox"/> | | <input type="checkbox"/> | | <input type="checkbox"/> | |
| Overall: | | | | <input type="checkbox"/> | | <input type="checkbox"/> | | <input type="checkbox"/> | | <input type="checkbox"/> | |
| H. Employment Generated | | | | Planned..... | | Person | | Actual..... | | Person days | |
| | | | | days | | | | | | | |
| I. Female Participation rates | | | | Planned..... | | Person | | Actual..... | | Person days | |
| | | | | days | | | | | | | |
| J. Output, Outcome & Impact of the Project | | | | | | | | | | | |
| | Unit | Qty | Beneficiaries | | | | Outcome/Impact | | | | |
| | | | Direct | | Indirect | | | | | | |
| | | | F | M | F | M | | | | | |
| | No. | | | | | | Baseline (Previous FY) | Examples: Outcome/Impact Indicators (Pick any or more of the following as appropriate) | Outcome/Impact (report on the performance of the indicator/change/improvement brought about by the project) | | |
| 1. Street parking | kms. | | | | | | | | | | |
| 2. Car Parks | No | | | | | | | | | | |
| 3. Taxi/bus parks | No | | | | | | | | | | |
| 4. Lorry parks | No | | | | | | | | | | |
| Others (specify) | | | | | | | | | | | |
| Prepared by a) Head of Section Approved by b) Head of Department | | | | | | | | | | | |
| Date..... Date | | | | | | | | | | | |
| Accounting Officer, Town Clerk/CAO Date..... | | | | | | | | | | | |

Direct Beneficiaries: Vehicle owners

Indirect Beneficiaries: Population in the catchment area e.g. Division.

Note - F&M stands for females & males respectively.

Form E 10 – USMID-AF Output/Outcome/Impact Monitoring Report (Urban Greening)

Department: Works – Urban Greening, landscaping and planting of trees on the verge of roads

| | | | | | | | | | | |
|--|------|-----|--|---|--|----------------------------|--|--|-----------------------|--|
| A. Project Name:..... | | | | | | | | | | |
| Project No.....FY..... | | | | | | | | | | |
| B. Location: Ward..... | | | Division..... | | | Municipality..... | | | | |
| C. Project in Development Plan | | | Yes <input type="checkbox"/> No <input type="checkbox"/> | | Tender Board Award | | Yes <input type="checkbox"/> No <input type="checkbox"/> | | | |
| D. Implementation Duration | | | Start Date (dd/mm/yy) | | | Completion Date (dd/mm/yy) | | | | |
| | | | Planned...../...../..... | | | Planned...../...../..... | | | | |
| | | | Actual...../...../..... | | | Actual...../...../..... | | | | |
| E. Project Cost 1. Cost in Development Plan UGX..... | | | | | | | | | | |
| 2. Contract sum: UGX..... 3. Actual Cost UGX..... | | | | | | | | | | |
| F. Total Project Labour Cost to date: UGX..... 1. Estimated Cost (at completion): UGX..... | | | | | | | | | | |
| G. Meeting National Standards | | | Highly Satisfactory | | Satisfactory | | Unsatisfactory | | Highly Unsatisfactory | |
| Technical: | | | <input type="text"/> | | <input type="text"/> | | <input type="text"/> | | <input type="text"/> | |
| Functionality rate: | | | <input type="text"/> | | <input type="text"/> | | <input type="text"/> | | <input type="text"/> | |
| Environmental: | | | <input type="text"/> | | <input type="text"/> | | <input type="text"/> | | <input type="text"/> | |
| Overall: | | | <input type="text"/> | | <input type="text"/> | | <input type="text"/> | | <input type="text"/> | |
| H. Employment Generated | | | Planned Person days | | | Actual Person days | | | | |
| I. Female Participation rates | | | Planned Person days | | | Actual Person days | | | | |
| J. Output, Outcome & Impact of the Project | | | | | | | | | | |
| Natural Resources | Unit | Qty | Beneficiaries | Outcome/Impact | | | | | | |
| | | | | Baseline Examples: (Previous FY) | Outcome/Impact | | | | | |
| | | | | | Indicators (you can pick any or more of following as appropriate) | | | | | |
| | | | | | Outcome/Impact (report on the performance of the indicator/change/improvement brought about by the Project) | | | | | |
| | | | | Direct | Indirect | | | | | |
| | | | | *F | *M | *F | *M | | | |
| | | | | M | | | | | | |
| 1. Number streets lined with Trees | | No. | | | | | | | | |
| 2. town gardens | | No. | | | | | | | | |
| 3. Tree Nurseries | | No. | | | | | | | | |
| 4. coverage of M ² tree planting per plot | | | | | | | | | | |
| 5. existence of No. golf course Eco Sites | | | | | | | | | | |
| 6. number of playing grounds | | | | | | | | | | |
| 7. Others beautification of the city etc. (specify) | | | | | | | | | | |
| Prepared by a) Head of Section | | | | Approved by b) Head of Department | | | | | | |
| Date..... | | | | Date | | | | | | |
| Accounting Officer, Town Clerk | | | | Date..... | | | | | | |
| Direct Beneficiaries - All members of the community/parish(es). Note - F&M stands for females & males respectively. | | | | | | | | | | |

Form E 11 – USMID-AF Output/Outcome/Impact Monitoring Report (Business Incubation centres)
Department: Production & Marketing – Trade and commercial Office *(Use the correct sector form)*

| | | | | | |
|---|--|---|-----------------------------|----------------------------|--|
| A. Project Name:..... | | Division/Town..... | | Municipality..... | |
| Project No.....FY..... | | | | | |
| B. Location: Ward..... | | | | | |
| C. Project in Development Plan | | Yes <input type="checkbox"/> | No <input type="checkbox"/> | Contracts Award | Committee Yes <input type="checkbox"/> No <input type="checkbox"/> |
| D. Implementation Duration | | Start Date (dd/mm/yy) | | Completion Date (dd/mm/yy) | |
| | | Planned...../...../..... | | Planned...../...../..... | |
| | | Actual...../...../..... | | Actual...../...../..... | |
| E. Project Cost | | 1. Cost in Development plan: UGX..... | | | |
| 2. Contract sum: UGX..... | | 3. Actual Cost UGX..... | | | |
| F. Total Labour Cost of the Project: UGX..... | | 1. Estimated Cost (at completion): UGX | | | |
| G. Meeting National Standards | | Highly Satisfactory | Satisfactory | Unsatisfactory | Highly Unsatisfactory |
| Technical: | | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Functionality rate: | | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Environmental: | | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Overall: | | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| H. Employment Generated | | Planned Person daysActual Person days | | | |
| I. Female Participation rates | | Planned Person daysActual Person days | | | |

| J. Output, Outcome & Impact of the Project | | | | | | | | | |
|---|------|-----|---------------|---|----------|---|----------------|--------------------------|------------------------------|
| Production | Unit | Qty | Beneficiaries | | | | Outcome/Impact | | |
| | | | Direct | | Indirect | | | | |
| | | | F | M | F | M | | | |
| Job created by companies incubated | No. | | | | | | Baseline | Examples: | Outcome/Impact (report |
| Increase in Revenue for incubated companies | | | | | | | (Previous | Outcome/Impact | on the performance of the |
| Right number of incubate start-ups identified | | | | | | | s FY) | Indicators (Pick any or | indicator/change/improvement |
| Capacity utilization of the incubator | | | | | | | | more of the following as | ent brought about by the |
| Successful exit of companies | | | | | | | appropriate) | | project) |
| Organizational development milestones | No. | | | | | | | | |
| Sustainable financial model for incubator | | | | | | | | | |
| Sustainable process' and policies | | | | | | | | | |
| Sustainable team and support structure | | | | | | | | | |
| Products in the markets from incubated companies | | | | | | | | | |
| Support for incubated companies | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Others | | | | | | | | | |

Prepared by a) Head of Section..... Approved by b) Head of Department

Date.....

Date

Accounting Officer, Town Clerk Date.....

6.2

8.3 REPORTING ON INFRASTRUCTURE IMPLEMENTATION

a) Municipality / District

b) Program/Project title.....

c) For the period (Month/Year)..... to..... (Month/Year)

CONTRACT INFORMATION

| CONTRACTOR | | SUPERVISING CONSULTANT | |
|-------------------------|--|-------------------------|--|
| Name of Contractor | | Name of Consultant | |
| Contract sum (UGX) | | Contract sum (UGX) | |
| Commencement date | | Start date | |
| Completion date | | Completion date | |
| Revised completion date | | Revised completion date | |
| Time extension (months) | | Time extension (months) | |
| VOs (UGX) | | | |
| Reason for VOs: | | | |

SUMMARY OF INFRASTRUCTURE OUTPUTS PLANNED AND DELIVERED

| Indicator | Details of indicator | | | Remarks |
|--|-------------------------------|---------|-----------|---------|
| | | Planned | Delivered | |
| Contract Performance | Physical progress (%) | | | |
| | Financial progress (%) | | | |
| | Time elapsed (%) | | | |
| | Time extension (months) | | | |
| Roads & Associated Infrastructure | Surfacing type | | | |
| | 4-Lane lengths (km) | | | |
| | 3-Lane lengths (km) | | | |
| | 2-Lane Lengths (km) | | | |
| | Total length (km) | | | |
| | Total Eq. 2-Lane (km) | | | |
| | Average width of each lane(m) | | | |
| | Walkways (km) | | | |
| | Cycle lanes (km) | | | |
| | Parking lane (m) | | | |
| | Street lights (no.) | | | |
| | bus bays (no.) | | | |

| Indicator | Details of indicator | | | Remarks |
|---|--|---------|-----------|---------|
| | | Planned | Delivered | |
| | Kerbstone (m) | | | |
| | Trash cans (no.) | | | |
| Drainage structures | 1200mm culverts (m) | | | |
| | 900mm culverts (m) | | | |
| | 600mm culverts (m) | | | |
| | Covered lined drains (km) | | | |
| | Open lined drains (km) | | | |
| Taxi/ Lorry/bus Parks & Associated Infrastructure | Taxi Park/Lorry/Bus Capacity (Number) | | | |
| | Surfacing type for Taxi Park Carpet | | | |
| | Surfacing area occupied by Taxi Park (m ²) | | | |
| | Street Lighting (No.) | | | |
| | Passenger Waiting Sheds (No.) | | | |
| | Trashcans (No.) | | | |
| Lockup Structures | Number of Storeys | | | |
| | Total area occupied by lockups (m ²) | | | |
| | Number of Lockups | | | |
| | Average size of lockups (m ²) | | | |
| | Number of Restaurants | | | |
| | Average area occupied by Restaurants (m ²) | | | |
| Environment and Social Issues | Green area (m2) | | | |
| | Trees planted (no.) | | | |
| | PAPs identified since program inception (no.) | | | |
| | PAPs resettled since program inception (no.) | | | |
| | Complaints registered since program inception (no.) | | | |
| | Complaints addressed since program inception (no.) | | | |
| | Complaints related to USMID activities registered | | | |
| | Complaints related to USMID activities resolved | | | |
| | All workers directly employed (no.) | | | |
| | Women directly employed (no.) | | | |

ROADS INFRASTRUCTURE PROJECT DETAILS - PLANNED AND ACHIEVED

| Infrastructure sub-projects | 1 | | 2 | | 3 | |
|-----------------------------|---------|----------|---------|----------|---------|----------|
| | Planned | Achieved | Planned | Achieved | Planned | Achieved |
| Sub-project name | | | | | | |
| Contract sum (UGX) | | | | | | |
| Length (km) | | | | | | |
| Width of road | | | | | | |
| Number of lanes | | | | | | |

| Infrastructure sub-projects | 1 | | 2 | | 3 | |
|-----------------------------|---------|----------|---------|----------|---------|----------|
| | Planned | Achieved | Planned | Achieved | Planned | Achieved |
| Surfacing type | | | | | | |
| Base course (mm) | | | | | | |
| Sub-base (mm) | | | | | | |
| Improved subgrade (mm) | | | | | | |
| Walkways | | | | | | |
| Parking lane | | | | | | |
| Cycle lane | | | | | | |
| Street lighting (no.) | | | | | | |
| Bus bays | | | | | | |
| Waiting sheds | | | | | | |
| Trash cans | | | | | | |
| 1200mm culverts (m) | | | | | | |
| 900mm culverts (m) | | | | | | |
| 600mm culverts (m) | | | | | | |
| Covered lined drains (m) | | | | | | |
| Open lined drains (m) | | | | | | |
| Middle island/width (m) | | | | | | |
| Kerbstones (m) | | | | | | |
| Gutters | | | | | | |
| Green area (m2) | | | | | | |
| Physical progress | | | | | | |
| Financial progress | | | | | | |
| Time elapsed | | | | | | |

ECONOMIC INFRASTRUCTURE PROJECT DETAILS- PLANNED AND ACHIEVED

| Infrastructure sub-projects | 1 | | 2 | |
|---------------------------------|---------|----------|---------|----------|
| | Planned | Achieved | Planned | Achieved |
| Sub-project name | | | | |
| Contract sum (UGX) | | | | |
| Taxi Park Capacity (Number) | | | | |
| Surfacing type | | | | |
| Surfacing type for Taxi Park/ | | | | |
| Surfacing area occupied by Taxi | | | | |
| Street lighting (no.) | | | | |
| Passenger Waiting sheds | | | | |
| Trash cans (Number) | | | | |
| Number of Storeys | | | | |
| Total area occupied by lockups | | | | |
| Number of Lockups | | | | |

| Infrastructure sub-projects | 1 | | 2 | |
|---|---------|----------|---------|----------|
| | Planned | Achieved | Planned | Achieved |
| Average size of lockups (m ²) | | | | |
| Number of Restaurants | | | | |
| Area occupied by Restaurants | | | | |
| Physical progress | | | | |
| Financial progress | | | | |
| Time elapsed | | | | |

CONTRACTOR'S PAYMENT CERTIFICATES

| Description | Date submitted | Amount (UGX) | Date certified | Amount (UGX) | WHT (6%) | Amount paid (UGX) | Date paid | Cumulative payment (UGX) |
|--------------|----------------|--------------|----------------|--------------|----------|-------------------|-----------|--------------------------|
| Contract sum | | | | | | | | |
| Advance | | | | | | | | - |
| IPC no.1 | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

CONSULTANT'S PAYMENT INVOICES

| Description | Date submitted | Amount (UGX) | Date certified | Amount (UGX) | WHT (6%) | Amount paid (UGX) | Date paid | Cumulative payment (UGX) |
|--------------|----------------|--------------|----------------|--------------|----------|-------------------|-----------|--------------------------|
| Contract sum | | | | | | | | |
| Invoice no.1 | | | | | | | | - |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

8.4 REPORTING ON SOLID WASTE MANAGEMENT

Solid waste management

a) Municipality / District.....

b) For the period (Month/Year)..... to..... (Month/Year)

| Number | Description | Result | |
|--------|---|--------|--|
| 1 | Municipality/District Population | | |
| 2 | Amount of solid waste generated in the MC (metric tons) during the quarter | | |
| 3 | Amount of waste collected (metric tons) during the quarter | | |
| 4 | Per capita waste generation (kg/capita/day) | | |
| 5 | Means of waste storage before collection (type of containers, number and sizes) | | |
| | a) skips (numbers & average capacity) | | |
| | b) refuse banks (numbers & average capacity) | | |
| | c) trash cans (numbers & average capacity) | | |
| | c) others cans (numbers & average capacity) | | |
| 6 | Number of waste collection vehicles | | |
| 7 | Average capacity of each vehicle (metric tons) | | |
| 8 | Total capacity of the all the vehicles (tons) | | |
| 9 | Average number of trips made each day | | |
| 10 | Amount of waste collected (tons) daily | | |
| 11 | Amount of user charges for waste management (UGX) | | |
| 12 | Does the MC have a waste recycling plant? | | |
| 13 | Is the waste weighed on receipt? | | |
| 14 | Size and capacity of the landfill/dump site (Acres) | | |
| 15 | Quantity of waste received daily at disposal point (landfill/ dumpsite) from municipality | | |
| 16 | Waste composition | | |
| | a) Percentage of organic | | |
| | b) Percentage of non-organic | | |
| | c) Percentage of others | | |
| 17 | Projected annual collection (tons) | | |

8.5 REPORTING ON OWN SOURCE REVENUE PERFORMANCE

a) Municipality / District

b) For the period (Month/Year)..... to..... (Month/Year)

| Item | Own Source Revenue | | |
|------------------------------|--------------------|-----------|-------|
| | Municipality | Divisions | Total |
| Expected Annual Collection | | | |
| Revised Annual Collection | | | |
| Actual Quarterly Collections | | | |
| Q1 | | | |
| Q2 | | | |
| Q3 | | | |
| Q4 | | | |
| Total OSR Collections | | | |

| Tax registers | | Property valuation registers | Business license register | Local service tax register | Local Hotel Tax register | Street parking registers/slots | Annual census for taxi and buses for all parks | Registers for stalls, stands, etc. for all markets |
|---------------------------------------|------------------------------------|------------------------------|---------------------------|----------------------------|--------------------------|--------------------------------|--|--|
| Value of annual targets (Amounts-UGX) | | | | | | | | |
| Annual targets (Numbers) | | | | | | | | |
| Q1 | Demand notes issued (Number) | | | | | | | |
| | Value of demand notes issued (UGX) | | | | | | | |
| Q2 | Demand notes issued (Number) | | | | | | | |
| | Value of demand notes issued (UGX) | | | | | | | |
| Q3 | Demand notes issued (Number) | | | | | | | |
| | Value of demand notes issued (UGX) | | | | | | | |
| Q4 | Demand notes issued (Number) | | | | | | | |
| | Value of demand notes issued (UGX) | | | | | | | |
| Total | Demand notes issued (Number) | | | | | | | |
| | Value of demand notes issued (UGX) | | | | | | | |

8.6 REPORTS ON INVESTMENT INVENTORIES

Every Local Government is required to compile an inventory of all the USMID-AF investments whether complete or not completed it has implemented in a Financial Year by filling the Inventory Form F. At the end of a financial year, the Sector Heads, the Municipal/District Planner and the Chief Finance Officer will take inventory of all projects and fill the information into the Form given below using one spread sheet, (MS Excel) for submission to MLHUD both in hard copy (print out) and soft copy (flash/ CD).

Frequency of Reporting on Investment Inventories

The Investment Inventories will be prepared by all Local Governments at the end of each Financial Year so as to take stock of the amount of money disbursed under the program and the investments implemented using form F. This will be inclusive of all tools bought under investment servicing costs (all tools and activities should be itemized and not lumped together).

Instructions for filling Form F: Inventory of Investments funded by USMID-AF MDG, LGDG and ISG

Investment Inventories will be filled based on the guidelines detailed hereunder in this section:

| | |
|------------------------------|--|
| <i>Local Government: -</i> | Fill in the name of the Municipality/District |
| <i>Sector: -</i> | For example Roads, Water or Production. For ISG, this will include retooling, discretionary activities, career development etc, |
| <i>Project Description -</i> | Same requirements as under Form A above. It should be quantifiable for example, e.g. 7 km of roads in XX place and the type of road. The names of the Ward/Division where the project is located should also be indicated. |
| <i>Budgeted -</i> | Fill in the amount Budgeted for the road. Use the figures that were submitted in the annual quarterly work plan. |
| <i>Actual amount spent -</i> | This has two parts. i) MDG/ LGDG or ISG (for institutional strengthening) – How much of this grant was spent on this project. This should include the LG's own contribution. ii) Others –How much other funding was spent on this project, Specify the others sources in the remarks column. |
| <i>Completed -</i> | Simply answer Yes or No. |
| <i>Start Date -</i> | State the date when implementation of the project begun. |
| <i>Actual End Date -</i> | State the date when the contractor/supplier handed over the project/goods to the LG. |
| <i>Expected End Date -</i> | If the project is not yet completed on what date does the LG plan to complete it. |
| <i>Comments -</i> | The Officer filling this form should have visited the project site and hence able to make comments pertaining to the project status. For example, if the project is not yet completed at what stage is it; if not on schedule why; and if completed comment on the utilization, operation and maintenance. |

Municipality/District FY.....

| | |
|--------------------------------|--------------------------------|
| Signed (name & signature)..... | Signed (name & signature)..... |
| Town Clerk | Head of Finance |
| Date and Stamp..... | |

Forms that are poorly filled will not be accepted by MLHUD.

Municipality..... FY.....

9.0 MONITORING AND EVALUATION UNDER USMID-AF

9.1 INTRODUCTION

This section explains the objectives of monitoring and evaluation under USMID-AF; gives an overview of the focus of monitoring and evaluation at the municipal and national level; and describes how monitoring and evaluation should be conducted under USMID-AF.

9.2 THE OBJECTIVES OF MONITORING AND EVALUATION (M&E) UNDER USMID-AF

Monitoring and Evaluation (M&E) is undertaken for the following four reasons:

i) As a management tool

M&E will help the municipality to know whether it is on track with the implementation of the annual work plans in particular and the municipal Physical Development Plan in general. Through M&E the municipality will be able to make corrective measures to ensure that the intended objectives are achieved.

ii) For documenting lessons learnt

Results of M&E are used to document lessons learnt. This helps to identify the good practices for consolidation and replication as well as discarding what does not work. This may necessitate change in project or program modalities in order to improve on performance.

iii) For Policy reforms

Arising from results in (i) and (ii) there might be a need for change in policies. This might involve amendments of the laws and regulations to ensure that performance is improved.

iv) For impact evaluation

Monitoring and evaluation is done to measure the impact of the project or program (especially change brought about in the lives of the people). It is important for LGs to note that the Mid Term Review (MTR) of USMID-AF is scheduled for 2021, unless otherwise advised.

From the above, it is therefore very important that municipalities and MLHUD take M&E seriously and ensure that proper records of the necessary documents are kept both at Central Government level and local government level. Participating municipalities and local governments shall sign program participating agreements (PPA) where M&E requirements are core elements for accessing the grants.

The M&E system is based on verifiable information. Information like resolutions made by statutory committees and meetings of the target groups on project identification and allocation of resources, Budget Framework Paper, Development Plan, posting of accounts data, etc. are important in the M&E system and evidences of their occurrences must be available. Hence, documentation and easy retrieval of documents is critical. Furthermore, lessons and experiences gained during the implementation of the Program can only be captured with efficient information recordings and storage. The details of the documentation required are provided in this Operational Manual as well as in the related Performance Assessment tool, Annex IV.

9.3 FOCUS OF MONITORING AND EVALUATION

This section gives an overview of what should be monitored at both the municipal and national level.

At the municipal level, the focus of monitoring and evaluation should be based on the project result chain including:

- i. Monitoring inputs/resources (funds, materials, human) to establish whether they are provided on time and are of the required quantity and quality (sufficient);
- ii. Monitoring activities to ensure that they are implemented as per timeframe and that they follow the laws, regulations and procedure;
- iii. Degree to which the institutional performance is enhanced;
- iv. Monitoring and evaluating outputs to establish that they are achieved and that they benefit the intended target group;
- v. Value for money which includes establishing whether the projects have value in terms of economy, efficiency and effectiveness. The results of this will impact on allocations of grants.
- vi. Evaluating outcomes, to establish whether the project once completed is operational and serving the planned purpose; and
- vii. Evaluating impact, to establish whether the Project has met its goal i.e. whether it has brought about the desired change in the lives of the beneficiaries.

The above implies that the municipal/District Five year Development plan as well as the Physical Development Plan should contain an M&E plan with indicators, timeframes and means of verification to monitor its performance at the respective levels consistent with the provisions of the LG Act (CAP 243) and the Physical Planning Act (PPA) 2010 respectively.

At the **national** level, the focus for monitoring and evaluation includes:

- i. USMID-AF KPIs and Intermediate Indicators. The USMID –AF KPIs and intermediate Indicators as elaborated in the PAD Adherence to systems and procedures and compliance with legal framework and regulations.
- ii. Impact evaluations.

9.4 THE USMID-AF MONITORING AND EVALUATION PROCESSES

Monitoring and evaluation of the USMID-AF will be done through use of various tools that are presented below²⁵.

| | |
|--------|--|
| (i) | The PBS under MoFPED that will provide the basic overview of inputs, activities, outputs under the various core sectors, see chapters 7 and 8. |
| (ii) | The PBS will be supplemented by additional reporting requirements on the impact of the investments and institutional strengthening activities, see chapters 7, 8, 12 and 13. |
| (iii) | Quarterly progress reports by participating municipalities/Districts –The participating LGs will prepare quarterly progress reports which will cover three elements (i) Program physical progress (ii) work plan for the next six months, and (iii) procurement and financial progress covering expenditures, commitments, bank balances and requirements/requisitions for the next six months. These reports will be presented to the Program Technical Committee (PTC) for review. |
| (iv) | The annual performance assessments which will provide information on the institutional performance, and core process and system areas, such as planning, PFM and project implementation. It will establish compliance to the set tasks and standards as provided for in laws and regulations of Uganda governing Local Governments among which are: the Physical Planning Act, 2010; the Local Governments Act Cap 243; the LG Finance and Accounting Regulations 2007; and the LGs Public Procurement and Disposal of Public Assets Regulations, 2006 (or as reviewed in accordance with the PPDA Act); and the National Environment Act Cap 153. Further, it will establish adherence to the Environment and Social Management and Resettlement Framework. The assessments will be conducted by an independent contracted Firm, which will provide the results on the minimum conditions and performance measures included in the Performance Assessment tool, the PFMA and LGA; |
| (v) | Value for the money audits, which will be linked with the annual assessments |
| (vi) | USMID -AF will review performance through a number of technical reviews and regular procurement audits, which will also inform the annual assessments. |
| (vii) | Beneficiary satisfaction assessment surveys to establish whether the beneficiaries are satisfied with the services/projects implemented under USMID-AF. |
| (viii) | The project will conduct mid-term review as well as final review of the progress and impact in intended areas to establish whether USMID –AF is meeting its objectives and contributing to the goal in the NDP II. |

Impact assessment of the USMID-AF Program and the various monitoring tools are interlinked. For example the annual assessments described in the Performance Assessment Manual will apply information from the technical/value for the money audit and procurement audits and the general annual audit of the municipalities' accounts as well as from the reports generated under the PBS.

²⁵ The details of the monitoring process and the reports/forms to be submitted are provided under section 4.2 and 5 of this USMID-AF POM

10.0 PROCUREMENT GUIDELINES UNDER USMID-AF

10.1 INTRODUCTION

This section highlights the guidelines and procedures for use by MLHUD and Local governments while carrying out procurement functions under USMID-AF. Procurement under USMID-AF shall be conducted in accordance with the GoU provisions of procurement under the PPDA and the additional guidelines in this program operation manual. The specific procurement guidelines are elaborated below, and the exemptions for the GoU rules are highlighted in the relevant sections. Adherence to the GoU procurement system and this program operation manual will be strictly followed and indicators on compliance are included in the annual performance assessments within the minimum conditions as well as the performance measures. MLHUD shall apply sanctions as provided for in the PPA, to any local government that does not comply with procurement provisions stipulated in this manual.

10.2 USMID-AF PROCUREMENT PROCEDURES

10.2.1 Applicability of World Bank and PPDA Debarment List

The World Bank and PPDA debarment lists shall apply under the Program. In this regard, Firms debarred by PPDA and/or the World Bank shall not be eligible for award of contract for the participating Local Governments and MLHUD. In this regard the Bidding Documents to be applied shall be applied to specify this requirements and to require bidders to confirm in their bid submission letters that they are not debarred by GoU or WB. PDEs will be required to check prior to award of contract to establish that the recommended bidder is not debarred.

10.2.2 Procurement at the Central (MLHUD) Level

At national level/MLHUD, the procurement function under USMID-AF shall be conducted in accordance with the rules and procedures of the Government of Uganda (GoU) as stipulated in the PPDA Act and the attendant procurement regulations which should be adhered to during the procurement process.

At MLHUD, procurement will be handled by the Program Support Team (PST) in conjunction with the existing structures, i.e. PDU and Contracts Committee. The procurement should ensure strict adherence with the rules on procurement, including procurement planning; procurement processes and procedures, preparation of bidding documents and management of bidding process, Receipt and opening of bid, evaluation and contract award, contract management and record keeping.

(Note: For Details refer to the Act and the regulations issued by PPDA).

10.2.3 Procurement of Specialized Equipment and Project Design Services

In building the capacity of Municipal / District Local Governments, through provision of specialized equipment and machinery, the Ministry of Lands Housing and Urban Development on behalf of the Municipal / District Local governments, may procure centrally the required retooling equipment for the common good through; standardization of specifications, economies of scale arising from bigger procurement packages, negotiating after-sales product life-cycle support and, leveraging on the multiplicity of technical skills available at central government to prepare adequate specifications and also to carry out pre-acceptance inspection of all types Program Operational Manual (POM) 74 Ministry of Lands, Housing and Urban Development of equipment.

In carrying out the above, the MLHUD consults and obtains written consent of the Municipal / District Local Governments. Timely implementation of projects is of essence. At commencement of Program Implementation, not all the Municipal / District Local Governments will be at the same level of preparedness in terms of necessary institutional requirements to implement the projects. In this regard therefore, the Ministry of Lands Housing and Urban Development may procure the services of Project design Consultants centrally to ensure that ready or near ready projects are available to implement under the different work packages/ clusters when the Municipal / District Local governments are assessed and fully mobilized.

10.2.4 Procurement at Local Government Level

Procurement in the Local Governments shall be carried out following the Local Government Act, Cap 243 and the Local Governments Public Procurement and Disposal of Public Assets Regulations, 2006 or as amended. PDUs and Contracts committees at the Local Government level shall be responsible for the procurement function at LG level. It is a minimum condition for the access to grants that Local Governments have fully constituted contracts committee as well as procurement officers to support procurements (procurement officer and one additional staff).

The procurement should ensure strict adherence with the rules and procedures of procurement, including procurement planning; procurement processes and procedure, preparation of bidding documents and management of bidding process, Receipt and opening of bid, evaluation and contract award, contract management and record keeping.

Experiences in the USMID program show that due to inadequate capacity of the Municipalities, procurement and contract management was very challenging and hence led to lengthy procurement processes and poor contract management. As a result contracts were poorly managed in some local governments leading to long contract execution periods in some cases contract extensions of over 100% of contract periods

leading to cost escalations and unnecessary contract disputes and litigation. As a remedy, the Ministry through the PST will have an enhanced oversight support and monitoring role in the procurement process and contract management. This role will involve closer support and monitoring of the procurement process and contract management that will involve approval of Local governments' outputs/deliverables at critical stages of the procurement cycle and contract management.

The sections below provide a brief overview of some of the important elements in the procurement processes. However, for detailed guidelines, please refer to the regulations and guidelines issued by PPDA.

10.3 PROCUREMENT PLANNING AT THE LG LEVEL

The procurement plans at the LG level shall be prepared (as guided by the LG Public Procurement and Disposal of Public Assets Regulations 2006 as reviewed) as part of their local planning and budgeting process against which they will access the USMID-AF MDG, LGDG and the MCBG funds for projects. These plans, following the prescribed formats, shall be prepared on an annual basis. Procurement plans will be prepared by the respective procurement units, ratified by municipal technical planning committee, and subsequently reviewed by MLHUD. MLHUD will support the planning process by providing standard procurement plan models that shall be used by the Local Governments.

10.3.1 Clustering of Procuring and Disposing Entities (PDEs)

Lessons learned from USMID show that packaging works in clusters comprised of more than one municipality was largely successful as it makes implementation efficient, enables benefits from economies of scale, provides cross learning among Local Governments and attracts experienced service providers. Consistent with Local Government Act Cap 243(8)(1)-(2), which allows Local Governments to concur with any other Local Government Council in appointing a joint committee for any matter in which they have a common interest, the clustering modality as used under USMID shall therefore continue to be used in USMID-AF procurement. The 14 Municipalities under USMID were supported by the MLHUD/ PST and have therefore gained experience in proper packaging of works and carrying out procurement under the Cluster approach.

New Local governments under USMID-AF will be supported to enable them manage procurements under the Cluster approach. New Local governments will be trained on proper packaging of works assignments in the procurement plan, clustering of PDEs during procurement of works and supervision services as well as handling of bid / proposal evaluation as a cluster. Clustering involves consolidating the procurement requirements (related sub-projects) of all the neighboring PDEs within a Cluster, into One Bidding

Document but maintaining separate requirements for the respective PDEs, in the statement of requirements within the bidding document for the Cluster. The bid / proposal price for each sub-project (PDE) will therefore be distinct within the overall bidder's proposal. This is intended to make it easy for contract award by the respective Contracts Committees within the Cluster, and to enable efficient implementation of the program across municipalities, while achieving economies of scale. As stated above, after a combined cluster evaluation, each PDE within the Cluster, will thereafter, display the Best Evaluated Bidder and upon expiry of the display period, sign a contract.

10.4 PROCUREMENT IMPLEMENTATION ARRANGEMENTS AT LG LEVEL

10.4.1 Responsibility

The Municipal/District Procurement and Disposal Units in conjunction with the Contracts Committees and the relevant heads of sectors are responsible for; procurement need identification, preparation of specification/requirements and drafting bidding documents as well as contract administration as provided for in the PPDA Act and attendant regulations. The neighboring Local Governments too, are responsible for democratically, electing the lead Procuring and Disposing entity responsible for; sale of Bidding Documents of behalf of the Cluster, Coordinating pre-bid meetings, however, site visits by bidders, shall be to the respective sites located in the respective PDEs evidenced by site visit certificates issued by the respective PDEs. The lead PDE shall also be responsible for receipt of bids/ proposals and coordinating the evaluation exercise in consultation with MLHUD. The composite evaluation team for the cluster shall be constituted by the respective evaluation teams approved by the respective Contracts Committees of the PDEs within the Cluster. The Local Government Procurement and Disposal Units are responsible for quality assurance and procedure adherence of all procured documents prior to presentation to their Contracts Committees for approval or contract award.

Lessons learned from USMID show that there are still capacity gaps in management of the procurement process and contract management which have led to contract delays, cost escalations and unnecessary litigations in some municipalities. Therefore, while responsibility of quality assurance of the procurement process and contract management lie with the local government, the Ministry oversight role will be emphasized. The Ministry through the PST will ensure quality assurance of the entire procurement cycle and contract management by enhanced support through quality assurance reviews and approval of Terms of references (ToRs) for consultancies, procurement announcement adverts/Bid notice, Works specifications, bidding documents and contract documents. During contract management, any contract extensions, change of scope or variations to contracts for consultancies and works contractors will also be reviewed and approved by

the PST.

Under the Program the procurement method for each particular contract shall depend on the threshold and category the particular procurement falls in as prescribed in the Local Governments (Public Procurement and Disposal of Public Assets) Regulations, 2006 as reviewed, with the modifications above (refer to the thresholds). Additional reference to provisions of Program Financing Agreement and the Program Appraisal Document shall be made in case of identified risk and conflict as provided for in the LG Public procurement and Disposal of Public Assets regulations, 2016

10.4.2 Bidding Documents

For purposes of procurement of civil works at Local Government level, the Standard Bidding Documents (SBDs) to be used for drafting of Bidding Documents by Local Governments PDUs; shall be accessed from the Ministry of Lands Housing and Urban Development (MLHUD), instead of SBDs available from the PPDA Portal. The reason being; MLHUD in consultation with PPDA has enhanced the SBD for works procurement to address issues of Environment Social Health and Safety (ESHS), which from experience, are not adequately addressed by the SBDs for works procurement, available from PPDA portal.

10.4.3 Procurement of Services

Lessons learned in the implementation of USMID show that the description of the assignment in the ToRs has been an area of major weakness in the procurement of consulting services. As a result, consultancy assignments have not been carried out in time, costing of services has been inadequate leading to cost variations and time extensions. Additionally, the deliverables of the Consultants have not met the objectives of the assignments. As a remedy to this, under USMID-AF, Terms of references (ToRs) for all consulting services funded under the program shall be submitted to the MLHUD/PST for review and clearance prior to contacting out.

10.4.4 Bid Notice

In order to address the risk of incomplete notices resulting in poor bidder response, under the program, a standardized format of the advert or bid notice shall be prepared and issued, for procurements under the program. This specifies the minimum content of the advert to ensure bidder interest. In order to facilitate advertising of several contracts, a general format will also be prepared specifying the minimum content but referring to the PPDA tender portal where more details on the procurement can be obtained. Notices under competitive bidding shall be published on the tender portal. In order to stimulate more private sector and bidder interest in the portal, the program shall support publishing

in the newspapers of all notices that are published in the PPDA tender portal fortnightly for an initial 3 months period. Thereafter it is expected that Local Governments will increasingly publish more through this portal and be able to attract bidder interest.

Lessons learned from the implementation of USMID show that some municipalities have not adhered to the standard bid notices and as a result, have not sufficiently attracted competent Firms. The Ministry/PST shall, therefore, administratively carry out quality assurance review of all Bid notices for procurements under the program before they are published. The review shall confirm that the minimum requirements in the bid notice are fully met and clearance shall be accordingly given to the Local government to publish the notice. It is the responsibility of the Local Government to submit the bid notice to the MLHUD/PST promptly to enable timely review.

In addition, all bidding documents shall include the Environment and Social Management Plan (ESMP) as part of the bills of quantities.

10.4.5 Participation and Publication

Under the program, it is a requirement that bids are opened immediately after the deadline for bid submission at a time stated in the bidding document.

The program will use all means possible to encourage participation in the bidding process as a means of encouraging experienced qualified providers to participate in local government procurement processes. In this regard, the Ministry shall engage with civil works contractors' associations and engineering associations such as UIPE, UNABCEC, UACE, etc., to share upcoming prospects and other issues related to procurement under the program as a means to encourage local providers in line with the local content policy of government.

Low bidder participation will be addressed by the measures above, besides the usual publishing of notices in the newspapers of wide national circulation.

10.4.6 Bid Evaluation

Bid and proposals evaluation shall be supported by the Ministry of Lands Housing and Urban Development. It's therefore advisable that while the technical evaluation committees handling USMID-AF procurements are being approved by the respective Contracts Committees of the Local Governments, representation from the Ministry of Lands Housing and Urban Development should be provided for. Where invitation for Bids / proposals is done on behalf of a cluster of more than One Procuring and Disposing Entity (PDE), Bid / Proposal evaluation shall similarly be carried out as a cluster, supported by MLHUD.

10.4.7 Award of Contract

As indicated above, shall be by the respective Contracts Committees of the PDEs within the Cluster, consistent with PPDA Regulations.

10.4.8 Contract Management

Under USMID-AF, contract management shall be undertaken by a team instead of an individual officer, consistent with PPDA Regulations 2006; 105(3). The Contract Management team, chaired by the Municipal/ District Engineer, shall consist of; the Engineer, Environment Officer, Community Development Officer and / or any officer coordinating USMID – AF activities within the PDE.

10.4.9 Financial Securities

These include;

- (i) Bid security
- (ii) Performance Security
- (iii) Advance Payment Security

Consistent with PPDA Regulations 2006, Clauses 50(1)&(4)(b) for the Bid Security; 102(1)&(3) for the Performance Security and 116(1)-(3) for the advance security, for avoidance of doubt, all the three securities shall be in the form of an on-demand bank Guarantees, valid for the period as guided by the regulations. In the event that the contractor(s) expected completion date is extended beyond the original contract date, the validity of financial securities must be extended as appropriate, consistent with the regulations. In the event that the Contractor is unwilling to extend the validity of the financial securities, even when it's necessary, then the client (Local Government) should proceed to have the security cashed before it expires. Take note that for a contractor to continue executing works on site, performance security, advance payment security (if advance is not fully recovered) is a fundamental condition of contract, a breach of which by the contractor, amounts to a fundamental breach and the aggrieved party (Local Government) may seek termination of the contract

Insurance cover; As provided in the Conditions of Contract, the contractor must obtain a contractors all risks insurance cover, of the appropriate sum insured depending on the contract, from a competent insurance firm, regulated by Insurance Regulatory Authority (IRA) of Uganda, before commencement of works.

10.4.10 Fiduciary Risks and Mitigation

As part of the USMID-AF preparations, the Integrated Fiduciary Systems Assessment, identified some key risks associated with procurement and proposed some mitigation measures. The team also reviewed the PPDA Guidelines on reservations schemes to promote Local Content in public procurement which were issued in 2017. The major risks

included; (i) low capacity of local providers (ii) inadequate quality of locally manufactured goods and services (iii) corruption tendencies (forgeries, bribery, among others), and a weakened cost effectiveness due to fragmentation of contracts. **To mitigate the above said risks, Government of Uganda was tasked to come up with categories of firms which could do work up to certain thresh holds (large, medium, small and micro).** In the absence of the list from government, the Program may be exposed to serious governance challenges.

10.4.11 Guideline on Local Content

As stated above, the integrated fiduciary assessment team reviewed the PPDA Guidelines on reservations schemes to promote Local Content in public procurement which were issued in 2017 (as amended by Guideline No 1/2018 issued 15th January 2018). The team noted that Reservation of public contracts by threshold to national and resident providers is not in the spirit of The World Bank, as a multinational institution, under its Article of Association, which allows for all its member states to compete for activities funded under its credit without any limitation or exclusion. **For this reason therefore, during USMID-AF program appraisal, it was agreed that for USMID Local Governments procurement, a provision should be made in the bidding documents to the effect that foreign firms will sub-contract at least up to 30% of works to national firms. This being the only affirmative action to accommodate both the local content provision as well as not violating the World Bank Articles of Association.**

Annual Procurement Audits

In order to ensure adherence to disclosed evaluation criteria, the annual procurement audits shall assess the adherence to disclosed bid / proposal evaluation criteria on a sample of contracts. Adherence to the criteria for all contracts sampled for audit is included as one of the performance measures in the annual assessment, which contributes to determining the performance based grant allocation. It is also one of the performance measures used to monitor project procurement performance.

In order to increase performance of internal audit and cover audit of procurement transactions, conducting internal audit in accordance with the LG Act and the Procurement Regulations is one of the performance measures. In addition to this the PPDA shall conduct annual audits of procurement in participating MCs.

Record Keeping

Completeness of records is one of the performance measures for monitoring project procurement performance. This shall be assessed annually during the procurement audit

based on an agreed sample of contracts. It will also be one of the performance measures in the annual assessment to contribute to determining the performance based grant allocation.

Upon completion of a procurement process and once a contract has been signed, the Municipality shall submit a copy of all records (procurement file) pertaining to each procurement under the program to the PST for review and record keeping in the program repository.

Prequalification of Firms

Government policy makes provision for reservation schemes for local service providers. This policy provides for preference to be given to local contractors, however, experience under USMID shows that some local contractors, may not be well prepared to take on these high value contracts especially those requiring construction of Asphalt Concrete road pavements. The constraints to local contractors is mainly in regards to lack of requisite technical equipment, low cash flow regime, poorly developed bid documents, low deployment of resources during contract execution. These are likely to continue in the short run and hence compromise works quality and time taken to execute contracts.

As a means to mitigate the associated risk with local providers, under USMID-AF, at the beginning of each financial year, Firms will be pre-qualified to undertake assignments and works in the Local governments. These pre-qualified Firms will receive institutional strengthening under the Program in a bid to prepare them to benefit from the local content policy. Prequalification shall be done by the Local Governments supported by MLHUD/PST.

10.5 SUPERVISION AND SUPPORT TO LG IN RESPECT TO THE PROCUREMENT FUNCTION

MLHUD in conjunction with PPDA, and supported by the World Bank shall conduct annual audits of Procurement in the participating municipalities. MLHUD and PPDA shall also be at the disposal to the municipalities for the provision of technical guidance in Procurement as may be required.

MLHUD as the program supervising agency of government shall halt or terminate any procurement process that does not follow the PPDA procurement regulations and or/the provisions of this manual or that is likely to cause unnecessary cost to government. In this regard, the local government shall be liable for sanctions as provided in the PPA.

11.0 TRANSPARENCY AND ACCOUNTABILITY

11.1 OVERVIEW ON TRANSPARENCY AND ACCOUNTABILITY

USMID-AF implementation will be held to high standards of transparency and accountability formatted around (i) enhanced transparency, (ii) accountability, (iii) participation (or inclusion), (iv) institutional strengthening, and (v) rewards and sanction system. These will focus on ensuring that the Program is free from fraud and corruption and are aligned to the Anti-Corruption Guidelines (ACG) applicable to PforR Operations. This section of the POM complements the overall institutional strengthening arrangements and financial management and procurement strategies to enhance transparency and accountability and raise the bar on fraud and corruption in the Program. The section describes the range of measures that will be applied during USMID-AF implementation as derived from the USMID-AF PAD, ACG, country and project experience with fraud and corruption and other aspects of governance.

11.2 TRANSPARENCY AND ACCOUNTABILITY MEASURES

The measures that will be instituted under the Program to raise the bar on fraud and corruption will include the following:

- i. *Enhanced Transparency and disclosure of information:* Transparency and disclosure imply openness and visibility and should apply to the conduct of all public affairs and as a foundation of accountability and participation facilitate good governance. The absence of transparency and disclosure provides cover for fraud and corruption.
- ii. The Program will put in place enhanced information flows by leveraging cutting-edge ICT innovations and encouraging MLHUD, MoLG and participating Local Governments and stakeholders to disclose information and updates through public facilities and websites accessible to the public and other mobile platforms on:
 - a. Disbursement Link Indicators on PDOs and beneficiaries, funds flow, Program implementation procedures and expected results at barazas (public meetings/ consultations) that reach the wider public.
 - b. Administrative and other action taken on cases of fraud and corruption and the Firms and individuals concerned barred from Program implementation to facilitate investigations.
 - c. List of Firms and individuals debarred and suspended by the World Bank as availed by the Bank and by PPDA made public on a quarterly basis.
 - d. Annual Anti-Corruption Action Plans developed by participating Local Governments and which are aligned to customized governance and anti-corruption strategies drawn down from the revised and updated GGAC Strategy and activities to be undertaken.
 - e. Complaints and grievances received from the general public through a revamped and efficient Complaints Handling System and subsequent management with actions taken and by which authority.
 - f. All annual procurement plans and schedules including all updates, procurement opportunities, shortlists of consultants and service providers (individual and firms) together with the names and dates of all expressions of interest received, in case of prequalification, lists of prequalified contractors and suppliers, bidding documents and requests for proposals issued in accordance with the procurement provisions, update on ongoing procurement process and contracts won.

Accountability: Accountability has two dimensions: (i) Internal accountability implies probity in how and why resources are mobilized and used; it involves issues of financial

accountability, efficiency, and effectiveness in the collection of taxes and other revenue, in the creation of public goods, and in the delivery of basic services, and (ii) External accountability refers to political leaders' responsiveness to citizens' needs, including accountability for the level and quality of basic services and implies that the public institutions have the capacity to respond to citizens' demands.

The Program will build in ICT enabled Complaints Handling System at MLHUD, MoLG and participating Local Governments for receiving reports of cases of suspected fraud and corruption and other complaints and grievances in the Program from the general public. The system will complement existing mechanisms and collaborative linkages with other anti-corruption agencies that receive and handle complaints. These include the Inspectorate of Government, Criminal Investigations Department and the Uganda Police. The Program will explore development of Platforms that enable citizen to report grievances on services, facilities and infrastructure directly to the agencies responsible, which would allow Municipalities to better serve the public, and save public resources by timely dealing with grievances. The Complaints Handling System will consist of mechanisms and procedures at MLHUD and MoLG, and Local Government levels.

For purposes of the POM a complaint or grievance will be a notification in written, verbal or electronic form regarding any Program activity and/or conduct of staff, consultants, service providers, partners and/or sub-contractors of the USMID-AF implementing agencies, which the complainant perceives to be wrong. The complainant will not have to be personally aggrieved or impacted and could act merely out of a sense of civic duty in bringing an occurrence to the attention of concerned authorities.

A stand-alone Complaints Handling System will be established at MLHUD and MoLG to receive complaints from the public and other stakeholders, electronically through their website, and/or in written or verbal form through an established hotline and also receive complaints forwarded by the participating Local Governments. This System will directly focus on and seek to resolve those complaints within their mandate and escalate those to the primary anti-corruption agency, the Inspectorate of Government, or the Criminal Investigations Department or the Uganda Police Force, where the complaints involve allegations of fraud and corruption.

Ministry of Local Government has updated the earlier 2012-2015 *Framework for Promoting Good Governance and Anti-Corruption in local governments with Framework for Promoting Good Governance and Anti-Corruption in Local Governments 2014-2019*.

Participating LGs will adopt and customize their own local versions of the framework to mitigate fraud and corruption in their ranks. The Framework incorporates establishing a Complaints Handling System as a key activity under the priority intervention area of strengthening participation of all actors in the fight against corruption in Local Governments.

In establishing a Complaints Handling System, as a minimum standard, LGs will ensure

that the System is efficient and effective and that it provides a rigorous and consistent approach to complaints management and provide for an independent and escalated review process for investigating serious complaints, together with redress options. The

System shall incorporate:

- i. A telephone “hotline”, SMS capability and also a dedicated email and postal address to facilitate submission of complaints;
- ii. Staff operating the System shall act with the highest integrity in maintaining the anonymity of all parties registering complaints and record and maintain a log of complaints received against the Program;
- iii. Respond to all complaints received, in an automatic standardized format, within 7 days of receipt;
- iv. Refer as necessary, any complaints to the appropriate agency copying the Municipality Town Clerks/District CAO, and
- v. Track status of investigations and measures taken and disclose such information in monthly Program reports.

Participation (inclusion): Participation or inclusion, represents the “demand side” of governance and implies that citizens: (i) have recognizable rights and should have a voice in the decisions that could affect them; (ii) should be treated fairly and equally; and (iii) should benefit from the protection of the rule of law.

The Program will build in scope for Non-State Actors, professional groups, civil society coalitions to participate in monitoring both implementation process and value for money providing scope in the operation to involve beneficiaries at all stages of the Program to help improve chances of meeting Program outcomes. Program will support the development of ICT enabled citizenry participation platforms that will provide opportunities for citizens to participate in budgeting and monitoring activities. In addition the Program will encourage the incorporation of the minimum condition and key performance measures under the performance assessment mechanisms into the municipal/District councils’ client charters. This will include third party monitoring that seeks to ensure Value for Money is achieved and reporting the results on line. Under USMID there was provision for supporting the development and operationalization of Municipal Development Forums (MDF) that bring together various stakeholders to play role of monitoring for value for money. Support to functioning of the MDFs in the 14 Municipalities will continue while creation and training of MDFs in the new Local Governments shall be promoted. MDF existence and functionality has been incorporated in the annual performance assessment.

Institutional Strengthening: As clearly elaborated above, recruitment of key staff to cover the shortfall across municipalities/Districts and the MHLUD will help meet Program objectives and act as a mitigation measure for fraud and corruption and other challenges identified under fiduciary assessment.

Reward and sanction system in determination of annual grants to LGs provides a good opportunity for anchoring mitigation measures for F&C risks. Several of

the performance measures target improvements in transparency, procurement, financial management quality of works and sound environmental management. This reward/sanction system provides incentives for LGs to implement measures to address F&C.

11.3 MEASURES TO ADDRESS FRAUD AND CORRUPTION

The following measures will be instituted under the Program to raise the bar on fraud and corruption:

- i. Sharing of debarment list of Firms and individuals
- ii. Sharing of information on F&C allegations
- iii. Investigation of F&C allegations

11.3.1 Sharing of Debarment List of Firms and Individuals

The GoU Public Procurement and Disposal of Public Assets Authority (PPDA) will share with the MLHUD and the LGs, at least on a quarterly basis, the list of firms and individuals which have been debarred or suspended from participating in procurement in Uganda. The World Bank will likewise share with the PPDA, MLHUD and the LGs similar list of Firms and individuals debarred by the World Bank. The bidding documents for works, goods and services to be financed under the program will have explicit clauses to the effect that Firms and/or individuals which have been debarred by the World Bank or PPDA would not be eligible to bid under the program. This provision in the bidding documents will ensure enforcement. The Program will put in place enhanced information flows by leveraging ICT innovations and encouraging MLHUD, MoLG and participating LGs and stakeholders to disclose information and updates through mobile platforms. In addition LGs will draw Annual Anti-Corruption Action Plans which are aligned to customized governance and anti-corruption strategies drawn down from the revised and updated LGs good governance and anticorruption (GGAC) Strategy.

11.3.2 Sharing of information on F&C Allegations

In line with the PforR anti-corruption guidelines (ACGs), the Inspectorate General of Government (IGG) will share with the World Bank through its bi-annual reports on Complaints and grievances received from the general public on F&C and the various actions taken. Under the law, the IGG can receive complaints from the public and other stakeholders, electronically through their website, and/or in written or verbal through an established hotline. It can also receive complaints forwarded by the participating Municipal LG staff. The IGG has regional offices in all the 14 municipal LGs which will benefit from the Program. As per the IGG statue, a complaint or grievance can be a notification in written, verbal or electronic form regarding any Program activity and/or conduct of staff, consultants, service providers, partners and/or sub-contractors of the

USMID implementing agencies, which the complainant perceives to be wrong. The complainant will not have to be personally aggrieved or impacted and could act merely out of a sense of civic duty in bringing an occurrence to the attention of concerned authorities.

11.3.3 Investigation of F&C allegations

The IGG statute empowers the IGG to investigate F&C by having unlimited access to relevant documents. In 2010 the IGG signed an MoU with the Integrity Vice Presidency (INT) of the World Bank to cooperate within the scope of their mandates, amongst other to provide one another (spontaneously or upon request) with information of relevance for detection, substantiation and prevention of F&C in connection with conduct which may constitute a serious crime under national legislation or a sanctionable offence under the World Bank Group rules and policies; and to undertake joint activities and collaborate when appropriate in each party's efforts to detect, substantiate and prevent F&C.

11.4 THE COMMUNICATION FUNCTION

The communication function shall be done at the Ministry and PST level, and the different participating LGs shall communicate using their already established systems. The center shall have an IEC strategy and design all the relevant and necessary IEC materials for dissemination in the LGs, as a key deliverable of the program implementation. Communication when well programed shall lead to an increased brand visibility of the Program and its projects, and also social accountability from the beneficiaries of the sub-projects, and a reduction in grievances that hitherto originated from lack of information on the program.

The communication function will play a critical role in coordinating and creating relevant synergies with the implementing Local Governments, and other MDAs to educate, create awareness, enhance visibility, cause accountability and transparency in the life cycle of USMID-AF. Communication shall be a supporting function and at the center of all activities in the program life.

12.0 ENVIRONMENTAL AND SOCIAL MANAGEMENT

Environmental and social management under USMID-AF will be conducted according to relevant Ugandan legislation. The objective is to identify, minimize, and mitigate adverse impacts on the natural and built environment and communities in order to ensure that projects contribute to sustainable development and are in compliance with legal standards for environmental protection, health and safety, social protection and property rights.

The procedures outlined below will guide environmental and social management for projects planned and implemented by Municipal Councils and District Local Governments, and are in conformity national environment and social regulations including the National Environment Act CAP 153, the Uganda Land Act Cap 227; Land Acquisition Act Cap 226; Occupational Health and Safety Act 2006; The Employment Act 2006; The Trade Unions Act 2006; The Labour Disputes Act, 2006; the Local Government Act Cap 243 and policies including Uganda Climate Change Policies, Uganda Gender Policy among others. These procedures are also consistent with the World Bank's Environmental and Social Standards as they relate to the Program-for-Results financing.

Performance of the Municipal LGs in environment and social management shall be assessed according to the USMID-AF Performance Assessment Tool. Emphasis shall be placed on environmental and social planning, implementation, monitoring and reporting by stakeholders at all levels.

12.1 USERS OF THIS CHAPTER

The environmental and social management process will vary depending on the type of project and the project context and involves many actors, all of which should be familiarized with these guidelines:

Local Governments

- **Municipal/District Environment Officer (M/DEO):** The M/DEO is the focal point for facilitating the environmental and social management process outlined in this chapter, including screening of projects, gaining necessary approvals, designing management plans , monitoring implementation and reporting. Technical backstopping may be obtained from the respective District Environment Officers and PST.
- **Community Development Officer, CDO:** The CDO is the focal officer for facilitating social risk assessment and management process as outline in this chapter, including screening of projects for social risks, designing social risk management plans, monitoring and reporting. The CDO shall lead in stakeholder analysis and design and monitor implementation of the Stakeholder Consultation Plan throughout the project cycle.
- **Probation officers** shall assess, manage and report on social risks related to child labour, defilement and GBV .
- **The Grievance Focal Officer;** the Grievance/Complaints focal officer shall maintain a grievance log; and report all grievances associated with the project implementation. He/she shall be the secretary to the Grievance Redress Committee.

- **The Land Acquisition Focal Officer:** The Land Acquisition Focal Officer shall oversee and report the implementation of the Resettlement Action Plan; He/she shall be secretary to the Grievance Redress Committee when considering cases arising out of RAP implementation.
- **Technical Planning Committee (TPC):** The TPC is responsible for reviewing and approving the work of the M/DEO at several stages in the management process.
- **Other Technical Staff:** Technical staff such as Engineers, Planners, and Health Officers should be familiar with the environmental and social management process, as these steps are integrated with the project cycle and their expertise will be drawn upon during screening, identifying mitigation measures, and in project monitoring.

Central Government

- **Ministry of Lands, Housing and Urban Development (MLHUD):** MLHUD is responsible for ensuring that LGs are carrying out environmental and social due diligence as outlined here, that staff are assigned and functional, sufficient budget is allocated to capacity building, and that LGs are reporting on environmental and social management. Specifically the Chief Government Valuer shall oversee the Land Acquisition process under USMID AF.
- **National Environment Management Authority (NEMA):** NEMA, by its mandate, oversees environment management in Uganda. NEMA approves environmental consulting firms or individuals responsible for carrying out full ESIA's where required and ensures oversight over environmental quality of projects in consultation with Lead agencies and the respective LGs. In addition NEMA reviews the ESIA's, issues EIA approvals, and monitors and enforces compliance with the environmental requirements.
- **Ministry of Local Government (MoLG):** MoLG in collaboration with NEMA is responsible for updating and implementing a training program for LGs on the environmental and social management process, which MLHUD must ensure is administered for all LGs included in USMID.
- **Ministry of Gender, Labour and Social Development** is mandated to look at social, gender and labour issues. Therefore, MoGLSD shall be involvement and consulted to ensure compliance with social risks.
- **Other Lead Agencies (LAs):** MDAs with specific mandate based on the project type will be involved/consulted right from planning, implementation and monitoring. The MDAs may include among others the following: Ministry of Works and Transport, UNRA, Ministry of Health, Uganda National Bureau of Standards, Ministry of Water and Environment, National Water and Sewerage Cooperation,

12.2 POTENTIAL ENVIRONMENT AND SOCIAL IMPACTS

The investments under USMID-AF are intended to have substantial environmental, economic and social benefits to local governments, through for example, better infrastructure, improved sanitation, and increased open spaces.

While the types of works to be financed by USMID are intended in part to remedy negative impacts of urbanization, many of them have the potential for adverse impacts on the natural, built and human environments. The impacts are largely associated with the acquisition of the land and the influx of labor into municipalities during the construction phase. These may include mainly the impacts of civil works: land acquisition, dust, noise, erosion, surface water sedimentation, traffic interruptions and accidents, impeded pedestrian access, pollution from construction wastes as well as waste from worker campsites, interference with local businesses, disruption of water service, and other social impacts such as gender/vulnerability issues, Sexual Exploitation and Abuse of children, child labor, transmission of HIV/AIDS and other communicable diseases, and inadequate

grievance redress mechanisms. If not carefully planned and designed, some residual impacts may be realized during operation, such as those related to the safety and health impacts.

Because of the nature and relatively small scale of the works, most impacts will be minor, temporary, and confined to the area immediately surrounding the construction. However, the degree of impact is dependent upon both the type of project and the project's context – therefore these guidelines will ensure that all projects undergo rigorous environmental and social due diligence to screen and determine potential impacts and ensure that they are mitigated.

12.3 ENVIRONMENTAL AND SOCIAL MANAGEMENT PROCESS

Each project to be implemented by the LG will be required to follow the process for environmental and social management outlined below. The Municipal/District Environmental Officer and Community Development Officers are the focal point for carrying out this process.

The objectives of environmental and social management process are to:

- i. Identify potential adverse environmental and social impacts;
- ii. Determine the magnitude of impacts and scope of impact assessment;
- iii. Determine appropriate mitigation measures;
- iv. Incorporate mitigation measures into the project budget and implementation;
- v. Monitor environmental parameters during the implementation of USMID activities; including reporting.
- vi. Ensure public involvement, transparency, and that grievances are handled efficiently and effectively.
- vii. Identify the stakeholders and their information needs

The following section describes the 8 steps of the environmental and social management process leading to the review and approval of the USMID AF activities to be implemented. Most projects under USMID will follow these steps under the oversight of the LG, though some will be required to have a more in-depth impact assessment under national oversight by NEMA.

Step 1: Project Screening

The Municipal/District Environmental Officer submits information on the proposed subproject using the provided Environmental and Social Screening Form (ESSF) in Annex V. It is recommended that M/DEO conducts the screening together with the Community Development Officer, seeking technical support from relevant staff as the need arises. The ESSF requires information that will:

- i. Screen for projects that are ineligible for funding under USMID-AF
- ii. Guide the scope of the environmental and social assessment

- iii. Determine oversight of environmental and social management
- iv. Identify need for land acquisition and resettlement. For all site specific projects a land title in the names of the LG shall be submitted as part of ESIA report.
- v. Identify potential adverse environmental and social impacts
- vi. Identify and categorize the stakeholders and their information needs

The ESSF should be made publicly available by the M/DEO.

Performance Assessment: *The Performance Assessment will verify that all projects in the Annual Investment Plan have undergone screening. The M/DEO should ensure that the ESSF is kept on file for each project, which is signed by the M/DEO and certified by the TPC. In addition, resultant ESMPs should be kept on file and their corresponding monitoring/application records verified/correlated during performance assessment.*

Step 2: Determine Scope of Environmental and Social Assessment

Using the information in the ESSF, the M/DEO will determine the scope and level of the environmental and social assessment.

The scope of ESIA based on the type of project and degree of impact found through the screening process, in line with the National Environment Act CAP 153 and EIA Regulations, EIA Guidelines and funding criteria for USMID, are:

| Type of Project/Degree of Potential Impacts | Scope of ESIA | Oversight of ESIA process |
|---|--|---------------------------|
| Project would have adverse environmental and social impacts that are sensitive, diverse, irreversible and/or unprecedented | Project ineligible for financing under USMID | N/A |
| Project type is included in the Third Schedule of the National Environmental Act. Those relevant for USMID include: Solid waste facilities and compost sites Slaughter Houses | Mandatory full ESIA and NEMA oversight of project and clearance of ESIA | NEMA |
| Project is out of character with their surroundings, is of a scale not in keeping with surroundings, or involve major changes in land use | Mandatory full ESIA and NEMA oversight of project and clearance of ESIA | NEMA |
| Project would result in land acquisition and/or involuntary resettlement | Land Acquisition Framework applied (see Chapter 13) | MC/MLHUD |
| Additional information is needed to determine the level of environmental analysis | Project brief submitted by MC to NEMA for decision on scope of ESIA | TBD |
| Projects with limited impacts that are site-specific, reversible in nature and mitigation measures can be designed and readily implemented | Preparation of Environmental and Social Management Plan | LG |
| Project determined to have no significant or adverse potential impact on the environment and/or is included on List A, Annex 2 of the 1998 EIA guidelines | Project will not need any further action as they are predicted to have little or no impact | LG |

Through the ESSF, the M/DEO recommend the scope of environmental work to be carried out and appropriate oversight based on the table above to the Technical Planning

Committee (TPC). The TPC reviews the ESSF and either approves the findings or requires additional information in order for the ESSF to be approved.

For those projects where a full ESIA is mandatory, the LG will in consultation with the PST initiate the ESIA process with NEMA, and continue in Section 12.4.

For projects where more information is needed to determine the scope of the environmental and social assessment, the LG prepares a Project Brief. See environment and social project brief format below (format in the NEMA EIA guidelines).

ENVIRONMENT AND SOCIAL PROJECT BRIEF FORMAT

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Project Description

Environment and Social Baseline Conditions

Policy and Legal Framework

ESIA Methodology

Stakeholder Consultation and Engagement

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Appendix

For these types of projects, continue with Section 12.5 unless NEMA issues a certification that proposed mitigation measures are adequate and the project may continue under LG oversight.

For projects with limited impacts with oversight by the LG, continue to Step 3.

Performance Assessment: All projects will be required to have conducted a screening: the M/DEO should ensure that the ESSF is kept on file for each project.

Each project will be verified that the TPC has reviewed and approved the ESSF, and that the scope of environmental and social assessment is appropriate to the type and scale of project. In addition, resultant ESMPs should be kept on file and their corresponding monitoring/application records verified/correlated during performance assessment.

Step 3: Identify Mitigation Measures

During the planning stage, environmental mitigation measures will be identified for each sub-project where negative environment impact is likely to occur and will be included in the investment profiles for implementation.

Using the ESSF, the M/DEO (with inputs from the CDO and other technical staff as needed) develops mitigation measures for each potential environment and social impact identified for all phases from pre-construction through to decommissioning (those marked as “Yes” in the ESSF). The mitigations should be detailed enough to permit the engineers and contractors to understand what exactly is needed and to derive the associated costs, which are then included in the Environmental and Social Management Plan in the next step.

Step 4: Develop Environmental and Social Management Plan

An Environmental and Social Management Plan (ESMP) is intended to ensure efficient environmental and social management of infrastructure activities, and that the mitigation measures identified in Step 3 are carried out and monitored by the responsible parties. The M/DEO, with inputs from the CDO and other technical staff as needed, will prepare the ESMP. See a template for the ESMP in Annex V.

The ESMP will include the following:

- i. The relevant project activities;
- ii. The potential negative environmental and social impacts;
- iii. The proposed mitigating measures;
- iv. Responsibilities for implementing the mitigation measures;
- v. The LG officials responsible for monitoring the implementation of the mitigation measures;
- vi. The frequency of the afore-mentioned measures;
- vii. Staff roles and their capacity needs to implement mitigation measures identified above;
- viii. The cost estimates for these activities, which are built into the project cost.
- ix. Monitoring indicators for implementation of mitigation measures;
- x. Column for monitoring findings and recommended follow up actions (blank).
- xi. A Grievance Redress Mechanism to handle complaints that may arise.

Performance Assessment: *Each potential impact identified in the ESSF should have mitigation measures included in the ESMP. ESMPs will be reviewed to ensure that all areas marked “Yes” on the ESSF have corresponding mitigation measures in the ESMP. The ESMPs should be kept on file and their corresponding monitoring/application records verified/correlated during performance assessment.*

Step 5: Review and Approval of ESMP

For quality control the ESMP shall be reviewed and approved by the TPC, who will recommend for its approval by the Sectoral Committee for Environment.

Approved ESMPs are then incorporated in the project profiles²⁶ in the Municipal/District Council Development Plan and if there are drawings in the ESMP these should be cross referenced and attached to the drawings.

Performance Assessment: *Project records will be reviewed to ensure that the TPC has approved the ESMP, and that the ESMP is included in the Municipal/District Council Development Plan. Corresponding monitoring/application of ESMP shall be verified/correlated during performance assessment. All mitigation measures stated in the ESMPs that require implementation by Contractors shall be included in the Contracts (made contractual obligation) and embedded in the Bid Documents.*

Step 6: Contracting

USMID AF shall enhance environment and social management through contracting. An enhance Standard Bidding Document shall be used by all USMID-AF participating MCs/DLGs during contracting. The following features shall be enhanced:

1. **Eligible Bidders:** shall refer to those bidder's business whose activities have not been suspended for failure to perform; suspended or terminated or performance security called by an employer for reasons related to non-compliance with Environment, Social, Health and Safety (ESHS) requirements over the last 5 years.
2. **The Documents Comprising the bid:** The Bidder shall submit the Environment, Social, Health and Safety (ESHS) Code of Conduct and ESHS Management Strategies and implementation Plan (ESHS-MSIP).
 - a. **Environment, Social, Health and Safety (ESHS) Code of Conduct:** This shall contain obligations on all project staff including sub-contractors and casual laborers to comply with ESHS provisions. The following issues are the components of a satisfactory Code of conduct:
 - i. Compliance with the National laws in regard to environment, Social, health and safety;
 - ii. Non-discrimination – on basis of gender, ethnicity, race, religion etc;
 - iii. Interaction with the community;
 - iv. Sexual harassment;
 - v. Violence or exploitation – including Gender based violence;
 - vi. Protection of Children;
 - vii. Sanitation requirement;
 - viii. Duty to report violation of this conduct.

N.B ***The Code of Conduct should be written in plain English (and***

²⁶ Project profiles are developed for every infrastructure project and include information on costs and budgets, technical descriptions, M&E, certification (environmental and sector heads),

translated into local languages) and signed by each worker as a proof that they received a copy, had the code explained to them, acknowledged adherence and understood the consequences of violation.

- b. **The ESHS Management Strategies and implementation Plan (ESHS – MSIP):** these are strategies and plans that describe in detail the actions to manage key ESHS risks as they relate to, workers, materials, equipment, management processes etc. that will be used and implemented by the Contractor, and the subcontractors. The Strategies and implementation Plan should include those actions described in the Environment and Social Impact Assessment, ESIA, Environment and Social Management Plan, ESMP, Regulatory authority conditions attached to any permits or approvals of the project. The ESHS –MSIP shall include strategies to manage the following key ESHS risks:
- i. Regulatory Compliance Plan to ensure that all regulatory requirements – both pre-construction and during construction are met;
 - ii. Campsite management plan to ensure that all ESHS risks in the campsite are met;
 - iii. On-site works management plan to ensure that all on-site risks are addressed;
 - iv. Borrow area management plan to ensure that risks associated with opening, operating and closing the borrow areas are addressed;
 - v. Quarry management plan that includes the operating licenses of the quarry from where the material is sourced;
 - vi. Traffic management plan to ensure community safety from construction traffic; and
 - vii. Labour recruitment and management plan.
3. **Documents required from the selected bidder to be submitted for approval and subsequently implement include:** the Contractors Environment and Social Management Plan (C-ESMP), which is in line with the Environmental, Social, Health and Safety Management Strategies and Implementation Plans ESHS-MSIP, the Projects ESMP that has been approved by the National Environment Management Authority (NEMA), Resettlement Action Plan (RAP) if any, and NEMA's clearance conditions if any.
4. **Municipal/District Environmental, Social, Health and Safety Policy:** The Municipality and District Local Government should develop an Environmental, Social, Health and Safety Policy that will apply to the works in the local government.

Content for an Environmental and Social Health and Safety Policy for works

The Works' policy goal, as a minimum, should be stated, *` to integrate environmental protection, occupational and community health and safety, gender, equality, child protection, vulnerable people (including those with disabilities), gender-based violence (GBV), HIV/AIDS awareness and prevention and wide stakeholder engagement in the planning processes, programs, and activities of the parties involved in the execution of the Works'.*

As a minimum, the policy sets out the following commitments:

- i. Apply good national and international practice to protect and conserve the natural environment and to minimize unavoidable impacts;
- ii. Provide and maintain a healthy and safe work environment and safe systems of work;
- iii. Protect the health and safety of local communities and users, with particular concern for those who are disabled, elderly, or otherwise vulnerable;
- iv. Ensure that terms of employment and working conditions of all workers engaged in the Works meet the requirements of the ILO labour conventions to which the host country is a signatory;
- v. Be intolerant of, and enforce disciplinary measures for illegal activities.
- vi. To be intolerant of, and enforce disciplinary measures for Gender Based Violence, child sacrifice, child defilement, and sexual harassment;
- vii. Incorporate a gender perspective and provide an enabling environment where women and men have equal opportunity to participate in, and benefit from, planning and development of the Works;
- viii. Work co-operatively, including with end users of the works, relevant authorities, contractors and local communities;
- ix. Engage with and listen to affected persons and stakeholders and be responsive to their concerns, with special regard for vulnerable, disabled, and elderly people;
- x. Provide an environment that fosters the exchange of information, views, and ideas that is free of any fear of retaliation;
- xi. Minimize the risk of HIV transmission and to mitigate the effects of HIV/AIDS associated with the execution of the Works.

The Environmental and Social Health and Safety Policy for works should be approved by council and signed by the Town Clerk or the Chief Administrative Officer

Technical Specifications for Environmental, social, health and safety requirements of the project: The specifications shall be developed by qualified MEO/DEO and the CDO working with the Procurement Officer. In preparing detailed

specifications for ESHS requirements, the officers should refer to:

- the ESHS Policy in section 5 above,
- Section 1700 & 1800 on Environment Protection and Waste Disposal and Occupational Health and Safety
- Project reports e.g. ESIA/ESMP;
- Consent/permit conditions;
- Required standards including World Bank Group EHS Guidelines; national legal and/or regulatory requirements and standards (where these represent higher standards than the WBG EHS Guidelines);
- Relevant international standards e.g. WHO Guidelines for Safe Use of Pesticides;
- Relevant sector standards e.g. EU Council Directive 91/271/EEC Concerning Urban Waste Water Treatment; and the grievance redress mechanisms.

5. **Technical Personnel:** Bidders should provide suitably qualified personnel to implement and report on environment, social, health and safety issues during the construction. Such personnel may include an Environment, Health and Safety Officer and a Sociologist. The contractor shall use the formats provided below to develop monthly reports.
6. The Municipal and District Environment Officers and Community Development Officers shall monitor and report on the implementation of the C-ESMP. They will use the formats provided in Annex V.

Payment for delivery of the ESHS requirements: During the preparation of the bid documents or the specifications, mitigation measures should be listed (item by item) in the Bills of Quantities or the specifications, and each one costed by the contractor. These mitigation measures will be part of the total contract sum and will be executed by the contractor.

The M/DEO and the CDO should ensure that these are included in the schedules for both the bid and contractual documents.

Payment of certificates should take into consideration ESHS requirements.

If the Contractor failed to perform any ESHS obligations or work under the Contract, the value of this work or obligation, as determined by the Engineer, should be withheld until the work or obligation has been performed, and/or the cost of rectification or replacement, as determined by the Engineer, may be withheld until rectification or replacement has been completed. Failure to perform shall include the following:

- a) Failure to comply with any ESHS obligations or work described in the Works' Requirements which may include: working outside site boundaries, excessive dust, failure to keep public roads in a safe usable condition, damage to offsite

vegetation, pollution of water courses from oils or sedimentation, contamination of land e.g. from oils, human waste, damage to archaeology or cultural heritage features, air pollution as a result of unauthorized and/or inefficient combustion;

- b) Failure to regularly review C-ESMP and/or update it in a timely manner to address emerging ESHS issues, or anticipated risks or impacts;
 - c) Failure to implement the C-ESMP e.g. failure to provide required training or sensitization;
 - d) Failing to have appropriate consents/permits prior to undertaking Works or related activities;
 - e) Failure to submit ESHS report/s (as described in Appendix B), or failure to submit such reports in a timely manner;
 - f) Failure to implement remediation as instructed by the Engineer within the specified timeframe (e.g. remediation addressing non-compliance/s).
7. **Drawings:** If there are drawings in the ESMP these should be cross referenced and attached to the drawings.
8. **Activity Schedule/BOQs:** In the BOQ there should be a cross-reference to the separate annexure in the ESMP titled "BOQ for ESMP"
9. **Special Condition of Contract:** The Contractor shall not commence any works, including mobilisation and or preconstruction activities unless the supervising consultant is satisfied that appropriate measures are in place to address ESHS risks and impacts.

At a minimum, the Contractor shall apply the ESHS Management Strategies and ESHS Code of Conduct submitted as part of the Bid and agreed as part of the Contract. The Contractor shall submit the Contractor's Environmental and Social Management Plan (C-ESMP) that is necessary to implement the ESMP and to manage the ESHS risks on site. The C-ESMP shall be approved by the Engineer / Supervision Consultant prior to the commencement of construction activities (e.g. excavation, earthworks, bridge and structure works, stream and road diversions, quarrying or extraction of materials, concrete batching and Asphalt manufacture).

The Contractor shall review periodically and update in a timely manner the C-ESMP, to ensure that it contains measures appropriate to the works activities to be undertaken. The updated C-ESMP shall be subject to prior approval by the Engineer.

Performance Assessment: All works contracts will be reviewed to verify inclusion of clauses for environmental and social management that address the mitigation measures identified in Step 3.

Step 7: Monitoring and Reporting

Environmental and social monitoring aims at checking the effectiveness and relevance of the implementation of the proposed mitigation measures.

The M/DEO and CDO undertakes the monitoring exercises in sequences and frequencies stipulated in the ESMP (including where appropriate, a Maintenance Schedule). The monitoring indicators should be developed based on the ESMP mitigation measures.

The M/DEO and CDO shall be part of the technical supervision teams (for all sectors) to ensure that mitigation measures are implemented. The M/DEO and CDO shall produce monthly reports using the format in Annex VI that includes activities undertaken; level of compliance; gaps and agreed to actions.

Performance Assessment: *LGs must be able to demonstrate that budget is allocated to the M/DEO and CDO to conduct environmental and social monitoring of projects according to the schedule in the ESMP. Review monthly reports against the ESMP.*

Step 8: Project Completion and Closing

No payment shall be effected by the LG accounting officer without the environmental certification by the M/DEO. On satisfactory implementation of the mitigation measures included in the works contract, the Municipal/District Environment Officer shall certify by issuing an environmental compliance certificate.

Performance Assessment: *All completed projects will be reviewed to ensure that they have obtained appropriate certifications – the completion certificate issued by the M/DEO will be verified.*

12.4 NATIONAL ESIA PROCESS

Environmental and social due diligence for most USMID AF sub-projects will follow the steps in Section 12.3 above. However, for those activities where the type of project (e.g. solid waste management facilities, slaughter houses) or the project context requires a full ESIA as determined in the ESSF, the national process under NEMA's oversight will be followed.

The ESIA process in Uganda is outlined in detail in Annex V, and involves the following phases after the initial screening described above:

- i. Scoping (including a stakeholder consultation)
- ii. Developing Terms of Reference for the ESIA
- iii. Review and approval of TOR by NEMA
- iv. Conducting detailed ESIA study (including public and stakeholder consultation)
- v. Preparation of the ESIA report
- vi. Review design in view of the ESIA findings.
- vii. Review of the ESIA report by NEMA (includes public comment period)
- viii. Approval of the ESIA by NEMA issuance of ESIA Certificate of Approval
- ix. Decision on project (including Record of Decision)

While NEMA regulates this process and provides approvals, the LG plays a key role in coordinating with the Environmental Consultants, lead agencies and NEMA, ensuring that the mitigation measures and the EMSP that results from the full ESIA is included in bidding documents and contracts, assists with public/stakeholder consultations (see Section 12.5), and ensures that projects are not implemented before a Certificate of Approval issued by NEMA.

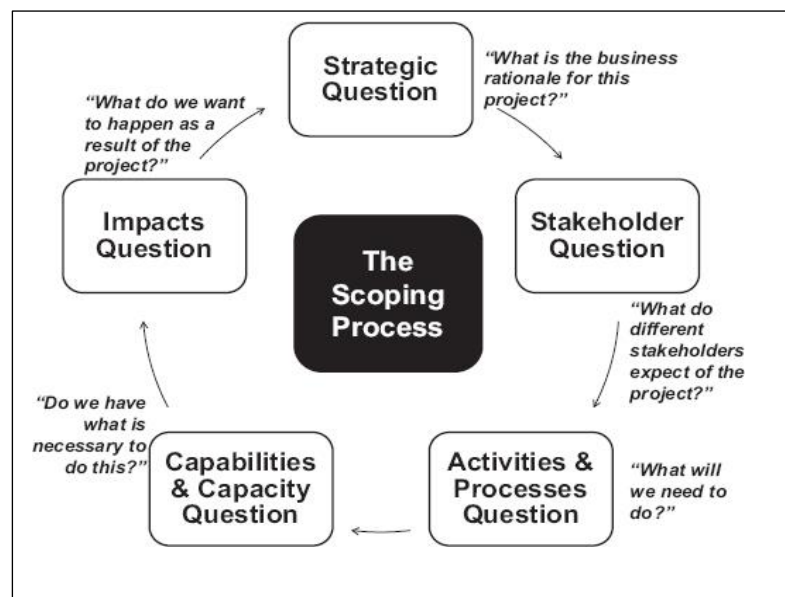
Performance Assessment: *The Performance Assessment will verify that projects found through the ESSF to require a full ESIA were not implemented prior to receiving and Certificate of Approval from NEMA.*

12.5 STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE

The level of public consultation is dependent upon the scope of ESIA determined in Section 12.3, Step 2 above. MCs and LGs shall be required to develop a Stakeholder Engagement Plan, see Annex V, to facilitate information disclosure to stakeholders throughout the project cycle. The stakeholder engagement shall disclose such information that relate to the nature of the project, the environment and social risks and impact of the project.

Projects requiring full ESIA with NEMA oversight

Consultation will take place during the scoping process, see figure below, and the results will be communicated to the public by the M/DEO. According to the procedures governing the ESIA, public information and participation must be ensured during the scoping period and the preparation of the Environmental and Social Impact Assessment. While having NEMA oversight, this will be done in collaboration with the LGs and the concerned community.



Public consultation will include:

- i. One or more meetings at which the project will be presented with the participation of local authorities, the people and the concerned organizations;
- ii. Providing a register where the people will give comments, remarks, recommendations, questions, etc. on the project.

A public information program will be initiated and public notices issued during the scoping and ESIA stages. In case of a strong public concern over the proposed project and impacts are extensive and far-reaching, the LG will organize a public hearing. The results of the public hearing will be taken into account by NEMA when decisions are made on permits.

These consultations should allow for the identification of the main issues and determine how the concerns of all parties will be addressed in the terms of reference for the ESIA. The results of the consultations will be included in the ESIA report and made available to the public by the municipality through the M/DEO.

Projects with LG oversight:

Public consultations are expected to take place during the screening process, and the ESSF (including consultation summary) will be communicated to the public by the M/DEO.

Performance Assessment: *The Performance Assessment will verify that the ESIA process was consultative and all the relevant stakeholders depending on the nature of the project were consulted and their views documented and incorporated in the ESIA reports.*

12.6 KEY ENHANCEMENTS IN THE SOCIAL RISK MANAGEMENT

Among the key lessons from the previous phase of USMID is the need to develop and strengthen social risk management systems. Under USMID AF, the social risks management framework will require a more robust and inclusive system. At the District and Municipal levels, key rights holders include the Community Development Officers, Labour Officers, Health Inspectors, Gender Officers, and Probation Officers among others. At Lower Local Governments like Divisions and Sub Counties, the Community Development Officers, Health Assistants, Ward Agents/ Parish Chiefs will be among the key staff in social risks management.

The Local Councils for Cells/ Zones, and Divisions/Sub Counties will also have a number of roles to play depending on the nature of risk being managed. These key stakeholders will play role in planning, mobilizing, sensitization, enforcing and timely reporting of compliance to risk management plans. The spectrum of social risk management plans will

include Gender management Plans, Child protection Management Plans, HIV/STIs Prevention and Management Plans, Labour force Management Plans for Contractors and Sub Contractors, Traffic management and Community Safety Management Plans, Resettlement Management Plans/

Abbreviated Resettlement Management Plans, Grievance Management Plans, Occupational Health and Safety Action Plans (Including Personal Protective Equipment Plans), Plans for Establishment, Management and Decommissioning of Workers Camps, Safe Accessibility Plans, Culture Management Plans (including Physico- Cultural Resource Management Plans), Accident Reporting and Management Plans, communication and Stakeholders Management Plans among others. All these will depend on the recommendations of the Environmental and Social Impact

Assessments. The respective DLG/MLG Plans shall therefore provide for adequate funds for building the capacity of the key Safeguards staff within the Divisions/ Sub Counties as part of building a sustainable and inclusive Social Safeguards System for the projects. Adequate budget line shall be provided for the implementation, monitoring, enforcing and reporting social safeguards. The DLGs, MLGs, Divisions and Sub Counties will require adequate fuel, transport, stationery, office equipment and any other modest facilitation required for community trainings, meetings, follow up on contractors' safeguards issues and reporting.

The Head of Community Development Department will provide the overall technical direction and oversight in the development and sustainability of the social management system in consultations with the PST. The PST will continually conduct reviews of the system and provide recommendations and guidelines to the Local Governments for improvement and streamlining safeguards.

12.7 COMPLAINTS HANDLING

Under USMID AF, each MC/LG shall be required to develop a Complaints Handling System, which is outlined in this section. The Complaints Handling system shall be set up at all three levels namely: at the Infrastructure site; the MC/DLG and at the MoLHUD. The following steps shall be followed to address complaints

- i. **A Complaints Desk:** a Complaints Desk shall be established at all levels, namely: the construction site, the Municipal Division/ Local Government implementing the works, Municipal Council/District Local Government and MoLHUD. The Complaints Desk operated by a Complaints Focal Officer shall be visibly located and well labelled, with complaints log book, and a fully paid telephone. The complaint log book shall capture information on the following: date received, name of complainant and

contact/ address; mode of receipt; summary of complaint; type of complaint; the Grievance Redress Committee resolutions/date; and the status. Below is a format for the complaints log.

FORMAT FOR COMPLAINTS LOG

| Reference No. | Date Received | Mode of Receipt | Name of Complainant | Contact of Complaint | Summary of Complaint | Type of complaint | Action Taken | Date of Action |
|---------------|---------------|-----------------|---------------------|----------------------|----------------------|-------------------|--------------|----------------|
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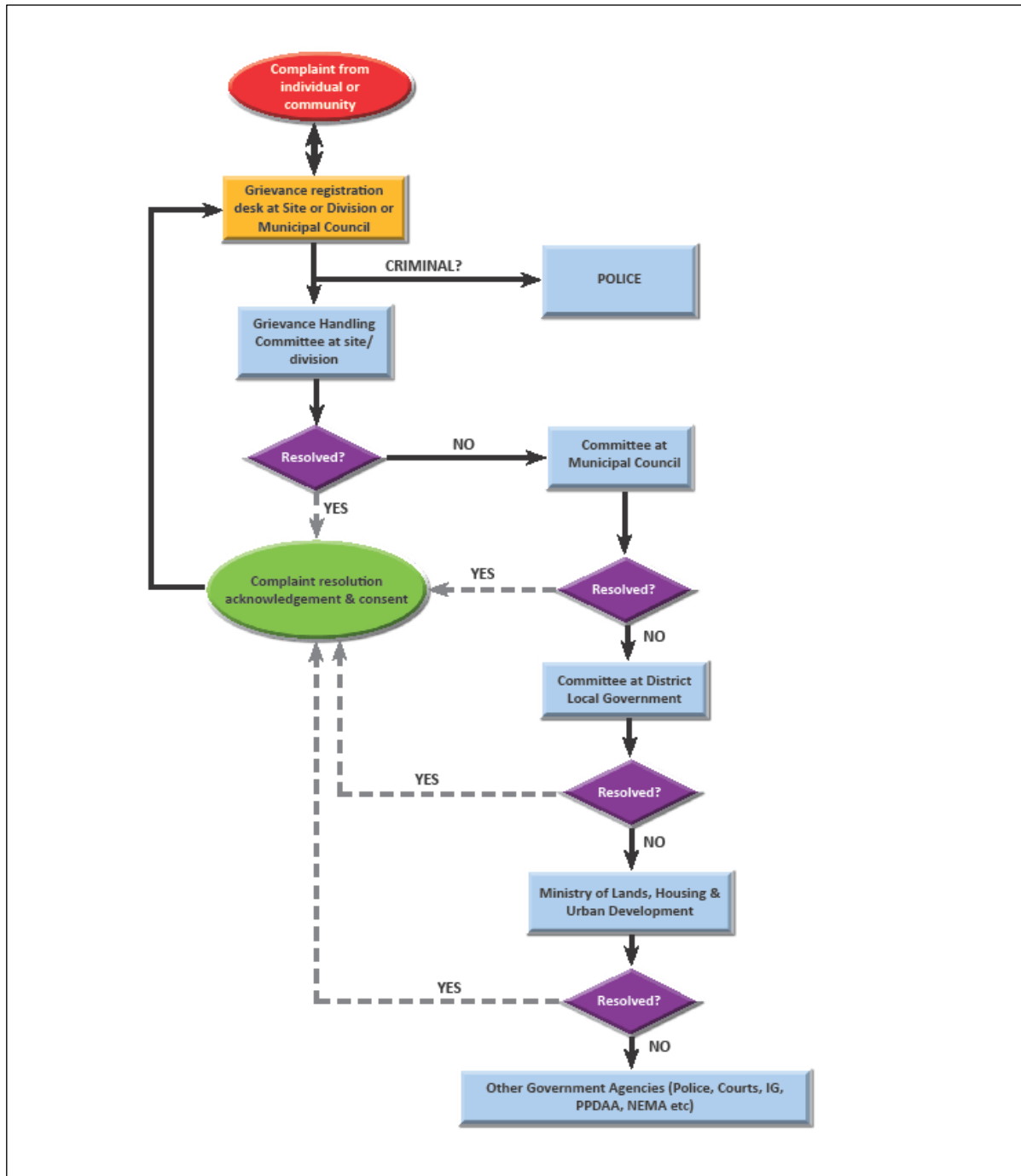
- **Reference Number:** a unique number assigned to the complaint for easy tracking and follow up
- **Mode of receipt:** how the complaint was received. This could be by Telephone, "SMS", Email, Written, In Person
- **Contact of complainant:** to include phone number, P.O. Box number, e-mail
- **Description of complaint:** a brief description of the complaint received
- **Nature of complaint:** could include fraud & corruption, land disputes, compensation, environment and social management issues, procurement issues, service delivery, facilities, management etc.

- ii. **A Complaints Focal Officer:** The Complaints Focal Officer shall receive and register complaints in the complaints log book. He/she shall make weekly summary reports of the complaints raised and their status. He/she shall be the secretary to the Grievance Redress Committee, GRC meetings and shall follow up the recommendations made. He/she shall maintain a file of the GRC minutes and summary reports of the status of the complaints. He/she shall make monthly and quarterly reports to MLHUD/USMID AF and the biannual report to the Inspectorate of Government.
- iii. **A Grievance Redress Committee, GRC:** A GRC shall be formed composed of the Environment Officer, the Sociologist, the land Acquisition Officer, the Engineer, the Community Representative (MDF) with the Complaints Focal Person as the secretary. The GRC shall meet at least once every 2 weeks, the frequency of meetings may increase depending on the complaints received. A complaints should be closed within a period of not more than 3 months to allow the complainant to exercise his/her right by seeking courts of law. However for the grievances to do with land acquisition and compensation the composition of the committee will be as described under 13.0 below.
- iv. **Reporting-** The MC/DLG shall receive weekly reports on grievances from the construction sites. The MC/DLG shall make monthly and quarterly reports to USMID AF/PST and a biannual report to the Inspectorate of Government. See complaints

reporting formats in Annex VII.

Performance Assessment: The Complaints Handling System for each LG will be required to show that grievances related to environmental and social management have been adequately registered and addressed. The Complaints Log book shall be reviewed and the minutes of the Grievance Redress Committee.

The step by step complaints and grievance handling system is below



13.0 LAND ACQUISITION AND COMPENSATION FRAMEWORK

Local Governments are advised to as much as possible avoid implementing sub-projects that require resettlement of large numbers of people (200 persons or more) and/or lead to compensations of large sums of money. However, during program implementation, some projects implemented by Local Governments may lead to either land acquisition and/or denial of, restriction to or loss of access to economic assets and resources. It is important therefore that whatever economic and social assets are affected by the projects, a process to support the handling of such impacts in a fair and timely manner, such that the livelihoods of the people in the area are restored or even improved beyond the level existing before the Program activities are implemented.

Projects found to have these types of impacts are required to follow the procedures outlined in this Land Acquisition Framework, which complements the procedures for environmental and social management described earlier in Chapter 12. These procedures are consistent with Uganda's Constitution, the legal framework for land acquisition and compensation, as well as the World Bank's Environmental and Social Standards. This framework applies to all components under the USMID-AF program, whether or not they are directly funded in whole or in part by the USMID-AF program. The framework also applies to activities in sub-projects (or components) affecting those who would be physically displaced or who would lose some or all access to resources, and regardless of the total number affected, the severity of impact, and their legal status with respect to land. The framework also provides special attention to the needs of vulnerable groups among project affected persons (PAPs), especially households with incomes below the national poverty line, including the landless, elderly and disabled, women and children, the poor or women-child-or disabled headed households etc.

Performance of Municipal Councils according to this framework will be assessed according to the USMID-AF Performance Assessment tool. Specific areas where MCs will be assessed on land acquisition are indicated throughout the chapter.

13.1 USERS OF THIS CHAPTER

The process of land acquisition and compensation will involve a number of key actors at the local and national level, all of which should become familiar with the Land Acquisition Framework (LAF) procedures:

Local Governments

- i. **Technical Planning Committee (TPC):** The TPC is responsible for facilitating the LAF, ensure that impacts are screened through the Environmental and Social Screening Form, terms of reference are prepared for Compensation Plans, valuation and consultation processes with PAPs are undertaken, and verify that compensation plans have been carried out prior to project implementation.
- ii. **Community Development Officer (CDO):** The CDO is key in ensuring adequate consultations with PAPs, handling grievances, and support the TPC with facilitating the LAF. The CDO shall develop a stakeholder engagement plan to respond to the information needs of the Affected persons of proposed project.
- iii. **Town Clerk/CAO and Accounting Officer:** The Town Clerk/CAO and Accounting Officer should be familiar with the procedures in the LAF, to understand how the preparation of compensation plans fits into the project cycle, how to budget for timely payment of compensation, and how land acquisition and compensation will be assessed in the Performance Assessment. Contracts should be signed when the project land uptake is free of encumbrances. For all site specific projects a land title in the names of the LG shall be submitted as part of ESIA report.
- iv. **Municipal/District Environment Officer (M/DEO):** The M/DEO is the focal point for facilitating the environmental and social management process outlined in Chapter 12 – the M/DEO needs to be well-versed in screening for potential land acquisition and economic impacts, and ensure that the LAF, where required, is carried out as part of the environmental and social management process.
- v. **Other Technical Staff:** Technical staff such as engineer, procurement and planners should be familiar with the LAF, including screening and entitlement criteria, as these steps are integrated with the project cycle. Project staff should have awareness of how to include compensation in project budgets and the project cycle.

Central Government

- i. **Ministry of Lands, Housing and Urban Development (MLHUD):** MLHUD is responsible for ensuring that LGs are carrying out environmental and social due diligence as outlined in Chapter 12, and includes land acquisition and compensation issues. MLHUD ensures that technical officers are assigned and functional, sufficient budget is allocated to capacity building, and that LGs are reporting on land acquisition and compensation issues and grievances arising from the process. More generally, MLHUD is also responsible for oversight of all land related matters including policy guidance, supervision and monitoring.
- ii. **Office of the Chief Government Valuer (CGV, within MLHUD):** The CGV clears compensation packages for project affected people based on the current policy, legal and regulatory framework. For every project, a methodology for compensation assessment shall be developed and forwarded to the CGV for approval before implementation.
- iii. **National Environmental Management Agency (NEMA):** NEMA, by its mandate, oversees all environmental concerns in Uganda, including carrying out full ESIA's where required – in projects requiring an ESIA and where the LAF is applied, NEMA will have an oversight function by including the RAP as part of the ESIA process.
- iv. **Ministry of Local Government (MoLG):** MoLG is responsible for updating and implementing a training program for LGs on the environmental and social management process, which MLHUD must ensure is administered for all LGs included in USMID. This training program also includes land acquisition, resettlement and rehabilitation issues in the project cycle.

13.2 POTENTIAL IMPACTS OF LAND ACQUISITION

The scope of activities under USMID-AF is not expected to require large-scale land acquisition, although tracts of land may be sought for purposes of construction, extension and/or rehabilitation of infrastructure. The main types of direct impacts are expected to include loss of structures (permanent, semi-permanent and temporary), crops and other vegetation, and shared facilities such as water points, community roads, roadside markets; loss of land to place infrastructure; and loss of access to natural resources like wetlands, etc.

Additionally, construction activities could have livelihood impacts on those that are currently using land formally and informally, including roadside kiosks, scavengers on dumpsites, and roadside hawkers and traders requiring relocation during construction.

Land acquisition and livelihood impacts pose a particular risk to vulnerable groups, especially if their needs are not identified through the consultation process, as relocation, loss of assets, and livelihood impacts can affect these groups disproportionately and further impoverish those that are already vulnerable.

13.3 PROCESS FOR LAND ACQUISITION AND COMPENSATION

Local Governments will follow the steps outlined in this section to handle issues of land acquisition in USMID-AF activities. With support from the zonal and or district land offices in terms of specialized skills in surveying, valuation and community mobilization and monitoring, the LGs will be the leading agency for the preparations and implementation of the Resettlement Action Plan.

Step 1: Screening

All USMID-AF projects are to be screened for potential environmental and social impacts using the Environmental and Social Screening Form described in the screening step in Section 12.3. All projects with a potential for land acquisition and compensation will complete the steps in the LAF in parallel with environmental and social assessment processes.

For those projects involving land acquisition and compensation, the screening process includes possible and alternative sites for project implementation as a potential mitigation measure.

Step 2: Prepare Terms of Reference for Compensation Plan (CP)

The Local Government TPC with help from key stakeholders will prepare the terms of reference (ToRs) for the compensation plan subject to approval by the MLHUD Chief Government Valuer. The procurement of the consultant to complete the compensation plan will also be the responsibility of the Local Government. The ToR should ensure that all elements of the CP are included.

Step 3: Identify Project Affected Persons (PAPs)

A socio-economic survey will be completed to determine scope and nature of land acquisition impacts in the selected sub-project sites. The socio-economic survey will focus on the potential affected communities, and includes collection of some demographic data,

description of the area, livelihoods, the local participation process, and establishing baseline information on livelihoods and income, landholding, etc. Identification of PAPs using the survey should refer to the details on PAPs in Section 13.5 below.

Step 4: Sensitization of PAPs

During screening and during all the other planning and preparatory activities, there must be a well-planned consultation process and involvement of the affected persons.

Once land to be acquired has been identified and PAPs assessed, the affected persons must be informed about the intentions to use the earmarked sites for the projects. The affected persons must be made aware of:

- i. Their options and rights pertaining to resettlement;
- ii. Specific technically and economically feasible options and alternatives for resettlement sites if displacement will occur;
- iii. Proposed dates for displacement or land repossession;
- iv. Effective compensation rates at full replacement costs for loss of assets and services;
- v. Proposed measures and costs to maintain or improve their living standards;
- vi. Grievances redress procedure, or the MC's Complaints Handling Mechanism.

Officers of the LGs and District Land Board are responsible for arranging meetings with affected individuals and/or households to discuss and document the compensation process. For each individual or household affected, officers of the implementing agency compile a compensation database containing necessary personal information on, the affected party and those that s/he claims as household members paying attention to gender (intra- household analysis, documentation of ownership or occupancy and compensation, resettlement assistance, and the consultative process) , total land holdings including tenure rights and claims, inventory of assets affected, and information for monitoring their future situation. Databases are kept current and will include documentation of lands/assets surrendered. This is necessary because it is one way in which an individual can be monitored over time.

Step 5: Establish Cut-Off Date and Notify PAPs

A **cut-off date** is established as part of determining PAPs eligibility. In special cases where there are no clearly identifiable owners or users of the land or asset, the CP team must notify the respective local authorities and leaders. A "triangulation" of information – affected persons; community leaders and representatives; and an independent agent (e.g. local organization or NGO; other government agency; land valuer) – may help to identify eligible PAPs. The CP must notify PAPs about the established cut-off date and its significance. PAPs must be notified both in writing and by verbal notification delivered in the presence of all the relevant stakeholders. The cut-off date refers to the time when the identification of persons and their property are carried out, i.e. the time when the boundaries of the project areas have been determined. The cut-off date will be considered by the surveying and valuation consultant as the last day of the census of affected people

and properties. No structure or other development established in the project-affected area after the date will be eligible for compensation. During the households census and community meetings, PAPs are advised against further investments or land development after existing assets inventories have been established by the compensation plan team.

Step 6: Conduct Valuation Exercise and Determine Entitlements

The government authorities at both national and local levels; community elders and leaders; representatives from the MLHUD will arrange meetings with PAPs to discuss the compensation and valuation process. For each individual or household affected by the sub-project, the CP preparation team will complete a Compensation Report containing necessary personal information on the PAPs and their household members; their total land holdings; inventory of assets affected; and demographic and socio-economic information for monitoring of impacts. This information will be documented in a Report, and ideally should be “witnessed” by an independent or locally acceptable body (e.g. Compensation Committee). The Reports will be regularly updated, monitored and established into a database. OR

The Consultant will demarcate the affected land on ground using surveying equipment and techniques for the purposes of identifying and inspecting affected assets for valuation and compensation. Standard compensation forms will be used. Inspection to be carried out in the presence of PAP and neighbors and the forms signed by the PAP and witnessed by LCI. The PAPs will keep a copy of the signed compensation form.

A strip map of the affected land with names of PAPs and any affected structures will be produced.

All types of compensation will be clearly explained to the individual and households involved. These refer especially to the basis for valuing the land and other assets. The affected should be given all options available to enable them make an informed choice. These options include in-kind (e.g. replacement ²⁷ housing or land) and cash compensation. All compensation should occur in the presence of the affected persons and the community local leaders. OR

The Consultant will be responsible for the valuation using district compensation rates where applicable. The Consultant will produce a Valuation Report together with a Strip Map.

²⁷ Replacement value includes transaction costs and other expenses incurred to secure an asset (e.g. transfer, transport, taxes, etc).

Once such valuation is established, MLHUD/LGs will produce a Contract or Agreement that lists all property and assets being acquired by the sub-project and the types of compensation selected. All compensation should occur in the presence of the affected persons and the community local leaders. Section 13.6 provides a sample of entitlements for those eligible for compensation.

The following PAP categories are eligible for compensation:

- i. People who have been in the surveyed part of the proposed working areas;
- ii. Landlords owning land affected by the proposed sub-projects;
- iii. People whose structures are to be affected by the developments;
- iv. People who rent land for cultivation (sharecroppers) and their crops or trees are to be removed or damaged due to land acquisition activities.
- v. Any other group of persons that has not been mentioned above but is entitled to compensation according to the laws of Uganda and World Bank/Donor policies, such as social and community organizations (schools, religious agencies etc)..
- vi. Those who can show proof of assets loss, apart from those categories mentioned above, from before the census cut-off date.

In fulfillment of the documentation and reporting requirements that land acquisition should present information related to valuation of and compensation for losses, the LG will liaise with the Chief Government Valuer (CGV), for approving values of property especially land, structures and crops.

Step 7: Design Compensation Package

Two main packages, the details of which are provided in the section below, will be designed to ensure adequate compensation for PAPs who lose assets or livelihoods when USMID-AF sub-projects are implemented. These packages will be developed in consultation with the affected community, including PAPs and local councilors. Each PAP will have the opportunity to choose the option that best suits their circumstance.

Option 1: Primary Entitlement Measures - These measures are designed to be appropriate for the majority of PAPs, who are likely to only lose a small section of land, some permanent or temporary structures (including housing). The measures include a mix of cash compensation for lost assets (including land, structures and crops), other assistance measures such as relocation assistance, and where appropriate, measures to cover any short-term changes in livelihood. It is presumed that cash compensation will be used by PAPs to replace lost assets by purchasing new land where necessary and/or constructing a new structure on remaining portions of their current land plots. Livelihoods will be restored or even improved through different measures depending on the location.

Option 2: Other Entitlement Measures (vulnerable groups) - These measures will be developed to assist vulnerable groups, or those who would prefer to receive replacement assets rather than cash compensation. In this scenario, land and structures would be replaced (with the same tenure as pre-resettlement), and assistance would be provided to move household or business goods. No cash compensation would be provided if physical assets are replaced, but a transition and disturbance allowance shall be provided to overcome any short-term changes in livelihood.

Measures common to both Option 1 and Option 2 - Under both scenarios, graves will be compensated and relocated according to district rates in compliance with Ugandan law, and transport costs to point of relocation and costs of exhumation should also be covered by the government.

Taxes and charges associated with purchase of new land, and changes in titles due to land acquisition and resettlement will be paid directly by the Local Government. PAPs choosing cash compensation will have a choice of either receiving a cash payment or into a bank account opened by the Local Government (if a PAP does not have one) covering all associated bank fees and charges associated with opening a new account.

Step 8: Delivery of Entitlements and Compensation Payments

Possible entitlements for PAPs would range from cash payments and/or building materials to the provision of new land, new homes and non-cash compensation for other lost properties in accordance with the identification of the impact on their property. See Section 13.6 on details of entitlements for PAPs based on type of impact. OR

The first step is to display the strip map and disclose the compensation packages to each PAP. Verification forms will be used to verify the PAP and these will be signed and appropriately witnessed. The compensation assessment should be clearly explained to the PAP to minimize complaints and grievances.

Subject to the final decision on the exact position of the site and its dimensions, the approved entitlements or amounts would be communicated to the Local Government or payment to the beneficiaries. Compensation would be paid before the owners/occupiers are made to vacate their properties for commencement of construction or works. The Local Government Planning and Development Unit will ensure that no construction begins until PAPs have been resettled if physical relocation is necessary and/or received their compensations. Compensation and resettlement if any will be funded by the Local Government councils. A quit notice of 6 months (assuming 15% disturbance allowance) from the date of payment will be given to each PAP and 30% disturbance allowance for a quit notice of less than 6 (six) months.

All types of compensation should be clearly explained to the individual or household (section 5.2). A land acquisition team comprising the Land Owner(s), the Local Community, LC1 chairperson, LG officials and Land Valuation Offices should draw up a contract listing all property and land to be acquired, and the types of compensation (cash and/or in-kind) selected. A person selecting in-kind compensation has an order form, which is signed and witnessed. The compensation contract should be read aloud in the presence of the affected party and other stakeholders prior to signing. The contract must

have a photograph of the person signing for and receiving the compensation.

All compensation payments will be made to the affected party – which includes the spouse or adult children in the presence of the following:

- i. Accountant
- ii. Valuer
- iii. Surveyor
- iv. LC1 Chairperson/LCI Vice Chairperson/General Secretary
- v. Land officer
- vi. Representative from the sub-county
- vii. Representative from the office of the Town Clerk

13.4 COMPLAINTS HANDLING MECHANISM

Under USMID-AF, each LG is required to develop a Complaints Handling System, which is outlined in Chapter 12 of this manual. All officers involved with land acquisition and compensation issues should be familiar with this system, and ensure that grievances related to land acquisition are included in the system and that procedures are developed to address these types of complaints and channel them upward to higher levels of enforcement where they are not resolved by the Local Government. For those grievances related to valuation and compensation, the following is recommended as part of the MC's Complaints Handling System:

Valuation and Compensation Grievance Committee

In addition to the overall management process for grievances, there are likely to be grievances specifically related to the valuation and compensation process. These are likely to come when households consider compensation valuations provided for their assets as insufficient. This might arise when PAPs doubt if the disclosed values do indeed provide for replacement value. If PAPs misunderstood the compensation process and believed they are entitled to additional compensation, they should lodge complaints with the Complaints Desk who will then table it to the Grievance Redress Committee at the LG.

Some other possible grievances/disputes may relate to:-

- disputes over land-boundaries
- disputed ownership of property e.g. where the land owner and the occupant are different persons
- dispute over ownership of an asset – when two individuals claim to be owners of the same asset
- inheritance, divorce etc... resulting in disputes between family members over ownership of a given asset

The Grievance Committee assesses grievances that arise from disputed valuations and compensation. This includes the following members:

- i. LC1 (participation depends on the respective LC1 of the claimant);
- ii. LC3; Division Land Committee
- iii. District/Municipal Land Officer – Surveyor or Municipal Engineer
- iv. Consulting Valuer

This committee will have a quorum of at least 3, and either the LC1 or Division Land Committee chairperson has to be present.

Valuation Grievance Decision Making Procedures

While some grievances would be resolved by the committee, others might not, such as when the claimant contests District property or crop rates. Therefore the Grievance Focal Officer ("GFO") will determine whether a complaint can be resolved by the committee or be referred to the Chief Government Valuer (CGV).

13.5 DETAILS ON IDENTIFYING PROJECT AFFECTED PERSONS (PAPs)

PAPs are individuals whose assets may be lost, including land, structures and other assets, and other property or limit of access to natural and/or economic resources as a result of activities related to sub-project(s). Project affected persons (PAPs) irrespective of their status (whether they have formal land title, legal rights, non-legal rights) are eligible for some kind of assistance if they occupied a given land parcel before the cut-off date. This shall be done in line with the existing laws, and policies governing compensation in Uganda under the guidance of the CGV.

The following details should be considered in the preparation of the census and socio-economic study conducted in Step 3 above.

Project Affected Households, PAH: These are groups of PAPs in one household and where one or more of its members are directly affected by the project. These include members like the head of household, male, and female members, dependent relatives, tenants, etc.

Vulnerable Groups: Vulnerable people are people who by virtue of gender, ethnicity, age, physical or mental or physical disability, economic disadvantage, or social status, may be more adversely affected by land acquisition than others and who may be limited in their ability to claim or take advantage of any resettlement or rehabilitation assistance and related development benefits.

From these households the Local Government will separately identify the vulnerable members, such as elderly or terminally ill, children, those stricken with HIV/AIDS, women, orphans, unemployed youth, etc. These are described below:

Internally Displaced Persons: These are people who had to flee their homes as a result of rebel atrocities committed against their communities and are now virtually refugees in their own country and have not returned. They may be dependent on the NGO community and others for support. Particular efforts are to be made not to negatively impact these people where possible, but when unavoidable, efforts will be concentrated on post-compensatory measures such as opportunities to participate in project activities. These would be particularly in districts that have recently been struck by the insurgence in the North and civil strife.

Internally Displaced Orphaned Children: Despite the Laws of Uganda and those of the International Labor Organization (ILO) and other organizations, children, especially orphaned children or children separated from their parents, remain particularly vulnerable to forced employment and associated health and safety hazards. They participate in income generating activities such as fetching of water, agriculture etc. If such groups are affected by USMID activities, then efforts should be made to help them live a decent life and benefit from the proposed activities without promoting their employment.

Women: Women may depend on husbands, sons, brothers or others for support. In many cases too, women are the main breadwinners and sometimes heads in their households, yet in some communities in Uganda, women cannot own land. Also, as mothers and wives, they need access to health service facilities. Women are central to the stability of the household. They will not be relocated in a way that separates them from their households as the very survival of their households depends on them. Furthermore, the decentralization policy of Uganda recognizes the plight of women and seeks to encourage employment and the involvement of women in decision-making. Their compensation must take into account all these factors.

Further, the needs and problems of the women are likely to be different both in character and magnitude than those of men, particularly in terms of social support, services, employment and means of survival. One of the roles of women in Uganda is to provide food and other services like water and firewood. They are the major tillers of land and many especially the urban dwellers earn their living from selling of produce and other food stuffs in markets. Hence the women will face more difficulties than the relocated men in finding and opening up land for cultivation as well as in re-establishing markets

and other trade. Women in subsistence communities often depend on forest resources for basic needs such as food, fuel and animal forage. These would need replacement. Female heads of households are eligible for the same benefits as their male counterparts but they would need special attention if they lack resources, educational qualifications, skills, or work experience compared to men.

Elderly: The elderly people farm or engage in other productive activities as long as they are physically able to. Their economic viability does not depend on how much land they farm or how much they produce because, by producing even small amounts of food to “exchange” with others, they can subsist on cooked food and generous return gifts of cereal from people such as their kith and kin and neighbors. Losing land will not necessarily affect their economic viability. They will have cash or in-kind replacements to exchange. For future production they need access to only a small parcel of land. What would damage their economic viability is relocation that separates them from the person or household on whom they depend for their support. The definition of household by including dependents avoids this.

Customary Land Users without Formal land Titles: These are usually peasant farmers or pastoralists who may have customary rights to the land and other resources taken from the project. These people usually have ancestral customary rights to regulate collective common property and have open access to common grazing land, fishing areas, forest and grassland resources for subsistence and cash incomes. The LGs should take into consideration the affected people in this category and work out a compensation and resettlement package for them.

The Bibanja Owners: Among the PAPs, are “Bibanja” owners who cultivate land they do not own and could have lived on this land for very many years. This group occupies tiny pieces of land from where they solely derive their livelihood. They could also have buried their dead on the same land. Compensation values are determined as per guidance above and shared between the kibanja holder and the owner of the land in 60:40 ratio as the practice is in Uganda.

Squatters and Encroachers: There may be some cases of squatters (on unused urban or rural land) and encroachers on forest and farmland. The program will allocate some resources to rehabilitate the squatters and the encroachers. In case of encroachment on ecologically sensitive areas, collaborative area management should be encouraged.

The very poor: The poorest people in a community e.g. those with very small land holdings may lose their viability after land acquisition and require full income restoration.

The challenge for the very poor may be to identify sustainable living and income-generating options that are acceptable and workable for them. A social preparation phase can help to build the capacity of the very poor over a period of time to help them to identify problems, constraints and possible solutions.

The host population: In case of displacement which is not expected under USMID, there could be adverse impact on the host population due to development of resettlement sites for those to be relocated.

The categories above may not cover all types of affected persons and are not mutually exclusive. It is important therefore that the USMID program activities should have well prepared and comprehensive compensation /resettlement action plans that are specific and comprehensive enough to benefit all the categories of affected persons, through the following and other actions as may be appropriate:

- i) quick decisions and rapid action on the RAPs to assist the affected persons in a timely manner;
- ii) individual and collective consultations should be expedited at the identification of the sub-project locations;
- iii) alternative subsistence farming plots should be identified, surveyed, developed and made available to those with land based livelihoods that are losing land;
- iv) compensation for loss of crops and trees should be determined prior to relocation or construction and paid accordingly;
- v) the areas or sites for expected resettlement or restriction of access to resources should be identified with participation of the PAPs;
- vi) resettlement assistance to help the affected move when displaced should be provided for in addition to the compensation already provided, e.g. transport to their new homes, etc.;
- vii) rehabilitation support, where appropriate, should be given to those moved from their land during relocation and re-establishment of their livelihoods. This includes providing employment at sub-project sites to the affected, getting linked to microfinance services, etc.;

Technical and financial assistance should be made available to them should they wish to use the grievance mechanism.

13.6. Entitlement Matrix

| Land and Assets | Type of Impact | Person(s) Affected | Compensation/Entitlement/Benefits |
|-------------------|---|----------------------|--|
| Agricultural Land | Cash compensation for affected land equivalent to market value. | Farmer/tittle Holder | Cash compensation for affected land equivalent to market value |
| | Loss of land less than 20% of land holding affected | | |
| | Land remaining is economically viable | Tenant/Lease Holder | Cash compensation for the harvest or product form the affected land or asset, equivalent to average market Value of last 3 years, or market value of the crop for the remaining period of tenancy/lease agreement, whichever is greater |
| | Greater than 20% of the land holding lost | | Land for land replacement where feasible, or compensation in cash at replacement value for the entire landholding according to PAPs choice |
| | Land remaining does not become economically viable | Farmer/tittle holder | Land for land replacement will be in terms of anew parcel of land of equivalent size and productivity with a secure tenure status at an available location which is acceptable to PAPs shall be free or taxes, registration, and other costs (i.e. met by government) Relocation assistance (costs of shifting + assistance in re-establishing economic trees+ allowance up to a maximum of 12 months while short -term crops mature) |
| | | Tenant/Lease Holder | Cash compensation equivalent to average of last 3 years' market value for the mature and harvested crop, or market value of the crop for the remaining period of tenancy/lease agreement, whichever is greater. |

| Land and Assets | Type of Impact | Person(s) Affected | Compensation/Entitlement/Benefits |
|-----------------|---|--------------------------------|---|
| | | | <p>Relocation assistance (costs of shifting + assistance in re-establishing economic trees + allowance up to a maximum of 12 months while short term crops mature)</p> <p>Relocation assistance (costs of shifting + assistance in re-establishing economic trees + allowance up to a maximum of 12 months while short term crops mature)</p> <p>Relocation assistance (costs of shifting + allowance).</p> |
| Commercial Land | Land used for business partially affected | Title holder/business owner | <p>Cash compensation for affected land at market value</p> <p>Opportunity cost compensation equivalent to 5% of net annual income based on tax records for previous year (or tax records from comparable business, or estimates where such records do not exist)</p> |
| | Limited Loss | | |
| | | Business owner is lease holder | <p>Opportunity cost compensation equivalent to 10% of net annual income based on tax records for previous year (or tax records from comparable business, or estimates where such records do not exist)</p> |
| | Assets used for business severely/completed affected If partially affected, the remaining assets become insufficient for business purposes | | <p>Transfer of the land to PAP shall be free of taxes, registration, and other costs (to be met by government)</p> <p>Relocation assistance (cost of shifting + allowance)</p> |

| Land and Assets | Type of Impact | Person(s) Affected | Compensation/Entitlement/Benefits |
|------------------|--|---------------------|--|
| | | | <p>Opportunity cost compensation equivalent to 2 months net income based on tax records for previous year (or tax records from comparable business, or estimates), or the relocation allowance, whichever is higher.</p> <p>Relocation assistance (cost of shifting)</p> <p>Assistance in rental/lease of alternative land/property (for maximum of 6 months) to re-establish the business</p> |
| Residential Land | Land used for residence partially affected, limited loss | Tittle Holder | Cash compensation for affected land at market rates |
| | Remaining land viable for present use. | | |
| | | Rental/Lease holder | Cash compensation equivalent to 10% of lease/ rental fee for the remaining period of rental/ lease agreement (written or verbal) |
| | | Tittle Holder | <p>Land for land replacement or compensation in cash according to PAP's choice.</p> <p>Land for land replacement shall be of minimum plot of acceptable size under the zoning law/ s or a plot of equivalent size, whichever is larger, in either the community or a nearby resettlement area with adequate physical and social infrastructure systems as well as secured tenure status.</p> <p>When the affected holding is larger than the relocation plot, cash compensation to cover the difference in value.</p> <p>Transfer of the land to the PAP shall be free of taxes, registration, and other costs (i.e. to be paid by government)</p> |

| Land and Assets | Type of Impact | Person(s) Affected | Compensation/Entitlement/Benefits |
|--------------------------|--|---------------------|--|
| | | | Relocation assistance (costs of shifting + allowance) |
| | Land and assets used for residence severely affected Remaining area insufficient for continued use or becomes smaller than minimally accepted under zoning laws | Rental/lease holder | Refund of any lease/ rental fees paid for time/ use after date of removal Cash compensation equivalent to 3 months of lease/ rental fee Assistance in rental/ lease of alternative land/ property Relocation assistance (costs of shifting + disturbance allowance) |
| Buildings and structures | Structures are partially affected | Owner | Cash compensation for affected building and other fixed assets |
| | Remaining structures viable for continued use | | Cash assistance to cover costs of restoration of the remaining structure |
| | | Rental/Lease holder | Cash compensation for affected assets (verifiable improvements to the property by the tenant). Disturbance compensation equivalent to three months rental costs |
| | Entire structures are affected or partially affected Remaining structures not suitable for continued use | Owner | Cash compensation for entire structure and other fixed assets without depreciation, or alternative structure of equal or better size and quality in an available location which is acceptable to the PAP. Right to salvage materials without deduction from compensation Relocation assistance (costs of shifting + allowance) Rehabilitation assistance if required (assistance with job placement, skills training) |

| Land and Assets | Type of Impact | Person(s) Affected | Compensation/Entitlement/Benefits |
|-----------------|----------------|--|---|
| | | Rental/Lease Holder | <p>Cash compensation for affected assets (verifiable improvements to the property by the tenant)</p> <p>Relocation assistance (costs of shifting + allowance equivalent to three months rental costs)</p> <p>Assistance to help find alternative rental arrangements</p> <p>Rehabilitation assistance if required (assistance with job placement, skills training)</p> |
| | | Squatter/Informal dweller | <p>Cash compensation for affected structure without depreciation</p> <p>Right to salvage materials without deduction from compensation</p> <p>Relocation assistance (costs of shifting + assistance to find alternative secure accommodation preferably in the community of residence through involvement of the project)</p> <p>Alternatively, assistance to find accommodation in rental housing or in a squatter settlement scheme, if available)</p> <p>Rehabilitation assistance if required assistance with job placement, skills training)</p> |
| | | Street vendor (informal without title or lease to the stall or shop) | <p>Opportunity cost compensation equivalent to 2 months net income based on tax records for previous year (or tax records from comparable business, or estimates), or the relocation allowance, whichever is higher.</p> <p>Relocation assistance (costs of shifting)</p> <p>Assistance to obtain alternative site to re-establish the business.</p> |
| Trees | Tree lost | Title holder | <p>Cash compensation based on type, age and productive value of affected trees plus 10% premium OR the value of the harvests lost until replacement trees come</p> |

| Land and Assets | Type of Impact | Person(s) Affected | Compensation/Entitlement/Benefits |
|-----------------------|-----------------------|--|--|
| | | | into full production (7-10 years); if fruit trees, the value equal to the cumulative value of the tree for its productive life. For timber trees the value equals that of the lumbar (logged and sawn timber). |
| Temporary Acquisition | Temporary acquisition | PAP (whether owner, tenant, or squatter) | Cash compensation for any assets affected (e. g. boundary wall demolished, trees removed). If crops exist, allow to harvest in addition to cash compensation for the lost seasons harvests |

Alternative Rights and Entitlement Matrix

| Category of Claims/Type of Lost Assets | Entitlements for PAPs |
|--|---|
| Owners of Land | Cash compensation based upon market value of unimproved land + disturbance allowance (15% or 30%) <i>See Land Act sec.77(2)</i> |
| Tenants on Land | Entitled to compensation based upon the amount of rights they hold upon land + disturbance allowance (15% or 30%) <i>See Land Act sec.77(2)</i> |
| Licensee on Land | Not entitled to compensation for land, entitled to compensation for developments they put on land + disturbance allowance (15% or 30%) <i>See Land Act sec.77(2)</i> . Owners of kiosks and other make shifts structures are entitled to relocation cost plus disturbance allowance. |
| Owners of “Non-Permanent” Buildings | Cash compensation based on replacement cost per sqm. established at District level + disturbance allowance (15% or 30%) <i>See Land Act sec.77(2)</i> |
| Owners of “Permanent” Buildings | Cash compensation; Valuation by Valuer based on recommendation in the Land Act Sec.77 (1b) + disturbance allowance (15% or 30%) <i>See Land Act sec.77 (2)</i> . Valuation is based on depreciated market value or replacement cost. |
| Perennial Crops and Trees | Cash compensation based upon District rates + disturbance allowance (15% or 30%) <i>See Land Act</i> |

| | |
|---|---|
| Category of Claims/Type of Lost | Entitlements for PAPs <i>sec.77 (2)</i> . Rates are calculated as the one year net agricultural income – Disturbance allowance is meant to take care of the establishment period for these crops with establishment more than one year. |
| Annual Crops | Cash compensation based upon District rates + disturbance allowance (15% or 30%) <i>See Land Act sec.77 (2)</i> . No compensation is awarded if 6 month notice is given to allow people to harvest their annual crops. Cash compensation for annual crops that are damaged or destroyed shall be in accordance with the rates established at District level + disturbance allowance at 30%. |
| Category of Claims/Type of Lost Assets | Entitlements for PAPs |
| Business Income | Usually no compensation is awarded. The 6 month notice and disturbance allowance paid are supposed to allow people to re-establish their business. However special claims may be looked into on a case by case basis. |
| Protected Areas | The protected areas are owned by Government and normally they do not require compensation unless they are licensed to private developers where just compensation for damages is deemed mandatory. This is common with licensees of national forests, wetlands and game reserves. Permission to access these areas should be sought from the relevant controlling authorities. |
| Temporary occupation on land/encampment on private property by a Government agent | Assessment to be made in accordance to Section 72 of the Land Act CAP 227. |
| Right to salvage materials | PAPs are allowed to take materials from the affected property for their use even if they have been paid for. |

14.0 PROGRAM RESULTS FRAMEWORK AND DLIs

14.1 PROGRAM KEY RESULTS

1. The PDO is to enhance the institutional performance selected Local Governments²⁸ to improve urban service delivery. The Program is expected to produce the following three sets of results:
 - i) 22 municipal local governments with enhanced capacity in generating own source revenues, in urban planning, in providing a conducive environment for private sector investment and job creation, and in managing their financial, procurement, environmental and social systems;
 - ii) Expanded urban infrastructure; and
 - iii) Enhanced service delivery through improved local infrastructure in Local Governments Hosting Refugees²⁹.
2. The Program's progress towards achieving the three groups of results mentioned immediately above will be measured through the annual performance assessment. The performance indicators which will be used in the assessment are an enhanced version of the indicators used under the current Government program. The enhancements to the performance measurement system are necessary to reflect the significant increase in funds under the Program that the LGs will receive. These enhanced performance indicators have been refined in close consultation with MLHUD and the Program LGs. The summary of the performance indicators is provided below:

Summary overview of the main areas to be assessed

| A | ENHANCED MUNICIPAL INSTITUTIONAL PERFORMANCE |
|---|---|
| 1 | Establish linkage between Municipal Physical Development Plan, Five year Development Plan and Budgeting |
| 2 | Enhanced municipal own source revenue (OSR) |
| 3 | Procurement systems enhanced |
| 4 | Accounting and financial management systems enhanced |
| 5 | Program budget execution improved |
| 6 | Monitoring, accountability, transparency and communication enhanced |
| 7 | Environment and social sustainability management systems improved |
| B | EXPANDED URBAN INFRASTRUCTURE |

²⁸ (1) Arua MC, (2) Gulu MC, (3) Lira MC, (4) Moroto MC, (5) Soroti MC, (6) Tororo MC, (7) Mbale MC, (8) Jinja MC, (9) Entebbe MC, (10) Masaka MC, (11) Mbarara MC, (12) Kabale (13) Fort Portal, (14) Hoima MC, (15)Kasese, (16) Kitgum, (17) Kamuli and (18) Mubende. Additional 4 municipalities of Busia, Ntungamo, Apac and Lugazi will join the Program in the second year of implementation.

²⁹ The selected districts hosting large numbers of refugees include Adjumani, Moyo, Yumbe, Arua, Isingiro, Kiryandongo, Kamwenge and Lamwo. Kamwenge and Lamwo will join the Program in the second year of implementation.

| | |
|----------|--|
| 1 | LGs meet the infrastructure targets they set out in the annual work plans and effectively carry out O&M of developed infrastructure. |
| 2 | LG scores in the value for money audits |
| C | ENHANCED SERVICE DELIVERY THROUGH IMPROVED LOCAL INFRASTRUCTURE IN LGS HOSTING REFUGEES |
| 1 | Results on Physical Planning, land tenure security and urban infrastructure development in refugee host areas- supported by MLHUD |
| 2 | Results on implementation of selected infrastructure investments in refugee host areas-by Districts hosting refugees |

3. Progress towards the achievement of PDO will be measured through the following indicators:
 - PDO indicator 1: enhanced municipal LGs institutional performance as scored in the annual performance assessment.
 - PDO indicator 2: Local infrastructure targets as set out in the annual work plans delivered by municipal LGs utilizing the Program funds. The municipal infrastructure investments which will be financed by the Program will be determined by LGs. As this is a demand driven process, the indicator will measure the actual investments completed.
 - PDO indicator 3: Enhanced service delivery through improved local infrastructure in Local Governments hosting large numbers of refugees as scored in the annual performance assessment
4. The first PDO indicator reflects results area 1, the second PDO will capture the results area 2 and the third PDO will capture result area 3.

14.2 DISBURSEMENT LINKED INDICATORS (DLI)

1. The annual disbursement under the Program will be based on the scores realized under each DLI as assessed by an independent contracted professional team and verified by an inter-ministerial Program Technical Committee.
2. The Program has a total of eight DLIs.

USMID-AF will have three groups of DLIs:

I. DLIs 1, 2, 3 and 4: Enhanced institutional and infrastructure delivery performance achieved by municipal LGs (US\$255 million). These DLIs target comprehensive improvements at the LG level. The objective of these DLIs are as follows:

DLI 1 – Municipal LGs have met Program minimum conditions in the annual assessment (US\$60 million- IDA). This DLI will ensure that Program LGs have minimum capacity in

fiduciary, technical (project Planning and execution), and environmental and social management to absorb the increased funding provided under the Program. The way to ensure the existence of this capacity will be by applying the Program's minimum access conditions. Assessment of each LG's compliance with the minimum access conditions, which will be done annually by an independent reputable firm, will determine whether the LG is eligible to receive Program funds. Only those LGs, which fully abide by the minimum conditions will receive funds under DLI 1, and become eligible to receive funds under DLIs 2 and 3. Those LGs which do not fully comply with the minimum access conditions will not receive funds under DLIs 1, 2 and 3 and will only be eligible for funds for institutional strengthening, under DLI 4;

DLI 2 – Municipal LGs have achieved institutional performance³⁰ as scored in the annual performance assessment (US\$110 million -IDA). This DLI focuses on strengthening the local government institutional capacity. Similar to DLI 1, the Program's independent assessment will measure the extent to which each Program LG has enhanced its institutional capacity, by applying the Program's institutional performance indicators. The score obtained by each Program LG against the performance indicators will determine the amount of funding it will receive from GoU against DLI 2. The sum of these amounts for all LGs will determine the GoU disbursement for this DLI. The DLI is designed to be fully compatible with performance enhancement, where a LG which scores higher in its institutional performance assessment than another LG will receive a higher amount of funding; in other words, every point scored by a Municipality counts in determining the actual amount that will be disbursed to that Municipality for that year;

DLI 3 – Municipal LGs have delivered local infrastructure as per their annual action plans by utilizing Program funds (US\$75 million - IDA). This DLI will reward Program LGs' delivery of improved urban infrastructure while using the Program funds effectively and efficiently. The extent to which LGs complete their infrastructure investments against targets set in LG annual work plans and the extent to which LGs execute their operations and maintenance plans will be measured by the Program's infrastructure investment performance indicators. The efficiency with which the infrastructure investments have been carried out will be measured by the value for money audits which will be conducted, starting in FY 2017/18, by the country's Auditor General. The independent annual assessment, which will determine progress against targets in infrastructure delivery, will also incorporate the outcome of the value for money audits and incorporate the assessment of the operations and maintenance of all major infrastructure projects. The

³⁰ In the areas of linkage between municipal physical development plan, five year development plan and budgeting; municipal own source revenue; procurement performance; municipal accounting and core financial management; execution/implementation of budget for improved urban service delivery; accountability and transparency (monitoring and communication); environmental and social sustainability.

combination of these three elements for each LG will determine the amount of funding that LGs will receive against DLI 3 from GoU;

DLI 4 – Municipal LGs have achieved institutional strengthening by utilizing Program funds (US\$10 million IDA). The DLI will ensure (i) that municipal LGs have a comprehensive institutional strengthening plan, and (ii) that plan is executed in line with the eligible expenditures. The LG institutional strengthening plan will be LG specific and will comprise measures to improve gaps in technical, fiduciary and environmental and social systems, as revealed by the Program’s annual performance assessment. Among other things, each municipal institutional strengthening plan will specify the activity, objective, the resources assigned and the implementation timeline (see Form D2). Municipalities which have not complied with minimum access conditions (i.e. are not eligible for DLIs 1, 2, and 3) will receive funding under DLI 4 so as to address their institutional strengthening gaps (provided they have an approved institutional strengthening plan) and prepare themselves to qualify to receive funding in the following year³¹.

2. DLIs 5 and 6: Strengthened municipal capacity achieved by central government (US\$45 million).

DLI 5 – Annual MLHUD system development and institutional strengthening activities for Program municipalities executed (US\$37 million IDA). The DLI will ensure that MLHUD adopts and implements an institutional strengthening plan. The plan will include: the implementation of the urban policy; Development and implementation of the Municipal Development Strategies (MDSs). The plan will ensure the functionality of the MDF and National Urban Development Forum, enhanced own source collection and administration in municipalities, strengthened valuation services, physical planning, Land Use Management and Compliance.

DLI 6 – LGs with town clerks in place (US\$8 million). While all LG staff are local government employees, chief accounting and deputy accounting officers are appointed by the central government. Without these officers in place, the risk that Program LGs are not managed properly increases, thereby increasing the risk to the Program’s objectives. The main purpose of this DLI is therefore to provide an incentive to the central government to ensure that all Program LGs have their chief accounting officers in place.

3. DLIs 7 and 8: Results on Physical Planning, Land Tenure Security and

³¹ From FY2020/21 onwards, DLI 4 will disburse against the execution – not just adoption - by Municipal LGs of the annual capacity building plan. It is not possible to do this for the first two years as the annual financing and disbursement cycle does not permit sufficient execution time to have lapsed for an “execution assessment” to be made

Urban Infrastructure Development in Refugee Host Areas (US\$60 million).

DLI 7 – Results on Physical Planning, land tenure security and urban infrastructure development in refugee host areas (US\$14.6 million). This DLI will incentivize MLHUD to ensure physical planning, land tenure security and urban infrastructure development in refugee host areas.

DLI 8 – Results in infrastructure investments in refugee host areas (US\$ 45.4 million). This DLI will ensure planning and infrastructure investments in refugee host areas.

| DLI No. | Disbursement Link Indicator (DLIs) Description | Total Financing allocated to DLI (million US\$) | As % of Total Financing Amount | Projected Disbursement (US\$) | | | | |
|--|--|---|--------------------------------|-------------------------------|-----------|-----------|-----------|-----------|
| | | | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| | | | | FY2018/19 | FY2019/20 | FY2020/21 | FY2021/22 | FY2022/23 |
| A. Funds to Municipal Local Governments (MLG) DLIs 1, 2, 3 and 4: Enhanced institutional and infrastructure delivery performance achieved by municipal LGs | | | | | | | | |
| 1 | DLI 1: Municipal LGs have met Program minimum conditions in the annual performance assessment | 60 | 16.67% | 9.8 | 14.2 | 19.35 | 16.65 | 0 |
| 2 | DLI 2: Municipal LGs have achieved institutional performance as scored in the annual performance assessment | 110 | 30.56% | 17.96 | 26.04 | 35.47 | 30.53 | 0 |
| 3 | DLI 3: Municipal LGs have delivered local infrastructure, value for money and maintenance as per their annual action plans by utilizing DDEG (including USMID) funds | 75 | 20.83% | 12.24 | 17.76 | 24.18 | 20.82 | 0 |
| 4 | DLI 4: Municipal LGs have achieved institutional strengthening through Program funds | 10 | 2.78% | 2.5 | 2.5 | 2.5 | 2.5 | 0 |
| | Sub-total financing to USMID Program Municipalities | 255 | 70.83% | 42.5 | 60.5 | 81.5 | 70.5 | 0 |
| B. Funds to MLHUD: DLIs 5 and 6: Strengthened municipal capacity achieved by central government | | | | | | | | |
| 5 | DLI 5: Annual MLHUD system development and institutional strengthening activities for Program municipalities executed | 37 | 10.28% | 7 | 7 | 7 | 7 | 9 |
| 6 | DLI 6: LGs with town clerks in place in target municipalities | 8 | 2.22% | 1.6 | 1.6 | 1.6 | 1.6 | 1.6 |
| | Sub-total financing for MLHUD for Support to Municipalities | 45 | 12.50% | 8.6 | 8.6 | 8.6 | 8.6 | 10.6 |
| C. Funds to Refugee Host District Local Governments: DLI 7 and 8: Physical Planning, land tenure security and urban infrastructure development in Refugee host areas | | | | | | | | |
| 7 | DLI 7 Support by MLHUD for Physical Planning, land tenure security and urban infrastructure development in refugee host areas | 14.6 | 4.06% | 3 | 3 | 5 | 2.7 | 0.9 |
| 8 | DLI 8: Results on implementation by Refugee host DLGs of selected infrastructure investments in refugee host areas | 45.4 | 12.61% | 10 | 12 | 13.4 | 10 | |
| | Sub-total: Allocated amount for Refugee host Areas | 60 | 16.67% | 13 | 15 | 18.4 | 12.7 | 0.9 |
| | | | | | | | | |

| | | | | | | | | |
|--|----------------------------|-----|---------|------|------|-------|------|------|
| | Grand Total Program Funds: | 360 | 100.00% | 64.1 | 84.1 | 108.5 | 91.8 | 11.5 |
|--|----------------------------|-----|---------|------|------|-------|------|------|

ANNEXES

ANNEX I: Participation Agreement for LGs and MDAs



THE REPUBLIC OF UGANDA

MINISTRY OF LANDS, HOUSING AND URBAN DEVELOPMENT

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

PROGRAM PARTICIPATION AGREEMENT BETWEEN THE REPUBLIC OF UGANDA
REPRESENTED BY THE MINISTRY OF LANDS, HOUSING AND URBAN DEVELOPMENT
AND

_____**MUNICIPAL COUNCIL/DISTRICT LOCAL
GOVERNMENT**

This AGREEMENT is made this ____ day of _____ 20__ between the Government of Uganda (GoU) represented by the Ministry of Lands, Housing and Urban Development (MLHUD) (hereinafter referred to as the "Ministry" or "Executing Agency") of the one part and _____ Municipal/District Council (hereinafter referred to as the "Municipality" or "Municipal Council" or "Local Government/District Council" of the other part).

WHEREAS by a Development Financing Agreement (DFA) dated (hereinafter called the "DFA") made between the Government of the Republic of Uganda (hereinafter called the "Government") and the International Development Association (hereinafter referred to as the "Association"), the Association has agreed to lend to the Government an amount (the "Credit") equivalent to three hundred and thirty five million United States Dollars (USD 335,000,000) and offer a Grant of Twenty five million United States Dollars (USD 25,000,000) for purposes of implementing the Uganda

Support to Municipal Infrastructure Development Program- Additional Financing (USMID-AF) and upon conditions therein set forth; and Government has agreed to ensure a strong implementation of the USMID AF Program.

WHEREAS Government has agreed with the Association and the Municipality/Local Government that the Program will be executed in accordance with the terms and conditions of the DFA; and

WHEREAS under the terms of the DFA, the Government has agreed to enter into this Participation Agreement with the Municipality/Local Government for the purpose of making available part of the proceeds of the Credit and the Grant as a Municipal Development Grant (MDG)/Local Development Grant (LDG) and a Municipal Institutional Strengthening Grant (MISG) in accordance with the provisions of the Program Appraisal Document (PAD) and the Program Operational Manual (POM); and

WHEREAS the MDG/LDG is to be applied towards financing the implementation of infrastructure projects and the delivery of services to benefit local governments, communities and business enterprises within the Municipality/ Local Government in areas included under the Second Schedule (Parts 2 to 5), of the Local Government Act, CAP 243, the Physical Planning Act 2010, and further defined in the areas defined in the USMID-AF Program Operational Manual; and the Municipal Institutional Strengthening Grant (MISG) towards enhancing the capacity of the municipality to enable them to contribute effectively to organized urban development in accordance with the Uganda Decentralization Policy as further defined in the Program Operational Manual; and

WHEREAS the Municipality/ Local Government is aware of the respective roles and responsibilities of the Government and Local Government as set out in the Constitution of 1995, the Local Government Act, CAP 243, the Physical Planning Act 2010, wishes to access the MDG/LDG and MISG from time to time as grants to finance the cost of selected eligible infrastructure investments under the Second Schedule (Parts 2 to 5) of the Local Government Act, CAP 243 and amendments; and institutional strengthening of the Municipality.

NOW THEREFORE the parties hereto hereby agree as follows:

Article1

DEFINITIONS

Unless the context otherwise dictates, the several terms defined in the DFA have the respective meanings therein set forth and the following terms have the following

meanings:

- a) "Program" means the Uganda Support to Municipal Infrastructure Development Program Additional Financing (USMID-AF).
- b) "Municipal Development Grant" or "MDG" means the Grant provided to the Municipality for use in provision and/or improvement of selected services from the Second Schedule (Parts 2 to 5) of the Local Governments Act, CAP 24 with amendments and further defined in the Program Operational Manual.
- c) "Local Development Grant" or "LDG" means the Grant provided to the Refugee hosting District Local Government for use in provision and/or improvement of selected services from the Second Schedule (Parts 2 to 5) of the Local Governments Act, CAP 24 with amendments and further defined in the Program Operational Manual.
- d) "Municipal Institutional Strengthening Grant" or "MISG" means the Grant provided to the Municipality to develop its institutional capacity to meet its statutory roles and responsibilities.
- e) "Program Operational Manual" means the Program Operational Manual dated regularly with any subsequent editions that may be issued during the life of the program, that sets out procedures and requirements for program Local Governments to access the Grants under the program for development projects and the provision of services covered in the Second Schedule (Parts 2 to 5) of the Local Governments Act, CAP 243 and the Physical Planning Act 2010 and any amendments made thereto from time to time and the Municipal Institutional Strengthening Grant.
- f) The "Grant" means the grant provided for in Article 2 of this Agreement.
- g) "Sub-project" means an investment, financed or proposed to be financed, under the Municipal Development Grant (MDG) or the LDG, or activities financed under the Municipal Institutional Strengthening Grant.

Article 2

THE GRANT

The Government shall make available to the Municipality/Local Government for purposes of this Agreement annually MDG/LDG and MISG provided that the conditions under the USMID-AF Program, Program Operational Manual, and Program Implementation Guidelines developed from time to time and the Performance Assessment tools are complied with. The size of the grants will depend on the funds allocation formula which uses needs factors as well as performance of each Municipality/Local Government. The

grants, provided that conditions are complied with, will be released to the Municipality/Local Government in the fiscal years 2018/19, 2019/20, 2020/21 and 2021/22 or as per disbursement schedule agreed with the Association. Grant releases for the fiscal year will be based on performance assessments of all Municipalities/Local Governments as well as the individual performance under the program.

COUNTERPART FUNDS

In order to access the Grant the Municipality/ Local Government is not obliged to make available counterpart contributions but may add from own source revenues to the investments. The performance of the Municipalities in the area of own source revenue mobilization is promoted in the USMID –AF Program.

Article 3

OBLIGATIONS OF THE GOVERNMENT

The Government shall:

- a) Be responsible for the overall management, coordination and implementation of the Program through the Ministry of Lands, Housing and Urban Development (hereinafter referred to as the “MLHUD”).
- b) Cooperate with the Municipality/ Local Government to ensure that the purposes of this Agreement are accomplished.
- c) Comply with and meet its obligations in accordance with the DFA, PAD and Program Operational Manual and the Performance Assessment tool as well as any Environmental and Social Management Framework requirements and any amendments made thereto from time to time.
- d) Ensure establishment and operation of program structures including the Fiscal Decentralization Steering Committee (FDSC), Program Technical Committee (PTC), Program Support Team (PST) as stipulated in the Program Appraisal Document and Program Operational Manual.
- e) Provide necessary implementation guidelines for the Municipality for effective implementation of the program.
- f) Undertake the annual performance assessments and disburse the grants in a timely manner.
- g) Undertake regular monitoring and supervision during the implementation of the program.
- h) Assist the Municipality/ Local Government in the establishment of a Monitoring and Evaluation System to enable on-going review of the implementation of the Sub-

projects supported by the Grant so as to determine the performance of the Municipality/ Local Government.

- i) Ensure that Environment and Social safeguards are well monitored and managed in accordance with relevant policies and applicable Laws of Uganda.
- j) Take necessary remedial and punitive actions to the Municipality/Local Government in case the Municipality/ Local Government does not comply with provisions of the PAD, POM, Implementation Guidelines and safeguards requirements.

Article 4

OBLIGATIONS OF THE MUNICIPALITY/LOCAL GOVERNMENT

The Municipality/ Local Government shall fully cooperate with the Ministry of Lands, Housing and Urban Development (MLHUD) to ensure that the purpose of the Grant is accomplished and do everything possible to enable the government to fulfill its obligations under the DFA. It shall comply with and meet its obligations in accordance with the provisions of this Agreement, the Program Appraisal Document (PAD), the Program Operational Manual and the Performance Assessment tool, Implementation Guidelines and administrative instructions issued by the MLHUD and any amendments made thereto from time to time including:

- a) Preparing plans and budgets including the five-year Municipal Development Plan, the Physical Development Plan, annual plans and budgets as required under the LGA, PFMA, PPDA, the Physical Planning Act and other applicable laws and regulations and ensuring that each sub-project is consistent with the physical development plan in effect at the time the sub-project is approved.
- b) Meeting the minimum access conditions for the grants as set out in the performance assessment tool.
- c) Ensuring that all payments due to contractors, suppliers and providers of services engaged on sub-projects by the Municipality/ Local Government are effected in accordance with provisions of the relevant contracts and are made in a timely manner.
- d) Submitting to the MLHUD quarterly financial and physical progress reports for all sub-projects and activities undertaken in the formats prescribed by government and as advised from time to time by the MLHUD.
- e) Ensuring that Program Bank Accounts have been opened through which program funds shall be managed.
- f) Ensuring that implementation of sub-projects conforms to environmental and social safeguard practices as prescribed in the relevant government policies and laws.

- g) Adhering to the Program implementation guidelines, technical guidance and instructions issued by MLHUD from time to time for purposes of effective program implementation.
- h) Ensuring that land on which Sub-projects are to be located is free of encumbrances and that there are no involuntary resettlement issues.
- i) Ensuring that operation and maintenance plans and budgets for all infrastructure projects are developed and implemented.
- j) Establishing and ensuring continued maintenance and functioning of the Monitoring and Evaluation System and submitting prescribed reports to the MLHUD and/or Ministry of Finance, Planning and Economic Development on a quarterly basis in a timely manner.
- k) Participating fully in the periodic reviews organized by the MLHUD including the Program Technical Committee meetings, midterm review meetings, end of program review meetings, implementation support missions and any others and implement the required recommendations from such meetings/reviews/ missions. To this end, furnishing to the MLHUD such reports as may be required to evaluate progress and status of implementation.
- l) Acting promptly and diligently, following periodic reviews of Sub-projects, in order to take, or assist the MLHUD in taking any corrective action to remedy any shortcomings noted in the implementation of the Sub-projects, or to implement or assist the Government through the MLHUD in implementing such other measures as may be necessary for the furtherance of the objectives of the Program.
- m) Ensuring that the relevant Municipal/Local Government Committees of Council as prescribed under the Physical Planning Act 2010 and the LG Act, Cap 243 as amended are in place and functional.
- n) Assuming responsibility for the implementation, supervision and certification of Sub-projects by municipality/Local Government at all levels within its jurisdiction.
- o) Using the MDG/LDG and the MISG only for the purposes meant for it and as outlined in the program operational manual and with due diligence and efficiency and in conformity with sound engineering, administrative and financial practices and national standards under the supervision of qualified and experienced management assisted by competent staff. Program funds including any interest earned are not to be "borrowed" from the bank accounts where these are banked for any other purposes.
- p) Ensuring that the proceeds of the Grants and any interest earned are used

exclusively to fund eligible program activities/expenditure and that the Sub-projects funded from the MDG are confined to only those in the eligible menu of investment under USMID-AF.

- q) With respect to the Sub-projects, maintain or cause to be maintained separate and appropriate financial records and generate suitable financial statements.
- r) Provide the Ministry with all such information and other materials relating to performance of its obligations under this Agreement, the utilization of the Grant and related matters as the Ministry may request from time to time.
- s) Promptly inform the Government of any condition which interferes with or threatens to interfere with the performance of its obligations under this Agreement, the accomplishment of the purposes of this Agreement or the Grant.
- t) Enable authorized representatives of the Ministry, donors and the Association to inspect the Sub-projects, related records, documents and operations.
- u) For each Sub-project detailed independent documentation and records of costs, numbers and quantities of installations made, operation and maintenance arrangements etc. will be maintained to facilitate subsequent transfer on determination of ownership.
- v) For each Sub-projects ensure that the national standards and quality prescriptions are maintained and that necessary certifications and approvals from the responsible agencies of government are duly met.
- w) Ensure that local revenue collections do not drop in nominal terms from year to year.

Article 5

RIGHTS AND REMEDIES OF THE GOVERNMENT

- a) In the event that the right of MLHUD under the DFA to make withdrawals from the Credit shall be suspended or terminated then, regardless of the reason for the suspension or termination the right of the Municipality/ Local Government to receive further monies as otherwise provided in this Agreement shall simultaneously and to the same extent be suspended or terminated as the case may be.
- b) Notwithstanding cancellation of any amount of the Credit or any suspension of the right of the Ministry to make withdrawals from the Credit or Grant all provisions of this Agreement shall remain in full force and effect except as provided contrary to this Article 5.
- c) Where the municipality/Local Government ignores or does not implement direction,

technical guidance and administrative instructions pertaining to implementation of the program, given by the Ministry, MLHUD shall take such measures that are deemed necessary to bring implementation of the program to course. Such measures include; caution, suspension from the program, partial or complete takeover of the implementation of the Program, termination from the program, or any other sanctions to the Municipality/Local Government including to the Officials, contractors, subcontractors or any other agent of the Municipality/Local Government in accordance with the Laws of the Republic of Uganda.

- d) Failure by the Municipality/Local Government to adhere to the provisions of this Participation Agreement shall lead to suspension or termination of the grant by the Ministry.

Article 6

EFFECTIVE DATE AND TERMINATION

- a) This Agreement shall come into force and effect on the date on which the DFA comes into force and effect or the date on which this Agreement is made whichever is later.
- b) This Agreement shall terminate and all obligations of the parties shall cease on the date on which the Municipality/Local Government has made all payments and accountabilities for which it is or may become liable and fulfilled all its obligations under this Agreement.

Article 7

NOTICES

Any notice, request, approval, information, declaration, further agreement or other communication between the parties permitted or required by this Agreement shall be in writing and shall be deemed to have been duly given, made, or sent when it shall be delivered by hand or by mail, facsimile or telegram, to the party to which it is required or permitted to be given or made at the address of such party hereinafter specified, or at such other address as such party shall have designated by notice to the other party.

Article 8

OTHER PROVISIONS

- a) This Agreement shall be binding upon all successors of the Municipality/Local Government in whatever forms constituted and their assigns.
- b) No delay in exercising or omission to exercise any right or remedy accruing to either party under this Agreement upon any default, shall impair any such right, power or

remedy or its exercise or be construed as a waiver thereof or as acquiescence in such a default, or shall affect or impair any right or remedy in respect of any other subsequent default.

- c) Any Schedules annexed hereto form and constitute an integral part of this Agreement.
- d) The provisions of this Agreement shall only apply in so far as they are not inconsistent with the provisions of the Constitution of the Republic of Uganda 1995, Physical Planning Act 2010 and the Local Government Act, CAP 243.
- e) Any action permitted or required to be taken and any document permitted or required to be executed under this Agreement may on behalf of the Municipality/Local Government be undertaken or executed by the Town Clerk or such other person, as he/she shall designate in writing for the case of the Municipality or by the Chief Administrative Officer or such other person, as he/she shall designate in writing, for the case of the District Local Government.
- f) This Agreement may be executed in several counterparts, each of which shall be an original.
- g) This Agreement shall not be amended, supplemented, varied or rescinded except with the consent and approval of Government, the Municipality/Local Government and the Association.

Article 9 DISPUTE RESOLUTION

This Agreement shall be governed by the laws of Uganda and any dispute arising from this agreement shall be resolved by the parties amicably.

IN WITNESS whereof the parties hereto have executed and delivered this Agreement on the day and year first above written.

FOR AND ON BEHALF OF THE GOVERNMENT

Dorcas W. Okalany
Permanent Secretary
Ministry for Lands, Housing and Urban Development

In the Presence of:

Amongi Betty Ongom

Minister for Lands, Housing and Urban Development

Ministry for Lands, Housing and Urban Development

**FOR AND ON BEHALF OF _____ MUNICIPALITY/LOCAL
GOVERNMENT**

Name: _____

Town Clerk/Chief Administrative Officer

In the Presence of:

Name: _____

Mayor/District Chairperson



THE REPUBLIC OF UGANDA

MINISTRY OF LANDS, HOUSING AND URBAN DEVELOPMENT

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

PROGRAM PARTICIPATION AGREEMENT

BETWEEN

MINISTRY OF LANDS, HOUSING AND URBAN DEVELOPMENT
(MLHUD)

AND

Acronyms

| | |
|----------|--|
| APA | Annual Performance Assessment |
| CIID | Crime Investigations and Intelligence Directorate |
| DFA | Development Financing Agreement |
| DPP | Directorate of Public Prosecution |
| FDSC | Fiscal Decentralization Steering Committee |
| IG | Inspectorate of Government |
| M&E | Monitoring and Evaluation |
| MDA | Ministries, Departments and Agencies |
| MDF | Municipal Development Forum |
| MLHUD | Ministry of Lands Housing and Economic Development |
| MoFPED | Ministry of Finance Planning and Economic Development |
| MoLG | Ministry of Local Government |
| NUF | National Urban Forum |
| PPDA | Public Procurement and Disposal of Public Asset Authority |
| PPP | Public Private Partnership |
| PSC | Program Steering Committee |
| PTC | Program Technical Committee |
| USMID-AF | Uganda Support to Municipal Infrastructure Development Program - Additional Financing |
| WB | World Bank |

This AGREEMENT is made this ____ day of _____ 20__

BETWEEN

Ministry of Lands, Housing and Urban Development
(MLHUD)

AND

(hereinafter referred to as the "Ministry, Department, Agency" or "MDA")

WHEREAS in accordance with the terms of the Development Financing Agreement (DFA) and terms and conditions stipulated in this participating agreement, Ministry of Lands Housing and Urban Development has agreed to enter into a participating agreement with the "Ministry, Department, Agency" or "MDA" ("hereinafter individually referred to as the "Party" and collectively referred to as "Parties") to provide technical support in respective areas of mandate.

NOW THEREFORE the parties hereto agree as follows:

Article 1

OBLIGATION OF THE PARTIES

1. Ministry of Lands, Housing and Urban Development

The Ministry of Lands, Housing and Urban Development (MLHUD) shall be responsible for the following roles:

- a) Overall management, coordination and implementation of the Program.
- b) Serve as a member of the Fiscal Decentralization Steering Committee.
- c) Serve as a Program secretariat and chair the Program Technical Committee.
- d) Provide the necessary technical support to Municipal and District Local Governments participating in the Program.
- e) Develop and revise the necessary systems and laws for urban development and management (development of laws, regulations and standards) such as (i) Physical Planning Regulations with Standards and Guidelines, (ii) Building Regulations (iii) Urban data base indicators, and (iv) the law for the establishment of the Physical

Planners Registration Board.

- f) Develop national valuation principles, standards and guidelines.
- g) Develop systems and guidelines for supporting municipal local governments on Local Economic Development.
- h) Provide accountability for the Program funds to the National Parliament.
- i) Have in place the Program Support Team as per Program's legal covenant.
- j) Commission the annual performance assessment of the participating municipalities to be undertaken by a reputable independent firm and ensure that the terms of reference for this firm are satisfactory to the World Bank.
- k) Put in place annual plans for institutional strengthening of the participating Municipal and District Local Governments in order to achieve the Program objectives.
- l) Coordinate support and inputs from the various sector Ministries, Departments and Agencies with respect to design standards for the various sub-Programs to be funded under the Program.
- m) Oversee urban development in the country.
- n) Share with the Municipal, District Local Governments and also the IG, CIID and DPP, on a regular basis, the list of firms and individuals which have been debarred or suspended by the World Bank and PPDA from participating in procurement.
- o) Roll out the Municipal Development Forums (MDF) to all the participating Program municipalities.
- p) Prepare and issue the Program Operational Manual to participating Municipal and District Local Governments.
- q) Produce and submit to the World Bank within three months of the beginning of each new fiscal year an annual Program report which will include the following.
 - i) Summary of the Municipal/District Local Government assessment results and the corresponding disbursed amounts;
 - ii) Summary of aggregate program expenditures and infrastructure delivered by Municipal/ District Local Governments;
 - iii) Progress report on activities executed under the MLHUD Institutional Strengthening plan;
 - iv) Summary of aggregate Institutional Strengthening activities executed by the municipal LGs;

- v) Summary report on aggregate environmental and social measures undertaken by each municipal LGs, including grievances handled;
- vi) Summary report on aggregate information on procurement grievances;
- vii) Summary of aggregate information on fraud and corruption issues- including, but not limited to complaints and investigations.

2. Ministry, Department, Agency "MDA" shall be responsible for the following roles:

- a) Participate in all Program Technical Committee meetings and activities.
- b) Carry out research and Institutional Strengthening activities that fall within their mandate.
- c) Participate in activities that enhance citizen engagement such as Municipal Development Forum (MDF) and National Urban Forum (NUF) among others.
- d) Disseminate and share good practices in USMID-AF with its members.
- e) Promptly submit acceptable work plans and budgets for program activities assigned by the MLHUD.
- f) Promptly submit activity progress reports and accountabilities acceptable to MLHUD.

Article 2

NOTICES

Any notice, request, approval , information, declaration, further agreement or other communication between the Parties permitted or required by this Agreement shall be in writing and shall be deemed to have been duly given, made ,or sent when it shall be delivered by hand or by mail, facsimile or telegram, to the party to which it is required or permitted to be given or made at the address of such party herein after specified, or at such other address as such party shall have designated by notice to the other party.

Article 3

EFFECTIVE DATE AND TERMINATION

- a) This Agreement shall come into force and effect on the date to which the Loan Agreement comes into force and effect or the date on which this Agreement is made whichever is later.
- b) This Agreement shall be terminated and all obligations of the parties shall cease on the date on which all partners have made all payments for which it is or may become liable and fulfilled all its obligations under this Agreement.

Article 4

Dispute Resolution:

This participating agreement shall be governed by the laws of Uganda and in case of any dispute arising from this participating agreement shall be resolved by the parties amicably.

RESPONSIBLE PERSONS

..... Date

Dorcas W. Okalany

Permanent Secretary

Ministry for Lands, Housing and Urban Development

..... Date

Name: _____

Post: _____

MDA: _____

ANNEX II: Result Framework and Monitoring Indicators

| PDO Level Results Indicators | Core | DLI | Unit of Measure | Baseline | Target Values | | | | | Frequency | Data Source/Methodology | Responsibility for Data Collection |
|--|--------------------------|-----|-------------------|----------|---------------|-----------|-----------|-----------|-----------|-----------|---|--|
| | | | | | FY2018/19 | FY2019/20 | FY2020/21 | FY2021/22 | FY2022/23 | | | |
| Program Development Objective: Enhance institutional performance of selected municipal Local Governments to improve urban service delivery | | | | | | | | | | | | |
| 1 Average annual performance score of participating LGs in the seven thematic areas as assessed by the independent annual performance assessment | <input type="checkbox"/> | 2 | % Targets | 0 | 60% | 70% | 80% | 90% | | Annually | Annual performance assessments (PAs), bi-annual WB supervision missions | MoLHUD hires a reputable private sector consulting/audit firm to carry out the independent annual performance assessment (APA) to measure the performance of each municipal LG against the Program's performance indicators. |
| | | | Actuals | | | | | | | | | |
| 2. Local infrastructure targets as set out in the annual work plans delivered by municipal LGs utilizing the Program funds. | <input type="checkbox"/> | 3 | % Targets | 0 | 60% | 70% | 75% | 85% | | Annually | Annual PAs, bi-annual supervision missions | Participating municipal LGs; MoLHUD through independent private consulting/Audit firm |
| | | | Actuals | | | | | | | | | |
| 3. Direct Program beneficiaries (number), of which female (percentage) | ✓ | | Number Targets | 1400000 | 1900000 | 2300000 | 2700000 | 3100000 | 3500000 | Annually | Annual PAs | Direct beneficiaries of actual investments financed by USMID |
| | | | Actuals | | | | | | | | | |

| PDO Level Results Indicators | Core | DLI | Unit of Measure | Baseline | Target Values | | | | | Frequency | Data Source/Methodology | Responsibility for Data Collection |
|--|------|-------|-----------------|----------|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------------------------|---|---|
| | | | | | FY2018/19 | FY2019/20 | FY2020/21 | FY2021/22 | FY2022/23 | | | |
| Intermediate Results Area 1 (MDG Element): <i>Improve urban service delivery through enhanced urban local development grant</i> | | | | | | | | | | | | |
| 4. Municipal roads built or rehabilitated with related infrastructure using urban LDG | √ | 3 | Km | 53.02 | Measured Annually | Measured Annually | Measured Annually | Measured Annually | Measured Annually | Annually | Municipal reports | Participating municipalities; MoLHUD |
| | | | Targets | | | | | | | | | |
| 5. Garbage collected and disposed. | √ | 3 | Tonnage | 520000 | Measured Annually | Measured Annually | Measured Annually | Measured Annually | Measured Annually | Quarterly, Bi-annually, annually. | Municipal reports | Participating municipalities; MoLHUD |
| | | | Actuals | | | | | | | | | |
| 6. Municipal local economic infrastructure (bus parks, markets, parking lots etc) built or rehabilitated using the urban LDG. | ☐ | 3 | Numbers | 3 | Measured Annually | Measured Annually | Measured Annually | Measured Annually | Measured Annually | Measured Annually | Annual PAs, bi-annual supervision missions, quarterly progress reports (OBT), VFM audit | Participating municipalities; MoLHUD |
| | | | Actuals | | | | | | | | | |
| Intermediate Results Area 2: (Municipal ISG Element): <i>Enhanced capacity of participating municipal LGs and MoLHUD in urban development and management</i> | | | | | | | | | | | | |
| 7. Municipal LGs with qualified core staff | ☐ | 1 & 6 | Numbers | 14 | 18 | 18 | 18 | 18 | 18 | Annually | Annual PAs | Participating municipal LGs; MoLG, MoLHUD through independent private consulting/Audit firm |
| | | | Targets | | | | | | | | | |
| 8. Municipal LGs with at least 10% annual increase | ☐ | 2 | Numbers | 0 | 6 | 10 | 14 | 18 | 18 | Annually | Audited final accounts | Participating municipal LGs; MoLG, |
| | | | Actuals | | | | | | | | | |

| PDO Level Results Indicators | Core | DLI | Unit of Measure | Baseline | Target Values | | | | | Frequency | Data Source/Methodology | Responsibility for Data Collection |
|---|--------------------------|-----|---------------------|----------|----------------|-------------------------|-------------------------|-------------------------|-------------------------|-----------|--|--|
| | | | | | FY2018/19 | FY2019/20 | FY2020/21 | FY2021/22 | FY2022/23 | | | |
| in own source revenue (OSR) | | | Targets | | | | | | | | | MoLHUD through independent private consulting/Audit firm |
| | | | Actuals | | | | | | | | | |
| 9. Municipal LGs with clean audit reports for previous year | <input type="checkbox"/> | 2 | Number s Targets | 8 | 12 | 14 | 16 | 18 | 18 | Annually | Annual PAs | Participating municipal LGs; OAG, MoLG |
| | | | Actuals | | | | | | | | | |
| 10. Municipal LGs with actual expenditures on O&M more than 75% of the O&M budgeted amount | <input type="checkbox"/> | 3 | Number s Targets | 6 | 12 | 14 | 16 | 18 | 18 | Annually | Annual PAs | Participating municipal LGs; MoLHUD through independent private consulting/ Audit firm |
| | | | Actuals | | | | | | | | | |
| 11. Technical support by MoLHUD and implementation of the Program action plan to ensure achievement of Program results. | <input type="checkbox"/> | 5 | % Targets | NA | ISP adopted | 60% | 70% | 80% | 90% | Annually | Quarterly progress reports (OBT), Bi-annual supervision missions, Annual PAs | MoLHUD |
| | | | Actuals | | | | | | | | | |
| Intermediate Results Area 3: Strengthened municipal capacity achieved by central government | | | | | | | | | | | | |
| 12. Valuation Services strengthened by CGV office | <input type="checkbox"/> | 7 | Numbers Targets | NA | PIP develop ed | Annual PIP implement ed | Annual PIP implement ed | Annual PIP impleme nted | Annual PIP implement ed | Annually | Accountant General | Accountant General reports and WB PFM missions |
| | | | Actuals | | | | | | | | | |
| Intermediate Results Area 4: Sub-window for refugees and host communities | | | | | | | | | | | | |

| PDO Level Results Indicators | Core | DLI | Unit of Measure | Baseline | Target Values | | | | | Frequency | Data Source/Methodology | Responsibility for Data Collection |
|-------------------------------------|--------------------------|-----|------------------------|----------|---|---|---|---|--|-----------|-------------------------|--|
| | | | | | FY2018/19 | FY2019/20 | FY2020/21 | FY2021/22 | FY2022/23 | | | |
| 13. MoLHUD results under sub-window | <input type="checkbox"/> | 7 | Numbers Targets | | MoLHUD plan for refugee and host communities for FY 2018/19 ³² developed: 100 % allocation based on the plan | Rapid physical planning assessment completed in the 6 target districts the target municipal LG Physical Development Frameworks completed in 6 target districts (6 PPFs) (assessment report with | 9 PDPs completed in 6 districts and 6 urban areas (6 final PDP documents) as well as 1 MLG | District office supported in the creation and use of the data-base and Systematic Land Adjudication & Certification (SLAC) for the refugees and host communities in 6 selected parishes completed & certificates issued ³³ | PDPs disseminated and second round of training of physical planning committees & political leadership in 6 districts to implement the PDPs ³⁴ M&E and Review of plan implementation. (progress report and M&E report) | Annually | Accountant General | Accountant General reports and WB PFM missions |

³² The plan, according to the POM, will contain a complete overview of all activities for the coming year under the DLI 8. The plan will also specify the target areas, districts, urban centers and parishes, based on analysis of the needs and coverage. The plan will also specify the allocation formulas, based on quick assessment of the needs of the 7 target areas.

³³ This will clarify the land rights in the wake of pressure on land occasioned by influx of refugees. The data base will provide quick information on land ownership in case any entity needs to acquire land for any purpose.

³⁴ This will encompass, minimum mission p.a. to each target areas to ensure that the LGs mainstream the PDPs in the annual work-plans, support identification of eligible projects, and ensure that procurement processes are conducted in accordance with the legal framework.

| PDO Level Results Indicators | Core | DIU | Unit of Measure | Baseline | Target Values | | | | | Frequency | Data Source/Methodology | Responsibility for Data Collection |
|--|--------------------------|-----|-----------------|----------|---------------|--------------|-----------|-------------------|-----------|-----------|-------------------------|------------------------------------|
| | | | | | FY2018/19 | FY2019/20 | FY2020/21 | FY2021/22 | FY2022/23 | | | |
| | | | | | | framework). | | (progress report) | | | | |
| | | | Actuals | | | | | | | | | |
| 13. Absorption and grant utilization within eligible expenditure of total development grants | <input type="checkbox"/> | | % | 0 | 60% | 70% | 75% | 80% | 60% | Annually | | |
| | | | Targets | | | | | | | | | |
| | | | Actuals | | | | | | | | | |

ANNEX III: Disbursement Linked indicators, Disbursement Arrangements and Verification protocols

Changes made to DLIs, disbursement arrangements and verification protocols

Compared with USMID, the DLI structure and the content of the USMID AF has refined in the following manner, see below for the entire new sets of DLIs.

Firstly, the DLIs 1-4 and the sub-results related to each of these, have been strengthened and refined. An example of this is the inclusion of new performance measures on Local Economic Development under DLI 3. Annex IV provides an overview of the new/revised minimum conditions and performance measures and the main changes made compared with the current USMID, and also linked with the national system of APAs.

Second, DLI 5 – results provided by MLHUD have been strengthened, moving away from only reviewing plans and achievement rates from a system focusing on **key results to be achieved every year** and calibration along these lines.

Finally, two new DLIs have been developed to focus on results on the new window on refugee host areas – one focusing on the results at the central level – MLHUD, and another on the compliance with core capacity issues to handle extra funds at the local government level.

Disbursement-Linked Indicator Matrix

| Disbursement Link Indicators (DLIs) | Total Financing allocated to DLI (million US\$) | As % of Total Financing Amount | DLI Baseline | Indicative timeline for DLI achievement | | | | |
|--|---|--------------------------------|--------------|--|------------------------------------|------------------------------------|------------------------------------|-------------------------------|
| | | | | Year or period 1 FY2018/19 | Year or period 2 FY2019/20 | Year or period 3 FY2020/21 | Year or period 4 FY2021/22 | Year or period 5 FY2022/23 |
| DLIs 1, 2, 3 and 4: Enhanced institutional and infrastructure delivery performance achieved by municipal LGs | | | | | | | | |
| DLI 1 Municipal LGs have met Program minimum conditions | 60 | 20.0% | N/A | 100% of Program minimum conditions ³⁵ | 100% of Program minimum conditions | 100% of Program minimum conditions | 100% of Program minimum conditions | |

³⁵ All these results are achieved in the year prior to this disbursement year, and identified during the first annual performance assessment.

| Disbursement Link Indicators (DLIs) | Total Financing allocated to DLI (million US\$) | As % of Total Financing Amount | DLI Baseline | Indicative timeline for DLI achievement | | | | |
|--|---|--------------------------------|-----------------------------------|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | | | | Year or period 1 FY2018/19 | Year or period 2 FY2019/20 | Year or period 3 FY2020/21 | Year or period 4 FY2021/22 | Year or period 5 FY2022/23 |
| in the annual performance assessment | | | (new system developed) | | | | | |
| Allocated amount | | | | 9.80 | 14.20 | 19.35 | 16.65 | |
| DLI 2 Municipal LGs have achieved institutional performance ³⁶ as scored in the annual performance assessment | 110 | 37.0% | N/A (new system developed) | 60 % ³⁷ | 70% | 80% | 90% | |
| Allocated amount | | | | 17.96 | 26.04 | 35.47 | 30.53 | |
| DLI 3 Municipal LGs have delivered local infrastructure, value for money and | 75 | 25.0% | N/A (new system developed) | 60% ³⁸ | 70 % | 75% | 80 % | |

³⁶ In the areas of linkage between municipal physical development plan, five-year development plan and budgeting; municipal own source revenue; procurement performance; municipal core financial management; execution/implementation of budget for improved urban service delivery; including LED, accountability and transparency (monitoring and communication); environmental and social sustainability.

³⁷ See the verification tool. Average score of all MLGs in the annual performance assessment, DLI 2. The targets are based on the estimates, based on review of the Mock Assessment conducted in November 2017.

³⁸ See the verification tool. Average score of all MLGs in the annual performance assessment, DLI 2.

| Disbursement Link Indicators (DLIs) | Total Financing allocated to DLI (million US\$) | As % of Total Financing Amount | DLI Baseline | Indicative timeline for DLI achievement | | | | |
|---|---|--------------------------------|----------------------------|--|---|--|---|-------------------------------|
| | | | | Year or period 1 FY2018/19 | Year or period 2 FY2019/20 | Year or period 3 FY2020/21 | Year or period 4 FY2021/22 | Year or period 5 FY2022/23 |
| maintenance as per their annual action plans by utilizing DDEG (including USMID) funds | | | | | | | | |
| Allocated amount | | | | 12.24 | 17.76 | 24.18 | 20.82 | |
| DLI 4 Municipal LGs have achieved institutional strengthening through Program funds | 10 | 3.33% | N/A (new system developed) | i) Annual Institutional strengthening plan for FY2018/19 adopted ³⁹ . | i) Annual Institutional strengthening plan for FY2019/20 adopted. | i) Annual Institutional strengthening plan for FY2020/21 adopted ii) 75 % of FY2019/20 plan implemented | i) Institutional strengthening plan for FY2021/22 adopted ii) 80 % of FY2020/21 plan implemented | N/A |
| Allocated amount | | | | 2.50 | 2.50 | 2.50 | 2.50 | |
| DLIs 5 and 6 : Strengthened municipal capacity achieved by central government | | | | | | | | |

³⁹The reason for disbursing against the adoption of capacity building plan in FY2018/19 is as follows: The performance assessments will be done between September and November of each FY. These assessments will measure LG performance in the preceding FY and will impact grant disbursement for the following FY. LG budgeting and planning process starts in December and runs through June, using the indicative grant funding amounts announced at the end of the assessment in November. Therefore, the execution of the first Program capacity building plan), will be measured in the assessment in Sept-Nov 2020, and its findings will affect disbursements in FY2021/22.

| Disbursement Link Indicators (DLIs) | Total Financing allocated to DLI (million US\$) | As % of Total Financing Amount | DLI Baseline | Indicative timeline for DLI achievement | | | | |
|---|---|--------------------------------|--------------|---|--|---|---|---|
| | | | | Year or period 1 FY2018/19 | Year or period 2 FY2019/20 | Year or period 3 FY2020/21 | Year or period 4 FY2021/22 | Year or period 5 FY2022/23 |
| DLI 5 Annual MoLHUD system development and institutional strengthening activities (including physical planning, valuation services and support to Program municipalities) | 37 | 12.3% | N/A | i) Institutional strengthening plan for FY 2018/19 adopted. | i) Institutional strengthening plan for FY 2019/20 adopted ii) 60 % of previous plan implemented (see verification narrative for results) ⁴⁰ | i) Institutional strengthening plan for FY 2020/21 adopted ii) 70% implemented (see narrative on specific results) | i) Institutional strengthening plan for FY 2021/22 adopted ii) 80% implemented (see narrative on specific results) | i) Institutional strengthening plan for FY 2022/23 adopted ii) 90% implement-ted (see narrative on specific results) |
| Allocated amount | | | | 7 | 7 | 7 | 7 | 9 |
| DLI 6 LGs with town clerks in place in target municipalities ⁴¹ | 8 | 2.7% | 14 | 18 | 18 | 18 | 18 | 18 |
| Allocated amount | | | | 1.6 | 1.6 | 1.6 | 1.6 | 1.6 |
| Total financing Allocated | 300 | 100% | | 51.10 | 69.10 | 90.10 | 79.10 | 10.60 |

⁴⁰ See the **verification/assessment tool** below for the specific results per year and calibration.

⁴¹ Central government is responsible for the appointment town clerks in LGs.

| Disbursement Link Indicators (DLIs) | Total Financing allocated to DLI (million US\$) | As % of Total Financing Amount | DLI Baseline | Indicative timeline for DLI achievement | | | | |
|--|---|--------------------------------|--------------|---|---|---|---|---|
| | | | | Year or period 1 FY2018/19 | Year or period 2 FY2019/20 | Year or period 3 FY2020/21 | Year or period 4 FY2021/22 | Year or period 5 FY2022/23 |
| DLI Matrix for DLIs 7 and 8 Results on Physical Planning, Land Tenure Security and Urban Infrastructure Development in Refugee Host Areas. ⁴² | | | | | | | | |
| DLI 7 Results on Physical Planning, land tenure security and urban infrastructure development in refugee host areas | 14.6 | 28% | N/A | i) Plan for FY 2018/19 adopted. | i) Plan for FY 2019/20 adopted ii) Results implemented (see verification narrative for results and calibration). ⁴³ | i) Plan for FY 2020/21 adopted ii) Results achieved (see assessment tool narrative). | i) Plan for FY 2021/22 adopted ii) Results achieved (see narrative). | i) Plan for FY 2022/23 adopted ii) Results achieved (see assessment tool narrative). |
| Allocated amount | | | | 3.0 | 3.0 | 5.0 | 2.7 | 0.9 |

⁴² Note that the results will be achieved in the year prior to the column where they are mentioned, and that the text indicators disbursement against results, e.g. in on DLI 8 the plan for the first year will be developed prior to FY 2018/19.

⁴³ See the **verification/assessment tool** in the Assessment Manual for the specific results per year and calibration.

| Disbursement Link Indicators (DLIs) | Total Financing allocated to DLI (million US\$) | As % of Total Financing Amount | DLI Baseline | Indicative timeline for DLI achievement | | | | |
|--|---|--------------------------------|--------------|---|--|--|---|-------------------------------|
| | | | | Year or period 1 FY2018/19 | Year or period 2 FY2019/20 | Year or period 3 FY2020/21 | Year or period 4 FY2021/22 | Year or period 5 FY2022/23 |
| DLI 8 Results on planning and infrastructure investments in refugee host areas | 45.4 | 72% | N/A | 100% of the target LGs comply with minimum conditions for access to the transitional grant for refugee host areas ⁴⁴ | 100% of the target LGs comply with minimum conditions for access to the transitional grant for refugee host areas. | 100% of the target LGs comply with minimum conditions for access to the condition grant and provide service in accordance with planned targets ⁴⁵ | 100% of the target LGs comply with minimum conditions for access to the conditional grant and provide services in accordance with planned targets | |
| | 36.0 | | | 10.0 | 12.0 | 13.4 | 10.0 | |
| Sub-total: Allocated amount DLI 7 & 8 | 60.0 | 100% | N/A | 13.0 | 15.0 | 18.4 | 12.7 | 0.9 |

⁴⁴ All these results are achieved in the year prior to this disbursement year, and identified during the first annual performance assessment. **The conditions and results are outlined in the detailed verification protocol in the assessment tool for DLI 9.**

⁴⁵ See detailed verification protocol in the assessment tool for DLI 9.

DLI Verification Protocol Table

The verification protocol is largely unchanged compared with the current USMID, but the system of verification by the IVA and the QA has been clarified in the text.

| # | DLI | Definition/ Description of achievement | Scalability of Disbursements (Yes/No) | Protocol to evaluate achievement of the DLI and data/result verification | | |
|---|--|---|---|---|--|---|
| | | | | Data source/agency | Verification Entity | Procedure |
| 1 | Municipal LGs have met Program minimum conditions in the annual assessment | <p>The indicator will be satisfied when:</p> <p>(i) The annual performance assessment, using only the minimum conditions, has been completed and the allocations to Program MLGs have been determined on the number of compliant MLGs;</p> <p>(ii) The Government has disbursed the previous urban (DDEG) tranche to all eligible 22 LGs (applicable from year 2)</p> | Yes | <p>For (i) Private firm (IVA) will carry out the annual assessment.</p> <p>For (ii) from MoFPED from the budget and outturns.</p> | <p>Level one: Independent firm IVA advice to the:</p> <p>Program Technical Committee (PTC) verifies.</p> | <p>i) MoLHUD hires a reputable private sector consulting/audit firm (whose terms of reference will be acceptable to the Bank) to carry out the independent annual performance assessment (APA) to measure the performance of each MLG against the Program's minimum conditions. APA determines whether all minimum conditions have been met.</p> <p>After completion of the results, the APA firm will calculate the allocation to each MLG as per the formula in the Bank Disbursement Table, and provide the aggregate disbursement amount (along with the full assessment report and its findings) simultaneously to GoU and the Bank for review.</p> <p>PTC sub-committee will verify that the assessment results are accurate.</p> <p>(ii) MoFPED presents to the PTC, evidence for the disbursement from the central government to LGs of Program funds in the last FY period has been done on time (starting with the second disbursement of DDEG for Program duration).</p> <p>After approval of the results, the MoFPED in liaison with MLHUD will calculate the allocation to each MLG as per the formula in the Bank Disbursement Table, and provide the aggregate disbursement amount to the Word Bank for review.</p> |

| # | DLI | Definition/ Description of achievement | Scalability of Disbursements (Yes/No) | Protocol to evaluate achievement of the DLI and data/result verification | | |
|---|--|---|---|---|---|---|
| | | | | Data source/agency | Verification Entity | Procedure |
| | | | | | | As part of implementation support, Bank will review the assessment results (QAR), the allocation amount and will ensure the timely disbursement of Program funds. |
| | DLI 2 Municipal LGs have achieved institutional performance as scored in the annual performance assessment | (i) The indicator will be satisfied when the annual performance assessment has been completed (based on the minimum conditions and performance indicators) and the allocation based on the score of all LGs has been determined; (ii) The Government has disbursed the previous urban (DDEG) tranche to all eligible 22 LGs (applicable from year 2) | Yes | Private IVA firm will carry out the annual assessment. Re. (ii) from MoFPED. | Level one: Independent firm IVA advice to the PTC | i) MoLHUD hires a reputable private sector consulting/audit firm (whose terms of reference will be acceptable to the Bank) to carry out the independent annual performance assessment (APA) to measure the performance of each LG against the Program's performance indicators and following the assessment procedures. APA firm assigns a score to each MLG. PTC sub-committee will verify that the assessment results are accurate. (ii) MoFPED presents to the PTC, evidence for the disbursement from the central government to MLGs of Program funds in the last FY period has been done on time (starting with the second disbursement of DDEG for Program duration) After approval of the results, the MoFPED in liaison with MLHUD will calculate the allocation to each MLG as per the formula in the Bank Disbursement Table, and provide the aggregate disbursement amount to the Word Bank for review. As part of implementation support, Bank will review the assessment results (QAR), the allocation amount and will ensure the timely disbursement of Program funds. |
| 3 | DLI 3 Municipal LGs have delivered local infrastructure and maintenance as per their annual | (i) Achievement under this indicator will be measured on the basis of actual delivery of infrastructure against targets laid out in the plan for the former year using DDEG funds | Yes | Private IVA firm will carry out the annual assessment. | Level one: Independent firm IVA and OAG advise to the: PTC | Similar to DLIs 1 and 2 above, this DLI will also be measured through the annual assessment and therefore the same process will apply. As per mandate of the OAG, the Value for Money Part of the APA will be conducted by the OAG who submits results to PTC. PTC sub-committee will verify that the assessment results are accurate. |

| # | DLI | Definition/ Description of achievement | Scalability of Disbursements (Yes/No) | Protocol to evaluate achievement of the DLI and data/result verification | | |
|---|--|--|---|--|---|---|
| | | | | Data source/agency | Verification Entity | Procedure |
| | action plans by utilizing Program funds | (ii) The Government has disbursed the previous urban (DDEG) tranche to all eligible 22 LGs (applicable from year 2) | | Value for money results from OAG Re. (ii) from MoFPED. | | (ii) MoFPED presents to the PTC, evidence for the disbursement from the central government to LGs of Program funds in the last FY period has been done on time (starting with the second disbursement of DDEG for Program duration). After approval of the results, the MoFPED in liaison with MLHUD will calculate the allocation to each MLG as per the formula in the Bank Disbursement Table, and provide the aggregate disbursement amount to the World Bank for review. As part of implementation support, Bank will review the assessment results (QAR), the allocation amount and will ensure the timely disbursement of Program funds. |
| 4 | DLI 4 Municipal LGs have achieved institutional strengthening through Program funds | (i) Achievement of the DLI will be determined on the basis of execution of activities specified in the LG capacity building plan. (ii) The Government has disbursed the previous urban (DDEG) tranche to all eligible 22 LGs (applicable from year 2) | Yes | Private IVA firm. Re. (ii) from MoFPED. | Level one: Independent firm IVA advice to the: PTC | Similar to DLIs 1 and 2 above, this DLI will also be measured through the annual assessment and therefore the same process will apply. MLGs will put in place an annual plan to build their capacity. Among other things, the plan will specify the activity, objective, the resources assigned and the implementation timeline. The template for the plan will be included in the operations manual. The APA will review the execution performance of the LG against the planned target and an implementation rate. |
| 5 | DLI 5: Annual MoLHUD system development and institutional strengthening activities (including physical planning, valuation services | Achievement of the DLI will be determined on the basis of execution of activities specified in the MoLHUD capacity building plan and technical program support for LGs | Yes | From MoLHUD receive documents and annual progress on all results from the verification protocol below. | PTC | MoLHUD will put in place an annual institutional strengthening plan to build capacity of LGs and to support the Program objectives and provide system results (see the verification tool for specification of results and calibration). Among other things, the plan will specify the activity, its objective, the resources assigned, results and the implementation timeline. The template for the plan will be included in the program operations manual and contains specific targets for each year. |

| # | DLI | Definition/ Description of achievement | Scalability of Disbursements (Yes/No) | Protocol to evaluate achievement of the DLI and data/result verification | | |
|---|---|--|---|--|---|---|
| | | | | Data source/agency | Verification Entity | Procedure |
| | and support to Program municipalities) | | | | | <p>No less than 60 days prior to the beginning of the forthcoming fiscal year, MoLHUD will submit the plan to the PTC which will verify that the plan in the agreed format, including the targets defined, and is satisfactory.</p> <p>Within 30 days of the beginning of the fiscal year, MoLHUD will submit a report of the implementation of the institutional strengthening plan, including documentation for the results achieved for the previous year to PTC for verification (as the documents required in the narrative to the verification).</p> <p>PTC will verify the extent to which the plan has been executed, results achieved and determine the DLI amount to be disbursed.</p> <p>World Bank will review for compliance with the disbursement triggers.</p> |
| 6 | DLI 6 LGs with town clerks in place in target municipalities ⁴⁶ | Each Program LG has a town clerk in place (assessed every year of the Program). | No | Private firm with information from MoLG/MLHUD. | Independent firm IVA advice to the: PTC | <p>Similar to DLIs 1 above, this DLI will also be measured through the annual assessment and therefore the same process will apply.</p> <p>No less than 60 days prior to the beginning of the new fiscal year, MoLHUD will submit to the PTC a schedule listing the names of town clerks designated by MoLG. APA will also assess the compliance during the assessment of minimum conditions. PTC will verify.</p> <p>The World Bank will review.</p> |

DLI Verification Protocol Table for DLIs 7 and 8

| # | DLI | Definition/ Description of achievement | Scalability of Disbursements (Yes/No) | Protocol to evaluate achievement of the DLI and data/result verification | | |
|---|---|---|---|--|------------------------|--|
| | | | | Data source/agency | Verification Entity | Procedure |
| 7 | DLI 7: Results on Physical Planning, | Achievement of the DLI will be determined on | Yes | MoLHUD – | PTC | MoLHUD will put in place an annual plan to support the Program objectives and provide system results (see the verification tool for specification of results and calibration). Among other |

⁴⁶ Central government is responsible for the appointment town clerks in LGs.

| # | DLI | Definition/ Description of achievement | Scalability of Disbursements (Yes/No) | Protocol to evaluate achievement of the DLI and data/result verification | | |
|---|--|---|--|--|---|--|
| | | | | Data source/agency | Verification Entity | Procedure |
| | land tenure security and urban infrastructure development in refugee host areas | the basis of execution of activities specified in the MoLHUD plan for refugee host areas and calibrated in the narrative below. | | | | <p>things, the plan will specify the activity, its objective, the resources assigned, results and the implementation timeline. The template for the plan will be included in the program operations manual and contains specific target results for each year. From second year, there will be a review of the achieved results and implementation ratios.</p> <p>No less than 60 days prior to the beginning of the forthcoming fiscal year, MoLHUD will submit the plan to the PTC which will verify that the plan in the agreed format, including the targets defined, and is satisfactory.</p> <p>Within 30 days of the beginning of the fiscal year, MoLHUD will submit a report of the implementation of the plan, including specific and overall results achieved for the previous year to PTC for verification.</p> <p>PTC will verify the extent to which the plan has been executed in accordance with the clearly defined results in the verification protocol, results achieved and determine the DLI amount to be disbursed.</p> <p>World Bank will review for compliance with the disbursement triggers.</p> |
| 8 | DLI 8 Results on planning and infrastructure investments in refugee host areas | The indicator will be satisfied when: (i) The annual performance assessment, using only the minimum conditions, has been completed and the allocations to Program districts with refugee host areas have been determined on the number of compliant LGs; | Yes | <p>For (i) Private firm (IVA) will carry out the annual assessment</p> <p>For (ii) from MoFPED from the budget and outturns.</p> | Independent firm IVA advice to the: Program Technical Committee (PTC) verifies. | <p>(i)The performance assessment of the refugee hosting districts will be based on the Local Government Performance Assessment system coordinated by the Office of the Prime Minister. Disbursements to the districts will depend on the compliance with the all the accountability requirements</p> <p>The APA firm will calculate the draft allocation to each LG as per the formula in the Bank Disbursement Table, and provide the aggregate disbursement amount (along with the full assessment report and its findings) simultaneously to GoU and the Bank for review.</p> <p>PTC sub-committee will verify that the assessment results are accurate.</p> <p>(ii) MoFPED presents to the PTC, evidence for the disbursement from the central government to LGs of Program funds in the last FY period has been done on time (starting with the second disbursement of DDEG for Program duration)</p> <p>After approval of the results, the MoFPED in liaison with MLHUD will calculate the final allocation to each LG as per the formula in the Bank Disbursement Table, and provide the aggregate disbursement amount to the Word Bank for review.</p> |

| # | DLI | Definition/ Description of achievement | Scalability of Disbursements (Yes/No) | Protocol to evaluate achievement of the DLI and data/result verification | | |
|---|-----|--|---|--|------------------------|---|
| | | | | Data source/agency | Verification Entity | Procedure |
| | | (ii) The Government has disbursed the previous urban (DDEG) tranche to all eligible LGs (applicable from year 2) | | | | As part of implementation support, Bank will review the assessment results, the allocation amount and will ensure the timely disbursement of Program funds. |

Bank Disbursement Table

| # | DLI | Bank financing allocated to the DLI | Of which Financing available for | | Deadline for DLI Achievement | Minimum DLI value to be achieved to trigger disbursements of Bank Financing | Maximum DLI value(s) expected to be achieved for Bank disbursements purposes | Determination of Financing Amount to be disbursed against achieved and verified DLI value(s) |
|---|---|-------------------------------------|----------------------------------|----------|-------------------------------|---|--|--|
| | | | Prior results | Advances | | | | |
| 1 | DLI 1: Municipal LGs have met Program minimum conditions in the annual assessment | 60 million US\$ | First APA | 0 | At point of time for the APA. | 1 MLG | 22 MLGs | <p>Disbursement from the Bank is calculated on the basis of compliance of MLGs with minimum access conditions.</p> <p>Disbursement from the Bank to GoU will be determined as:</p> <p>Compliance of MLGs with minimum access conditions:</p> <p>A. If score equal to target compliance level for FY, full allocation,</p> <p>B. If score below target for FY, pro-rata reduction,</p> <p>Disbursement will be made provided that previous disbursements from GoU to MLGs have all been made.</p> <p>Formula for disbursement from the Bank to GoU is:</p> <ul style="list-style-type: none"> •Total funds available for each FY are divided across MLGs using the formula below. Then the total amount to be disbursed to GoU is the sum of the compliant MLGs in this formula, as only the compliant MLGs will get disbursements. <p>Formula for disbursement from GoU to each MLGs is:</p> <ul style="list-style-type: none"> •[(MLG population/total population for all MLGs) X 0.65+(MLG number of poor people/total number of poor people in all MLGs) X 0.15 + 1/18 X 0.20)] X Amount to be disbursed for this FY for compliant MLGs]. |

| # | DLI | Bank financing allocated to the DLI | Of which Financing available for | | Deadline for DLI Achievement | Minimum DLI value to be achieved to trigger disbursements of Bank Financing | Maximum DLI value(s) expected to be achieved for Bank disbursements purposes | Determination of Financing Amount to be disbursed against achieved and verified DLI value(s) |
|---|---|-------------------------------------|----------------------------------|----------|------------------------------|---|--|---|
| | | | Prior results | Advances | | | | |
| 2 | DLI 2 Municipal LGs have achieved institutional performance as scored in the annual performance assessment | 110 million US\$ | First APA | 0 | By Program completion | 0 | 100% | <p>Disbursement from the Bank to GoU will be determined as:</p> <p>Compliance of MLGs with minimum access conditions;</p> <p>Sum of scores of all MLGs calculated (non-minimum condition compliant LGs are assigned a score of zero) and divided by 18;</p> <p>A. If score equal to target for FY, full allocation,</p> <p>B. If score below target for FY, pro-rata reduction,</p> <p>C. If score above target for FY, pro-rata increase.</p> <p>Disbursement will be made provided that previous disbursements from GoU to LGs have all been made.</p> <p>Formula for disbursement from the bank to GoU in the FY 2018/19, 2019/20, 2020/21 and 2021/22:</p> <p>[total annual disbursement] = [{sum of individual scores of all MLGs/18}/ {target score for the FY}] x [target disbursement amount]</p> <p>Performance targets:</p> <ul style="list-style-type: none"> • FY 2018/19: 60% • FY 2019/20: 70% • FY 2020/21: 80% |

| # | DLI | Bank financing allocated to the DLI | Of which Financing available for | | Deadline for DLI Achievement | Minimum DLI value to be achieved to trigger disbursements of Bank Financing | Maximum DLI value(s) expected to be achieved for Bank disbursements purposes | Determination of Financing Amount to be disbursed against achieved and verified DLI value(s) |
|---|---|-------------------------------------|----------------------------------|----------|------------------------------|---|--|--|
| | | | Prior results | Advances | | | | |
| | | | | | | | | <ul style="list-style-type: none"> FY 2021/22: 90% <p>Formula for disbursement from GoU to MLGs is:</p> <p>$[(\text{MLG population}/\text{total population for all MLG}) \times 0.65 + (1/18 \times 0.20) + (\text{number of poor people in MLG}/\text{total no. of poor people in all MLG}) \times 0.15] \times \text{score of MLG} / \text{sum of weighted scores of all MLGs}] \times \text{amount to be disbursed for the DLI 2 for compliant MLGs}$</p> |
| 3 | DLI 3 Municipal LGs have delivered local infrastructure and maintenance as per their annual action plans by utilizing Program funds | 75 million US\$ | First APA | 0 | By Program completion | 0 | 100% | <p>Disbursement from the Bank to GoU will be determined as:</p> <p>Compliance of LGs with minimum access conditions;</p> <p>Sum of scores of all MLGs calculated (non-minimum condition compliant LGs are assigned a score of zero) and divided by 18;</p> <p>A. If score equal to target for FY, full allocation, B. If score below target for FY, pro-rata reduction, C. If score above target for FY, pro-rata increase.</p> <p>Disbursement will be made provided that previous disbursements from GoU to LGs have all been made.</p> <p>Formula for disbursement from the Bank to GoU in the FY 2018/19, 2019/20, 2020/21, 2021/22:</p> |

| # | DLI | Bank financing allocated to the DLI | Of which Financing available for | | Deadline for DLI Achievement | Minimum DLI value to be achieved to trigger disbursements of Bank Financing | Maximum DLI value(s) expected to be achieved for Bank disbursements purposes | Determination of Financing Amount to be disbursed against achieved and verified DLI value(s) |
|---|---|-------------------------------------|----------------------------------|----------|---|---|--|--|
| | | | Prior results | Advances | | | | |
| | | | | | | | | <p>[total annual disbursement] = [(sum of individual scores of all MLGs/18)/ {target score for the FY}] X [target disbursement amount].</p> <p>Performance targets:</p> <p>FY 2018/19: 60%</p> <p>FY 2019/20: 70%</p> <p>FY 2020/21: 75%</p> <p>FY 2021/22: 80%</p> <p>Formula for disbursement from GoU to MLGs is:</p> <p>[(MLG population/Total population for all MLG) X 0.65 + (1/18 X 0.20) + (number of poor people in MLG/total no. of poor people in all MLGs) X 0.15) X Score of MLG]/Sum of weighted scores of all MLGs)] X amount to be disbursed for the DLI 3 for compliant MLGs</p> |
| 4 | DLI 4 Municipal LGs have achieved institutional strengthening | 10 million US\$. | First APA. | 0 | Annually for four years, starting in FY 2018/19 | 0 | 22 (100 % of annual amount). | Disbursements from the Bank to GoU in FY 2018/19, FY 2019/20, FY 2020/21 and FY 2021/22 will be: |

| # | DLI | Bank financing allocated to the DLI | Of which Financing available for | | Deadline for DLI Achievement | Minimum DLI value to be achieved to trigger disbursements of Bank Financing | Maximum DLI value(s) expected to be achieved for Bank disbursements purposes | Determination of Financing Amount to be disbursed against achieved and verified DLI value(s) |
|---|-----------------------|-------------------------------------|----------------------------------|----------|------------------------------|---|--|--|
| | | | Prior results | Advances | | | | |
| | through Program funds | | | | | | | <p>(The amount for this FY US\$ 2.50 million) X by number of compliant LGs/all 18). E.g. if 8 comply the figure for this FY will be US\$ 1.11 million.</p> <p>Amounts to be disbursed to each MLG will be:</p> <p>Amount to be disbursed to all compliant MLGs (as calculated above) /number of compliant MLGs</p> <p>First Years (2018/19) and FY 2019/20: Provided that MLGs have prepared the capacity building plan for the forthcoming year; and for the Years FY 2020/21 and FY 2021/22 at least 90 % of the previous year's activities have been executed, \$2.5 million will be disbursed. Non-compliant LGs will count as zero in the scores.</p> <p>Disbursement to MLGs calculated as:</p> <p>Total funds available for FY divided by 18 (US\$ 138,889)</p> <p>A. If MLG score equal to target for FY, full allocation,</p> <p>B. If MLG score below target for FY, pro-rata reduction,</p> <p>C. If score above target for FY, pro-rata increase.</p> <p>Disbursement to a MLG will be:</p> |

| # | DLI | Bank financing allocated to the DLI | Of which Financing available for | | Deadline for DLI Achievement | Minimum DLI value to be achieved to trigger disbursements of Bank Financing | Maximum DLI value(s) expected to be achieved for Bank disbursements purposes | Determination of Financing Amount to be disbursed against achieved and verified DLI value(s) |
|---|--|-------------------------------------|----------------------------------|----------|----------------------------------|--|--|---|
| | | | Prior results | Advances | | | | |
| | | | | | | | | [(1/18) X Score of MLG]/ Sum of weighted score of all MLGs)) X amount to be disbursed for the DLI4 compliant MLGs |
| 5 | DLI 5: Annual MoLHUD system development and institutional strengthening activities (including physical planning, valuation services and support to Program municipalities) | 37 million US\$ | 6.4 | | Annually, starting in FY 2018/19 | Calibrated as per the MoLHUD institutional plan formulated for the forthcoming year and minimum execution rates and results specified achieved for the preceding year. | 100% of annual amount. | FY 2018/19: Once MoLHUD submits plan in agreed format, \$7.0 million will be disbursed. FY 2019/20 –FY 2022/23: Allocation based target achievements in the verification protocol. Reduction per each target not achieved, as per the narrative in the verification protocol . \$4 million will be disbursed each FY 2018/19 to FY 2022/23 and 2 million in FY 2023/14, if all targets are achieved. Proportional reduction per target not achieved, see the verification narrative for scaling. |
| 6 | DLI 6 LGs with town clerks in place in | 8 million US\$ | 0 | 0 | By Pro-program completion | 18 | 18 X annual amount | US\$ 88,889 per municipal LG per year with required town clerk in place for each year FY 2018/19, FY 2019/20, FY 2020/21, FY 2021/22 and FY 2022/23. |

| # | DLI | Bank financing allocated to the DLI | Of which Financing available for | | Deadline for DLI Achievement | Minimum DLI value to be achieved to trigger disbursements of Bank Financing | Maximum DLI value(s) expected to be achieved for Bank disbursements purposes | Determination of Financing Amount to be disbursed against achieved and verified DLI value(s) |
|---|---|-------------------------------------|----------------------------------|----------|----------------------------------|---|--|--|
| | | | Prior results | Advances | | | | |
| | target municipalities ⁴⁷ | | | | | | | |
| 7 | DLI 7: System development for handling of physical planning, land tenure and urban infrastructure development in refugee host areas | 14.6 million US\$ | 3.0 | | Annually, starting in FY 2018/19 | MoLHUD plan for support to refugee host areas formulated for the forthcoming year and minimum execution of key results specified achieved for the preceding year. | 100% of annual amount. | <p>FY 2018/19: Once MoLHUD submits plan in agreed format, 3.0 million will be disbursed.</p> <p>FY 2019/20 –FY 2022/23: Allocation based target achievements in the verification protocol. Reduction per each (sub-) target not achieved, as per the narrative in the verification protocol.</p> <p>If all targets are achieved the following will be disbursed every year:</p> <p>FY 2019/20: 3.7 million</p> <p>FY 2020/21: 3.7 million</p> <p>FY 2021/22: 2.7 million</p> <p>FY 2022/23: 0.9 million</p> <p>Proportional reduction per target not achieved, see the verification narrative for scaling.</p> |

⁴⁷ Central government is responsible for the appointment town clerks in LGs.

| # | DLI | Bank financing allocated to the DLI | Of which Financing available for | | Deadline for DLI Achievement | Minimum DLI value to be achieved to trigger disbursements of Bank Financing | Maximum DLI value(s) expected to be achieved for Bank disbursements purposes | Determination of Financing Amount to be disbursed against achieved and verified DLI value(s) |
|---|---|-------------------------------------|----------------------------------|----------|---------------------------------|---|--|--|
| | | | Prior results | Advances | | | | |
| 8 | DLI 8 Results on planning and infrastructure investments in refugee host areas | 45.4 million US\$ | 9.0 | | Annually starting in FY 2018/19 | Minimum conditions for access to the funding complied with | 100 % of the annual amount (6 LGs compliance) | <p>Disbursement from the Bank is calculated on the basis of compliance of LGs with minimum access conditions (Accountability requirements in the LG performance assessment system).</p> <p>Disbursement from the Bank to GoU will be determined as:</p> <p>Compliance of LGs with minimum access conditions:</p> <p>A. If score equal to target compliance level for FY, full allocation,</p> <p>B. If score below target for FY, pro-rata reduction,</p> <p>Disbursement will be made provided that previous disbursements from GoU to LGs have all been made. If conditions are complied with by all the amounts to be disbursed will be US\$ 9 million per year from FY 2018/19 to FY 2021/22.</p> <p>Formula for disbursement from the Bank to GoU is:</p> <ul style="list-style-type: none"> •Total funds available for each FY are divided across LGs using the formula defined. Then the total amount to be disbursed to GoU is the sum of the compliant LGs in this formula, as only the compliant LGs will get disbursements. <p>In year 3 and year 4, pro-rate reduction of the allocation amount will be conducted if the execution/implementation ratio is below target.</p> <p>Formula for disbursement from GoU to each LGs is based on the formula provided in the Program Operational Manual.</p> |

ANNEX IV: Performance Assessment tool

Verification Protocol tool and Overview of Minimum Conditions and Performance Measures

Verification protocol for DLIs 1-4

Verification protocol – The above DLI related with performance of the municipalities will be verified by an independent firm which will be hired to conduct annual assessments of the performances of municipalities using the verification protocol instrument in the table above, and for DLIs 1-4 the Assessment tool below.

The Assessment tool for USMID MLGs will be an addendum to the Local Government National Assessment Manual, June 2017. This is further specified as part of this manual. In addition, the verification will be reinforced by other technical assessment reports such as value for money audit and regular WB supervision missions, **verification by Program Technical Committee**, informing the Fiscal Transfer Technical Committee, and finally the Fiscal Transfer Steering Committee and the World Bank.

Performance Assessment Tool for USMID AF: Principles for Selection of Indicators

Introduction

Under USMID, MLGs were being assessed and the results were informing 4 DLIs: DLI 1 - MCs for MDG; DLI 2 – performance measures for MDG; DLI 3 - infrastructure investment performance; and DLI 4 - MCs for MCBG. Over the Program period, the performance of MLGs as measured by the assessment results has greatly improved and surpassed the target apart from results of DLI 3.

Under the Intergovernmental Fiscal Transfer Reforms which is the Government program (“p”) to be supported by USMID AF (“P”), the GoU used the experiences and lessons from USMID, previous assessments in Uganda and international experience to develop and approve a new LG performance assessment system that will be applied to all LGs across the country starting in 2017/18 to impact on the 2018/19 allocations. During the identification mission, it was agreed that the assessment system for USMID AF shall as a minimum be based on the Local Government Performance Assessment Manual with special enhanced indicators. Below are the **principles** that were adhered to whilst selecting the indicators that should be applied under USMID AF for the access of

22 MLGs to the development grants. Indicators which are already being met by Municipal LGs under the current on-going USMID will be replaced with higher second generation indicators

1. The indicator should be under the mandate and control of LGs – attributable to LGs;
2. The indicators should be comparable in a standardized/objective manner across LGs – SMART (simple, measurable etc.)
3. The indicator should measure efforts of a LGs - not to give advantage to a few LGs because of their context
4. Indicator should be assessed across all LGs annually;
5. Indicators should not be easily stage managed (“just ticking the boxes”) - focus on “function” instead of “form” (i.e. not just number of meetings, but review of outcomes of these);
6. Indicator should be assessed once - no overlap across indicators
7. Indicator should focus on processes outputs/outcomes rather than process activities/inputs
8. Indicator should target essential improvements in LG performance (drivers of change), be aimed at mitigating the risks identified by the technical assessment, IFA and ESSA or target new areas that are not covered by the GoU LG PA system e.g. LED. For the latter (new areas) should be mainstreamed with the existing thematic areas of USMID;
9. Indicator should not bias the investments towards specific sectors, as the DDEG is a multi-sectoral grant but focus on issues which benefit all the target areas in the investment menu

It has also been agreed to extent possible to maintain the existing thematic areas and the respective scores. The implication was that when new indicators were proposed, proposals for others should be rationalized to avoid overload of the system, and that the scores of each will have no impact. The results of these consultations were a firm and largely improved set of minimum access conditions and minimum conditions, see below with clear marking of whether the indicators have changed or been maintained.

A. Conditions (MCs) for Municipal Development Grant (MDG) – USMID AF

| Minimum Condition | No | Indicators of Minimum Conditions | Information Source and Assessment Procedures | Status/comments |
|--|----|---|--|--|
| A) Functional Capacity for Municipal Development Planning and Budgeting | 1. | LG has submitted an <u>annual performance contract</u> of the current financial year by June 30 on the basis of the PFMAA and LG Budget guidelines ⁴⁸ . <i>Note that the performance contract among others includes annual work-plan & budget</i> ⁴⁹ . | From MoFPED's inventory/schedule of LG submissions of performance contracts, check dates of submission and issuance of receipts and: <ul style="list-style-type: none"> If LG submitted before or by due date, then state 'compliant' If LG had not submitted or submitted later than the due date, state 'non-compliant' | Accountability requirement in national performance assessment. This covers several previous USMID MCs in planning and budget |
| B) Municipality has in place the core staff responsible for designing and implementation of the infrastructure projects | 2. | i) The Municipal Council has a Town Clerk designated by MoLG and appointed by MoFPED as Accounting Officer. | <ul style="list-style-type: none"> From MoLG obtain the staffing list of municipalities to establish the municipalities with designated Town Clerks; From MoFPED establish whether the TCs designated by MoLG have been appointed as Accounting Officer for the municipality where he/she is posted. | From USMID |
| | | ii) The Municipal Council has at least one position of an Engineer substantively ⁵⁰ filled. | <ul style="list-style-type: none"> From the municipal HR officer obtain the staff list, and establish whether the Municipal Council has at least one position of an Engineer appointed by DSC, review letter of appointment. From the Engineer establish whether s/he is either registered or obtain proof that the Engineer is a member of Uganda Institution of Professional Engineers Establish whether the Engineer is registerable i.e. having at least 4 years working experience and under mentorship by a registered Engineer | From USMID |
| | | iii) The Municipal Council has at least one position of Municipal Physical Planner substantively filled. | <ul style="list-style-type: none"> From the municipal HR officer obtain the staff list, and establish whether the Municipal Council has at least one Municipal Physical Planner appointed by DSC, review letter of appointment. | From USMID |

⁴⁸ For the first annual performance assessment, the deadline for submission will be assessed as **August 30, 2017**.

⁴⁹ It also includes a procurement plan which is assessed under MC 8 – Procurement.

⁵⁰ Substantively filled means appointed and posted, by the District Service Commission, with the required skills and qualifications.

| Minimum Condition | No | Indicators of Minimum Conditions | Information Source and Assessment Procedures | Status/comments |
|---|----|--|--|---|
| | | iv) The Municipal Council has at least one position of a Procurement Officer substantively filled | <ul style="list-style-type: none"> From the municipal HR officer obtain the staff list, and establish whether the Municipal Council has at least one position of a Procurement Officer substantively appointed by DSC, review letter of appointment. | From USMID |
| | | v) The Municipal Council has the position of a Principal Treasurer substantively filled. | <ul style="list-style-type: none"> From the municipal HR officer obtain the staff list, and establish whether the Municipal Council has Principal Treasurer appointed by DSC, review letter of appointment. | From USMID |
| | | vi) The Municipal Council has the position of at least one Municipal Environmental Officer (MEO) substantively filled. | <ul style="list-style-type: none"> From the municipal HR officer obtain the staff list, and establish whether the Municipal Council has appointed at least one Municipal Environmental Officer (MEO) by DSC, review letter of appointment | USMID Modified by ESSA team |
| | | vi) The Municipal Council has the position of at least one Community Development Officer substantively filled. | <ul style="list-style-type: none"> From the municipal HR officer obtain the staff list, and establish whether the Municipal Council has appointed at least Community Development Officer by DSC, review letter of appointment | From USMID |
| | | vii) The Municipal Council has at least one position in the Economic Planning Unit substantively filled (from Year 2) | <ul style="list-style-type: none"> From the municipal HR officer obtain the staff list, and establish whether the Municipal Council has least one Officer in the Economic Planning Unit appointed by DSC, review letter of appointment | New |
| | | viii) The Municipal Council has the position of at least one Commercial Officer substantively filled (from Year 2) | <ul style="list-style-type: none"> From the municipal HR officer obtain the staff list, and establish whether the Municipal Council has appointed at least one Commercial Officer by DSC, review letter of appointment | New |
| C) Functional Capacity in Finance Management, and Internal Audit | 3. | LG has submitted the annual performance report for the previous FY on or before 31st July (as per LG Budget Preparation Guidelines for coming FY; PFMA Act, 2015) ⁵¹ | <p>From MoFPED's official record/inventory of LG submission of annual performance report submitted to MoFPED, check the date MoFPED received the annual performance report:</p> <ul style="list-style-type: none"> If LG submitted report to MoFPED in time, then it is compliant If LG submitted late or did not submit, then it is not compliant. <p><i>Note that these reports include financial and physical progress reports.</i></p> | From accountability requirements in the national assessment |

⁵¹ For the first annual performance assessment, the deadline for submission will be assessed as August 30, 2017.

| Minimum Condition | No | Indicators of Minimum Conditions | Information Source and Assessment Procedures | Status/comments |
|-------------------|----|---|---|---|
| | 4. | LG has submitted the quarterly budget performance report for all the four quarters of the previous FY; PFMA Act, 2015) | From MoFPED's official record/inventory of LG submission of quarterly reports submitted to MoFPED, check the date MoFPED received the quarterly performance reports: <ul style="list-style-type: none"> If LG submitted all four reports to MoFPED of the previous FY by July 31⁵², then it is compliant. If LG submitted late or did not submit at all, then it is not compliant. | From accountability requirements in the national assessment |
| | 5. | The LG has provided information to the PS/ST on the status of implementation of Internal Auditor General or Auditor General findings for the previous financial year by April 30 (PFMA s. 11 2g). This statement includes actions against all findings where the Auditor General recommended the Accounting Officer to take action (PFMA Act 2015; Local Governments Financial and Accounting Regulations 2007; The Local Governments Act, Cap 243). ⁵³ | From MoFPED's Inventory/record of LG submissions of statements entitled " <i>Actions to Address Internal Auditor General's findings</i> ", Check: <ul style="list-style-type: none"> If LG submitted a 'Response' (and provide details), then it is compliant If LG did not submit a 'response', then it is non-compliant If there is a response for all –LG is compliant If there are partial or not all issues responded to – LG is not compliant. | From accountability requirements in the national assessment |
| | 6. | The audit opinion of LG Financial Statement for the previous FY is not adverse or disclaimer | From the Auditor General check the audit opinion of the LG for the previous FY. <ul style="list-style-type: none"> If LG has adverse and disclaimer opinion: Non-compliant <i>The audit results are supposed to be ready by the end of December. Therefore, this will be the last issue to be reviewed in January.</i> | From accountability requirements in the national assessment |
| | 7. | The Municipal Internal Audit function is being executed in accordance with the LGA | Municipality has: <ul style="list-style-type: none"> Prepared and submitted an audit work-plan to the Regional Audit Committee (from year 2) | From USMID |

⁵² For the first annual performance assessment, the deadline for submission will be assessed as August 30, 2017

⁵³ E.g. if the assessment is in December 2017 the review will be of the reporting made by April 30, 2016. In the first year, it is sufficient that there is evidence that submission to PS/ST is conducted before the end of 2017 (waiver from the general deadline for this first annual performance assessment).

| Minimum Condition | No | Indicators of Minimum Conditions | Information Source and Assessment Procedures | Status/comments |
|--|-----|---|---|--|
| | | section 90 and LG Procurement Regulations, and PFMAA. | <ul style="list-style-type: none"> Produced at least three out of the four quarterly internal audit reports and submitted these reports to the council and the District Local Government Public Accounts Committee (LGPAC) – (from year 1) | |
| D) Procurement | 8. | LG has submitted a Budget that includes a Procurement and Disposal Plan for the forthcoming FY (LG PPDA Regulations, 2006). | From MoFPED's inventory of LG budget submissions, check whether: <ul style="list-style-type: none"> The LG budget (Performance Contract) is accompanied by a Procurement Plan or not. If a LG submission includes a Procurement Plan, the LG is compliant; otherwise it is not compliant. | Accountability requirement under the national assessment |
| | 9. | The Municipal Council Contracts Committee is in place. | <ul style="list-style-type: none"> From the Municipal Procurement and Disposal Unit establish whether the Municipal Contracts Committee is in place and has the required membership From MoFPED check whether the MLG has a fully constituted and formally appointed Municipal Council Contracts Committee in place. | From USMID |
| E) Functional Capacity in Environmental and Social Management | 10. | Municipality establishes and maintains functional system for environmental and social impact management | <ul style="list-style-type: none"> The LG has screened all sub-projects that are in the investment plan for the current year; | From USMID but modified |
| F) Transparency, participation and accountability | 11. | The Municipal Council: <ul style="list-style-type: none"> a) Developed and adopted a <u>customized local version of the <i>Framework for Promoting Good Governance and Anti-Corruption in Local Governments 2014-2019 (second year only)</i></u>; b) Established an operational <u>Complaints Handling System</u> which will include, among other things, a grievance committee to handle complaints pertaining to fiduciary, environmental and social systems; | <ul style="list-style-type: none"> From Municipal TC obtain and review the customized <i>Framework for Promoting Good Governance and Anti-Corruption in Local Governments 2014-2019</i> From Municipal TC obtain and review report on implementation of the Complaints Handling System From the Municipal TC obtain and review documentation which provides evidence that the MDF was properly constituted and launched. | From USMID |

| Minimum Condition | No | Indicators of Minimum Conditions | Information Source and Assessment Procedures | Status/comments |
|---------------------|-----|---|--|--|
| | | c) LG has established and launched the MDF (second year only for the new MLGs) | | |
| G) Program Specific | 12. | Signed Participation Agreement/ MoU between MoLHUD and the municipality (first year only). | <ul style="list-style-type: none"> From the MoLHUD obtain a copy of the MoU signed between the MoLHUD and the municipalities. | USMID specific |
| | 13. | The LG annual work-plan/budget for USMID adheres with the investment menu provided for in the Program Operational Manual. | <ul style="list-style-type: none"> From the Performance Contract (with work-plan and budget), for the current FY, establish whether the municipality has allocated USMID funds to eligible activities. | National budget requirement |
| | 14. | The Municipal Council adheres to the eligible expenditures (investment menu) for the use of funds in the previous year | <ul style="list-style-type: none"> From the Performance reports establish whether the municipality indicated the source of funding for investments and used the USMID funds (MDG) for the previous financial year on eligible activities. Check expenditures against the eligible expenditures as defined in the Program Operational Manual. | USMID specific. (only applicable from the APA where there has been a full year of disbursement and utilization). |

B. Minimum Conditions (MCs) for Municipal Institutional Strengthening Grants (ISG)

| Minimum Condition | No | Indicators of Minimum Conditions | Information Source and Assessment Procedures | Status |
|---|----|---|--|---|
| A) Institutional Strengthening Plan in place⁵⁴ | 15 | Municipality has an approved annual institutional strengthening plan | <ul style="list-style-type: none"> From the Committee Clerk review minutes of council to find out whether there is a Council resolution to approve the annual IS Plan for the current FY, record the dates and minute; Review evidence of the IS plan with the HR officer; The annual IS plan should have IS activity targets, overview of the funding sources, and overview of how each activity is funded, including timing, method for implementation and how they are linked to the challenges⁵⁵ | Modified from USMID MC: |
| B) Municipal Institutional Strengthening Plan spent according to the eligible expenditures | 16 | The Municipal Council adheres to the eligible expenditures (Investment menu) for the use of funds in previous year. | <ul style="list-style-type: none"> From the MoLHUD obtain the output/outcome reports to establish how the municipality used the USMID funds (MISG) for the previous financial year. Check expenditures against the eligible expenditures as defined in the Program Operational Manual. Check expenditures for consistence with the annual institutional strengthening plan | From USMID (Only applicable from the APA where there has been a full year of disbursement and utilization). |

⁵⁴ For the first year, this will be assessed as a capacity building plan.

⁵⁵ Format to be developed in the USMID POM.

C. Performance Indicators (PIs) for MDG – USMID AF

| Performance Area | No | Performance Measure | Scoring Guide ⁵⁶ | Assessment Procedure | Means of Verification | Status |
|--|----|--|--|--|---|-----------------------------|
| I) Municipal Physical Development Plan, Five-year Development Plan, Budgeting and Human Resource Management Maximum 20 points | 1. | All new infrastructure projects in a municipality are consistent with the approved Physical Development Plans <i>Maximum 8 Points</i> | Evidence that a municipality has: <ul style="list-style-type: none"> • A functional Physical Planning Committee in place that considers new investments on time: score 1. • Evidence that MLG has submitted at least 4 sets of minutes of Physical Planning Committee to the MoLHUD score 1. | From the Physical Planner obtain the current Physical Development Plan that was approved by Council and submitted to the National Physical Planning Board: From the Physical Planner obtain the members of the Physical Planning Committee to establish whether it is properly and fully constituted. Review the Building Plan Registration Book and minutes of physical planning committee to determine whether all the submissions for new investments were considered within 28 days after submission. From MoLHUD establish whether the MLG submitted at least 4 sets of minutes of Physical Planning Committee to the MoLHUD | <ul style="list-style-type: none"> • Approved Physical Development Plan • Approved Annual work plan • Plans submission register • Minutes of the physical planning committee • Minutes of National Physical Planning Board • Appointment letters for the members of Physical Planning Committees • Approved Action Area Plan | From National APA – refined |
| | | | <ul style="list-style-type: none"> • All infrastructure investments in the previous FY are consistent with the approved Physical Development Plan: score 1 or else 0 • Action area plan prepared for the previous FY: score 1 or else 0 | Sample new investments and determine whether they have been approved by the Physical Planning Committee and are consistent with the approved physical development plan. From the Physical Planner establish the availability of an approved action area plan for the previous FY. | | |

⁵⁶ Only one set of points can be given for each sub-indicator.

| Performance Area | No | Performance Measure | Scoring Guide ⁵⁶ | Assessment Procedure | Means of Verification | Status |
|------------------|----|--|--|--|--|--------------|
| | | | <ul style="list-style-type: none"> Municipality has a detailed physical plan approved by the Municipal Council: Covering at least 50% of the municipality – 2 points If covering between 30% and 49% - 1 point Below 30% - 0 points | From the Municipal Physical Planner obtain the detailed physical plan establish: the proportion of the municipality area covered and whether it was approved by the Municipal Council. | <ul style="list-style-type: none"> Approved Physical Development plan Approved detailed plan | USMID |
| | | | <p>Municipality has implemented the physical development plan</p> <ul style="list-style-type: none"> If MLG has named streets, numbered plots, surveyed and demarcated roads – score 1 If MLG has implemented Physical Planning and Urban Management Information Management System – score 1 | <p>Visit a sample of Municipal Council roads to establish whether the streets have been numbered, roads surveyed and demarcated;</p> <p>From the Municipal Physical Planner establish whether the municipality has implemented Physical Planning and Urban Management Information Management System.</p> | <ul style="list-style-type: none"> Field visits to a sample of streets, Physical Planning and Urban Management Information Management System | New |
| | 2. | The prioritized investment activities in the approved AWP for the current FY are derived from the approved five-year development plan, are based on discussions in | <ul style="list-style-type: none"> Evidence that priorities in AWP for the current FY are based on the outcomes of discussions and consultations from budget conferences, Municipal Development Forum (MDF), Divisions and Private Sector⁵⁷, before being approved for investment: score 2 or else 0 | <p>From the Planner, obtain and review minutes, budget conference report and the AWP of the current FY to determine whether:</p> <ul style="list-style-type: none"> Prioritized AWP activities are in line with outcomes of consultations held | <ul style="list-style-type: none"> Minutes from TPC Budget conference reports Five-year development plan AWP Project appraisal reports Planning guidelines | National APA |

⁵⁷ Private sector participation should include organized associations (such as Chambers of Commerce, investors associations, traders associations, etc.) as well as representation of different sectors (tourism, industry & agribusiness).

| Performance Area | No | Performance Measure | Scoring Guide ⁵⁶ | Assessment Procedure | Means of Verification | Status |
|------------------|----|---|--|--|--|-----------------------|
| | | annual reviews and budget conferences and have project profiles <i>Maximum 6 points</i> | <ul style="list-style-type: none"> Evidence that the capital investments in the approved Annual work plan for the current FY are derived from the approved five-year development plan. If different, justification has to be provided and evidence that it was approved by Council. Score 2 or else 0 | <p>Check from the planner whether:</p> <ul style="list-style-type: none"> The capital investments, including the allocations, in the approved Annual work plan are mentioned in the approved five-year development plan | <ul style="list-style-type: none"> Project profiles | |
| | | | <ul style="list-style-type: none"> Project profiles have been developed and discussed by TPC for all investments in the AWP as per LG Planning guideline: score 2 or else 0 | <p>From the planner check whether:</p> <ul style="list-style-type: none"> The minutes from the TPC indicate that all project profiles for investments were discussed by the TPC Check whether the profiles adhere to the formats in the LG planning guideline. | | |
| | 3. | Municipal Annual Statistical Abstract developed and applied ⁵⁸ <i>Maximum 1 point on this performance measure</i> | <ul style="list-style-type: none"> Municipal Annual Statistical Abstract, with gender disaggregated data has been compiled and presented to the TPC to support budget allocation and decision-making- maximum 1 point. | <p>From the planner check whether:</p> <ul style="list-style-type: none"> The minutes from the TPC indicate that statistical abstract with disaggregated gender data has been compiled and presented. | <ul style="list-style-type: none"> Minutes from the TPC meetings Statistical data | From national APA |
| | 4. | MLG has implemented Human resource management systems <i>Maximum 5 points on this Performance Measure.</i> | <ul style="list-style-type: none"> Evidence that HoDs have been appraised as per guidelines issued by MoPS during the previous FY: score 1 | <p>From the HRM obtain personnel files for HoDs. Review whether the HoDs were appraised during the previous FY.</p> | <ul style="list-style-type: none"> Performance plan Appraisal reports Personnel files | From the national APA |
| | | | <ul style="list-style-type: none"> Evidence that the MLG have submitted key vacant | <ul style="list-style-type: none"> From the HR: (i) obtain the staff structure and identify whether key vacant positions are filled; (ii) if vacant establish whether | <ul style="list-style-type: none"> Staff structure Submission lists | |

⁵⁸ The Annual Statistical Abstract should adhere to the guidelines issued by Uganda Bureau of Statistics (UBOS).

| Performance Area | No | Performance Measure | Scoring Guide ⁵⁶ | Assessment Procedure | Means of Verification | Status |
|---|----|---|--|---|--|----------------------------------|
| | | | positions ⁵⁹ to the District Service Commission for recruitment: score 1 | the MLG have submitted the positions to the District Service Commission; (iii) if no wage bill provision check the recruitment plan to determine whether a request for wage was made. | • Recruitment plan | Customized from the national APA |
| | | | • Evidence that MLG have submitted 100 percent of staff due for confirmation to the District Service Commission: score 1 | • From the HR: (i) obtain the staff structure and identify staff that are not confirmed; (ii) for staff due for confirmation establish whether the MLG have submitted them to the District Service Commission. | | |
| | | | • Evidence that MLG have submitted staff requiring disciplinary action to the District Service Commission: score 1 | • From the HR establish whether MLG has submitted staff requiring disciplinary action to the District Service Commission. | | |
| | | | • Evidence that 100% of the staff recruited during the previous FY have accessed the salary payroll not later than two months after appointment: score 1 point. | • From the HRM Unit obtain the list of all staff that were recruited and determine whether they accessed the salary payroll during the previous FY, not later than 2 months after appointment | • Salary payroll • Pension payroll • Recruited staff lists • Retired staff list | From National APA |
| (II) Revenue Mobilization <i>Maximum 12 points</i> | 5. | The LG has established a data base and issued demand notes for own source revenue collection <i>Maximum 3 points on this performance measure</i> | <ul style="list-style-type: none"> • If MLG has established a comprehensive revenue data base: score 1 • Evidence that the LG has made information publicly available on (i) tax rates, and (ii) collection procedure, and (iii) procedure for tax appeal. Score 1 point • If MLG has issued 100% demand note: score 1 | <ul style="list-style-type: none"> • From the CFO review the revenue data base • Review notice boards and other public places to establish whether the municipality publicized (i) tax rates (ii) collection procedure (iii) procedure for tax appeal • Establish whether demand notes have been issued to all due tax payers. | <ul style="list-style-type: none"> • Revenue data base • Notice boards and other public places • List of demand notes | USMID - modified |

⁵⁹ In case there are no vacant positions, then provide maximum score.

| Performance Area | No | Performance Measure | Scoring Guide ⁵⁶ | Assessment Procedure | Means of Verification | Status |
|--|----|---|--|---|--|-----------------------|
| | 6. | The Municipality has increased its own source revenues in the last financial year compared to the one before the previous financial year (last FY year but one) ⁶⁰ <i>Maximum 4 points on this Performance Measure.</i> | If increase in OSR from previous FY but one to previous FY is: <ul style="list-style-type: none"> • More than 10 %: score 4 points • If the increase is from 6% -10 %: score 3 point • If the increase is from 2% - 5%: score 2 point • If the increase is less than 2%: score 0 points. | <ul style="list-style-type: none"> • From the CFO obtain and review audited final accounts for the previous two FYs to calculate the percentage increase on OSR collection. | <ul style="list-style-type: none"> • Annual financial accounts for previous year and previous year but one. | From the National APA |
| | 7. | Local revenue administration, allocation and transparency <i>Maximum 5 points on this performance measure.</i> | <ul style="list-style-type: none"> • Evidence that the Municipality has remitted the mandatory LLG (divisions) share of local revenues: score 2 or else 0 • Evidence that the LG is not using more than 20% of OSR on council activities⁶¹: score 3 or else 0 | <p>From the CFO obtain and review annual financial accounts to determine whether:</p> <ul style="list-style-type: none"> • the MLG has remitted the mandatory LLG share of local revenues • Review the annual financial statement and check whether the HLG is not using more than 20% of OSR on council activities | <ul style="list-style-type: none"> • Annual financial statements | National APA |
| (III) Procurement <i>Maximum 10 points</i> | 8. | Quality of Municipal procurement with regard to economy and efficiency. | <ul style="list-style-type: none"> • Procurement score | From the PPDA annual audits, for the previous FY, obtain the score of each MLG as per audited procurements results ⁶² . | PPDA annual audit report | USMID |

⁶⁰ Excluding one-off revenue sources (i.e. sale of property and assets); as well as revenue from bus and taxi parks.

⁶¹ These are in respect to the functions of the Councils as provided in the LG Act CAP 243

⁶² The Procurement Audit including scores will be conducted as per the manual/tool developed by PPDA. The IVA will use the scores provided by PPDA.

| Performance Area | No | Performance Measure | Scoring Guide ⁵⁶ | Assessment Procedure | Means of Verification | Status |
|--|-----|--|--|---|--|-------------------|
| | | <i>Maximum 10 points on this performance measure</i> | | | | |
| (IV) Accounting and core financial management Maximum 14 points | 9. | The LG makes timely and complete monthly financial reports <i>Maximum 3 points on this performance measure.</i> | <ul style="list-style-type: none"> Evidence that the LG makes monthly financial reports bank reconciliations, are up to-date at the time of the assessment and submitted to the Mayor by the 15th day of the months: score 3 | <ul style="list-style-type: none"> From CFO obtain and review monthly financial reports and establish that they are done and up to-date. From the Mayor obtain and review the monthly financial statement and establish whether they are complete and were submitted by the 15th day of the month (complete means that they include: trial balance; monthly income and expenditure statements with budget comparison, balance sheet and bank reconciliation statements). | Monthly financial reports | From National APA |
| | 10. | The LG executes the Internal Audit function in accordance with the LGA section 90 and LG procurement regulations <i>Maximum 5 points on this performance measure.</i> | <ul style="list-style-type: none"> Evidence that the LG has a substantive Senior Internal Auditor and produced all quarterly internal audit reports for the previous FY: score 2 or else 0. | From Internal audit obtain and review <ul style="list-style-type: none"> The internal audit reports Minutes from IA | <ul style="list-style-type: none"> Personnel Files IA reports Minutes from IA meetings Submission letters LG PAC minutes | From National APA |
| | | | <ul style="list-style-type: none"> Evidence that the LG has provided information to the Council and LG PAC on the status of implementation of internal audit findings for the previous financial year i.e. follow up on audit queries: score 2. | From the Internal audit obtain and review: <ul style="list-style-type: none"> The internal audit reports Letters by TC on follow up on IA recommendations Review of minutes from IA | <ul style="list-style-type: none"> Personnel Files IA reports Minutes from IA meetings Submission letters LG PAC minutes TC letter of follow-up to audit queries | From National APA |
| | | | <ul style="list-style-type: none"> Evidence that internal audit reports for the previous FY were submitted to LG | From the Internal audit obtain and review: <ul style="list-style-type: none"> The internal audit reports Letters on follow up on IA recommendations | <ul style="list-style-type: none"> Internal audit reports | From National APA |

| Performance Area | No | Performance Measure | Scoring Guide ⁵⁶ | Assessment Procedure | Means of Verification | Status |
|---|-----|---|--|--|---|-------------------|
| | | | Accounting Officer and LG PAC: score 1 | <ul style="list-style-type: none"> Submissions to LG accounting officer to LG PAC | | |
| | 11. | The LG maintains a detailed and updated assets register <i>Maximum 2 points on this performance measure.</i> | <ul style="list-style-type: none"> Evidence that the LG maintains an up-dated assets register⁶³ covering details on buildings, vehicle, etc. as per format in the accounting manual: score 2 | <ul style="list-style-type: none"> From CFO obtain and review if assets register is detailed and up-to-date. | <ul style="list-style-type: none"> Assets register | From National APA |
| | 12. | The LG has obtained a clean/unqualified or qualified Audit opinion <i>Maximum 4 points on this performance measure</i> | Quality of Annual financial statement from previous FY: <ul style="list-style-type: none"> Unqualified/clean audit opinion: score 4 Qualified: score 2 Adverse/disclaimer: score 0 | From the OAG obtain and review: <ul style="list-style-type: none"> The list of LGs which have been audited to establish the audit opinion Minutes from meetings on follow up. | <ul style="list-style-type: none"> Audit report | From National APA |
| V) Execution/ Implementation (budget allocation) <i>Maximum 16 points</i> | 13. | Municipality carries out timely certification of works with necessary supportive documentation <i>Maximum 2 points on this performance measure</i> | <ul style="list-style-type: none"> All projects have been appropriately and timely (interim and final) certified – score 2 or else 0 | <ul style="list-style-type: none"> From the Municipal Engineer obtain and review certificates for all projects implemented in the previous FY to establish whether appropriate certification was done (“timely” means not later than one month after the contractor has informed and submitted the documents). | <ul style="list-style-type: none"> Certificates | USMID |
| | 14. | The LG made timely payment of contractors | <ul style="list-style-type: none"> If the LG makes timely payment of suppliers during the previous FY – no overdue | <ul style="list-style-type: none"> From Municipal Treasurer obtain and review the payment claim register to determine whether the payment is made | <ul style="list-style-type: none"> Payment claim register and payments | From National APA |

⁶³ The update of the Assets register means recoding of assets acquired and writing off the assets disposed of during the FY of assessment in the Assets register. Under IFMS Tier 1, an update is automated and a print out of the same report shall be considered as an update of the assets register.

| Performance Area | No | Performance Measure | Scoring Guide ⁵⁶ | Assessment Procedure | Means of Verification | Status |
|------------------|-----|--|---|---|--|--------|
| | | and suppliers during the previous FY <i>Maximum 2 points on this performance measure</i> | bills (e.g. interim payment certificate) of over 28 working days: score 2. | on time and determine the delays. Counting the 28 working days is from the date of certification by the Project Engineer. | • | |
| | 15. | Evidence that the Engineer carries out monthly and technical staff carries out joint quarterly supervision of project investments in the municipality <i>Maximum 4 points on this performance measure</i> | <ul style="list-style-type: none"> • Evidence that the Engineer and MEO carried out at least 75% monthly supervision of each project investments in the municipality – score 2 or else 0 • Municipality has evidence that the technical staff (planner, engineer and MEO) conducted technical supervision at least once a quarter – 1 point • Site meetings at least monthly for the contract and evidence of action taken on key issues – 1 point | <ul style="list-style-type: none"> • From the Municipal Engineer obtain and review: <ul style="list-style-type: none"> ○ Monthly supervision reports for the previous FY– photos and issues logo ○ Minutes for the previous FY of conducted regular site meetings, raised issues and followed up to ensure that the issues were resolved. | <ul style="list-style-type: none"> • Monitoring reports • Minutes of site meetings • Site book | USMID |
| | 16. | MLG responds to private sector concerns and supports firms (Maximum of 8 Points) | <ul style="list-style-type: none"> • Evidence that commercial office, in the presence of Mayor and Town Clerk, organized bi-annual forum to hear local concerns of private | <ul style="list-style-type: none"> • From the Commercial Officer⁶⁵ check whether (i) there are original attendance and evaluation sheets for 2 forums, held in the previous FY, showing a wide representation of private sector⁶⁶; (ii) an action matrix is available showing actions agreed | <ul style="list-style-type: none"> • Original attendee list and evaluation sheets • Issues/Grievance logbook | New |

⁶⁵ In the first year, the forums will be organized by an Officer designated by the TC.

⁶⁶ This wide range would include includes chambers of commerce, investors associations, traders' associations, etc. (where present) and representatives of different sectors tourism, industry and agribusiness

| Performance Area | No | Performance Measure | Scoring Guide ⁵⁶ | Assessment Procedure | Means of Verification | Status |
|--|-----|--|---|---|--|--------------|
| | | | sector ⁶⁴ . Score 2 points or else 0 | | <ul style="list-style-type: none"> • TPC meeting minutes • List of firms provided with investor aftercare service • Commercial office plan and progress report • Financial report from CFO | |
| | | | <ul style="list-style-type: none"> • Evidence that issues raised by private sector are discussed in TPC and action taken. Score 2 points or else 0 | <ul style="list-style-type: none"> • Obtain TPC minutes for the previous FY and check whether commercial officer presented private sector issues, and some actions are taken in TPC | | |
| | | | <ul style="list-style-type: none"> • MLG One Stop Center provides: business registration; tax education; investor aftercare⁶⁷; and grievance desk⁶⁸ services. Score 2 points or else 0 | <ul style="list-style-type: none"> • Check whether: (i) visually, there is a one stop shop open and providing the required services, (ii) there is a register of firms provided with services, (iii) there is a report from the Commercial Officer on investor aftercare cases and how they were resolved, including photos. | | |
| | | | <ul style="list-style-type: none"> • Evidence that commercial officer has planned activities for current financial year to support private sector growth in the locality and that over 95% of previous year's budget for commercial office have been implemented⁶⁹. Score 2 points or else 0 | <ul style="list-style-type: none"> • Obtain commercial office action plan, progress and financial report for the previous year's activities and obtain the implementation ratio | | |
| (VI) Monitoring, enhanced accountability and transparency and communication | 17. | The LG Council meets and discusses service delivery related issues | <ul style="list-style-type: none"> • Evidence that the Council met, discussed and took action on service delivery related issues: including TPC reports, monitoring reports, performance assessment | <p>From the Clerk to Council obtain and review the minutes from council meetings to determine whether they meet and discuss service delivery issues and took action on:</p> <ul style="list-style-type: none"> ○ TPC reports, ○ monitoring reports, | <ul style="list-style-type: none"> • Minutes from council meetings | National APA |

⁶⁴ Private sector associations including chambers of commerce, investors associations, traders' associations, etc. (where present) and representatives of different sectors tourism, industry and agribusiness

⁶⁷ Investment aftercare is defined as the various measures that a LG can take to help investors to establish and succeed in the locality including facilitating access to land; liaising with utility authorities to ensure rapid utility connections; dealing with investor grievances and complaints etc.

⁶⁸ Other optional services could also include services from URA, UNBS and others.

⁶⁹ Support activities should particularly concentrate on business planning, financial literacy, cooperative governance and market linkage.

| Performance Area | No | Performance Measure | Scoring Guide ⁵⁶ | Assessment Procedure | Means of Verification | Status |
|--------------------------|-----|---|---|--|---|--------------|
| Maximum 13 points | | <i>Maximum 2 points on this performance measure</i> | <ul style="list-style-type: none"> results, and LG PAC reports for the previous FY: score 2 | <ul style="list-style-type: none"> performance assessment results and LG PAC reports for last FY | | |
| | 18. | <p>The LG has designated a senior officer to coordinate response to the feedback/complaints provided by citizens</p> <p><i>Maximum 2 points on this Performance Measure</i></p> | <ul style="list-style-type: none"> Evidence that LG has designated a senior officer to coordinate response to feedback (grievance /complaints) and responded to feedback and complaints: score 2. | <ul style="list-style-type: none"> From the TC, check whether the LG has designated a senior officer to coordinate response to feed-back From the designated a senior officer obtain and review: a complaints log book and the matrix summarizing the complaints and how they were resolved. | <ul style="list-style-type: none"> Letter designating the person including the tasks. Complaints log book Matrix summarizing complaints and how they were resolved | National APA |
| | 19. | <p>The LG shares information with citizens (Transparency)</p> <p><i>Total maximum 4 points on this Performance Measure</i></p> | <p>Evidence that the LG has published:</p> <ul style="list-style-type: none"> The LG Payroll and Pensioner Schedule on public notice boards and other means: score 1 Evidence that the procurement plan and awarded contracts and amounts are published: score 1. Evidence that the LG has made information publicly available on the infrastructure and service delivery projects funded out of OSR and their budget amounts Score 1 point | <ul style="list-style-type: none"> From CFO obtain the payment schedule and evidence for publicized information to citizens on LG payroll and pensioner schedule From Procurement and Disposal Unit obtain evidence for publicized information to citizens on awarded contracts and amounts. From the public notice boards and other means establish whether information on the infrastructure and service delivery projects funded out of OSR and their budget amounts have been publicized. | <ul style="list-style-type: none"> Payment schedule Notice boards and other means of publication | National APA |

| Performance Area | No | Performance Measure | Scoring Guide ⁵⁶ | Assessment Procedure | Means of Verification | Status |
|------------------|-----|---|---|---|---|-------------------------------------|
| | | | <ul style="list-style-type: none"> Evidence that the LG performance assessment results and implications, are published⁷⁰ for the previous year (from budget requirements): score 1. | <ul style="list-style-type: none"> From Planner obtain evidence for publicised information to citizens on LG performance assessment results and implications reports | | |
| | 20. | <p>The LGs communicates guidelines, circulars and policies to LLGs to provide feedback to the citizens</p> <p><i>Maximum 2 points on this performance measure</i></p> | <ul style="list-style-type: none"> Evidence that the HLG has communicated and explained guidelines, circulars and policies issued by the national level to LLGs during previous FY: score 2 | <ul style="list-style-type: none"> From MoFPED, MoLG, MLHUD and OPM obtain guidelines, policies and circulars issued by the national level. From the planner obtain evidence that these have been communicated and explained (meetings minutes, letters etc.). | <ul style="list-style-type: none"> Guidelines, policies and circulations | |
| | 21. | <p>Enhanced Transparency, Accountability and participation</p> <p><i>Maximum 3 points on this performance measure</i></p> | <ul style="list-style-type: none"> The MDF has met and discussed among others assessment reports, complaints handling, quarterly progress reports MDF has held 4 meetings score 2 At least 2 meetings – 1 points | <ul style="list-style-type: none"> From Municipal TC obtain MDF meeting documents for the previous FY to ascertain whether they met and discussed: <ul style="list-style-type: none"> Assessment reports Complaints handling Quarterly progress report Annual General Forum | <ul style="list-style-type: none"> Minutes from meetings in MDF | USMID (but need to be strengthened) |
| | | | <ul style="list-style-type: none"> Municipality prepared the biannual IGG report, which will include a list of cases of alleged fraud and corruption and their status including administrative or other action taken/being taken and the report has been presented | <ul style="list-style-type: none"> Municipality obtain and review the report and MDF minutes | <ul style="list-style-type: none"> IGG reports | USMID |

⁷⁰ This should be within the first 100days after the official release of the performance assessment reports. Evidence could be in form of reports / presentations to MDFs, reports of presentations to Barraza's, information display on notice boards.

| Performance Area | No | Performance Measure | Scoring Guide ⁵⁶ | Assessment Procedure | Means of Verification | Status |
|--|-----|---|---|---|--|------------------|
| | | | and discussed at MDF– 1 points | | | |
| (VII) Environmental, and Social issues <i>Maximum 15 points</i> | 22. | Municipality is planning, designing and complying to environmental and social management (particularly ESIA and Land Acquisition Framework) procedures <i>Maximum 4 points on this performance measure</i> | <ul style="list-style-type: none"> Evidence that the MLG has prepared an ESMP/RAP and submitted to TPC for approval – score 1 Evidence that the MLG has obtained a certificate from NEMA – score 1 The Environment, Social, Health and Safety (ESHS) has been incorporated in the bidding and contract document (including any variations where necessary)⁷¹. – score 1 | Desk review at Municipality. <ul style="list-style-type: none"> Check the contract documents of all ongoing contracts and variation orders for integration of ESHS safeguards. | <ul style="list-style-type: none"> Contract documents Variation orders | UMSID - Modified |
| | | | <ul style="list-style-type: none"> Evidence that the contractor ESMP is in place (including for the main project, camp site, quarry and borrow areas | Desk review at Municipality: <ul style="list-style-type: none"> Check the NEMA certificates at the Municipality or on the MLHUD website. | <ul style="list-style-type: none"> NEMA Certificates RAP approval | |

⁷¹ Full integration of ESHS into bidding and contract documents means: (i) bidding level, the bidder will (a) declare past ESHS performance; (b) provide Code of conduct for his employees and subcontractors, (c) provide among key personnel, include name, time allocation, and CV of ESHS staff, (d) propose ESHS management strategy and implementation plan and (d) budget for ESHS implementation; and (ii) in addition, at contract level, the client will have provisions to (a) enhance ESHS reporting (ESHS incident reporting and regular reporting); (b) ability to withhold interim payment due to failure to perform ESHS obligations; (c) provide for ESHS contract variation to manage unforeseen/ unpredicted ESHS risks and impacts

| Performance Area | No | Performance Measure | Scoring Guide ⁵⁶ | Assessment Procedure | Means of Verification | Status |
|------------------|-----|--|---|---|--|--------|
| | | | where applicable) and that RAP has been implemented prior to site handover to contractor – score 1 or else 0 | <ul style="list-style-type: none"> RAP clearance processes with MLHUD (CGV). | | |
| | 23. | <p>Municipality is implementing, supervising, monitoring and complying to environmental management (particularly ESIA) procedures; and demonstrating effective on-the-ground environmental and social performance</p> <p><i>Maximum 4 points on this performance measure</i></p> | <ul style="list-style-type: none"> Evidence that the contractor payment certificates includes prior environmental and social clearance score 2 or else 0. | <p>Desk review at Municipality</p> <ul style="list-style-type: none"> Check all the contractor payment certificates for the previous FY for their prior environmental advice. | <ul style="list-style-type: none"> Contractor payment certificates and supporting documentation ESHS incident reports and regular reports | |
| | | | <ul style="list-style-type: none"> Evidence that the MEO's and CDO monthly report includes (a) completed checklists, (b) deviations observed with pictures and (c) corrective actions taken. If all done: score 2 or else 0 points. | <p>Desk review.</p> <ul style="list-style-type: none"> Check the monthly report from the time of contract award till the end. Check for consistent monitoring and engagement throughout the contract period. Evidence during site inspection. Site visit to check mitigation measure such as (a) overall site maintenance, e.g. well-managed working areas, oily waste and solid waste properly stored for disposal; (b) all PPEs are in use; and (c) tree planting / landscaping being done or done or survival rate. (d) traffic control signs / site signage's; (e) sensitization of workers on labor influx related social issues such as HIV/AIDS, Gender Based Violence (GBV), and Violence Against Children (VAC), including Child Labor. These mitigation measures may pertain to | <ul style="list-style-type: none"> MEO's and CDO's, physical performance monthly Monitoring report from the time of contract award till the end. Environment and social Audit compliance agreements Onsite walk through verification of a sample of sub-projects from ongoing contracts and the construction camp if established. | |

| Performance Area | No | Performance Measure | Scoring Guide ⁵⁶ | Assessment Procedure | Means of Verification | Status |
|------------------|-----|--|---|---|--|-------------------|
| | | | | the implementation or operation & maintenance phase. | | |
| | 24. | All completed projects have Environmental and Social Mitigation Certification. <i>Maximum 2 points</i> | <ul style="list-style-type: none"> Evidence that Environmental and Social Mitigation Certification Form completed and signed by MEO and CDO score 2 or else 0 | <ul style="list-style-type: none"> From the TC, obtain completion report, for projects completed in the previous FY, and establish whether it contains environmental and social certification. | <ul style="list-style-type: none"> Completion Report | |
| | 25. | The LG has mainstreamed gender and vulnerability/ inclusion issues into their activities and planned activities to strengthen women's roles and address inclusion issues <i>Maximum 3 points on this performance measure.</i> | <ul style="list-style-type: none"> Evidence that the LG gender focal person and CDO have provided guidance and support to sector departments to mainstream gender, vulnerably and inclusion into their activities score 1. | From the Gender Focal Point Person and Community Development Officer obtain and review whether the GFP has provided guidance and support to departments on how to mainstream gender, vulnerability and inclusion issues into activities during the previous FY. | <ul style="list-style-type: none"> Notes on guidance produced Minutes from meeting with departments Action plans Annual progress reports | From National APA |
| | | | <ul style="list-style-type: none"> Evidence that gender focal point and CDO have planned activities for current FY to strengthen women's roles and address vulnerability and inclusion and that more than 90 % of previous year's budget for gender/vulnerability /inclusion activities has been implemented: score 1 point. | From the Gender, Focal Point Person and CDO obtain and review: <ul style="list-style-type: none"> Gender/vulnerability /inclusion activities planned (strategy or action plan) and progress/mentoring reporting for previous years' activities. | | |
| | 26. | Implementation of land acquisition framework | <ul style="list-style-type: none"> Land acquisition framework applied and implemented for all projects where the | <ul style="list-style-type: none"> From Focal Point establish whether land acquisition framework is applied and implemented for all projects executed in the previous FY where the Environmental | <ul style="list-style-type: none"> Screening forms Documentation (Land Acquisition Plans) detailing the | |

| Performance Area | No | Performance Measure | Scoring Guide ⁵⁶ | Assessment Procedure | Means of Verification | Status |
|------------------|----|--|---|--|--|--------|
| | | <i>Maximum 2 point on this performance measure</i> | Environmental and Social Screening Form indicates land acquisition – affected persons and properties have been identified and when necessary, ensure payment of any compensation (including livelihood restoration measures from economic displacement) prior to initiating works – score 3 point or else 0 | and Social Screening Form indicates land acquisition | process (Census, consultation, compensation records, etc.) | |

D: Assessment of Infrastructure Investment Performance⁷²- USMID AF

| | Performance Indicator | Scoring Guide | Assessment Procedure | Means of Verification | Status |
|----|--|---|--|--|---|
| 1. | Local infrastructure targets as set out in the annual work plans for the previous FY met by municipalities utilizing the – USMID DDEG- Funds⁷³ . (Max 35 points) | Physical targets as included in the annual work plan ⁷⁴ for the previous FY implemented calculated as the average implementation percentage for sampled projects multiplied by the maximum points i.e. 35. <i>The score on this indicator will be between 0-35 points.⁷⁵</i> | <ul style="list-style-type: none"> Step 1: Calculate the implementation rate in percentage per project implemented in the previous FY sampled Step 2: Calculate the average implementation rate for the projects sampled Translate the implementation rate to score between 0 and 35 (maximum score). This is done by multiplying the average implementation ratio by the maximum points (i.e. 35). | <ul style="list-style-type: none"> Work-plan for the previous FY Reports on execution for the previous FY Annual financial statements | USMID specific clarified that it is DDEG funds. |
| 2. | Value for the money in the infrastructure investments funded by the Program ⁷⁶ (maximum 50 points) | The score on this indicator will be between 0-50 (max), see the scoring guide below, i.e. if the scores in the VFM is 100, the results will be 0.5 X 100 = 50 points. | <ul style="list-style-type: none"> The input from this will be provided by the value for the money audits to the assessment teams to include in the calibration and in the final calculation of the size of the allocations. | <ul style="list-style-type: none"> Value for Money Audit Reports from OAG | USMID specific |
| 3 | The LG has executed the budget for construction of investment projects and O&M⁷⁷ for all major infrastructure | <ul style="list-style-type: none"> The MLG has prepared an Annual Infrastructure inventory and condition survey (including roads, drainage etc...) - score 3 or else 0 | From the Municipal Engineer obtain and review the Annual Infrastructure inventory and condition survey to establish whether it was prepared | <ul style="list-style-type: none"> Annual Infrastructure inventory and condition survey report | New |

⁷² Physical Progress on Urban **DDEG** Funded Investments – Second Component in the Annual Performance Assessment.

⁷³ The verification of this will be through a comparison of the municipal annual work-plans for DDEG utilization with the actual execution rate of the (sub)-projects, funded by the **DDEG**.

⁷⁴ The annual work plan for infrastructure projects under USMID-AF will be as per the format provided in the POM.

⁷⁵ See means of verification in the rating completion rate table.

⁷⁶ The **value for money** will be conducted starting reviewing performance of 2016/17. In case they are not completed by the time needed to be incorporated in the regular assessment, i.e. the firm which will carry out the assessment will revise the assessment results by taking the VFM audit results into account. For new USMID MCs, the VfM will review DDEG funded projects.

⁷⁷ Operational costs like fuel for routine operations, electricity etc. are not included.

| | Performance Indicator | Scoring Guide | Assessment Procedure | Means of Verification | Status |
|--|---|--|---|--|---|
| | projects and assets during the previous FY - <i>Maximum 15 points on this Performance Measure.</i> | <ul style="list-style-type: none"> O&M strategy and plan for all investments requiring maintenance as per formats in the POM, including break down on projects, time-plan and sequencing Score 4 points or else 0 | Review O&M strategy and details in this, and compare with the provided guidelines from MLHUD (to be developed) Sample projects, e.g. roads, and check maintenance plan and costing. | <ul style="list-style-type: none"> O&M strategy document Adherence with the developed guidelines Sample projects with plan and costing. | New, strengthening of old USMID PM |
| | | <ul style="list-style-type: none"> Evidence that the LG has budgeted in line with the strategy for the previous FY: score 2 or else 0 Evidence that the LG has spent at least 80% of O&M budget for infrastructure in the previous FY: score 2 or else 0 | From MoFPED obtain the Annual Final Accounts and annual performance report to check whether The LG has spent at least 80% of the maintenance budget (with URF as actually received) for infrastructure projects the previous FY based on sample of projects. | <ul style="list-style-type: none"> Annual budget performance report Annual financial accounts Sample projects | (lifted from institutional to service delivery, with higher focus and improved scoring) |
| | | Percentage of MLG actual maintenance expenditure funded by own source revenues: <ul style="list-style-type: none"> 20 % or more are funded by own source revenues: Score 4 points 10 % or more 10 %: 2 points Below 10 %: 0 points | Review break down of the maintenance budget and actual maintenance expenditure. | <ul style="list-style-type: none"> Maintenance budget Annual financial statements | New |
| | Max 100 points | Total Maximum Score = sum of indicator 1, 2 and 3 = 100 points. | | | |

Note: The “execution rate” will be determined by a review of the bills of quantities, and verified by the **physical progress against planned targets**. Hence, for projects not yet fully completed, e.g. a road project, the team will review the progress on the major items in the *bills of quantities*, both in the regular reports from the engineer, as well as through field trip verification of the actual implementation rate. The % (rate), of completion measured by the bills of quantities and physical progress against planned annual target will be determined for each project as the status was in the situation at the end of each Fiscal Year. The completion rate (%) of each project, when determined, will then be weighted with the relative contracted size of the projects to get an aggregate result, see the example below.

Table: Weighting Completion Rates

| Projects | Contract amount | Implementation rate against planned completion * | Weighted | Result |
|---|-----------------|--|-------------|------------|
| Project 1 | 100,000 | 70% | 70,000 | |
| Project 2 | 500,000 | 80% | 400,000 | |
| Project 3 | 50,000 | 90% | 45,000 | |
| Total Plan | 650,000 | 100% | 515,000 | |
| Weighted implementation rate for this Municipality | | | 0.79 | 79% |

*Progress of projects monitored through bills of quantities and field verification.

Table: Work Plan Achievement

| Project Name | Contract Sum | Commencement date | Planned Completion date | Actual Completion date | Planned targets at the end of the previous FY | | Achieved targets at the end of the previous FY | | Implementation rate ⁷⁸ | Weighted progress ⁷⁹ | Result |
|---------------------------------------|--------------|-------------------|-------------------------|------------------------|---|---------------------|--|--------------------|-----------------------------------|---------------------------------|------------|
| | | | | | Physical targets | Planned expenditure | Physical progress ⁸⁰ | Actual expenditure | | | |
| Project 1 | 100,000 | Sep 22, 2017 | Sep 22, 2018 | | 60% | 55,000 | 49% | 50,000 | 82% | 44,917 | |
| Project 2 | 500,000 | Dec 12, 2017 | Dec 12, 2018 | | 52% | 230,000 | 30% | 200,000 | 58% | 132,692 | |
| Project 3 | 50,000 | Jan 16, 2018 | June 20, 2018 | June 25, 2018 | 100% | 50,000 | 100% | 50,000 | 100% | 50,000 | |
| Total 650,000 | | | | | | 335,000 | | | 80% | 227,609 | 68% |
| Weighted work plan achievement | | | | | | | | | 80⁸¹% | | 68% |

⁷⁸ Implementation rate = Achieved physical progress (%) / planned target (%)

⁷⁹ Weighted progress = Implementation rate X Planned expenditure

⁸⁰ Physical progress = Quantity certified / Quantity in BOQ

⁸¹ The work plan achievement computed as the average of the three projects

Scoring guideline for Value for Money Audit

| No | Objective | Sub-Objective | Parameters | Criteria |
|----|--|--|--|--|
| 1 | To assess the unit cost of delivery of the infrastructure against works of similar nature (Economy) Max points – 30 | To assess the price differences between similar quality and quantity of works (30 Marks) | Unit project item costs as per Engineer's Estimates. (5 Marks) | Cross referenced across all the 14 municipalities. (Table 2-2 and 2-3 below) |
| | | | Unit project item costs as per signed Contracts (10 Marks) | Cross referenced across all the 14 municipalities. (Table 2-2 and 2-3 below) |
| | | | Unit cost per square meter of road/building works among the municipalities (15 Marks) . | Cross referenced across all the 14 municipalities. |
| 2 | To assess the level of implementation of the works against the agreed contract approved work programs and outputs (Efficiency) Max points – 35 | To assess the progress of the works against time (10 Marks) | Physical progress lag – (difference between the planned as derived from initial work program and actual physical progress) (5 Marks) | Physical lag ≤ 5% - 5mks; >5% - ≤ 10% -4mks; >10% - ≤ 20% -3mks; >20% - ≤ 25% -2mks; >25% - ≤ 30% -1mk; above 30% - 0mks |
| | | | Physical progress lag – (difference between the planned as derived from the current approved revised work program and actual physical progress) (5 Marks) | Physical lag ≤ 5% - 5mks; >5% - ≤ 10% -4mks; >10% - ≤ 20% -3mks; >20% - ≤ 25% -2mks; >25% - ≤ 30% -1mk; above 30% - 0mks |
| | | To assess the existence and effectiveness of internal controls for certification and payment of executed works (18 Marks) | Presence of detailed measurement sheets (2 Marks) | Detailed measurement sheets present – 2mks; Absent – 0mks |
| | | | Payment above certified amounts (IPCs, fee notes, material supply invoices etc.) (3 Marks) | No payment above certified amount – 3mks; Any payment above certified amount -0mks |
| | | | % of overpayment (as a result of variance between audit values and certified works) | 0% overpayment -10mks; 1% - ≤5% - 5mks; 6 - ≤10% - 2mks; above 10% - 0mks |
| | | | | |

| No | Objective | Sub-Objective | Parameters | Criteria |
|----------|--|---|---|--|
| | | | to the certified value of the works (10 Marks) | |
| | | | Timeliness in payment of IPCs, fee notes, material supply invoices etc. (3 Marks) | Payment within contractual provision – 3mks; Otherwise – 0mks |
| | | To Review contract Supervision and monitoring arrangements (7 Marks) | % of quality progress reports prepared (2 Marks) | 100% reports – 2mks; otherwise - 0mks |
| | | | Presence of Minutes of Site Meetings (2 Marks) | Minutes of site meetings present – 2mks; Absent – 0mks |
| | | | % of approved supervising personnel on site (2 Marks) | 100% personnel – 2mks; otherwise - 0mk |
| | | | % of approved equipment on site (1 Mark) | 100% equipment – 1mk; otherwise - 0mk |
| 3 | To assess the usage and quality of the infrastructural works undertaken by the municipalities (effectiveness) Max points - 35 | To assess the quality of works under implementation (25 Marks) | Material test results on file (5 Marks) | Material test results present – 5; Absent - 0 |
| | | | % conformance of site works to design drawings and physical specifications (7 Marks) | 100% conformance – 7mks; 99% - ≥80% - 3mks; 79% - ≥60% - 1mk; less than 60% - 0mk |
| | | | % conformance of audit test results to specifications (10 Marks) | 100% conformance – 10mks; 99% - ≥80% - 5mks; 79% - ≥60% - 1mk; less than 60% - 0mk |
| | | | Presence of defects from visual observations (3 Marks) | No defects observed – 3; Minor defects observed – 2; Major defects observed - 0 |
| | | To assess the utilization of the infrastructure (10 Marks) | Observed Functionality and Usage (10 Marks) | Functioning and used as intended – 10mks; below – pro-rata basing on team judgment |

Simulation of allocation of USMID Grants to Municipal Local Governments (MLG) – Expressed in US Dollars

| No | MLG | FY 2018/19 | | FY 2019/20 | | FY 2020/21 | | FY 2021/22 | | Total | |
|--------------|----------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|--------------------|-------------------|
| | | MDG | CBG | MDG | CBG | MDG | CBG | MDG | CBG | MDG | CBG |
| 1 | Arua MC | 2,156,708 | 138,889 | 2,680,486 | 113,636 | 3,651,006 | 113,636 | 3,142,638 | 113,636 | 11,630,839 | 479,798 |
| 2 | Entebbe MC | 1,945,757 | 138,889 | 2,416,586 | 113,636 | 3,291,557 | 113,636 | 2,833,239 | 113,636 | 10,487,139 | 479,798 |
| 3 | Fort-Portal MC | 1,466,740 | 138,889 | 1,813,636 | 113,636 | 2,470,297 | 113,636 | 2,126,332 | 113,636 | 7,877,005 | 479,798 |
| 4 | Gulu MC | 4,172,453 | 138,889 | 5,216,167 | 113,636 | 7,104,779 | 113,636 | 6,115,506 | 113,636 | 22,608,906 | 479,798 |
| 5 | Jinja MC | 2,104,607 | 138,889 | 2,615,619 | 113,636 | 3,562,653 | 113,636 | 3,066,588 | 113,636 | 11,349,466 | 479,798 |
| 6 | Kabale MC | 1,336,000 | 138,889 | 1,649,163 | 113,636 | 2,246,274 | 113,636 | 1,933,502 | 113,636 | 7,164,938 | 479,798 |
| 7 | Lira MC | 2,626,084 | 138,889 | 3,271,792 | 113,636 | 4,456,406 | 113,636 | 3,835,894 | 113,636 | 14,190,175 | 479,798 |
| 8 | Masaka MC | 2,339,756 | 138,889 | 2,912,334 | 113,636 | 3,966,800 | 113,636 | 3,414,461 | 113,636 | 12,633,352 | 479,798 |
| 9 | Mbale MC | 2,630,618 | 138,889 | 3,277,221 | 113,636 | 4,463,801 | 113,636 | 3,842,259 | 113,636 | 14,213,900 | 479,798 |
| 10 | Mbarara MC | 4,161,426 | 138,889 | 5,204,354 | 113,636 | 7,088,689 | 113,636 | 6,101,656 | 113,636 | 22,556,125 | 479,798 |
| 11 | Moroto MC | 861,553 | 138,889 | 1,051,739 | 113,636 | 1,432,541 | 113,636 | 1,233,073 | 113,636 | 4,578,906 | 479,798 |
| 12 | Soroti MC | 1,655,830 | 138,889 | 2,051,003 | 113,636 | 2,793,608 | 113,636 | 2,404,624 | 113,636 | 8,905,065 | 479,798 |
| 13 | Tororo MC | 1,461,552 | 138,889 | 1,806,557 | 113,636 | 2,460,655 | 113,636 | 2,118,032 | 113,636 | 7,846,797 | 479,798 |
| 14 | Kasese MC | 2,432,482 | 138,889 | 3,028,691 | 113,636 | 4,125,286 | 113,636 | 3,550,879 | 113,636 | 13,137,337 | 479,798 |
| 15 | Hoima MC | 2,569,369 | 138,889 | 3,200,904 | 113,636 | 4,359,852 | 113,636 | 3,752,784 | 113,636 | 13,882,909 | 479,798 |
| 16 | Kitgum MC | 1,652,478 | 138,889 | 2,046,363 | 113,636 | 2,787,287 | 113,636 | 2,399,184 | 113,636 | 8,885,312 | 479,798 |
| 17 | Mubende MC | 2,446,903 | 138,889 | 3,046,557 | 113,636 | 4,149,621 | 113,636 | 3,571,826 | 113,636 | 13,214,908 | 479,798 |
| 18 | Kamuli MC | 1,979,684 | 138,889 | 2,458,010 | 113,636 | 3,347,980 | 113,636 | 2,881,805 | 113,636 | 10,667,479 | 479,798 |
| 19 | Ntungamo MC | - | - | 966,861 | 113,636 | 1,316,931 | 113,636 | 1,133,561 | 113,636 | 3,417,352 | 340,909 |
| 20 | Busia MC | - | - | 2,150,412 | 113,636 | 2,929,009 | 113,636 | 2,521,172 | 113,636 | 7,600,593 | 340,909 |
| 21 | Lugazi MC | - | - | 3,234,326 | 113,636 | 4,405,375 | 113,636 | 3,791,968 | 113,636 | 11,431,670 | 340,909 |
| 22 | Apac MC | - | - | 1,901,219 | 113,636 | 2,589,592 | 113,636 | 2,229,016 | 113,636 | 6,719,827 | 340,909 |
| Total | | 40,000,000 | 2,500,000 | 58,000,000 | 2,500,000 | 79,000,000 | 2,500,000 | 68,000,000 | 2,500,000 | 245,000,000 | 10,000,000 |

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

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

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

| Disbursement Link Indicators (DLIs) | Indicative timeline for DLI achievement | | | | |
|-------------------------------------|---|---|---|---|-----------------------|
| | Year or period 1 | Year or period 2 | Year or period 3 | Year or period 4 | Year or period 5 |
| | FY2018/19 | FY2019/20 | FY2020/21 | FY2021/22 | FY2022/23 |
| | | iv) Economic potentials and constraints analysis & PPP screening conducted for all municipalities ⁸² (mov: report) Score 2 if report is in place, else 0 | iv) IEC strategy for stakeholders' participation in urban development developed and adopted. (Mov: strategy doc) Score 2 if strategy document is in place, else 0 | iv) Develop E-Governance Framework ⁸³ for Cities, Municipalities and Towns. (Mov: system report) Score 5 if system report is in place, else 0 | |
| | | | | | |
| | | v) LED module developed and piloted, with a view to institutionalize it in Uganda Civil Service College. (Mov: module) Score 2 if module has been developed, else 0 | | v) Urban Green Growth and Climate Resilience Framework developed. (Mov: framework document) Score 2 if framework document has been developed, else 0 | |
| | | Max score (11) | Max score (9) | Max score (17) | Max score (13) |
| | | | | | |

⁸² This is in order to better inform infrastructure investments in line with economic potentials. Local small scale PPP opportunities may be possible in the areas of solid waste management, tourist sites, markets, abattoirs, parks for micro-enterprises and cottage industries, and business district upgrading.

⁸³ The e-governance will support external and internal communication between the MLHUD and the Municipalities and other MDAs, the MDFs through the E- citizen platform, Knowledge information hub for urban development and management E- Revenue that includes e-billing, e-tax, e-registration e-permits, support and increase public access to information.

| Disbursement Link Indicators (DLIs) | Indicative timeline for DLI achievement | | | | |
|--|---|--|--|---|--|
| | Year or period 1 | Year or period 2 | Year or period 3 | Year or period 4 | Year or period 5 |
| | FY2018/19 | FY2019/20 | FY2020/21 | FY2021/22 | FY2022/23 |
| Target 3: MDF & National Urban Development Forum effectively functioning. | NA | i) All 18 MDFs in 18 target MLGs have been supported ⁸⁴ by MLHUD on a quarterly basis. (Mov: progress reports) Score 4 if all 4 quarterly reports are in place. 1 score each available report, else 0. | i) All 18 MDFs in 18 target MLGs have been supported by MLHUD on a quarterly basis. (Mov: progress reports) Score 4 if all 4 quarterly reports are in place. 1 score each available report, else 0. | i) All 18 MDFs in 18 target MLGs have been supported by MLHUD on a quarterly basis (Mov: progress reports) Score 4 if all 4 quarterly reports are in place. 1 score each available report, else 0. | i) All 18 MDFs in 18 target MLGs have been supported by MLHUD on a quarterly basis. (Mov: progress reports) Score 4 if all 4 quarterly reports are in place. 1 score each available report, else 0. |
| | | | | | |
| | | ii) UNUF annual public dialogue conducted. (Mov: progress reports). Score 4 if report is in place, else 0 | ii) New guidelines including framework for operation of MDFs and roll-out to all MLGs (including awareness raising and introduction). (Mov: guidelines & training report). Score 4 if guidelines and training report are in place, else 0 | ii) UNUF annual public dialogue conducted. (Mov: progress reports). Score 4 if report is in place, else 0 | ii) UNUF annual public dialogue conducted. (Mov: progress reports). Score 4 if report is in place, else 0 |
| | | | | | |
| | | | iii) UNUF annual public dialogue conducted. (Mov: progress reports) Score 5 if report is in place, else 0 | | |
| | | Max score (8) | Max score (13) | Max score (8) | Max score (8) |

⁸⁴ Supported means guidance on participation, capacity building support, support to facilitate meetings, guidance preparation and implementation of their work-plans

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

| Disbursement Link Indicators (DLIs) | Indicative timeline for DLI achievement | | | | |
|--|---|--|--|---|--|
| | Year or period 1 | Year or period 2 | Year or period 3 | Year or period 4 | Year or period 5 |
| | FY2018/19 | FY2019/20 | FY2020/21 | FY2021/22 | FY2022/23 |
| | | iii) All the 18 target MLGs Supported to align their USMID project invest menu, Five-year Development Plans, PDPs and Annual Budgets with the MDSs. (Mov: progress reports with aligned plans) Score 3 if progress reports with aligned plans are in place else 0 | | iii) All the 18 target MLGs Supported to align their USMID project invest menu, Five-year Development Plans, PDP and Annual Budgets with the MDSs. (Mov: Progress report) Score 3 if progress report is in place | |
| | | Max score (12) | Max score (9) | Max score (12) | Max score (13) |
| | | | | | |
| | | | | | |
| Target 5 Institutional strengthening support to MLGs achieved in physical planning | NA | i) Physical planning needs assessment of 18 MLGs completed. (Mov: NA doc) Score 3 If needs assessment document is in place | i) Five of out the 8 detailed guidelines for physical planning developed ⁸⁵ . (Mov: guidelines) Score 3 if guidelines are in place | i) Update and roll out of physical planning guidelines to 18 MLGs completed. (Mov: guidelines) Score 3 if guidelines are in place | i) NPPB operational (i.e. approves all MLG plans, review appeals and produce quarterly reports on decisions taken). (Mov: Progress report) Score 8 if progress report is in place |
| | | | | | |

⁸⁵ These are: i) preparation of PDPs (national, regional, district urban local detailed action plan and subject plans, ii) Stakeholders' participation in physical planning in Uganda, iii) Planning and provision of open spaces and recreation, iv) grading and hillside development, v) development along upper hierarchy roads, vi) Urban design and landscaping, vii) Rural planning and viii) Other three guidelines to be defined

| Disbursement Link Indicators (DLIs) | Indicative timeline for DLI achievement | | | | |
|-------------------------------------|---|--|---|---|---|
| | Year or period 1 | Year or period 2 | Year or period 3 | Year or period 4 | Year or period 5 |
| | FY2018/19 | FY2019/20 | FY2020/21 | FY2021/22 | FY2022/23 |
| | | ii) Physical planning public awareness plan developed. (Mov: plan doc) Score 3 if plan document is in place, else 0 | ii) Operationalization of the central PPUMIS centre with linkages to the 18 MLGs ⁸⁶ . (Mov: progress report on center) Score 3 if progress report on centre is in place, else 0 | ii) National Spatial Planning Guidelines Developed. (Mov: guidelines) Score 3 if guidelines are in place, else 0 | ii) Policy for national physical planning developed. (Mov: policy doc) Score 3 if policy document is in place, else 0 |
| | | | | | |
| | | iii) Draft integrated development planning guidelines developed. (Mov: guidelines) Score 3 if guidelines are in place, else 0 | iii) Training of 18 MLGs in integrated planning and roll out of guideline. (Mov: training report) Score 3 if training report is in place, else 0 | iii) Roll out of the 5 out of the 8 <i>detailed</i> guidelines for physical planning (see footnote). (Mov: training report) Score 3 if training report is in place, else 0 | iii) Operationalization of the physical planning registration board ⁸⁷ . (Mov: Progress report). Score 3 if progress report is in place, else 0 |
| | | | | | |
| | | iv) Jinja model town physical development plan finalized and approved. (Mov: plan and documentation of approval) | iv) Review of NLUP completed. (Mov: review doc) | | |

⁸⁶ Operationalization means as a minimum a unit and data base which is linked to the 18 MLGs, and computerized system of management of approvals of physical plans

⁸⁷ Operationalisation" means appointed and in place, registration of physical planners operational, desk where stakeholders can address issues and has issued guidelines for operations/code of conduct

| Disbursement Link Indicators (DLIs) | Indicative timeline for DLI achievement | | | | |
|---|---|---|--|--|---|
| | Year or period 1 | Year or period 2 | Year or period 3 | Year or period 4 | Year or period 5 |
| | FY2018/19 | FY2019/20 | FY2020/21 | FY2021/22 | FY2022/23 |
| | | Score 3 if plan and documentation of approval are in place, else 0 | Score 3 if review document is in place, else 0 | | |
| | | | | | |
| | | | v) NPPB strategy for research and development completed. (Mov: strategy) Score 4 if strategy is in place, else 0 | | |
| | | | | | |
| | | Max score (12) | Max score (16) | Max score (9) | Max score (14) |
| | | | | | |
| | | | | | |
| Target 6: Land Use Management and Compliance Strengthened | | i) National Physical Planning standards reviewed and updated. (Mov: document with standards) Score 4 if document with standards is in place, else 0 | i) State of National Land Use Compliance Report Prepared with rewards and sanctions guidelines embedded. (Mov: bi-annual report) Score 4 if bi-annual report is in place, else 0 | i) Quarterly monitoring, inspection and training of 5 out of 18 MLGs on implementation of physical development plans completed (Mov: report) Score 4 if report is in place, else 0 | i) Quarterly monitoring, inspection and training of 5 out of 18 MLGs on implementation of physical development plans completed. (Mov: report) score 4 if report is in place, else 0 |
| | | | | | |

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

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

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

| Disbursement Link Indicators (DLIs) | Indicative timeline for DLI achievement | | | | |
|---|---|--|--|--|---|
| | Year or period 1 | Year or period 2 | Year or period 3 | Year or period 4 | Year or period 5 |
| | FY2018/19 | FY2019/20 | FY2020/21 | FY2021/22 | FY2022/23 |
| Target 8: Land data bank system developed and implemented. | NA | i) Land value databank systems requirements and technical assessment carried out. (Mov: report on functionality) Score 4 if report on functionality is in place, else 0 | i) Development, testing and installation of the Land value databank done. (Mov: report on functionality) Score 4 if report on functionality is in place, else 0 | i) Land Values Data collection, analysis and population done. (Mov: report on functionality) Score 4 if report on functionality is in place, else 0 | i) Land value databank system rolled out to all the 21 Ministry Zonal Offices (MZO's). (Mov: progress report) Score 4 if progress report is in place, else 0 |
| | | Max score (4) | Max score (4) | Max score (4) | Max score (4) |
| Target 9: Data base for property yields up-dated and published. | NA | i) Development of Database for the Property yields and indices. (Mov: progress report on data base). Score 5 if progress report on data base is in place, else 0 | i) Collection of property yields and indices completed in Kampala City and 18 USMID MLGs ⁸⁸ . (Mov: report on yields). Score 5 if report on yields is in place, else 0 | i) Collection of property yields and indices done in the 24 MLGs. (Mov: progress report). Score 5 if progress report is in place, else 0 | i) Database for the Property yields and indices updated in Kampala City and the 42 MLGs. (Mov: report on functionality) Score 5 if report on functionality is in place, else 0 |
| | | Max score (5) | Max score (5) | Max score (5) | Max score (5) |
| Target 10: Development and implementation of regulatory framework for valuation. | NA | i) Principles of the valuation Bill developed and submitted to Cabinet. (Mov: report on principles) | i) The draft valuation bill developed. (Mov: draft bill) Score 4 is draft bill is in place | i) Valuation Bill finalized and submitted to Cabinet (Mov: final bill) | i) National valuation standards and guidelines disseminated in the USMID MLGs and remaining HLGs. |

⁸⁸ The CGV will also focus on other LGs, not only the urban, but this is the minimum coverage as a trigger

| Disbursement Link Indicators (DLIs) | Indicative timeline for DLI achievement | | | | |
|--|---|--|--|---|---|
| | Year or period 1 | Year or period 2 | Year or period 3 | Year or period 4 | Year or period 5 |
| | FY2018/19 | FY2019/20 | FY2020/21 | FY2021/22 | FY2022/23 |
| | | Score 4 if report on principles is in place | | Score 4 if valuation bill has been submitted to cabinet | (Mov: reports on roll-out). Score 4 is reports on roll-out of the valuation standards is in place |
| | | | | | |
| | | ii) National valuation standards and guidelines produced. (Mov: draft guidelines). Score 4 if draft guidelines are in place, else 0. | ii) National valuation standards, and guidelines produced and Approved. (Mov: guidelines with evidence of approval). Score 4 if guidelines are in place with evidence of approval, else 0 | ii) National valuation standards and guidelines disseminated in USMID MLGs and to 80 HLGs and Professional Bodies. (Mov: standards and report on roll-out). Score 4 if standards and report on roll-out are in place, else 0 | |
| | | Max score (8) | Max score (8) | Max score (8) | Max score (4) |
| | | | | | |
| | | | | | |
| Target 11: Effective Program management, including timely APA. | | i) Timely ⁸⁹ APA and VFM. (Mov: evidence of results in the second BCC) Score 11 if there is evidence of results in the second BCC, else 0 | i) Timely APA and VFM. (Mov: evidence of results in the second BCC) Score 11 if there is evidence of results in the second BCC, else 0 | i) Including timely APA and VFM. (Mov: evidence of results in the second BCC) Score 11 if there is evidence of results in the second BCC, else 0 | i) Timely APA and VFM (Mov: evidence of results in the second BCC) Score 11 if there is evidence of results in the second BCC, else 0 |
| | | | | | |

⁸⁹ Timely means in due course to inclusion in the annual budget cycle for MLGs and in the Parliamentary approval process, i.e. before the second Budget Circular Call on IPFs for MLGs

| Disbursement Link Indicators (DLIs) | Indicative timeline for DLI achievement | | | | |
|-------------------------------------|---|------------------|------------------|------------------|---|
| | Year or period 1 | Year or period 2 | Year or period 3 | Year or period 4 | Year or period 5 |
| | FY2018/19 | FY2019/20 | FY2020/21 | FY2021/22 | FY2022/23 |
| | | | | | ii) socio-economic impact of physical planning interventions documented. (Mov: Report) Score 3 if report is in place, else 0 |
| | | Max score (11) | Max score (11) | Max score (11) | Max score (14) |
| | | | | | |
| | N/A | Max score (100) | Max score (100) | Max score (100) | Max score (100) |

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

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

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

| Disbursement Link Indicators (DLIs) | Indicative timeline for DLI achievement | | | | |
|---|---|------------------|------------------|------------------|------------------|
| | Year or period 1 | Year or period 2 | Year or period 3 | Year or period 4 | Year or period 5 |
| | FY2018/19 | FY2019/20 | FY2020/21 | FY2021/22 | FY2022/23 |
| DLI 7: Results on Physical Planning, land tenure security and urban infrastructure development in refugee host areas | | | | | |

| Disbursement Link Indicators (DLIs) | Indicative timeline for DLI achievement | | | | |
|--|--|--|--|--|--|
| | Year or period 1 | Year or period 2 | Year or period 3 | Year or period 4 | Year or period 5 |
| | FY2018/19 | FY2019/20 | FY2020/21 | FY2021/22 | FY2022/23 |
| DLI 7: Results on Physical Planning, land tenure security and urban infrastructure development in refugee host areas | i) Plan for interventions in refugee areas for FY 2018/19 ⁹⁰ adopted as per POM. | i) Plan for FY 2019/20 adopted | i) Plan for FY 2020/21 adopted | i) Plan for FY 2021/22 adopted | i) Plan for FY 2022/23 adopted |
| | | ii) Defined results of FY 2018/19 plan implemented (see below) ⁹¹ . | ii) Defined results of FY 2019/20 plan implemented. | ii) Defined results of FY 2020/21 plan implement-ted. | ii) Defined results of F 2021/22 plan implemented. |
| | | | | | |
| See below for specification and calibration of the allocation against targets/ (assessment/verification tool) | | | | | |
| Target 7.1: Plan on Physical Planning, land tenure security and urban infrastructure development in refugee host area | MLHUD plan for refugee host areas for FY 2018/19 ⁹² developed: 100 % allocation based on the plan (first year). (Mov: plan) | MLHUD plan for FY 2019/20 developed. (Mov: plan) | MLHUD overall plan for FY 2020/21 developed. (Mov: plan) | MLHUD overall plan for FY 2021/22 developed. (Mov: plan) | MLHUD overall plan for FY 2022/23 developed. (Mov: plan) |
| | | | | | |
| Target 7.2: Rapid physical planning assessment (RAPPA) and physical planning frameworks (PPFs) for 6 target districts completed | NA | i) Rapid physical planning assessment completed in the 6 target districts. (Mov: Rapid physical planning assessment report) | | | |
| | | ii) Physical Development Frameworks completed in 6 target districts (Mov: 6 Physical planning frameworks) | | | |
| | | | | | |

⁹⁰⁹⁰ Implementation will start from FY 2018/19, but results can be obtained in FY 2019/20 as per the timing of assessment

⁹¹ See the **verification/assessment tool below** for the results per year

⁹² The plan, according to the POM, will contain a complete overview of all activities for the coming year under the DLI 8. The plan will also specify the target areas, districts, urban centers and parishes, based on analysis of the needs and coverage. The plan will also specify the allocation formulas, based on quick assessment of the needs of the 6 target areas.

| Disbursement Link Indicators (DLIs) | Indicative timeline for DLI achievement | | | | |
|---|---|--|--|--|---|
| | Year or period 1 | Year or period 2 | Year or period 3 | Year or period 4 | Year or period 5 |
| | FY2018/19 | FY2019/20 | FY2020/21 | FY2021/22 | FY2022/23 |
| | | | | | |
| Target 7.3: Physical Development Plans (PDPs) completed in 6 districts and in 6 urban areas and PDPs are completed in 6 local areas. | NA | PDPs preparation commenced in 6 districts and 6 urban areas with existing situation - assessed (Mov: assessment report) | PDPs completed in 6 districts and 6 urban areas (Mov: final PDP documents)) | PDPs disseminated and training of physical planning committees and political leadership in 6 districts to implement the PDPs ⁹³ . M&E and Review of plan implementation conducted in 6 districts. (Mov: progress report and M&E report) | PDPs disseminated and second round of training of physical planning committees & political leadership in 6 districts to implement the PDPs M&E and Review of plan implementation (Mov: progress report and M&E report) |
| | | | | | |
| | | | | | |
| Target 7.4: Land tenure security for host communities in 6 selected target parishes in the sub-region completed | NA | NA | i) Systematic Land Adjudication & Certification (SLAC) for the host communities in 6 selected parishes commenced with completion of adjudication and principles elaborated in up-dated guidelines. (Mov: progress report) | i) District office supported in the creation and use of the data-base. (Mov: progress report) | |
| | | | | | |
| | | | | | |

⁹³ This will encompass as a minimum mission p.a. to each target areas to ensure that the LGs mainstream the PDPs in the annual work-plans, support identification of eligible projects, and ensure that procurement processes are conducted in accordance with the legal framework.

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

Detailed Verification Protocol/Narrative Tool for determining of the disbursement achievement rates on DLI 8

The performance assessment of the refugee hosting districts is based on the Local Government Performance Assessment system coordinated by the Office of the Prime Minister. For DLI 8, disbursements will depend on the compliance with the all the accountability requirements (minimum conditions for access to funds for infrastructure development in the refugee host areas). Only districts that comply with all accountability requirements will receive funding. Actual allocation to the districts will be based on cross cutting performance scores for each district in line with the Local Government Performance Assessment System.

Disbursement conditions for DLI 8 Year 1 (FY 2018/19). As part of the annual performance assessment conducted during FY 2017/18, the host districts have to document compliance with the accountability requirements. As the investments are smaller in scale, and as there is already a national system for APA of districts, this system will be applied for the district level performance.

Disbursement conditions for DLI 8 Year 2 (FY 2019/20). As above.

Disbursement conditions for DLI 8, Year 3 (FY 2020/21). Compliance with MCs, as above. In addition, LGs have to document implementation of minimum 70 % of execution within eligible investment areas, measured as per the USMID DDEG, assessment tool. In case, it is less, pro-rate reduction of the amounts.

Disbursement conditions for DLI 8, Year 4 (FY 2021/22). Compliance with MCs, as above. In addition, LGs have to document implementation of minimum 80 % of execution within eligible investment areas, measured as per the USMID DDEG, assessment tool. In case it is less, then pro-rate reduction in the amount.

Eligible expenditures are defined as: Small scale infrastructure in accordance with the DDEG guidelines for districts, issued for FY 2018/19 Grant and Budget Implementation Guidelines, but **without** the condition to allocate 70 % on social sectors, and applying the investment screening criteria elaborated in these guidelines as well as the safeguards under the USMID DDEG grant

Simulation of allocation of USMID Grants to Refugee Hosting District Local Governments – Expressed in US Dollars

| No. | District LG | FY 2018/19 | FY 2019/20 | FY 2020/21 | FY 2021/22 |
|-----|--------------|-------------------|-------------------|-------------------|-------------------|
| 1 | Adjumani | 1,249,994 | 1,164,206 | 1,300,030 | 970,171 |
| 2 | Moyo | 1,029,469 | 947,654 | 1,058,213 | 789,711 |
| 3 | Yumbe | 2,088,695 | 1,969,339 | 2,199,095 | 1,641,116 |
| 4 | Arua | 2,754,543 | 2,633,137 | 2,940,336 | 2,194,281 |
| 5 | Isingiro | 1,733,539 | 1,658,466 | 1,851,953 | 1,382,055 |
| 6 | Kiryandongo | 1,143,761 | 1,082,140 | 1,208,390 | 901,783 |
| 7 | Kamwenge | 0 | 1,477,186 | 1,649,525 | 1,230,989 |
| 8 | Lamwo | - | 1,067,872 | 1,192,458 | 889,894 |
| | Total | 10,000,000 | 12,000,000 | 13,400,000 | 10,000,000 |

ANNEX V: Environmental and Social Management Guidance and Forms



REPUBLIC OF UGANDA

MINISTRY OF LANDS, HOUSING & URBAN DEVELOPMENT

UGANDA SUPPORT TO MUNICIPAL INFRASTRUCTURE DEVELOPMENT PROGRAMME (USMID)

ENVIRONMENTAL AND SOCIAL SCREENING FORM (ESSF)

Please type or print clearly, completing this form in its entirety. You may provide additional information on a separate sheet of paper if necessary. Kindly note that the information you are to provide is required by Section 19 of the National Environmental Act, Cap. 153. *(To be filled by the Environment Focal Point Person at Sub-county level or Environment officer at the District/Municipal level)*

Name of the project:

Sector of the project:

Department implementing the project

Name of the District/Municipality where the project is to be implemented:

.....

Name of Lower Local Government:

Name of Approving Authority

Name, job title, and contact details for the person who is responsible for filling out this form.

Name:..... Job Title:

.....

Telephone number:

Fax number:

E-mail address

Date:.....

Signature:.....

1 . Brief Sub - Project Description

Please provide information on the type and scale of the project (project area, area of required land, approximate size of total building floor areas, etc.)

2. The Natural Environment

(a) Describe the land formation, topography, vegetation in/adjacent to the project area (*e.g. is it a low lying land, water logged, rocky, swampy or wetland, etc.,*)

(b) Estimate and indicate whether vegetation might need to be cleared

(c) Are there any environmentally sensitive areas or threatened species that could be adversely affected by the project (specify below)?

(i) Intact natural forests Yes_____No_____

(ii) Riverine forest Yes_____No_____

(iii) Wetlands (lakes, rivers, seasonally inundated [flooded] areas) Yes_____No_____

(iv) How far are the nearest wetlands (lakes, rivers, seasonally inundated [flooded] areas)?
_____km

(v) Habitats of endangered species for which protection is required under Ugandan laws and/or international agreements. Yes_____No_____

(vi) Others (describe). Yes_____No_____ (*e.g cultural sites, burial places, etc.,*)

3. Rivers and Lakes Ecology

Is there a possibility that due to construction and operation of the project the river and lake ecology will be adversely affected? Attention should be paid to water quality and quantity; the nature, productivity and use of aquatic habitats, and variations of these over time.

Yes_____No_____

4. Protected areas

Does the project area (or components of the project) occur within/adjacent to any protected areas designated by government (national park, national reserve, world heritage site, etc.,)

Yes_____No_____

If the project is outside of, but close to, any protected area, is it likely to adversely affect the ecology within the protected area (e.g. interference with the migration routes of mammals or birds)

Yes_____No_____

5. Geology and Soils

Based upon visual inspection or available literature, are there areas of possible geologic or soil instability (erosion prone, landslide prone, subsidence-prone)?

Yes_____No_____

Based upon visual inspection or available literature, are there areas that have risks of large scale increase in soil salinity?

Yes_____No_____

6. Landscape/aesthetics

Is there a possibility that the project will adversely affect the aesthetic attractiveness of the local landscape?

Yes_____No_____

7. Historical, archaeological or cultural heritage site.

Based on available sources, consultation with local authorities, local knowledge and/or observations, could the sub-project alter any historical, archaeological or cultural heritage site or require excavation nearby?

Yes_____No_____

8. Resettlement and/or Land Acquisition

Will involuntary resettlement, land acquisition, or loss, denial or restriction of access to land and other economic resources be caused by the project implementation?

Yes_____No_____

9. Loss of Crops, Fruit Trees and Household Infrastructure

Will the project result in permanent or temporary loss of crops, fruit trees and household infrastructure (such as granaries, outside toilets and kitchens, etc.,)?

Yes___No_____

10. Noise pollution during Construction and Operations

Will the operating noise level exceed the allowable noise limits?

Yes____No____

11. Solid or Liquid Wastes, including Medical Waste.

Will the project generate solid or liquid wastes, including medical waste?

Yes____ No____

If “Yes”, does the project include a plan for their adequate collection and disposal?

Yes____ No____

12. Pesticides, Insecticides, Herbicides or any other Poisonous or Hazardous Chemicals.

Will the project require the use of such chemicals? Yes____No____

If, “Yes”, does the project include a plan for their safe handling, use and disposal? Yes____ No____

RECOMMENDATIONS:

Based on the above screening results, the following recommendations are made:

_____ (a) Implementation of the environmental mitigation measures as proposed in the Environmental and Social Management Plan and Clause 8 contained in the Bidding Documents

_____ (b) Before construction can commence, preparation and implementation of a resettlement action plan/compensation plan consistent with the provisions of the Resettlement Policy Framework, November 2002, will be required

TESTIMONY

I confirm that the information provided herein is accurate to the best of my knowledge. I will also endeavour to provide additional information and facilitate a site visit if required.

Signed : Environment Officer

Date :

(to be filled by the Environment Officer)

| Project Name : | | | | | | | | |
|---------------------------------|---|--|-------------------------------|----------------------------|---------------------|-----------|------|-------------------------|
| Cell : | | | | | | | | |
| Ward : | | | | | | | | |
| Division : | | | | | | | | |
| Municipality : | | | | | | | | |
| Project Phase/ and activities | Negative environmental and social impacts | Mitigation measures | Indicator | Implementing Agency | Monitoring Agency | Frequency | Cost | Capacity building needs |
| Planning | | | | | | | | |
| <i>Land Acquisition</i> | <i>Land use conflicts</i> | <i>Community consultation</i> | <i>Minutes of the meeting</i> | <i>Community</i> | <i>Parish Chief</i> | | | |
| | | | | | | | | |
| | | | | | | | | |
| Construction | | | | | | | | |
| <i>Clearing and excavation</i> | <i>Clearing of vegetation</i> | <i>Restrict area cleared for ponds</i> | <i>Plan Field report</i> | <i>Contractor</i> | <i>Community</i> | | | |
| | | | | | | | | |
| | | | | | | | | |
| Operation | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| Prepared by Environment Officer | | | | Checked by: the Town Clerk | | | | |
| Name: | | | | Name:..... | | | | |
| Signature:..... | | | | Signature: | | | | |
| Date..... | | | | Date..... | | | | |

**ENVIRONMENT, HEALTH AND SAFETY
MONTHLY REPORTING FORMAT FOR THE CONTRACTOR**

Name of Contractor..... Municipality/ District..... Period.....

| | Objectives | Measures | Actions |
|---|---|--|--|
| | Health and safety | | |
| 1 | Increase the level of Health and safety awareness among site workers | <ul style="list-style-type: none"> • Conducting Tool Box Talk before starting of work. • Site Inspection with Checklist. • Conducting monthly HSE Committee meeting at site for review of HSE compliances and performance | <ul style="list-style-type: none"> • Tool Box Talk conducted before starting of work by HSE Team. • No. of HSE meetings held including dates |
| 2 | ESMP Documentation | <ul style="list-style-type: none"> • Maintaining of Environmental Performance Assessment checklist on monthly basis | <ul style="list-style-type: none"> • Assess whether inspections have been carried out |
| 3 | HSE training | <ul style="list-style-type: none"> • HSE Training should be conducted as per training plan. • Inductions and orientation of new workers • tool box meetings | <ul style="list-style-type: none"> • Assess if training has been conducted as per scheduled of monthly plan. No. of HSE trainings • No. of inductions • No. of tool box meetings • no. of workers who participated during this safety training |
| 4 | Provision of safety equipment (including PPEs, first aid kits and fire extinguishers) | <ul style="list-style-type: none"> • Availability of appropriate functional safety equipment • Site workers with appropriate PPE • Measures to enforce use of PPE | <ul style="list-style-type: none"> • Stock details of safety equipment |
| 5 | Excavated Material stacking at working site. | Excavated Material should be stack up to 2m height at working site. | Excavated material removed from the edge of excavated pits |
| 6 | Monitoring of noise/vibration (construction equipment, generator) | <ul style="list-style-type: none"> • Regular maintenance of equipment and machinery • Use of inbuilt silencers in generators/shelter for generator to minimize noise levels | <ul style="list-style-type: none"> • No. of community complaints due to high noise levels |
| 7 | Traffic control and management | <ul style="list-style-type: none"> • Prepare appropriate traffic management plan commensurate to localized traffic impacts • Place appropriate traffic safety signage along the access road leading to the site | <ul style="list-style-type: none"> • No. of community complaints • No. of accidents |

Monthly Health, Safety & Environmental/Breaches/Complaints/Non-Conformance/ penalized:

- a) Nos. Staff and workers Penalized for safety violation.
- b) Public Complaints: - (If any - provide details)-.....
- c) Safety Non-Conformance: - (If any - provide details)-
- d) Breaches by Contractor : - (If any - provide details)-
- e) Corrective measures (if any- provide details).....

Health, Safety & Environmental Recommended Actions at the site Meetings:

| project | Date Held | Next Due | Actions Closed Out | Actions in Progress | Action Outstanding |
|---------|-----------|----------|--------------------|---------------------|--------------------|
| | | | | | |

Site Meeting has been conducted on: _____

Site Name: _____

Report signed by EHSO _____

Report approved by Resident Engineer _____

Report approved by Consultant Engineer _____

cc. Municipal Engineer

cc Municipal Environment Officer

cc Community Development Officer

MONTHLY ENVIRONMENT AND SOCIAL MANAGEMENT REPORTING FORMAT

Municipality/ District

Name of Project

Name of the Environment, Health and safety officer.....

Name of Sociologist

Month/ Year of reporting.....

ENVIRONMENT AND SOCIAL MANAGEMENT MITIGATION IMPLEMENTATION

| Item | Status of compliance (where possible indicate date) | Comment on effectiveness and recommended adjustment if any |
|--|--|--|
| A. Environment safeguard management Records | | |
| 1. Copy of Environment and Social Management Plan for the Works and NEMA Certificates on Site | | |
| 2. Copy of the NEMA Certificate for the (a) Quarry site, (b) Gravel site, (c) Camp site, on Site (where applicable) | | |
| 3. Copy of the Agreement with a waste management company for the various types of wastes (hazardous and non- hazardous) | | |
| 4. Copy of the Env. Officer approval for debris/ spoil disposal | | |
| 5. Copy of the Agreement with Medical Service providers (Provide name, date duration) | | |
| 6. Copy of the Code of conduct for the workers available on site and displayed | | |
| 7. Copies of the Employer Child Protection code of conduct signed by all employers including contractor and supervising consultant | | |
| 8. Copies of the Appointment letters for the workers | | |
| 9. Copy of the Awareness plan for HIV/AIDS, Code of Conduct, safety | | |
| 10. Copy of the Traffic management Plan (if applicable) | | |
| 11. Report on Grievances reported/resolved | | |
| 12. Daily record of the construction noise | | |
| 13. Record of the Waste categories and quantities disposed | | |

| Item | Status of compliance (where possible indicate date) | Comment on effectiveness and recommended adjustment if any |
|--|--|--|
| B. Occupational Health and safety | | |
| 1. Safety signs well displayed | | |
| 2. Accident log | | |
| 3. PPE (Stock ,records of issuance, and use) | | |
| 4. Emergency contacts | | |
| 5. Number of HIV/AIDS, Code of Conduct, safety training undertaken and numbers trained disaggregated by Gender | | |
| 6. Toilet at work site separate female/male | | |
| 7. Drinking water on site | | |
| 8. Resting shed and hours for rest per day | | |
| C. Air Quality | | |
| 1. Dust Suppressions frequency and levels | | |
| 2. Covering material during transportation | | |
| D. Labour Recruitment and management | | |
| 1.Total Number of Labourers Employed | | |
| 2.Total Number of males | | |
| 3. Total Number of females | | |
| 4. Total Number of Local Labourers | | |
| 5. Total Number of Migrant Labourers | | |
| Labour Camp (if applicable) | | |
| 6. Number of dwelling units in the labour camp | | |
| 7. Average size of a dwelling Unit | | |
| 8. Total number of inhabitants residing in the camp | | |
| 9. Water Supply facility provided | | |
| 10. Quality of Water supplied /drawn (support with water sample analysis report) | | |
| 11. Number of Toilets constructed (gender disaggregated) | | |
| 12. Type of Toilet (Leach pit/Septic tank) | | |
| 13. Number of Bathrooms with soak pits provided | | |
| 14. Number of Washing Platform with Soak pit provided | | |
| 15. Drainage facility provided | | |
| 16. Health Check-up last conducted for general health and STD (Furnish Doctors report for any adverse health reported) | | |
| 17. Name of Doctor attending the labour camp with registration number | | |

| Item | Status of compliance (where possible indicate date) | Comment on effectiveness and recommended adjustment if any |
|--|--|--|
| E. Community Issues | | |
| 1. Grievance Log filled | | |
| 2. Grievance contact person number displayed | | |
| 3. Grievance committee | | |
| F. Restoration Activities | | |
| 1. Removal of temporary structure | | |
| 2. Landscaping and levelling on site | | |
| 3. Revegetation of all disturbed areas (acreage planted with grass and trees planted) | | |
| 4. Restoration of material sites | | |
| 5. Env. Officer Restoration certificate, status/number | | |

STAKE HOLDER ENGAGEMENT PLAN

Municipality:Project:.....

| Stakeholder | Areas of Influence/interest | Project Phase | Stakeholder contact person | Engagement approach | Engagement Tools | Frequency |
|-------------|----------------------------------|---------------|----------------------------|---------------------|-------------------------------|---------------|
| e.g. NEMA | Regulatory /compliance with ESIA | ALL | PTC member | consult | Face to face, emails, letters | Very frequent |
| | | | | | | |
| | | | | | | |
| | | | | | | |

ANNEX VI: Checklist for safeguards monitoring/ reporting for sub projects

Name of site inspected: _____

Date inspected: _____

Inspected by: _____

I. Preparatory phase (All safeguards instruments, Code of conduct etc are in place)

| No. | Key E & S areas | Yes | No | Additional comments |
|-----|--|-----|----|---------------------|
| 1 | Does the contractor have the relevant safeguard instruments (revised ESIA/ ESMPs and certificates of approval- displayed at each site) | | | |
| 2. | Has the contractor prepared a Contractor's Environment and Social Management Plan (CESMP) in line with the main ESMP? | | | |
| 3. | Has the contractor signed contracts with his workers including Code of Conduct? | | | |
| 4. | Any other necessary permits/Licenses? | | | |
| 5. | Does the contractor have qualified contractor ESHS personnel at each site | | | |
| 6. | Have project hosting communities and any other stakeholders been meaningfully engaged and documented? | | | |

II. During Implementation/ Civil works/construction phase

a) General Housekeeping/ Hygiene/ Tidiness

| No. | Key E & S areas | Yes | No | Additional comments |
|-----|---|-----|----|---------------------|
| 7 | Is the site organized and tidy? | | | |
| 8 | Does the site have waste segregated and disposed of at gazette dumping site(s)? | | | |
| 9 | Are there appropriate sanitation facilities (separate for men and women)? | | | |
| 10 | Is there access to clean drinking water by workers? | | | |

b) OSH

| No. | Key E & S areas | Yes | No | Additional comments |
|-----|---|-----|----|---------------------|
| 11 | Is the site hoarded with controlled access? | | | |
| 12 | Does the site have clear safety signages and labels | | | |
| 13 | Does the site have a functional first aid kit? | | | |
| 14 | Do workers have adequate and appropriate PPEs? | | | |
| 15 | Is the use of PPEs enforced? | | | |
| 16 | Are there suitable protective measures to protect the workers from exposure to noise and vibrations? | | | |
| 17 | Are there any other measures for community health and safety? (e.g operation time, traffic control etc) | | | |
| 18 | Does the contractor have an emergency preparedness and response plan (with emergency contact list visibly displayed at the site)? | | | |

c) Knowledge and Training

| No. | Key E & S areas | Yes | No | Additional comments |
|-----|--|-----|----|---------------------|
| 19 | Have the workers been inducted and trained in ESHS requirements (in a language they understand)? | | | |
| 20 | Have the contractor communicated the Code of conduct to workers (displayed, communicated to workers)? | | | |
| 21 | Is their proof of STI and HIV/AIDS awareness/services for workers/community from designated service provider(s)? | | | |

d) Relevant Monitoring Reports/Collaboration/ Accident Log / Grievances Logs

| No. | Key E & S areas | Yes | No | Additional comments |
|-----|--|-----|----|---------------------|
| 22 | Does the contractor have an accident/incident log and is it functional? | | | |
| 23 | Does the contractor have a functional Grievance Redress Committee (GRM) and logbook well documented/up to date? | | | |
| 24 | Are there records of ESHS induction and training for site workers? | | | |
| 25 | Are monitoring reports available? | | | |
| 26 | Any corrective actions undertaken? | | | |
| 27 | Do the relevant District Local Government (District Environment Officer and Community Development Officer) participate in site monthly meetings and any other periodical project monitoring? | | | |

III. Decommissioning /Completion/Restoration

| No. | Key E & S areas | Yes | No | Additional comments |
|-----|--|-----|----|---------------------|
| 28 | Is there a decommissioning and restoration plan? | | | |
| 29 | Has the plan been implemented? | | | |

ANNEX VII: Complaints Reporting Formats

QUARTERLY COMPLAINTS STATUS REPORT

Municipal Council.....

Quarter.....

Year 20.....

| Reference No. | Date Received | Mode of Receipt | Name of Complainant | Contact of Complaint | Description of Complaint | Nature of complaint | Status of investigations / Measures taken | Feedback from client/ Status/Date finalised |
|---------------|---------------|-----------------|---------------------|----------------------|--------------------------|---------------------|---|---|
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

- Reference Number is a unique number assigned to the complaint for easy tracking and follow up
- Contact of complainant will include phone number, Post Office number, e-mail
- Mode of receipt, refers to the mode in which the complaint was received. This could be by Telephone, "SMS", Email, Written, In Person
- Description of complaint, brief description of the complaint received
- Nature of complaint: could include fraud & corruption, land disputes, compensation, environment and social management issues, procurement issues, service delivery, facilities, management etc.

BIANNUAL MUNICIPAL REPORT ON ALLEGED FRAUD AND CORRUPTION TO THE INSPECTORATE OF GOVERNMENT

Municipal Council.....

Reporting period.....

| Date Received | Mode of Receipt | Name of Complainant (optional) | Contact of Complainant (Optional) | Nature of complaint | Status of investigations/ Measures taken |
|---------------|-----------------|---------------------------------|-----------------------------------|---------------------|--|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Reference Number is a unique number assigned to the complaint for easy tracking and follow up
Mode of receipt, refers to the mode in which the complaint was received. This could be by Telephone, "SMS", Email, Written, and In Person
Contact (optional) of complainant will include phone number, Post Office number, and e-mail
Description of complainant, brief description of the complaint received
Nature of complaint: shall include fraud & corruption

GRIEVANCE ARISING OUT OF THE CONSTRUCTION

Municipality/District..... Reporting period.....

| Aspect | Details | Number | Yes | No | Comments |
|--|---|-----------------|-----|----|----------|
| Grievance Redress Mechanism | Does the CONTRACTOR have a WORKING Grievance Redress Mechanism? | | | | |
| | Are there SERVICE STANDARDS that ensure timely responses? | | | | |
| | Are People able to LODGE A COMPLAINT via...? | | | | |
| | -In-Person? | | | | |
| | -Phone? | | | | |
| | -Mail? | | | | |
| | -Text Messaging (SMS)? | | | | |
| | Number of COMPLAINTS/CASES REGISTERED | | | | |
| | Number of COMPLAINTS JUSTIFIED | | | | |
| | Number of COMPLAINTS UNJUSTIFIED | | | | |
| | Number of COMPLAINTS RESOLVED at various levels | | | | |
| | Number of COMPLAINTS REFERRED to the Legal System/Courts of Law | | | | |
| | Number of COMPLAINTS PENDING | | | | |
| Comments on the Nature/Type of Complaints (if applicable) | | | | | |
| ACTIONS RECOMMENDED FOR IMPROVEMENT | | | | | |
| Action | | Date due | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| <div> <div> Name of D/MEO..... Date:..... Signature:..... DNRO..... Date:..... Signature:..... </div> <div> Name of CDO:..... Date: Signature:..... Name of D/M Engineer..... Date:..... Signature:..... </div> </div> | | | | | |

UGANDA SUPPORT TO MUNICIPAL INFRASTRUCTURE DEVELOPMENT, USMID PROGRAMME LAND ACQUISITION REPORTING FORM

The following form shall be used report complaints in each municipality. The Complaints Handling Focal Officer should complete it before commissioning of the project

Project name: **Name of the Municipality:**

.....

Complaints Handling Focal Officer: **Reporting period:**

.....

QUARTERLY COMPLAINTS SUMMARY REPORT

| COMPLAINT | USMI D/NO N- USMI D RELA TED | JUSTI FIED/ UNJU STIFIE D | RESO LVED /NOT RESO LVED | COMPLAINTS REFERRED to the Legal System/Court s of Law | COMMENT ON THE PROCESS TAKEN TO RESOLVE THE COMPLAINT |
|--------------------------------|--|---------------------------------------|--------------------------------------|--|--|
| A. Land Acquisition | | | | | |
| 1. | | | | | |
| 2. | | | | | |
| etc | | | | | |
| B. Procurement | | | | | |
| 1. | | | | | |
| 2. | | | | | |
| etc | | | | | |
| C. Fraud and Corruption | | | | | |
| 1. | | | | | |
| 2. | | | | | |
| Etc | | | | | |
| D. Environment | | | | | |
| 1. | | | | | |
| 2. | | | | | |
| etc. | | | | | |
| E. Others | | | | | |
| 1. | | | | | |
| 2. | | | | | |
| etc. | | | | | |
| Total | | | | | |

ANNEX VIII: Operation and Maintenance Strategy and Plan

OPERATION AND MAINTENANCE STRATEGY AND PLAN

1. 0 Introduction

The Operation and maintenance plan should be linked to the mission of the Local government. The O&M plan should cover all investments but for purposes of annual performance service delivery investments such as road, educational, health among others shall be emphasized. The O&M plan must clearly show how it enhances implementation of the plans. For purposes of annual assessment of Municipalities, O&M shall be defined as interventions made using own source revenue (OSR). The O&M planning cycle shall follow the budgeting cycle of Government. The purpose of O&M plan is to ensure that the budget allocated to different heads is linked to this plan as there will be a study made annually.

2.0 Contents of the O&M Strategy and Plan

2.1 Alignment to Municipal 5- year Development Plan

The goals and objectives of the O& M should be linked to existing plans that were implemented based on the development plans. The document should clearly spell out the recent investments made according to the current development plan or previous plans.

2.2 Objectives of the strategy/plan

The objectives of O&M plan may vary from one Municipal Council to another. However, the main conventional objectives of O&M are but not limited to the following;

- a) **To maintain or improve operational functionality** – For example if the Municipal Council has carried out an annual board of survey in its primary schools and established that a total of 30 desks were broken. A good O&M plan should give a response to this problem i.e to repair the desks (how many of 30) or to replace them as a strategy to maintain operational functionality. On the other hand a plan to increase the number of desks from 20 to 25 per class room due to recent increase in enrolment is meant to improve operational functionality.
- b) **To improve operational efficiency** - This is where the asset may be currently operating at a very high cost. Therefore an M&O plan may be drawn to improve efficiency of asset performance at the lowest cost possible. For example, a plan to install solar lights to replace

hydro electric lights using the existing metallic pole on a particular street may be seen as a strategy to provide lighting at the lowest cost possible, hence improving operational efficiency. If stronger culvert rings are used to replace the broken ones in response to increased traffic with heavy loads of agriculture produce (which was formally low), the O&M plan is trying to improve operational efficiency of the road.

- c) **Sustain service delivery to community**– The infrastructure especially roads are maintained to sustain service delivery especially where there is a spot that is impassable. Therefore, spot improvement using own source revenue.

2.3 Situational analysis

2.3.1 Presentation of annual inventory and condition survey of all infrastructure Facilities

This shall include an annual inventory and condition survey of all infrastructure projects and shall cover at minimum the following:

A. Inventory and Condition of Road and Bridge Infrastructure

A1. Roads – Tarmacked roads

| Road Name | Length (Km) | Type of tarmac k (surface dressing/ Asphalt concrete etc) | Status at time of assessment | Spot that requires O&M | Required O&M intervention | Estimated Cost of intervention | Available funds under URF | Contribution required from OSR |
|-----------|-------------|---|------------------------------|------------------------|---------------------------|--------------------------------|---------------------------|--------------------------------|
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A2. Roads – Marram roads

| Road Name | Length (Km) | Type of road (Feeder, access etc) | Status at time of assessment | Spot that requires O&M | Required O&M intervention | Estimated Cost of intervention | Available funds under URF | Contribution required from OSR |
|-----------|-------------|-----------------------------------|------------------------------|------------------------|---------------------------|--------------------------------|---------------------------|--------------------------------|
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A3. Roads – Bridges & Drainage

| Drainage/ Road Name | Length (Km) | Type of bridge/ Drainage | Status of bridge at time of assessment | Spot that requires O&M | Required O&M intervention | Estimated Cost of intervention (O&M) | Available funds for O&M under URF | Contribution required from OSR |
|------------------------|----------------|--------------------------------|--|---------------------------|---------------------------------|--|--------------------------------------|-----------------------------------|
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A4. Roads – Street Lighting

| Road Name | Length (Km) | Source of energy (Solar, Hydro) | No. of lights on the road | No. of functional lights on the road | No. of lights to be replaced (O&M), | Briefly describe the required O&M | Estimated Cost of O&M | Available funds under URF | Contribution required from OSR |
|--------------|----------------|---------------------------------------|---------------------------------|--|---|---|--------------------------|---------------------------------|-----------------------------------|
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B. Inventory and Condition of Education Infrastructure

B1 – Buildings

| Name of the School | No. of Class rooms (Perman ent), staff rooms | Status of existing buildings (windows, doors, paint, cracks etc) | Briefly descri be requir ed O&M | Estimated cost of O&M of buildings | State the no of facilities lacking to ensure full capacity of users e.g classes without class rooms | Estimated cost of constructi on | Available funds for construction by CG | Funds Expected from CG for O&M | Expected contribution from OSR for O&M (at least 20% of O&M Cost) (at least 20% of O&M Cost) |
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B2- Furniture & Fittings

| Name of the School | No. of Pupils | No. of Desks Required at commissioning | No. of Desks still functional | Pupil/Desk Ratio | Required no. of desks to sit all pupils & Cost | No. of Desks to be repaired (Repairable) | No. of Desks to be repaired (Replaced) | Estimated O&M cost | Funds Expected from CG | Expected contribution from OSR |
|--------------------|---------------|--|-------------------------------|------------------|--|--|--|--------------------|------------------------|--------------------------------|
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B3. Sanitation Facilities

| Name of the School | Total enrolment in the school | No. of Latrine stances | Pupil/Latrine coverage ration | No. of latrine stances in Use | No. of latrine stances in need of emptying (O&M) | Cost of O&M or construction | Funds Expected from CG | Expected contribution from OSR |
|--------------------|-------------------------------|------------------------|-------------------------------|-------------------------------|--|-----------------------------|------------------------|--------------------------------|
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C. Inventory and Condition of Health Infrastructure

C1 – Buildings

| Name of the Health Facility | No. of buildings at HC | Status of existing buildings (windows, doors, paint, cracks etc) | Briefly describe required O&M | Estimated cost of O&M of buildings | State the no of facilities lacking to ensure full capacity of users e.g classes without class rooms | Estimated cost of construction | Available funds for construction by CG | Funds Expected from CG for O&M | Expected contribution from OSR for O&M (at least 20% of O&M Cost) (at least 20% of O&M Cost) |
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C2-Equipment, Furniture & Fittings

| Name of Health Facility | Type equipment /furniture /fittings (major only) | Current state | Required O&M | Estimated Cost of O&M | Responsible entity to maintain the type of tools (MoH or MC) | Follow up action required for O&M | Other info | Other info | Funds Expected from CGG | Expected contribution from OSR |
|-------------------------|--|---------------|--------------|-----------------------|--|-----------------------------------|------------|------------|-------------------------|--------------------------------|
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B3. Sanitation Facilities

| Name of the School | Average number of daily OPD patients | Average No. of In-Patients | Sanitation facilities available (water borne, latrines etc) | No. of facilities available for patients | Required O&M i.e sustainable water supply , latrine stances etc | Cost of O&M or construction | Funds Expected from CGG | Expected contribution from OSR |
|--------------------|--------------------------------------|----------------------------|---|--|---|-----------------------------|-------------------------|--------------------------------|
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D. Inventory and Condition of Administration Office

D1 – Buildings

| Name of the Building | Departments Housed by the Building | Status of existing buildings (windows, doors, paint, cracks etc) | Briefly describe required O&M | Estimated cost of O&M of buildings | State the no of facilities lacking to ensure full capacity of users e.g classes without class rooms | Estimated cost of construction | Available funds for construction by CG | Funds Expected from CG for O&M | Expected contribution from OSR for O&M (at least 20% of O&M Cost) (at least 20% of O&M Cost) |
|----------------------|------------------------------------|--|-------------------------------|------------------------------------|---|--------------------------------|--|--------------------------------|--|
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D2- Furniture & Fittings

| Name of the Building | No. office (Department) | Name of Assets by Class i.e desks, chairs, lap-tops, desk to computers etc | No. of items in this category | No. of items functional | No. of items requiring repairs/Service | No. of items requiring replacement | Estimated Cost of repair /service | Estimated of replacement | Estimated value of disposal | Source of information (e.g annual board of survey report) |
|----------------------|-------------------------|--|-------------------------------|-------------------------|--|------------------------------------|-----------------------------------|--------------------------|-----------------------------|---|
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D3. Sanitation Facilities

| Name of Building | Sanitation facilities available (water borne, latrines etc) | No. of facilities available for patients | Required O&M i.e sustainable water supply , latrine stances etc | Cost of O&M or construction | Funds Expected from CGG | Expected contribution from OSR |
|------------------|---|--|---|-----------------------------|-------------------------|--------------------------------|
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2.3.2 Discussion of the findings in the annual inventory and condition survey of all infrastructure Facilities

This sub-section shall narratively discuss the findings and comments by the Facilities Owners/Users such as the Head teacher, Health in-charge among others. In this section the qualitative factors shall be discussed including but not limited to population considerations/occupancy or usage ratios, health and safety risks that can culminate in failure to take action in the coming year. The source of this information could be a stakeholder (Head of Units) engagement meeting.

2.3.4 Prioritization and Selection of Investments for O&M in the coming FY

Since the Municipal Council will have decided on the funds allocated for O&M especially from OSR which is discretionary, prioritisation on how the O&M budget is allocated is very critical to ensure maximum benefits from the allocated funds. Since the financial resource is budgeting constraint, it is important to first evaluate O&M issues identified in the inventory using an estimated O&M cost per beneficiary. This ratio shall give a pointer at the low cost O&M items that benefit a very big population/users, the lower the ratio, the more attractive the O&M of the investment is. However, this quantitative measure should be a first step of assessment but not a final factor to consider since it does not consider the qualitative factors that are very critical in service delivery and welfare of beneficiaries. The quantitative measure helps to determine a combination of investments that can be undertaken using O&M budget to create effectiveness and efficiency. On the other hand, the O&M items that require very high costs are eliminated and referred to other stakeholders for support.

In making O&M decisions, mitigation of health and safety risks should take precedence over other qualitative aspects, for example the risk of cholera outbreak due to filled up latrines or lack of sustainable water supply in a school is more urgent and critical than buying more desks for better learning environment. After health and safety issues have been mitigated, providing a better learning environment can be considered but buying of more desks is a priority compared to re-painting the class room. Using the prioritisation criteria discussed the items for O&M should be clearly sequenced, in the order of prioritization. Sequencing shall be reflected in quarterly planning, first priority items in Q1, then Q2, Q3 and Q4.

Selecting and Sequencing of Selected Investments for O&M is drawn using the following matrix:

| Type of infrastructure (e.g Road, Education, health, admin etc) | investments proposed for O&M | Acceptability (health Risk mitigation, Safety investment, high returns/Benefits to target population, High returns/benefits to MC, high priority for MDF, High priority for Municipal executive committee, Not financed by CGG or Donors) – Score 1 for each element up to a total of 7 scores. compute total scores as a %age | Feasibility (Estimated O&M cost) | Rank based on Acceptability | Rank based on Cost | Combined Score (PPDA evaluation method) | Combined score ranking | Implementation Sequence of the O&M on investments from Quarter 1 to quarter 4 (Sequencing shall stop at a point where M&O funds are exhausted) |
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3.0 OPERATION AND MAINTENANCE WORK PLAN AND BUDGET FOR THE FINANCIAL YEAR (e,g 2019/20)

[illegible]

Note: Projects are placed in Q1 – Q4 based on ranking.

4.0 REPORT ON IMPLEMENTATION OF OPERATION AND MAINTENANCE WORK PLAN AND BUDGET FOR THE FINANCIAL YEAR (e.g 2018/19)

| Department | Investment planned for O&M in FY | Head/Item codes (as it appears in Final Accounts) | Estimated Cost | Actual Total O&M Expenditure | Expenditure by Source | | | | Remarks/ outputs achieved |
|------------|--|---|----------------|------------------------------|-----------------------|-----|-----|-----|------------------------------|
| | | | | | URF | OSR | etc | etc | |
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| | Total | | | | | | | | |

Narratives

ANNEX X: Format for the Annual Institutional Strengthening Plan for MLHUD

**MINISTRY OF LANDS, HOUSING AND URBAN DEVELOPMENT
UGANDA SUPPORT TO MUNICIPAL INFRASTRUCTURE DEVELOPMENT (USMID AF)
PROGRAM ADDITIONAL FINANCING
PROGRAM ANNUAL WORK PLAN FOR FY.....**

Program Objective: To Enhance the Institutional Performance of Program LGs to Improve Urban Service Delivery

| No. | | Key Activity/ Sub Activity | Responsib le Persons | Q1 | Q2 | Q3 | Q4 | Total |
|-----|--|--|-------------------------|-----------------------------------|----|----|----|-------|
| | | | | Activity Budget Estimates in US\$ | | | | US\$ |
| 1.0 | Transfers to LGs | | PC | | | | | |
| | 1.1 | Transfers to Municipalities. | | | | | | |
| | 1.2 | Transfers to Districts hosting refugees. | | | | | | |
| 2.0 | System development and institutional strengthening activities for Program Municipalities. | | PC | | | | | |
| 3.0 | Systems development and institutional strengthening activities for the lands, housing and Urban Development sector | | PC | | | | | |
| 4.0 | Physical Planning, land tenure security and infrastructure development in 8 refugee host Districts | | PC | | | | | |
| 5.0 | Program Management | | PC | | | | | |
| | | GRAND TOTAL (US\$) | | | | | | |

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Chair- USMID Program Technical Committee

Director- Urban Development and Physical Planning

Ministry of Lands, Housing and Urban Development

Date:

XXXXXXXXXX

Secretary- USMID Program Technical Committee

Program Coordinator- USMID Program

Ministry of Lands, Housing and Urban Development

Date: