

Local Government Initiative:

Pro-Poor Infrastructure & Service Delivery in Rural Areas

Uganda Case Study

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LEARNING POINTS

- Performance based discretionary local development fund and a participatory bottom-up planning process leads to pro-poor investments in terms of investment choice, size, location and cost.
- A demand driven capacity building approach provides the flexibility in addressing the diversified capacity building needs in Local Governments/Communities if coupled with core training material.
- Capacity Building is a continuous process.

UGANDA PRESENTATION

- COUNTRY, POLICY/INSTITUTIONAL CONTEXT
- INNOVATIONS INTRODUCED UNDER THE DISTRICT DEVELOPMENT PROJECT (DDP)
- IMPACT/OUTCOMES
- SECTOR SPECIFIC ISSUES
- SIGNIFICANCE/RATIONALE OF THE INNOVATIONS
- GENERAL LESSONS/CHALLENGES.

THE COUNTRY

- 241,039 sq kms (water 43,942 sq kms)
- 24.7 m people (12.12m male; 12.62m female)
- 88% live in rural areas
- Literacy rate 69%
- % of poor 82% (below \$1/day)
- Former British Protectorate
- Republic, No political Parties

POLICY AND LEGAL CONTEXT

- **Guiding Principle** – Devolution
- **Policy Objectives:** Transfer real power and ownership to Local Governments for improved service delivery and accountability.
- **Legal:** New Constitution (1995), Local Government Act (1997), Local Government Financial & Accounting Regulations (1998), Local Government Tender Regulation.

INSTITUTIONAL CONTEXT

- LGs organs
 - Council – Elected through universal adult suffrage with a Speaker
 - Executives – LGs cabinet & are full time.
 - Civil service – de-linked from line ministries
 - Statutory bodies – District Service Commission, Public Accounts Committee, LGs Tender Boards, & Land Boards.
- LGs are therefore run as fully fledged govts.

DDP INNOVATIONS

PLANNING & BUDGETING INNOVATIONS

- *What was tried?*

- Integrating constrained with vision based planning
- Linking Planning to Budgeting and resource envelope (Indicative Planning Figure)
- Integrating community/Lower Local Governments dev. Plans with Higher LGs to capture recurrent cost implications.

- *What results?*

- Improvement in quality of LGs plans & budget (Three-year rolling plans linked to budget)
- Need to Revise LGs planning guides

FINANCING INNOVATION

What was tried?

- Discretionary development budget support, formulae driven and cascaded to all levels of LGs
- Linking funds access to performance (Sanctions & incentives)

What results?

- Improved LGs performances through Inter-LGs competition.
- Stimulating contribution & participation at all levels.
- Resources allocated in a pro-poor manner

PRODUCTION INNOVATION

- *What was tried?*
 - Variations in production methods depending on ISD: *Full contracting (labour & equipment); Contracting & leasing (skills Vs equipment); Labour base only; Force account.*
- *What results*
 - Many projects implemented at cheaper cost and completed on time.

INSTITUTIONAL INNOVATIONS

- *What was tried?*

- Investment Committees (ICs) – 1/3 women
- LGs Communication Strategy (CS)

- *What results?*

- Tension between ICs & S/C Councillors in some areas
- Demand for a simplified Communication Strategy

- *What lessons?*

- Use or strengthen existing institutions
- Develop user friendly materials

CAPACITY BUILDING INNOVATION

- *What was tried?*
 - Decentralised discretionary demand driven LG Capacity Building Grant
- *What results?*
 - 71,580 people benefited (majority technical staff) and there was improvement in statutory compliance by LGs
 - Problem of utilisation at lower LGs.
- *What lessons?*
 - Holistic (client, contractor, supervisor)
 - CB cannot be decentralised to Lower LGs
 - Need to develop core training modules

Poverty Impact

- 1,861 projects completed (86% rated satisfactory by LGs & communities) [*44% on Education; 20% on Roads/drainages; 20% on health; 10% on water & sanitation; 4% on Agriculture; 2% others*].
- Unit average cost per project US \$3,500 – *20% to 50% cheaper and Pro-poor investment (type, siting, size & cost)*
- Labour accounted for 19% of total project cost of which 20% were women.
- Increased accessibility to services by communities.

SECTOR SPECIFIC ISSUES

- Differences in production of ISD between sectors because of co-producers & sector complexities (Health, Education)
- Recurrent cost and sustainability.

SIGNIFICANCE OF THE INNOVATIONS

- Led to improvements in rural LGs performances in service delivery to the poor
- Influenced national policies (Fiscal Decentralisation Strategy, Planning Guides)
- Influenced donor policies (shift project project financing to basket funding through budget support)

GENERAL LESSON/CHALLENGES

- Replication is about systems & procedures
- Sustainability is a big challenge (local revenue & local capacity).
- Rural Vs Urban differences in ISD
- Capacity building is a continuous process.



● THANK YOU FOR YOUR ATTENTION!