



**The Republic of Uganda**

**Discretionary Development Equalisation Grant  
(DDEG)**

**Budget and Implementation Guidelines**

**Effective from FY 2020/21**

## Table of Contents

<b>Foreword</b>	<b>4</b>
<b>Abbreviations</b>	<b>5</b>
<b>1 Introduction</b>	<b>7</b>
<b>2 National Development Plan and Sector Policy Priorities</b>	<b>8</b>
<b>3 Objectives and structure of the DDEG</b>	<b>8</b>
3.1 Objectives of the DDEG	9
3.2 Structure of the DDEG	9
<b>4 Roles and Responsibilities of MDAs and LGs regarding DDEG</b>	<b>10</b>
<b>5 Procedures/Guidelines for Allocating the DDEG</b>	<b>12</b>
5.1 Allocation of the DDEG across windows	12
5.2 Allocation of the DDEG between Districts/Municipalities and Sub counties /Town councils / Divisions	13
5.3 Allocation of the DDEG across LGs in a given window	14
5.3.1 Allocation across Districts and Municipalities	14
5.3.2 Allocation of DDEG across LLGs	15
<b>6 GUIDELINES FOR DISTRICTS AND MUNICIPALITIES</b>	<b>16</b>
6.1 Infrastructure projects at District and Municipal levels	16
6.1.1 Eligible Activities	16
6.1.2 Ineligible Activities (Negative List)	18
6.1.3 Development of the Annual work plan and budget	19
6.1.4 Procurement	20
6.1.4 Contract Management	20
6.1.5 Reporting	21
6.2 Investment Servicing and Monitoring	22
6.2.1 Eligible Expenditures	22
6.2.2 Development of Annual Work Plan and Budget	23
6.2.3 Implementation of Work Plan and Budget	23
6.2.4 Reporting	23
6.3 Performance Improvement Activities	24
6.3.1 Introduction	24

6.3.2	Development of Performance Improvement Plan .....	24
6.3.3	Implementation of Performance Improvement Plan.....	25
6.3.4	Monitoring and reporting on Performance Improvement.....	26
6.4	Overall Monitoring and Reporting Responsibilities .....	27
<b>7</b>	<b>GUIDELINES FOR SUBCOUNTIES, DIVISIONS AND TOWN COUNCILS.....</b>	<b>28</b>
7.1	Planning to Determine Balance Between different types of development projects .....	29
7.2	Infrastructure Projects .....	29
7.2.1	Eligible Activities .....	29
7.2.2	Positive List/Investment Menu .....	29
7.2.3	Negative List .....	30
7.2.4	Development of the Annual Work Plan and Budget .....	30
7.2.5	Procurement .....	31
7.2.6	Contract Management .....	31
7.2.7	Reporting.....	32
7.3	Community Livelihood Improvement Component (CLIC) .....	33
7.3.1	Introduction .....	33
7.3.2	Eligible Groups and Activities .....	34
7.3.3	Negative List .....	35
7.3.4	Development of the Annual Work Plan and Budget .....	36
7.3.5	Implementation & procurement .....	36
7.3.6	Reporting.....	37
7.4	Investment Servicing and Monitoring .....	37
7.4.1	Introduction .....	37
7.4.2	Eligible Activities .....	37
7.4.3	Negative List .....	37
7.4.4	Development of Annual Work Plan and Budget.....	38
7.4.5	Implementation of the Work Plan and Budget .....	38
7.5	Parish Funds .....	39
7.6	Reporting.....	39
	<b>Annexes .....</b>	<b>40</b>
Annex 1	DDEG IPFs for FY 2020/21 .....	40

## Foreword

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

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

- a) Construction or Renovation and Furnishing of Administration Offices;
- b) Construction or Renovation of Staff Quarters;
- c) Titling of Land where Government Facilities are located;
- d) Allocation of 10% towards Investment Servicing Costs and Monitoring;
- e) Development of Physical Plans ;
- f) Allocation of 10% of DDEG to Parish Chiefs and Town Agents in pursuit of the Parish Model to support of Planning ,Data Collection and Monitoring of all Government Programs and Projects;

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



Permanent Secretary

**Ministry of Local Government**

## Abbreviations

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

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

## 1 Introduction

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

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

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

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

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

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

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

## 2 National Development Plan and Sector Policy Priorities

In order to ensure equitable subnational development across the country, Article 193 (4) of the Constitution provides for subsidies or special provisions for the least developed LGs based on the degree to which a LG unit is lagging behind the national average standard for a particular service. One of the objectives of the reform to fiscal transfers<sup>1</sup> is therefore to distribute resources more equitably across LGs, so that those LGs which are less well-off are able to catch up. In addition, the Third National Development Plan (NDP III) Goal focuses on increasing average household incomes and improve the quality of life of Ugandans. This therefore calls for equitable allocation of resources, applying variables and weights in the formula agreed on by stakeholders. This is also a key requirement under the Intergovernmental Fiscal Transfer Reform (IGFTR). The reform to fiscal transfers therefore also builds in greater discretion for LGs to allocate resources to local priorities in line with the respective sector policies and LG Development Plans.

### Objectives and structure of the DDEG

---

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



## 2.1 Objectives of the DDEG

The objectives of the DDEG are to:

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

## 2.2 Structure of the DDEG

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

- i. The **District** discretionary development equalisation grant; and
- ii. The **Urban** discretionary development equalisation grant.

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

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

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

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

*Table 1: Overview of DDEG Grant Windows*

Grant	Purpose
<b>District Discretionary Development Equalisation Grant</b>	<ul style="list-style-type: none"> <li>- Address development needs of rural areas</li> <li>- Provide discretion to LGs to fund local priorities</li> <li>- Increase adequacy of funding whilst giving preferential treatment to LGs that are lagging behind the national average standard for a particular service</li> </ul>
o/w PRDP District Development	
o/w PRDP Sub-County Development	
o/w LRDP District Development	
o/w LRDP Sub-County Development	
o/w LG Grant District Development	
o/w LG Grant Sub-County Development	<ul style="list-style-type: none"> <li>- Strengthen LGs ability to cope with refugee influx and to deliver critical infrastructure to host communities/LGs as well as refugees</li> </ul>
o/w Refugee Hosting Districts - (USMID)	
<b>Urban Discretionary Development Equalisation Grant</b>	<ul style="list-style-type: none"> <li>- Address development needs of urban areas</li> <li>- Provide discretion to LGs to fund local priorities</li> <li>- Increase adequacy of funding whilst giving preferential treatment to LGs that are lagging behind the national average standard for a particular service</li> </ul>
o/w Municipal USMID	
o/w Division – USMID	
o/w Municipal – Non USMID	
o/w Division – Non USMID	
o/w Town Councils	

### 3 Roles and Responsibilities of MDAs and LGs regarding DDEG

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

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

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

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

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

*Table 2: Roles of MDAs regarding DDEG*

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

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

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

## 4 Procedures/Guidelines for Allocating the DDEG

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

### 5.1 Allocation of the DDEG across windows

The principle of allocating the DDEG across windows, is to ensure that the affirmative action nature of PRDP and LRDP projects is maintained, and the World Bank funding of the USMID Municipalities and refugee hosting districts can be retained<sup>3</sup>. On this basis, the allocation of DDEG resources across windows is based on historical allocations.

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

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

<sup>3</sup> As per financing agreement between the World Bank and the Government of Uganda

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

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

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

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

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

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

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

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

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

#### 5.3.1 Allocation across Districts and Municipalities

The second step is the distribution of DDEG resources within the windows using the allocation formula. The DDEG will be allocated 50/50 based on two components: (i) the basic allocation based on socio-economic variables; and (ii) the performance component based on the results of the LG performance assessment, weighted by the basic allocation. As per the overall Intergovernmental Fiscal Transfer Reform objectives, the purpose is to: promote equitable allocation within a particular window; and promote efficiency in the use of funds for improved service delivery objectives.

#### **I. Basic allocation based on socio-economic variables**

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

*Table 3: The DDEG allocation formula*

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

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

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

## **II. Performance-based component of the allocation formula**

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

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

### **5.3.2 Allocation of DDEG across LLGs**

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

*Table 4: The DDEG allocation formula*

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

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

---

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

## 5 GUIDELINES FOR DISTRICTS AND MUNICIPALITIES

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

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

Main Expenditure Items	Threshold
Infrastructure Projects, including Physical Planning and land titling	Minimum 80%
Investment Servicing and Monitoring <sup>5</sup>	Maximum 10%
Performance Improvement	Maximum 10%

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

### 5.1 Infrastructure projects at District and Municipal levels

#### 6.1.1 Eligible Activities

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

*Table 6: Positive List/Investment Menu*

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

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



LG Mandated Services	Eligible Activities
Secondary Education	<p>078280 – Secondary school construction and rehabilitation (incl. latrine construction, fencing, safety, rain water harvesting etc.)</p> <p>078281 – Administration block rehabilitation</p> <p>078282 – Teacher house construction</p> <p>078283 – Laboratory and science room construction</p>
District Hospital and Primary Health Care	<p>088281 – Staff houses construction and rehabilitation</p> <p>088283 – OPD and other ward construction and rehabilitation</p> <p>088155 – Standard pit latrine construction (incl. rehabilitation and emptying)</p> <p>088156 – Hand washing facility installation</p> <p>088182 – Maternity Ward construction and rehabilitation</p> <p>088183 – OPD and other ward construction and rehabilitation</p> <p>088184 – Theatre construction and rehabilitation</p>
Water and Sanitation	<p>098151 – Rehabilitation and repairs to rural water sources;</p> <p>098180 – Construction of public latrines in RGCs</p> <p>098181 – Spring protection</p> <p>098183 – borehole drilling and rehabilitation</p> <p>098184 – construction of piped water system</p> <p>098185 – Construction of dams</p> <p>098303 Tree planting and greenery of public places, including erosion protection around infrastructure, riverbanks etc.</p> <p>098307- River Bank and Wetland Restoration (including Up-grading of degraded water catchment areas)</p> <p>- Water harvesting and storage and supply, e.g. rainwater harvesting and improved local water retention through ponds and improved irrigation practices.</p>
District Engineering Services	<p>048281 – Construction of public building including major up-grading<sup>6</sup></p> <p>048104 – Community access roads maintenance</p> <p>048106 – Urban roads maintenance</p> <p>048152 – Urban roads re-sealing</p> <p>048154 – Urban paved roads maintenance</p> <p>048155 – Urban paved roads rehabilitation</p> <p>048156 – Urban unpaved roads maintenance</p>

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

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

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

### 6.1.2 Ineligible Activities (Negative List)

The Districts and Municipalities cannot use the DDEG funds for:

- a) Recurrent cost activities;
- b) Livelihood projects
- c) Purchase and repair of vehicles;
- d) Projects with unsettled land issues
- e) Private goods and private business with exclusive options for utilization
- f) All kinds of credit schemes and insurances, guarantees etc.
- g) Projects which have a detrimental environmental/and or social impact
- h) Projects which are not following public design standards

### 6.1.3 Development of the Annual work plan and budget

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

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

#### 6.1.4 Procurement

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

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

#### 6.1.4 Contract Management

No.	Step	Who
1.	Formation of the contract management team: This will include: <ul style="list-style-type: none"><li>• Contract manager (Head of user department)</li><li>• Project manager (Engineer)</li><li>• Members: planning, procurement, environment, community development.</li></ul>	CAO / Town Clerk
2.	Labelling of projects:	Contractor
3.	Supervision:	Contract management team
4.	Certification of works – including detailed measurement sheets	Project manager
5.	Payment of contractors	CAO / Town Clerk
6.	Maintenance of procurement files	PDU
7.	Commissioning	Chairperson/Mayor

### 6.1.5 Reporting

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

## 5.2 Investment Servicing and Monitoring

### 6.2.1 Eligible Expenditures

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

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

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

### Negative List

Everything not explicitly mentioned above.

### 6.2.2 Development of Annual Work Plan and Budget

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

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

### 6.2.3 Implementation of Work Plan and Budget

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

### 6.2.4 Reporting

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

## 5.3 Performance Improvement Activities

### 6.3.1 Introduction

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

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

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

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

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

### 6.3.2 Development of Performance Improvement Plan

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



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

### 6.3.3 Implementation of Performance Improvement Plan

Table 7: Eligible Activities/Positive List

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

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

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

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

## **Implementation Modalities**

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

### **6.3.4 Monitoring and reporting on Performance Improvement**

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

## **5.4 Overall Monitoring and Reporting Responsibilities**

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

This includes:

- Quarterly financial and physical progress report
- Outcome Reporting

## 6 GUIDELINES FOR SUBCOUNTIES, DIVISIONS AND TOWN COUNCILS

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

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

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

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

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

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

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

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

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

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

The main steps are outlined below.

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

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

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

## 6.2 Infrastructure Projects

### 7.2.1 Eligible Activities

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

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

### 7.2.2 Positive List/Investment Menu

LLGs can only invest in infrastructure projects where:

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

### 7.2.3 Negative List

- a) Recurrent cost activities;
- b) Purchase and repair of vehicles and motorcycles;

### 7.2.4 Development of the Annual Work Plan and Budget

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

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

### 7.2.5 Procurement

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

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

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

### 7.2.6 Contract Management

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

No.	Step	Who
1.	Formation of the contract management team: This will include: <ul style="list-style-type: none"> <li>Contract manager (Head of User Department)</li> <li>Project manager (Engineer)</li> <li>Members: planning, procurement, environment, community development.</li> </ul>	CAO / TC/SAS
2.	Labelling of projects:	Contractor
3.	Supervision:	Contract management team
4.	Certification of works – including detailed measurement sheets	Project manager
5.	Payment of contractors	SAS / TC
6.	Maintenance of procurement files	PDU
7.	Commissioning	Chairperson

### 7.2.7 Reporting

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



## 6.3 Community Livelihood Improvement Component (CLIC)

### 7.3.1 Introduction

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

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

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

### 7.3.2 Eligible Groups and Activities

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

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

#### **Conditions**

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

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

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

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

098303 – Tree Planting and Afforestation

018301 – Trade Development and Promotion Services

018302 – Enterprise Development Services

068306 – Industrial Development Services

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

Category	Indicative Enterprises
Agricultural production/agribusiness and value-addition	<ul style="list-style-type: none"> <li>- Fruit growing and juice making</li> <li>- Dairy production</li> <li>- Poultry/egg production</li> <li>- Piggery</li> <li>- Improved goats rearing</li> <li>- Aquaculture/integrated farming</li> <li>- Labour-saving technologies (e.g. animal traction)</li> <li>- Apiary - honey production</li> <li>- Agro-forestry/tree propagation</li> <li>- Maize milling</li> <li>- Cassava chipping</li> <li>- Irish potatoes growing</li> <li>- Others</li> </ul>
Non-agricultural activities	<ul style="list-style-type: none"> <li>- Carpentry and joinery</li> <li>- Metal fabrication</li> <li>- Packaging (making of environmentally friendly paper bags)</li> <li>- Hairdressers and saloons</li> <li>- Catering and hotel management</li> <li>- Events management</li> <li>- Others</li> </ul>

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

### 7.3.3 Negative List

The following type of projects are not eligible:

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

### 7.3.4 Development of the Annual Work Plan and Budget

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

### 7.3.5 Implementation & procurement

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

The processes involved include:

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

### 7.3.6 Reporting

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

## 6.4 Investment Servicing and Monitoring

### 7.4.1 Introduction

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

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

### 7.4.2 Eligible Activities

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

### 7.4.3 Negative List

Everything not mentioned above

#### 7.4.4 Development of Annual Work Plan and Budget

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

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

#### 7.4.5 Implementation of the Work Plan and Budget

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

## 6.5

### PARISH FUNDS

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

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

## 6.6 Reporting

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

## Annexes

### Annex 1 DDEG IPFs for FY 2020/21







