



THE REPUBLIC OF UGANDA
Ministry of Water and Environment

MINISTRY OF WATER AND ENVIRONMENT

ENVIRONMENT AND NATURAL RESOURCES

GUIDELINES FOR THE LOCAL GOVERNMENT CONDITIONAL GRANT

FY 2024/2025

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FOREWORD

Government has prepared the Environment and Natural Resources (ENR) non-wage conditional grant guidelines to support district local governments to implement priority programs and projects under the sector agreed upon between the Ministry of Water and Environment and the District Local Governments. The funds shall be used for monitoring projects for compliance with policies, laws and regulation, management of hilly and mountainous areas, forests, wetlands, riverbanks, lakeshores and rangelands.

Article 237(2b) of the Constitution, mandates Government or local government as determined by Parliament through legislation, to hold in trust for the people and protect, natural lakes, rivers, wetlands forest reserves game reserves national parks and any other land reserved for ecological and touristic purposes for the common good of the citizens of Uganda. The Local Government Act of 1997 decentralized powers to local governments, including management of natural resources, making management of natural resources a responsibility of local governments.

The ENR non-wage conditional grant funds shall be used for management of the environment and natural resources in the respective local governments. The funds shall be

used for monitoring projects for compliance with policies, laws and regulation, management of hilly and mountainous areas, forests, wetlands, riverbanks, lakeshores and rangelands. Activities implemented shall range from targeted awareness creation, extension services, compliance monitoring, inventories of natural resources within the districts, demarcation of fragile ecosystems, restoration and protection of fragile ecosystems under threat, preparation of environment action plans and specific natural resources management plans.

Quality planning is important for efficient and cost-effective use of resources, enhancing Synergies and effective reporting. District Local Governments with an ecosystem, which cuts

Across boundaries should coordinate and prioritize management of these shared ecosystems to ensure more effective intervention. In this regard, planning should be done jointly and management measures should be coordinated for purposes of maximizing impact. Expenditure under this grant should be properly documented and reported on and the expenses should also be publicly defensible and lawful. Reports submitted by local governments will not only be assessed against the outputs and activities but also against established the laws and regulations. Therefore, District Local Governments receiving this grant should comply with public sector values such as honesty, integrity and accountability. On this note, I wish you the best as you implement this project for the good of the Environment and Natural Resources Sector and the Country.



Eng. John Twinomujuni

For: PERMANENT-SECRETARY

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THE USERS OF THE GUIDELINE

Responsible Institutions

Institution	Responsibility
District Local Governments	These are the primary users of the guideline since they are the direct beneficiaries of the ENR non-wage conditional grant directly sent to them. The Accounting Officers of Local Governments should ensure that the guidelines are observed strictly and to consult the Permanent Secretary, MWE where there is no clarity
Ministry of Water and Environment	The Ministry of Water and Environment is obliged to ensure that the ENR grant is used effectively and efficiently for the purpose for which it was established. It is therefore obliged to monitor and supervise the compliance of LGs to these procedures and provide technical support
Ministry of Finance Planning and Economic Development	It is responsible for timely release of the funds and ensure efficient utilization and accountability in line with Finance and Accounting Regulations.

PART 1

1. Introduction

- 1.1 These guidelines are issued by the Ministry of Water and Environment to local governments to provide information about the sector conditional grant and guide the preparation of local government budget estimates for Environment and Natural Resources Grant.
- 1.2 With effect from FY 2020/2021, the conditional grant to Local governments was enhanced with additional funding from the World Bank to support the Uganda Intergovernmental Fiscal Transfer Program for Results (UgIFT-RP). Disbursement of the grant will be based on indicators known as Disbursement Linked Indicators, which will be assessed during the Local Government Performance Assessment. Assessment will be conducted for both sub county and district level. The Grant shall be implemented in Wetlands Management, Forestry Sector Support Services and the Environment Sector Support Services.
- 1.3 The guidelines give details of (i) the scope of the ENR conditional Grant; (ii) the national for the sector; (iii) the conditional grants requirements and allocation criteria; (iv) financial and technical reporting; (v) the key principles guiding use of the ENR Conditional Grant; (vi) application of the principles; and (vii) Value for Money, Accountability, Integrity and Transparency.
- 1.4 This information is accompanied by a more detailed Budget Requirements Assessment and Compliance Tool, which should be used by local governments to ensure compliance and which will be used by central government to verify if local governments have actually complied. This will inform the signing of performance contracts with Accounting Officers by the Permanent Secretary/ Secretary to the Treasury.

2. Objective of the ENR Conditional Grant

- 2.1 The objective of the ENR conditional grant is to provide local governments with the necessary financial resources for the management of the Environment and Natural Resources under their jurisdiction.
- 2.2 To support district local governments to implement priority programs and projects under the ENR sector agreed upon between the Ministry of Water and Environment and the local governments. These include monitoring compliance of projects with policies, laws and regulations, management of hilly and mountainous areas, management of forests and

rangelands and protection of wetlands, riverbanks and lakeshores. The funds shall be spent in accordance to the conditions stipulated in these guidelines.

- 2.3 To support demarcation of fragile ecosystems, restoration of degraded ecosystems and to strengthen environment and natural resources management in order to reverse the downward trend in the coverage and quality of the environment and natural resources across the country.

3. Scope of the ENR conditional Grant

- 3.1 The ENR non-wage conditional grant funds shall be used for management of the environment and natural resources in the respective districts. The funds shall be used for monitoring projects for compliance with policies, laws and regulation, management of hilly and mountainous areas, forests, wetlands, riverbanks, lakeshores and rangelands. Activities implemented shall range from targeted awareness creation, extension services, compliance monitoring, inventories of natural resources within the districts, demarcation of fragile ecosystems, restoration and protection of fragile ecosystems under threat, preparation of environment action plans and specific natural resources management plans.
- 3.2 Payments shall be made to support the above activities in form of allowances, procurement of materials required for protection or restoration of degraded ecosystems, stationery required for planning and reporting, services rendered during planning or meetings, transport refunds to participants during meetings and fuel for vehicle or motor cycles during surveillance and compliance monitoring and enforcement.
- 3.3 The officer responsible for Environment and Natural Resources should establish whether the activity to be spent on is a priority activity under the ENR sector Investment plan and whether the activity is eligible for funding under this conditional grant before using the funds. This can easily be done by establishing whether the planned activities are within those listed under sub-section 2.3.

4. Policy and Legislative Frameworks

- 4.1 Uganda's laws provide for sustainable utilization and management of the environment and natural resources. Chapter XIII of the Constitution of Uganda of 1995 obliges government to protect important natural resources, including land, water, wetlands, oil, minerals, fauna

and flora on behalf of the people of Uganda. Chapter XXI: requires government to take all practical measures to provide a good water management system at all levels, while Chapter XXVII requires government to promote sustainable development and public awareness on the need to manage land, air, water resources in a balanced and sustainable manner for the present and future generations.

- 4.2 Article 237(2b) of the Constitution, mandates Government or local government as determined by Parliament by law, to hold in trust for the people and protect, natural lakes, rivers, wetlands forest reserves game reserves national parks and any other land reserved for ecological and touristic purposes for the common good of the citizens of Uganda. Article 245 further provides for protection and preservation of the environment from abuse, pollution and degradation, as well as ensuring sustainable development.
- 4.3 The Local Government Act of 1997 decentralized powers to local governments, including management of natural resources. It therefore makes the function of management of natural resources a responsibility of local governments.
- 4.4 The Land Act of 1998, establishes rights and responsibilities of land owners, especially with regard to how land must be used in accordance with the law. It requires a person who owns or occupies land to manage and utilize the land in accordance with the law.
- 4.5 The National Environment Act, 2019, aims at protecting and managing all aspects of the environment in Uganda. Section 53 of the NEA provides guidance on protection of riverbanks, lakeshores and natural beaches. Sections 56, 57 and 58 of the NEA provide for identification, restoration, protection and sustainable management of hilly and mountainous areas, hilltops and hillsides. Section 66 provides guidance on management of rangelands.
- 4.6 The National Forestry and Tree Planting Act (2003), National Forest Plan (2012), Uganda Forestry Policy (2001), National Forestry and Tree Planting Regulations (2016) provide guidance on use and management of forest resources.
- 4.7 Regulations have been developed on management of sensitive ecosystems. These include the National Environment (Mountainous and Hilly Areas Management) Regulations, 2000, and the National Environment (Wetlands; River Banks and Lake Shores Management) -- Regulations, 2000.

5. Conditional Grants Requirements and Allocation Criteria

5.1 All district local governments qualify to access the grant for management for programs and projects agreed upon between the Government and the local governments and shall be spent only for the purpose and in accordance to the conditions agreed upon. In this case, the funds shall be used for monitoring implementation of Environment and social safeguards, management of forests, wetlands, riverbanks, lakeshores, hilly and mountainous areas and rangelands. All local governments are entitled to a certain minimum amount of funds. However, variation of funding to local governments shall depend on the magnitude of problems, the number of development projects being monitored in the district and factors known to be desirable in the effective management of the environment and natural resources, which include the following:

- (a) The human population of the district; (b) Area of wetlands in the district
- (c) Area of riverbanks and lakeshores in the district; (d) Area and status of forest cover in the district
- (e) Area of the district under hills and mountains
- (f) Management plans under implementation

Table 1: Allocation parameters, weights and formula for Indicative Planning Figures

Variable	Weight	Justification
Rural Population (including refugee population)	63	The target population is in rural areas
Poverty Headcount Ratio (District)	10	Approximates need with high poverty levels getting a higher allocation
Population in Hard to Reach Hard to Stay Areas (District)	2	Those areas which are hard to reach are given priority
Wetland Area	15	Land area is considered a proxy for the scale of natural resources management activities.
Forest Area	10	Forest area is considered a proxy for the scale of natural resources management activities.

5.3 Utilization of the Conditional Grant by District Local Governments

The Environment and Natural Resources Sector has 3 sub-sectors including the Wetlands, Forestry and Environment sub-sectors. Therefore, funds for management of resources under these sub-sectors should be distributed based on the ratios in Table 5.4. The Environment and Natural Resources Department can internally reallocate not more than 10% of the funds to sub-sectors within the ENR Department based on their priorities. However, the reallocated funds shall not be used for monitoring and office operations. Reallocation of more than 10% will require written approval from the Permanent Secretary, Ministry of Water and Environment. Funds for monitoring of projects for compliance with environment laws and office operations shall be shared equally by all the three sub-sectors under the ENR Department.

Table 2: Table showing distribution of the Grant among the sub-sectors under the Environment and Natural Resources

Parameter	% of funds	Justification
Area of wetlands in the district	30	Wetland area shows the area to be restored, monitored and supervised and managed
Area of riverbanks and lakeshores in the district	25	Mountainous areas, riverbanks and lakeshores that need protection, restoration, monitoring and management
Area of forest cover in the district	30	Area covered by forests shows the area to be restored, monitored, supervised and managed by a district
Number of natural resources under management plans	5	Development and implementation of management plans require funds and therefore districts will require funds for preparation and implementation of these plans
Compliance monitoring of Environment and Social Safeguards and office operations	10	Infrastructural development projects being implemented in district require monitoring and support in environment sustainability, it expected that all ENR departments will be involved in monitoring
TOTAL WEIGHT	100	

- 5.5 Accuracy of data on the environmental concerns and resources to be managed and the social and economic factors in the district are very important requirements in the computation of the grant to local governments. District Local Governments should conduct inventories to update the status of the different resources to ensure that, data submitted to the Ministry about each resource is accurate, regularly updated and should be independently verifiable.
- 5.6 Known Environment and Natural Resources management approaches should be employed to effectively manage the environment and natural resources in the district. These approaches are important in monitoring the effectiveness and progress made by district local governments. They include but are not limited to establishment of grievance redress mechanisms, screening of projects, costed comprehensive Environment and Social Management Plans (ESMPs), inventories, District and sub-county Environment Action Plans, Management Plans and ecosystems management plans, formulation of byelaws and ordinances formulation, restoration planting demarcation of boundaries using concrete or live markers.
- 5.7 Timely and accurate reporting about the status of the environment and natural resources and progress in the implementation of environmental aspects of the projects and programs by districts very important in monitoring progress and compliance to the policies, laws and regulations. It is also important in determining the resources to be sent to local governments. Local governments without updated information about the status of the environment and natural resources, interventions made, level of compliance and progress, shall be funded based on information available to the Ministry. Delays by a district to submit the required information, means that only the data submitted can be used in computing the release for the following year. District local governments are therefore expected to regularly update the required information and submit it in a timely manner for verification and integration in the formula for the Indicative Planning Figures.

6. Financial and Technical Reporting

- 6.1 Local governments shall report in accordance with the Local Government Act (1997) and the Public Finance and Accountability Act (2003). Whereas it is clear that officers responsible for environment and natural resources management administratively report to the Chief Administrative Officers, they are technically required to report to Ministry of Water and Environment. Under these guidelines, officers responsible for environment and natural resources management are required to send copies of the quarterly and annual reports to the Permanent Secretary or official delegated by the Permanent Secretary of Ministry of Water and Environment. This will help ease coordination, planning and will guide subsequent releases. The reports in both soft and hard copies shall be submitted to the address indicated on the guidelines. Whereas the soft copies shall be used to update information about a district, hard copies submitted through the Chief Administrative Officer shall be the official reports of the district.

- 6.2 Districts are required to submit 5 reports every year, including 4 Quarterly reports and 1 annual report. The reports should include both technical and financial reports. Technical reports should not only reflect outputs but also outcomes. Each report shall have a section on each resource, spelling out achievements and challenges under each sub-sector to enable the respective departments under the Environment and Natural Resources Sector to follow-up. The annual report should also indicate the level of district contribution to the subsector in form of budgetary allocation from local revenue, among other commitments.
- 6.3 Districts are required to submit their reports within a fixed timeframe as shown in Part 2 of these guidelines, under sections 8.4.5 and 8.4.6.

PART 2

7. Key Principles Guiding use of the ENR Conditional Grant

7.1 This part of the guidelines explains how the key principles of the guidelines are applied during the management of the ENR grant. The Ministry of Water and Environment has adopted seven key principles that guide access, use and management of the grant, which include:

- Robust planning with a bottom-up approach;
- Collaboration and synergizing;
- Rational resources use
- Outcomes Focused Planning;
- Value for money;
- Accountability; and
- Integrity and transparency.

7.2 The officer responsible for environment and natural resources must ensure that funds disbursed under this grant are managed in a manner that is consistent with these seven key principles. The officer responsible for environment and natural resources should ensure that the requirements of the district local government grants are well understood and effectively incorporated into the planning and management of the grant in order to maximize the benefits of the grant.

7.3 The Conditional Grant Guidelines provide the framework within which officers responsible for environment and natural resources may use the funds to implement planned activities to ensure visibility using the available resources. The officers responsible for environment and natural resources are encouraged to use the guidelines hand in hand with the other guidelines issued by the Ministry of Finance to reduce the risk of misinterpreting the requirements of the financial management framework and promote consistency across sectors.

8. Application of the Principles

8.1 Robust Planning with a Bottom-up Approach

- 8.1.1 Funding to district local governments shall be based on plans and budgets submitted to the Ministry of Water and Environment. High quality planning is vital for efficient, cost-effective use of resources, enhancing synergies and reporting. The officer responsible for environment and natural resources should work closely with other stakeholders to plan, design approaches and jointly implement activities. Involvement of other stakeholders in the planning and designing of approaches will increase their appreciation of the rationale of what is being done in a particular location. Stakeholders will also make valuable contributions on the approaches and implementation to enhance the quality of the outcomes.
- 8.1.2 Planning should be robust in that, it should be supported by reliable data and information. The planning approach should be bottom-up and conducted in a participatory manner to ensure that issues to be addressed are identified with the beneficiaries and activities undertaken should also have high impact on the beneficiaries or on the ecosystem being dealt with.
- 8.1.3 All the issues identified during planning should be integrated in the sub-county and district development plans, with clear implementation approaches. The officer responsible for environment and natural resources should thoroughly analyze the issues identified and prioritize them for funding based on the gravity of the problem and available resources. There are problems that require simple, straightforward and less costly solutions while others may require complex and expensive processes. For example, monitoring of environmental compliance or training of District or Sub-County Environment Committees will be simple, straightforward and low cost, while demarcation and restoration of a resource, or planning and formulation of an ordinance or by-law are complex will require more resources.
- 8.1.4 District staff responsible for environment management should analyze all identified issues before prioritizing and selecting them for funding. There should be clear objectives and rationale for prioritizing an activity to be funded over the others. The expected outcomes should be clearly spelt out, with indicators of how they will be measured. The strategies and approaches adopted during the implementation of the activity should be in line with the existing policies and laws and these should be the best option to achieve value for money.

8.1.5 Funding to district local governments shall be based on a work plan, which is costed. The budget will show the objectives, outcomes, outputs, activities and costed requirements to deliver the outputs (see example Table below).

Table 3: Budgeting

Objective 1. Restore and protect 20 km of Malaba Riverbanks in Tororo District by 2023					
Outcomes	Outputs	Activities	Requirements	Cost	
A fully functional ecological and hydrological protection zone of River Malaba by 2023	20Km of the protection zones of R. Malaba clearly demarcated using live markers	Undertake the assessment of the fragile ecosystem	SDA for Officers	220,000	
			Driver's allowances	55,000	
			Fuel for field visits	50,000	
			GPS batteries	10,000	
	Sensitize the communities on the importance of restoring the riverbanks and agree on a plan	Refreshments during Community Meetings	SDA for Officers	220,000	
			Driver's allowances	110,000	
			Fuel for field visits	50,000	
			Stationary	50,000	
	Procure seedlings for demarcating River Malaba protection zone	Prepare TORs	SDA for Officers supervising demarcation	220,000	
			Procure 12,000 seedlings	18,000,000	
			Demarcate the protection zone	Engage district surveyors to plant 3 lines to mark the protection zone	990,000
	200 Ha of Malaba riverbanks restored	Sensitize the communities adjacent to River Malaba on the restoration of the riverbanks	Allowances to supervise demarcation	990,000	
			Refreshments during Community meetings	Per Diems for Officers	220,000
				Driver's allowances	110,000
				Fuel for field visits	50,000
				Stationary	50,000
Procure		Advertise	250,000		

Growing of seedlings	Seedlings for Restoring degraded areas of River Malaba	Procure 80,000 seedlings	120,000,000
		Mobilize communities to grow trees in the Riverbanks	200,000
	Grow 100 tree seedlings within the protection zone	Allowances to supervise the	700,000
		Facilitate the community members to grow the trees	40,000,000
	Monitor activities in the riverbanks to ensure compliance	Drivers allowances	110,000
		Fuel for field visits	100,000
Sub-Total			183,425,000

Table 4: Detailed Annual Work Plan

Main activity	Sub activity	Location	Expected output	Means of verification	Resp. Officer	Annual Budget	Time frame			
							Q1	Q2	Q3	Q4
Outcome Area:										
Output area:										
Output area:										

8.1.8 During restoration or protection of an ecosystem, District Environment and Natural Resources team should concentrate their efforts on one ecosystem at a time to maximize impact instead of scattering their efforts. This will enable them to achieve their outcomes and will increase their visibility and impact. For example, the district can focus on the

protection and restoration of a degraded river bank or forest reserve by going through the process reflected in the table above. If all the resources are concentrated on one ecosystem, then the ecosystem shall be restored in one year and the team can then move to another ecosystem.

- 8.1.9 Some Ecosystems such as rivers, wetlands or forests cut across district boundaries. Therefore, managing trans-boundary resources in one district, when nothing is being done in the neighboring district might not lead to the desired outcomes. It is advisable that districts sharing an ecosystem or a resource, coordinate and prioritize management of the shared ecosystem. In this regard, planning should be done jointly and implementation of restoration or management activities should be done simultaneously on the same ecosystem for purposes of maximizing impact. For instance, If Malaba River cuts across two districts, the two districts can prioritize R. Malaba and focus their efforts on this River to increase impact. After agreeing on the course of action, each officer is expected to implement activities in their respective district but they will have worked jointly to restore the ecosystem.

8.2 Collaboration and synergizing

- 8.2.1 Consultation and co-operation with other departments, non-governmental and community based organizations and the private sector can help reduce fragmentation of efforts, reduce unnecessary overlaps and enhance outcomes. District Local Government staff under the ENR sector should collaborate with staff in other departments within the district, non-governmental and community- based organizations, and the private sector. It should not be assumed that other departments understand and appreciate what ENR is doing by virtue of being in the same district. ENR staff in the district should endeavor to use approaches that promote openness to enhance transparent collaboration with other departments and organizations within the district. Through effective collaboration, sharing of expectations and positive working relationships, ENR can enhance its outcomes. Collaborating and sharing information will enable other stakeholders to appreciate what ENR is doing and will reduce conflicts. ENR staffs in the district are encouraged to consult with other departments and other stakeholders and also strive to provide them with technical support where necessary. This will enable other stakeholders to understand their obligations and roles under the ENR conditional grant.

8.3 Rational resources use

8.3.1 District Local Governments experience different types, varying levels, and complexities of environment and natural resources related problems, depending on where they are situated and activities carried out in those areas. The ENR sub-sector has a number of departments, including forestry, wetlands and environment, which are concerned with management of the environment and natural resources in the district. These units are responsible for proper use of the conditional grant. The grant shall be used for management of hilly and mountainous areas, forests, wetlands, riverbanks, lakeshores and rangelands, which are under immense development pressure.

8.3.2 Due to the interconnectedness of ecosystems and limited resources, ENR staff can combine efforts with other departments to address a specific problem. However, the officer responsible for environment and natural resources at the district should ensure that the core areas that this grant is intended for are not compromised by this flexibility. The officer responsible for environment and natural resources should carefully assess whether the activity to be implemented jointly leads to the outcomes being sought in his plan. If an officer holds two or more portfolios, there is a danger of double-accounting, where the same output is attributed to different funding sources. This should be avoided because during multi-institutional monitoring, the chances are high that this will be found out and may have serious implications. Some projects implemented in the districts have an environment fund to mitigate effects of the project. The officer responsible for the ENR conditional grant should avoid shifting costs that should be incurred under those projects to the ENR grant. For instance, a hydropower project might be established in a district and then decide to protect the catchments as part of its efforts to mitigate the impacts. The hydropower project should therefore use its budget to carry out this activity. This cost should not be shifted to the ENR conditional grant. Where the ENR grant has complemented such an effort, the contribution should be clearly documented to show the percentage contribution and outputs.

8.3.3 Alterations in Work Plans over the Financial Year

On signing the MoU, the District is committed to implementing its annual work plan. The districts should endeavor to stick to the work plans.

The MoU will allow the following flexibility:

1. Minor changes in activities within a work plan which result in a shift in resources of less than 10% of the annual budget for an activity, or result from an increase in the activities □ annual budget of less than 10%.
 - a) In the event of differing circumstances and priorities, a district can reallocate up to
 - b) 10% of funds to different activities within the ENR sector without seeking the approval of the Ministry of Water and Environment.
 - c) In the event of an increase in the available annual budget (outside the Conditional Grant) allocation for a grant of less than 10% districts can change/add new activities **without** seeking approval of the Ministry of Water and Environment (MWE)
 - d) Local governments **must** however formally write to the Ministry of Water and Environment (copied to the Ministry of Finance, Planning and Economic Development, MoFPED) informing it of **all** changes in work plans
 - e) Once successive changes in activities have resulted in a cumulative shift in resources of more than 10% within the annual budget of a Conditional Grant, Districts must write to confirm the acceptability of these changes before further changes in the work plans can be enacted. If no response has been received in writing from the Ministry of Water and Environment within 30 days, further changes will be permitted.
 - f) Any changes in activities within a work plan which require a reallocation of resources greater than 10% will require authorization from the Ministry of Water and Environment before they can be implemented.

8.4 Outcomes Focused Planning

- 8.4.1 District ENR staff should adopt outcomes focused planning and budgeting, to increase efficiency, effectiveness and impact in the use of the ENR conditional grant. During planning ENR staff should ensure that the outcomes, outputs and inputs are clearly specified. Outcomes planning and budgeting will help the officer responsible for environment and natural resources to evaluate progress at strategic and operational levels. For instance, at strategic level, one will be able to report on the area protected and restored, while at output level, one will report on the number of Kms demarcated and the number of

tree seedlings grown. The inputs used refer to resources one requires to execute an activity, such as funds, the number of staff, fuel and others.

- 8.4.2 In adopting the outcomes focused planning, the officer responsible for environment and natural resources should not assume that by sensitizing the communities on the importance of restoring a degraded ecosystem, agreeing on a restoration plan or procuring pillars, seedlings or spending on the inputs automatically leads to the desired outputs and outcome. One needs to go through the process, evaluate progress made at each stage and address any issue that crops up until the restoration process is completed. It is also important to note that indicators framed by the district for the desired outputs or outcome will not be relied on without being validated. Information provided about the outputs and outcomes should be accurate, reliable and complete to give the right picture of progress made by the district.
- 8.4.3 Given the limited funds under this grant, outcomes planning will require district staff to consider the use of longer term planning and concentration of activities on one system at a time in order to achieve outcomes. For example, if the expected outcome is □ protection zone of River Malaba restored and protected□ it may take a number of years for the outcome to be achieved. The responsible officer should develop multi-year strategies that can enable them to continue building on what would have been done until the outcome is achieved. This is where collaboration with other stakeholders within the district and those in districts sharing the ecosystem becomes useful.
- 8.4.4 During planning, the responsible district officer should develop plans which are consistent with those of the National Environment and Natural Resources Sector plans and should contribute to the long-term goal of the sector. Therefore, the environment and natural resources plans should be integrated in the 3-year sub-county and districts development plans. The plans should also focus on the areas against which they will be assessed, in this case, forest cover, wetlands, riverbanks and lakeshores management, management of hilly and mountainous areas and rangelands. The objectives and activities should be clear and specific to reduce delays in the release of grants approval process and development of appropriate performance assessment criteria. The objectives, outcomes, outputs and activities should be stated in such a way that clearly communicates what is to be achieved, measured and assessed. This should include the quantitative, qualitative and milestone information.

8.4.5 Reporting on progress by districts is an essential element of the conditional grant. Reports help the Ministry to evaluate whether the outcomes and value for money are being achieved. Reports provide also useful information on which to base to fundraise, review approaches and to account for the resources used. The officer responsible for environment and natural resources should therefore submit technical and financial quarterly and annual reports in a timely manner to the Ministry of Water and Environment. Technical reports should provide quantitative and qualitative information about the outputs, outcomes, specific locations, where activities have been carried out and any emerging issues. They should also be analytical and informative to guide the Ministry on how to improve on performance. Districts are advised to submit their reports following these timelines.

Table 5: Report submission dates

District Reports	Date due
Quarter 1	15 th October
Quarter 2	15 th January
Quarter 3	15 April
Quarter 4	15 th July
Annual report	15 th July

9. Value for Money

9.1 Achieving value with public money should be a key consideration at the time of planning and execution of activities. The officer responsible for environment and natural resources should always compare the costs and benefits of various feasible approaches before zeroing on the best option. It is this kind of approach that will provide assurance to government that resources are being utilized efficiently, ethically and in a cost-effective manner. This notwithstanding, the responsible district staff should not flout the procurement procedures, requirements and policies while implementing the activities. This can be achieved by applying efficient, appropriate methods and synergizing. There is also need for staffs to proactively identify risks and adopt approaches and technologies that minimize risk and maximize opportunities. Staffs need to respond quickly to changes so as to avoid losses. For instance, if one had planned to restore a degraded hill in March and the seedlings are made

available in June when there are no rains, they should not be planted until the rains are sufficient to support their survival. Staff should try to be flexible and engage in another activity that complements the restoration process, but is not dependent on weather. Staff should also be innovative in order to maximize outputs using the available resources.

10. Accountability

- 10.1 District local governments are answerable for their plans, decisions, actions and results. Districts accessing the conditional grant are responsible for delivering services to communities under their jurisdiction and therefore will be held accountable for the ways in which they fulfill their roles. District Local Governments must ensure that use of funds received under this grant is consistent with the requirements of the Public Finance and Accountability Act (2003) and The Local Governments Financial and Accounting Regulations (2007). Reliable, timely and adequate evidence is required to demonstrate that funds received have been used in accordance with the terms and conditions of the conditional grant.
- 10.2 Proper accountability is dependent on awareness and extension services, clear procedures and processes and documentation. The officer responsible for environment and natural resources needs to keep records about the expenditures made using the conditional grant to ensure good accountability. The officer responsible for environment and natural resources is advised to use district staff with knowledge in records keeping to help in ensuring accountability in compliance with the Public Finance and Accountability Act (2003), The Local Governments Financial and Accounting Regulations (2007) and MoUs signed between the district and the Ministry of Water and Environment.

11. Integrity and Transparency

- 11.1 Districts receiving the conditional grant should comply with public sector values such as honesty, integrity and accountability. Districts receiving this grant should be prepared to be scrutinized about the processes, procedures and the actual spending of the funds. Funds spent under this grant should be properly documented and reported on and the expenses should also be publicly defensible and lawful. Reports submitted by the districts will not only be assessed against objectives and activities but also against established benchmarks. For

example, if an officer planned to restore one hectare of a degraded catchment, the costs should not vary significantly from what other institutions doing a similar activity have spent.

11.2 Actual or perceived conflicts of interest should not be encouraged by the officer responsible for environment and natural resources or any other person using these funds at any one time, because this compromises the standards and quality of outputs. A conflict of interest arises where a person decides or exercises a power in a way that may be, or may be perceived to be, influenced by personal interest. A conflict of interest may arise when an officer planning to restore a degraded ecosystem and requires seedlings, supplies, asks his friends or relatives to supply the seedlings and pays himself his friends or relatives instead of tendering out the contract. In this case the quality and quantity of the seedlings cannot be guaranteed. The officer responsible for environment and natural resources should tender out the contract so that his role remains of supervision. The officer should also be transparent during the awarding of contracts to minimize concerns about equitable treatment. Districts are guided by the PPDA Act and Regulations and should strictly follow them when using these funds. Competition for contracts among service providers should be encouraged when services are required. Contractors should be selected based on the criteria prepared in advance. Where another method other than a competitive bidding is adopted for selection of a contractor, the process should be well documented and process reported on to justify the approach.

11.3 In some cases, use of a non-competitive approach might be the best option. For example, this approach might be used as a way of empowering communities by procuring seedlings from them. It is important to ensure that whatever approach or method is adopted does not compromise the quality and outcome of the activity significantly.

ANNEX 1

MEMORANDUM OF UNDERSTANDING

BETWEEN

MINISTRY OF WATER AND ENVIRONMENT

AND

_____ **DISTRICT LOCAL GOVERNMENT**

**FOR THE USE OF FUNDS UNDER THE CONDITIONAL GRANT FOR ENR NON
WAGE**

FOR THE FINANCIAL YEAR □□□□□□.

PREAMBLE

Article 193(3) of the Constitution of the Republic of Uganda and Section 83 (3) of the Local Governments Act Cap 243 provide □ *Conditional grants shall consist of funds given to Local Governments to finance programmes agreed upon between the government and Local Governments; and shall be expended only for the purposes for which it was made in accordance with the conditions of the grant* □ The above provision require the expenditure of the conditional grants in accordance with the conditions agreed upon and this necessitates for the Local Governments to sit together with the Sector Ministries(Central Government) to agree upon the conditions. Therefore

This memorandum is made this □□□ day of □.□□□□.□□□□.20□

BETWEEN

THE GOVERNMENT OF THE REPUBLIC OF UGANDA, REPRESENTED by the

Permanent Secretary, Ministry of Water and Environment (hereinafter referred to as
□ Central Government□)

AND

_____ **DISTRICT LOCAL GOVERNMENT**, represented by the **Chief**
Administrative Officer, on the other part, (Herein after referred to as the □ District□).

WHERE AS Central Government has the statutory responsibility of inspection, supervision, monitoring, regulation, coordination, mentoring and provision of technical guidance to Local Governments in the implementation of Government programmes, WHEREAS Central Government with additional funding from the World Bank to support the Uganda Intergovernmental Fiscal Transfer Program is providing funds to District Local Governments for Environment and Natural Resources Management, WHEREAS Central Government, is providing funds to the District Local Governments in the form of the Conditional Grant (hereinafter referred to as "the ENR None Wage Conditional Grant"), for implementation of the National ENR sector policy, WHEREAS Central Government has identified national ENR sector policy elements requiring Local Government implementation through decentralization, WHEREAS Central Government has attempted to ensure that the budget ceilings provided accurately project the level of funding that will be available to the District in the **FY** Government of Uganda Budget.

AND

WHEREAS the District Local Government agrees to implement national ENR sector policy elements including management of wetlands, forests, riverbanks and lakeshores, mountainous areas and rangelands as identified by Central Government in accordance with the terms of grant.

UNDERSTANDING

Central Government and the District Local Government agree to implement the Local Government budget process in accordance with the Grant in order to implement national ENR sector policy reflected in the ENR Sector Investment Plan- SIP, the Wetland Sector Strategic Plan (WSSP), the Forestry Investment Plan (FIP) and Environment Sector Strategic Plan (ESSP).

Central Government and the District Local Government agree to implement this process in accordance with the provisions of the Grant.

VALIDITY OF MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is valid for ONE FY from the date of signing until Central Government has received the Verified Cumulative Annual Progress Report from the District in accordance with the terms of the Grant

Any modification to this Memorandum of Understanding shall be by mutual agreement of both parties.

OBLIGATIONS OF THE MINISTRY OF WATER AND ENVIRONMENT

- a) The Ministry shall prepare and disseminate the guidelines for the use of conditional grants which will become effective at the commencement of FY 2024/2025
- b) Shall communicate through circulars addressed to the Chief Administrative Officers, the issues agreed upon in the negotiations for the Local Governments to implement in their respective sectors

OBLIGATIONS OF LOCAL GOVERNMENTS

- a) Implement their programmes based on the guidelines issued by the Ministry of
- b) Water and Environment from time to time
- c) Ensure timely response to issues raised by the Sector Ministry
- d) Provide timely and accurate data on their plans, achievements and progress reports of their districts.

For General Government

For the District

Name: □□□□□□□□□□

Name: □□□□□□□□□□

Permanent Secretary
Ministry of Water and Environment

Chief Administrative Officer

District

In the Presence of

In the Presence of

Name

Name

Title

Title