



THE REPUBLIC OF UGANDA

MINISTRY OF LOCAL GOVERNMENT

NATIONAL STRATEGY FOR LOCAL ECONOMIC DEVELOPMENT

Re-igniting Local Resources and Self Help
2021/22 - 2024/25



May 2022

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FOREWORD

“Re-igniting Local Resources and Self Help”



As you might be aware, the goal of the Third National Development Plan (2020/21 – 2024/25) is to increase household incomes and improve the quality of life of Ugandans through sustainable industrialization for inclusive growth, employment and sustainable wealth creation.

The theme of the National Strategy for Local Economic Development “Re-igniting Local Resources and Self Help” is premised on the fact that Uganda is well-endowed with abundant natural resources, and therefore harnessing sustainably these natural resources will contribute significantly to socio-economic development for the benefit of current and future generations of Ugandans. Pursuing the path to industrialization will increase the country’s resilience, transform the lives of the people through better incomes and gainful jobs, and strengthen the country’s regional and international competitiveness.

Subsistence agriculture remains, directly and indirectly, the main preoccupation of the rural households that make up over 70 percent of Ugandans population. Despite this, agricultural development and its accruing benefits remain peripheral. Consequently, this calls for agro-industrialization which is a central driver for the transformation of the subsistence agriculture sector to a commercial and competitive sector.

The National Local Economic Development Policy of 2014, defines Local Economic Development as a process through which local governments, the private sector and communities form partnerships to mobilize, manage and invest resources effectively into economic ventures to stimulate development and growth of their locality. Local governments are right at the center of all social and economic development initiatives and therefore, must influence the structure and direction of their local economies if the country is to achieve its goal of increased household incomes and improved quality of life of Ugandans.

This calls for a paradigm shift in the way the local governments currently do business to one that facilitates effective business-oriented locality development with a focus on poverty reduction and sustainable wealth creation. Local governments are expected to drive local economic development in their localities. With this comes both challenges and opportunities in respect of making a real difference in the lives of the people. Local governments working in partnership with businesses presents a particularly great opportunity to create sustainable local economies. The key challenge is to have a shared understanding regarding what constitutes appropriate and effective local economic development practice.

This National Strategy for Local Economic Development in Uganda seeks to create a shared understanding of good LED practice and motivate more effective implementation. The Strategy is a product of intense dialogue and deliberations amongst several stakeholders in local and central government, the private sector, civil society and the academia.

I would like to thank the LED Department at the Ministry of Local Government who with support from a Technical Advisor provided by German Development Cooperation, through the GIZ Promoting Rural Development programme, were ultimately responsible for producing this Strategy. To the Local Governments, Central Government Ministries, Departments and Agencies, individuals and organisations who contributed to the document, our sincere gratitude goes to you for your time, commitment and enthusiasm. It was truly a collaborative effort. This strategy, we believe, is an accurate reflection of the current state of thinking about local economic development that should be supported across all three spheres of government and through active involvement.



Raphael Magyezi

MINISTER OF LOCAL GOVERNMENT

ACKNOWLEDGMENT



The Ministry of Local Government would like to thank everyone who contributed to the development of this National Strategy for Local Economic Development. The strategy is a product of teamwork, dedicated effort and, unwavering commitment. This commitment to developing a National Strategy, and its implementation, is an affirmation of our strong and progressive leadership at the Ministry, leadership that is desirous of causing the much-needed socio-economic transformation of our Communities.

The strategy is framed in line with the National Development Planning Framework provided by National Planning Authority (NPA) and, therefore, reflects the development priorities contained in Third National Development Plan (NDPIII). It is our strong conviction that this Strategy will contribute to the promotion of Local Economic Development in the country. Through this Strategy, we also expect a transformation of our Local Governments into entities that will facilitate effective business-oriented development with a focus on poverty reduction and sustainable wealth creation. The Strategy's theme of re-igniting local resources for self-help calls on the Public Sector, Private Sector and Communities to work in partnership in harnessing the abundant local resources of the country in order to uplift the standard of living for all Ugandans.

I therefore take this opportunity to express my gratitude to staff of the Local Economic Development Department, and the Ministry of Local Government for their invaluable contributions while developing this Strategy. Special thanks go to the Technical Advisor to the Department, who spearheaded preparation of the strategy.

I also wish to extend my gratitude to the Senior and Top Management at the Ministry of Local Government for their strategic oversight during the strategy development process.

We are greatly indebted to our partners the German Development Cooperation through GIZ Promoting Rural Development Programme who have not only walked with us since 2019 but also played a very instrumental role in the development and launch of this strategy.

Ben Kumumanya
PERMANENT SECRETARY,
MINISTRY OF LOCAL GOVERNMENT

ABBREVIATIONS

BTC	Belgian Technical Cooperation
CAADP	Comprehensive Africa Agriculture Development Programme
CBO	Community Based Organisation
CRM	Common Results Matrix
CSO	Civil Society Organisation
CSR	Cooperate Social Responsibility
DCO	District Commercial Officer
DDP	District Development Programme
DLRT	District LED Resource Team
DPSF	Decentralisation Policy Strategic Framework
ERA	Electricity Regulatory Authority
FDS	Fiscal Decentralisation Strategy
GoU	Government of Uganda
LDG	Local Development Grant
LED	Local Economic Development
LEGS	Local Economic Growth Support
LFI_U	Local Economic Development Finance Initiative for Uganda
LGA	Local Government Act
LG FAR	Local Government Finance Accounting Regulations
LGFC	Local Government Finance Commission
LGs	Local Governments
LGSIP	Local Government Strategic Investment Plan
JARD	Joint Annual Review of Decentralisation
MAAIF	Ministry of Agriculture Animal Industry and Fisheries
MATIP	Markets and Agricultural Trade Improvement Project
MDA	Ministries Departments and Agencies
M&E	Monitoring and Evaluation
MFI	Micro Finance Institutions
MLRT	Municipal LED Resource Team
MoFPED	Ministry of Finance Planning and Economic Development
MoGLSD	Ministry of Gender, Labour and Social Development
MoLG	Ministry of Local Government
MoTIC	Ministry of Trade Industry and Cooperatives
MoWE	Ministry of Water and Environment
MSME	Micro Small and Medium Enterprises
NAADS	National Agricultural Advisory Services
NARO	National Agricultural Research Organisation
NDP	National Development Plan
NEMA	National Environment Management Authority

NEPAD	New Partnership for African Development
NGO	Non-Governmental Organisation
NPA	National Planning Authority
NPT	National LED Propagation Team
NSCG	Non-sectoral Conditional Grant
NSLED	National Strategy for Local Economic Development
NUSAF	Northern Uganda Social Action Fund
OPM	Office of the Prime Minister
OWC	Operation Wealth Creation
PACA	Participatory Appraisal of Competitive Advantage
PDC	Parish Development Committee
PDM	Parish Development Model
PFMA	Public Finance Management Act
PMA	Plan for Modernization of Agriculture
PPP	Public Private Partnerships
PRELNOR	Project for the Restoration of Livelihoods in Northern Uganda
PRUDEV	Promoting Rural Development in Uganda
PSA	Private Sector Association
RACA	Rapid Assessment of Competitive Advantage
RDS	Rural Development Strategy
SACCO	Savings and Credit Cooperative Societies
SDG	Sustainable Development Goal
TILED	Trade Industry and Local Economic Development
ToT	Trainers of Trainers
UCC	Uganda Communication Commission
UIA	Uganda Investment Authority
ULGA	Uganda Local Governments Association
UMI	Uganda Management Institute
UNBS	Uganda National Bureau of Standards
UNCDF	United Nations Capital Development Fund
URA	Uganda Revenue Authority
VGS	Vulnerable Group Support

EXECUTIVE SUMMARY

In 2014, the Government of Uganda adopted the national Local Economic Development (LED) policy, whose overall goal is “A transformed local government system that facilitates effective business-oriented locality development with a focus on poverty reduction and sustainable wealth creation”. The policy enables Local Governments (LGs) to improve the business environment and the private sector, civil society, and community to play their roles in economic growth and job creation and transform Uganda from a low to a middle-income country. The promotion of LED creates opportunities for LGs to increase private sector investments, employment creation, and increase household incomes, allowing LGs to benefit from this development through taxes and rates collected from the business community.

Notwithstanding the existence of a legal and policy framework and programmes that would aid the implementation and coordination of LED initiatives, there is an overall limited internalisation and localisation of some of these policies and synergies among programmes. There is also a lack of guidelines for implementing LED policy provisions and inter programme coordination, especially at the macro and micro levels. LED is a multi-actor, multi-intervention approach that requires a coordinated effort of all MDAs. Currently, MDAs operate primarily in silo formations which does not allow for synergy in the planning, implementation and monitoring of LED-leaning interventions.

Whereas the Local Government Act (LGA) and LED policy allows local governments to collect revenues and flexibility in usage to address local needs, local revenues are low. Less than 3% of LG financing is from their revenues, as the central government retains the collection of more lucrative local taxes.

There is an inadequate mobilisation of the private sector and other non-state actors for LED. Poor mobilisation of stakeholders (community, public sector, private sector, and CSO actors) which undermines the effective implementation of LED. There is also a lack of LED strategy frameworks at the LG level. Very few LGs have to date developed comprehensive LED strategies that propose viable interventions based on an appraisal of their comparative and competitive advantages in terms of economic potentials and motivation and capacity of stakeholders in the LG for enhancing LED promotion. In the absence of LED strategies, initiatives can only be adhoc with no apparent link for impact on the LED.

The current threats faced by LGs and low local revenue mobilization at the LGs propel the need to institute a strategy that considers the business environment the private sector faces. This will increase locally generated revenue through direct taxes and LG’s revenue-generating ventures. The overall objective of this strategy is to enhance the capacity of LGs to grow private investment in LGs.

The strategy will stimulate investments in LGs by improving the local environment to become conducive for entrepreneurs. It will boost productive activities by improving the operations of the private sector based on the local potential. It will encourage partnerships between the private and public stakeholders in a defined territory. It will enable the collaborative design and implementation of all-inclusive development plans that optimize the use of local resources and competitive advantages. The strategy will reinforce backward and forward

linkages between national and local levels and between the public and private sectors. Finally, it will ensure the fulfillment of obligations by the private sector (payment of taxes) and public sector (provision of services) and demand for accountability by the citizenry.

The National Strategy for Local Economic Development (NSLED) has the following strategic objectives:

- a) strengthen capacities of LGs for LED conceptualization, planning and budgeting, implementation and monitoring.
- b) Increase the number of fully financed LED projects
- c) engage CSOs to enhance synergies including integration of crosscutting issues (gender, HIV/AIDS, environment, and the vulnerable groups) in the promotion of LED
- d) promote collaborative partnerships with the private sector for local economic development
- e) creating a business enabling environment that facilitates business growth and increased investments
- f) promote policy coordination environment for LED promotion
- g) monitor and evaluate strategy implementation



Aerial view of Namanve Industrial Park



Sunflower Oil Processing Plant in Palorinya,
Obongi District



Smallholder Sunflower Farmer in Palorinya,
Obongi District

1 INTRODUCTION

1.1. Background

Local Economic Development (LED) was introduced in 2006 as the sixth objective of decentralization to stimulate local economic development for increased business promotion and poverty eradication. Promoting LED should facilitate the establishment of local investment centres, enhance private sector investments in LGs and increase locally generated revenue.

With support from the Belgian Technical Cooperation (BTC), the Ministry of Local Government in 2007 developed a Strategy for Promoting Investment and Local Economic Development. This strategy provided a framework for the Government of Uganda (GoU), development partners like the United Nations Capital Development Fund (UNCDF), Local Governments (LGs) like Kasese District, and Non-Government Organisations (NGOs) like Family Development Support Initiatives (FADSI), to plan and implement LED initiatives, initially on a pilot basis.

Uganda's Vision 2040 aims to transform the Ugandan society from a peasant to a modern and prosperous society. In this regard, the Government of Uganda has prioritised economic development, with the private sector as the engine of growth and development. Working with the private sector should lead to sustainable resource-led industrialisation that is beneficial to the citizens through job and wealth creation. Ministries, Departments and Agencies (MDAs) and Local Governments (LGs) must, therefore, focus their efforts towards Private Sector Development and Human Capital Development that will contribute to building an educated, skillfull, and productive labour force to drive the industrialisation process.

The National Strategy for Local Economic Development (NSLED) sets out a vision and strategic agenda for economic development across Uganda's LGs. The strategy's overall goal is to unlock economic development opportunities in the LGs through the involvement and collaboration of all stakeholders, namely the private sector, public sector, civil society, and community members. In addition, this NSLED

sets out the rationale for an integrated approach to promoting Local Economic Development (LED). In particular, to facilitate coordinated action by and within the public sector and between the public and private sector for local economic development. Ministries, Departments and Agencies (MDAs), and Local Government (LG) departments work in parallel with each other rather than collaboratively. Addressing key LED issues and opportunities that MDAs and LGs have to deal with in a single strategy opens up opportunities for creating synergies, adding value, and innovation through cross-sectoral cooperation.

While the NSLED takes a macro-outlook at the economy, LGs will have to thoroughly analyse their local economic and social environment and generate strategies and plans to better harness their economic possibilities and overcome obstacles to the growth of local economies. Strategic interventions must be pursued that make districts attractive places to invest and live in. These interventions, among others, should lower production costs, enhance international and local competitiveness and facilitate the sustainable exploitation of development opportunities.

LED has been embraced in Uganda's planning frameworks as a key development approach. This makes LED a key performance area for Local Governments. The NSLED has been formulated within existing policy frameworks like the National LED Policy 2014. The NSLED is aligned to the National Development Plan (NDPIII) 2020/21 – 2024/25, in particular the parish development model approach, the regional development approach and a number of programs like Agro-Industrialization, Tourism Development, Private Sector Development; Human Capital Development, and Community Mobilisation and Mindset change.

1.2. Legal, Policy and Regulatory Context

Uganda's Decentralization commenced in 1992 with a **Presidential Policy** statement and was thereafter entrenched in the Local Government Statute of 1993. Until 2005, decentralisation was based on five objectives. In 2006, the sixth

objective of decentralisation “*promotion of Local Economic Development*”, was adopted to address this challenge of unemployment and high poverty levels. This inclusion compels the central government and the local governments to promote local economic development.

Through its MDAs and LGs, the Government of Uganda is legally bound to promote social and economic development. Chapter 11 of the **1995 Constitution of the Republic of Uganda** provides for the principles, structures and responsibilities of a LG. This provision is operationalised in the **Local Government Act CAP 243**. Section 3 (2) to (5) of the Act established Local Councils as the highest political organ in their areas of jurisdiction. In the second schedule of the Local Government Act Cap 243, Central Government delineates some of the regulatory functions of LGs, including planning, legislative and fiscal functions.

In 2014, the Government of Uganda adopted the **National Local Economic Development (LED) Policy**, whose overall goal is “*A transformed local government system that facilitates effective business-oriented locality development with a focus on poverty reduction and sustainable wealth creation*”. The policy enables Local Governments (LGs) to improve the business environment and the private sector, civil society, and community to play their roles in economic growth and job creation and transform Uganda from a low to a middle-income country. The promotion of LED creates opportunities for LGs to increase private sector investments, employment creation, and increase household incomes, allowing LGs to benefit from this development through taxes and rates collected from the business community.

Other policies and regulations that may impact interventions in this NSLED include: The Local Government Financial and Accounting Regulations (LGFAR); Public Finance Management Act (PFMA), 2015; Financial Institutions Act and Micro Deposit - Taking Institutions Act; The National Trade Policy; The National Land Policy; The National Local Capacity Building Policy; The National Environment and Management (NEMA) Policy; The National Gender Policy; The National Industrial Policy; The National Industrial Park

Policy; The Micro, Small and Medium Enterprises (MSMEs) Policy; National Tourism Policy; The National Cooperative Policy; The National ICT Policy; The National Agricultural Investment Strategy; The Rural Development Strategy; The National Policy on Energy; and the Public Private Partnership (PPP) Policy, 2010 and PPP Act, 2015.

1.3. Overall Mandate

The Ministry of Local Government (MoLG) is responsible for coordinating the implementation of the decentralisation policy. The vision of the Ministry is to have democratic and accountable local governments capable of delivering efficient and sustainable services to the people, thereby bringing about socio-economic transformation into the country.

The MOLG is central to the coordination of national stakeholders to ensure their LG sector strategies are aligned for the joint implementation of activities. As the major link between Central and LGs, the MOLG ensures MDAs cooperate with LGs in their LED planning and execution. The MOLG works in partnership with the Local Government Finance Commission (LGFC) to advocate for LED funding. The Ministry also has the critical role of Monitoring & Evaluation throughout the process and coordinating the District LED Resource Teams at the LG level.

The MOLG undertakes the above through its LED department, which is also responsible for implementing the National Strategy for Local Economic Development. The departments’ core functions in line with the policy mission and overall goal are to:

- Support to LGs through training to incorporate LED activities into the LG Planning and budgeting;
- Promotion of employment and wealth creation through support to the development of new industrial/business parks to promote skilling of women and youth, production and wealth creation.
- Stimulating the development of local economies through enhanced production to expand local revenue generation by LGs
- Re-orienting LGs from a consumptive nature into business orientation and investment

- Support the development of public infrastructure to boost production and market accessibility
- Supporting local private sector dialogues, cooperation and networks to encourage experience sharing, and
- Facilitating private investments through linkages with MDAs and other regulatory bodies

1.4. Link to Global and Regional Initiatives Global Frameworks

The NSLED is housed within and contributes to the global agenda 2030 through the **Sustainable Development Goals (SDGs)**, especially goal number 1, of ending poverty in all its manifestations by 2030. Other development challenges addressed by the SDGs include those related to inequality, climate change, environmental degradation, peace and justice. LED promotion contributes to goals 1 - 3, 5, 8 - 13, 15 and 17, respectively.

On the African continent, **Agenda 2063** provides the blueprint and master plan for transforming Africa into the global powerhouse of the future. Within this, the New Partnership for Africa's Development (NEPAD) addresses local development issues, primarily through decentralization, governance and growth.

The 2011 **Istanbul declaration and programme of action** charts out the international community's vision and strategy for the sustainable development of LDCs for the next decade, focusing strongly on developing their productive capacities.

Regional Frameworks

At the regional level, this NSLED is aligned with the **East African Community Agenda**, which aims to achieve prosperity, competitiveness, security, stability and political unification in East Africa.

The NSLED is aligned to the **Comprehensive**

Africa Agriculture Development Programme (CAADP) at the continental level, which seeks to improve Food and Nutrition Security, promote agro-industrialization and integrated transport infrastructure, and increase incomes in Africa's largely farming-based economies. This is expected to be achieved through raising agricultural productivity and increasing public investment in agriculture.

1.5. Links to National Planning Frameworks

The 3rd **National Development Plan (NDP III) 2020/21 - 2024/25** adopted LED as a core development approach which fits well in the regional development program that aims to accelerate equitable economic growth and development and reduce poverty in the lagging sub-regions¹. With government commitment to LED, the LED strategy is expected to provide the much-needed impetus for promoting LED for employment creation and poverty reduction.

Within the NDP III, LED is premised in the **Regional Development Programme** which targets to contribute to the four NDP III objectives, to; (i) enhance value addition in key growth opportunities; (ii) consolidate and increase the stock and quality of productive infrastructure; (iii) enhance the productivity and social wellbeing of the population, and (iv) strengthen the role of the state in guiding and facilitating development.

The National Planning Authority (NPA) also proposed a new development approach—a **Parish Development Model (PDM)**². Being the lowest reference administrative unit, the Parish is expected to deliver grass-roots interventions and drive socio-economic transformation. The PDM is consistent with the LED approach as it aims to impact the local population's living standards positively. In effect, it provides the much-needed funding to operationalise LED at the lower local government levels.

1 Findings of the Uganda National Household Survey of 2016/17 provided compelling evidence that poverty levels in those 8 sub-regions of Karamoja, Bukedi, Bugisu, Busoga, West Nile, Ateso, Acholi, Bunyoro were unacceptably high compared to the national average of 21.4 percent.

2 MoFPED (2021). Background to the Budget Fiscal Year 2021/2022

1.6. Guiding Principles

This strategy embraces the guiding principles in the National Policy of 2014 namely; Consistency with the National Development Plan and Decentralization Policy and Strategic Framework; Commitment of Relevant Stakeholders; Public-Private Partnerships; Competitiveness Enhancement; Transparency and Accountability; Gender Equality, Equity and Inclusiveness; and Sustainability. In addition, it incorporates the principles of:

Alignment with International Policies and Plans:

The NSLED is housed within and contributes to the global and regional policy agenda as elaborated in the Sustainable Development Goals (SDGs) and New Partnership for Africa's Development (NEPAD).

Home grown and locally driven: The NSLED has been customised to the unique situations of Uganda and its governance structure while allowing flexibility to respond to peculiar local needs that arise out of demographic, socio-cultural, economic, political and ecological disparities across the county. The use of local resources and skills to maximise development opportunities is emphasised. So, each locality may develop an approach best suited to its local context.

Process orientation: LED promotion activities will initially be based on small initiatives that shall provide information and lessons for replication into medium and long-term aspects as well as informing the refinement of the LED Strategy. This will facilitate the quick implementation of the LED strategies in the respective localities.

Cooperation: The NSLED embraces and promotes local, national and international partnerships between communities, private sector/businesses and public sector/government to solve problems, create joint business ventures and build local areas. Effective implementation of LED requires the concerted, coordinated action of all spheres and sectors of government, private sector and

CSOs. For NSLED to achieve its objectives, LGs, the private sector, the communities, and civil society will be required to fully participate in the locality's economic development through appropriate coordination.

1.7. Justification for Developing this Strategy

Since the adoption of the LED Policy in 2016, there has been no strategic framework to facilitate operationalisation of the policy. The LED policy whose primary objectives have been to: increase in business support by encouraging local investment centers, growth of the private sector investment in LGs, and increase in locally generated revenue in form of direct taxes and LG own revenue generating ventures has been quite slow and its impact very difficult to trace in local governments. LED continues to be seen as an important and viable strategy for achieving economic growth, creating new jobs, increasing income levels and improving the quality of life in local communities in both the developed and developing countries.

The absence of an implementation framework has led to among others:

- i). failure to operationalize implementation structures hence gaps in coordination with and amongst central government actors,
- ii). lack of dedicated LED personnel at the Ministry until 2019 and in LGs. At the LG level is a LED resource team that brings together public officials, business community, civil society and community representatives. It is noted that the LED Resource teams have been appointed in most LGs but are not functional.
- iii). inadequate and lack of financing for LED projects/interventions,
- iv). at the LG level, poor state of and inadequate economic infrastructure, and the absence of a vibrant private sector that is organized.
- v). limited geographical scope of coverage with LED piloted in a few (10) districts,

The justification to promote LED is prompted by several factors, on the one hand, based on the need and, on the other, based on a conducive framework for its implementation. LED implementation starts with a uniform and clear understanding of the LED concept, processes, and approaches. Through targeted awareness-raising activities, training, and mentoring, LGs are better positioned to conceptualize and implement LED in their localities.

1.8. The Process of Developing the NSLED

The NSLED was developed through an inclusive, participatory process involving consultations with the various stakeholders. The process began with a review of the 2016 draft national LED strategy during a retreat in December 2019 involving representatives from MDAs with LED-leaning mandates, LGs, and Private Sector Associations (PSAs), Civil Society Organizations (CSOs) and the Academia. Staff drawn from different departments in the Ministry of Local Government were involved in the strategy drafting phase. They then subjected the draft strategy to validation

with all relevant stakeholders and, with LGs, through online meetings with clusters of districts.

The ultimate step in the process was subjecting the strategy to peer review by a leading LED expert.

1.9. Organisation of the strategy

This NSLED is arranged in six chapters. Chapter One provides the Introduction and the strategy development process. Chapter two provides the situation analysis highlighting the sector achievements, potentials and constraints as well as past LED processes. Chapter three presents the strategic direction for the sector detailing the Vision, Mission, Goal, objectives and proposed interventions under NDP III programs. Chapter four presents the strategy implementation modalities including the organizational management structure and institutional arrangements for implementing the plan. Chapter five provides the plan's Monitoring and Evaluation Strategy. Finally, chapter six details the Financing Strategy for the Plan.



Soroti Main Market



Chairperson Vegetable Section, Entebbe Kitooro Main Market



Banana (Matooke) Market in Kitwa, Kanungu District

2 SITUATION ANALYSIS

2.1. Rationale

Whereas the LGA and LED policy allows local governments to collect revenues and flexibility in usage to address local needs, local revenues are low due to policy shifts, constraints in tax administration and meagre revenue base as a result of unexplored sources, limited productivity and high poverty levels.

The promotion of LED creates opportunities for LGs to increase private sector investments, employment creation and increase in household incomes, which in turn allows LGs to benefit from this development through taxes and rates collected from the business community. Despite the existence of resource endowment that can be exploited to reduce dependence on government and donor funded initiatives, there is limited investment in productive sector which would stimulate economic activity, employment opportunities and increasing incomes at household level.

While the Ugandan economy is growing, this growth has not translated into job creation for Ugandans. The economy at present is not creating quality and gainful jobs especially for the youth. Unemployment in Uganda is estimated at 13.3%. A deliberate effort to stimulate private investment and economic diversification in traditional labour-intensive sectors such as agriculture, manufacturing and tourism coupled with skilling programs to match skills required for labour markets and knowledge produced by training institutions is required.

Given the limited technical capacity, the strategy offers the opportunity to design and implement capacity building and programs using the department for Trade Industry and Local Economic Development (TILED), working in partnership with the District Planning Department as the fulcrum of those activities and extending that capacity training to all other actors. In addition, there is an urgent need to staff the TILED department with an officer specifically designated to hand LED promotion.

LG's capacity for data collection and management needs to be built to address the constraints

related to the absence of data for LED planning and implementation. As such, LED has not been sufficiently strengthened in local planning, budgeting, and implementation systems. This was pointed out in 18 LGs under the DINU project where getting baseline information for planning is nearly impossible.

There is a need for a shift in planning at the local level to ensure the involvement of critical stakeholders in LED implementation. This is even more urgent now that LED has been recognised in NDP III as a key approach for local development; this requires its mainstreaming in governance and development processes.

Notwithstanding the existence of a legal and policy framework and programmes that would aid the implementation and coordination of LED initiatives, there is an inadequate mobilisation of the private sector and other non-state actors for LED. Poor mobilisation of stakeholders (community, public sector, private sector, and CSO actors) undermines the effective implementation of LED. With awareness comes mindset change that should see greater cooperation and collaboration among stakeholders right from issues and solution identification, planning, implementation and monitoring of LED initiatives and projects. The lack of or low level of private sector engagement at the LG level undermines their participation in LED. Most private sector organisations are very weak, which makes their effective representation on platforms rather difficult. There are no platforms or forums for dialogue on issues in the business operating environment currently in LGs, hence unfavourable environments.

Existing community-based and civil society organisations have not been able to positively impact community participation in the planning, implementation, and monitoring of interventions, including LED specific projects. This is partly due to the lack of skills to engage the citizens in a participatory way. Similarly, BMOs and farmer groups are often weak and rely on donor funding to sustain their operations. This undermines their ability to participate in dialogues forums, planning,

implementation and monitoring of LED initiatives, let alone mobilise their membership.

Limited human resources also constrain LED initiatives at the national and LG level. The LED department at MoLG is inadequately staffed, with only 5 technical staff. At the LG level, the situation is dire, with only 1 staff in the TILED department. The inadequacy of staff undermines effective support to the LGs from the national level and from the LG to the stakeholders in the districts.

There is also a lack of LED strategy frameworks at the LG level. Very few LGs have to date developed comprehensive LED strategies that propose viable interventions based on an appraisal of their comparative and competitive advantages in terms of economic potentials and motivation and capacity of stakeholders in the LG for enhancing LED promotion. In the absence of LED strategies, initiatives can only be adhoc with no apparent link for impact on the LED.

Finally, there is inadequate economic infrastructure at the LG. The main reason for inadequate infrastructure is local financial limitations. Moreover, there is an insufficient number of skilled technicians/personnel to provide adequate infrastructure. Critical economic infrastructure for LED includes roads, markets, warehouses/silos, power and water.

2.2. National Responses to ensure LED

The Ministry of Local Government and the Uganda Investment Authority alongside the District Development Programme (DDPIII) implemented the Local Economic Development Finance Initiative for Uganda (LFI_U) between May 2012 and December 2012. This pilot phase targeted six infrastructure development projects namely the Arua IPS Hydroelectric Generation Project, Busia Lorry Park, Nwoya Delight Fresh Juice Project, Kayunga Amfri Farms Juice Processing Project, Kitgum-Olam Warehouse Project, and Isingiro, UCCCU Milk Processing Project.

More recent examples of LG-Private Sector LED initiatives include the following.

a. Gulu City (previously district/municipal) has entered into partnerships with the private

sector through leasing of district assets to the Uganda Management Institute (UMI), Toyota Uganda and U-Touch Company among others from where it gets monthly revenue on assets that were previously redundant. This has enabled the district to collect up to a billion shillings in local revenue which is an improvement compared to their previous collections which was always ranging between UGX 240 million and UGX 500 million.

- b. Arua City (previously Municipal) authorities have in partnership with a private construction firm and the business community commenced construction of the Arua Stadium. The construction only benefitted from land contribution by the LG while the capital has been raised fully by the private sector.
- c. Other initiatives implemented can broadly be summarised under three interventions and actions that include:
 - i. Increasing business support by encouraging local investment centres;
 - 1. Identification and allocation of land for investments – industrial parks, commercial plots etc.
 - 2. Easing the processes of obtaining business permits and licenses
 - ii. Enhancing growth of the private sector investment in the LGs; and
 - 1. Construction of infrastructure – district roads, bridges,
 - 2. Construction of markets, parks,
 - 3. Provide information on economic opportunities, market opportunities and linking producers and buyers
 - 4. Local procurements – award of contracts to local private sector
 - iii. Increasing locally generated revenue in form of direct taxes and LG own revenue generating ventures.
 - 1. Automation of local revenue management in LGs electronic Local Government Revenue (e-LOGREV) / Tax payer Register Expansion Programme (TREP)

2. Gazetting of markets,
3. Construction of infrastructure – district roads, bridges,
4. Identification of and implementation of income generating activities – rental of idle property, real estate developments – rental shops.

Notwithstanding the above achievements, LED implementation at the national level was constrained by the absence of an implementation framework leading to, among others:

- i). Failure to operationalize implementation structures hence gaps in coordination with and amongst central government actors,
- ii). Lack of dedicated LED personnel at the Ministry until 2019 and in LGs,
- iii). Inadequate and lack of financing for LED projects/interventions,
- iv). The limited geographical scope of coverage with LED piloted in a few (10) districts.

2.3. Comparative Advantage and Competitiveness of LGs

Urbanisation: Uganda is currently presented with an opportunity to leverage the process of urbanisation to ensure that it benefits the majority of its citizens, including the poor, through increased private sector investment. Uganda’s urbanisation dividends can be pursued along three dimensions based on its urban advantages, and these are:

- i. To support economies of scale in production by increasing urban density and better connecting rural and urban areas;
- ii. To improve the coordination of public investment with decisions related to the location of both people and businesses; and
- iii. To increase the provision of public services and public goods such as transportation, water, and sanitation services, all of which are vitally necessary to support rapid urbanisation.

To achieve the above, the key roles of public policy include the following:

- i. Support the more efficient functioning of

land markets, both in terms of allocation of land for the most valuable use and the building of structures;

- ii. Ensure the provision of connective infrastructure; and
- iii. Enhance urban planning to provide common knowledge to guide and coordinate public and private investment.

Human Capital: Urban centres in Uganda have experienced a high rate of migration of youth from the rural areas in search of employment. This presents opportunities for readily available and active skilled and unskilled labour to work in new and existing business establishments. However, what is needed is for LGs to ensure that these young people are trained and equipped with in-demand labour market skills to enhance their employability and self-employment.

Natural Resources: Most LGs have at least one or more natural resources that range from forests, rivers, minerals, oil and gas etc. Resource potential varies from district to district, with some having many natural resources or high-value natural resources. LGs need to profile their natural resources and attract investors to sustainably and in an inclusive manner, exploit these resources, all to the benefit of LG, its citizens, and the country.

Land: LGs have vast amounts of land, most of which is arable and suitable for agriculture. The dominance of agriculture demonstrates this as an economic activity in most districts. To tap into existing comparative and competitive advantages, LGs need to engage their citizens around the dangers of land fragmentation and the benefits of land titling. Titled land attracts investors to put their capital into projects for which land and security of tenure is paramount, while un-fragmented land is suitable for commercial mechanised farming.

2.4. Challenges of LGs in promoting LED

The dismal performance and limited impact of LED in a majority of LGs can be attributed to a number of factors or constraints that have undermined the ability of LGs to come up with LED projects and implement them in their

respective localities. Key among these are the following:

Inadquate technical capacity at LGs: this is evidenced by the lack of a clear understanding of the LED concept, approach, methods and tools among LG staff, including LED focal persons. Some LGs could not develop LED Strategies, mainstream LED promotion activities into their plans, generate LED projects, and effectively implement and monitor LED projects.

Shortage of dedicated staff for LED: Until FY 2019/2020, LGs lacked staff dedicated to LED, with the responsibility placed on the District Commercial Officers. The creation of the TILED department has now ensured a dedicated department. However, the TILED departments are understaffed and with a vast majority of LGs having only the District Commercial Officer as staff of the department.

Absence of LED Resource Teams at LG: The LED resource teams bring together public officials, the business community, civil society, and community representatives. Although the LED Resource teams have been appointed in most LGs, they are not functional. At the LLG level, no structures exist.

Limited stakeholders' involvement in the planning of LED initiatives: This leads to the poor design of some projects, which fail altogether because of a lack of stakeholder participation in their implementation, thus, costing time and money and delivering very little. Most times, private sector and civil society actors are left out when the district is planning. As such, the districts miss out on critical inputs from key actors whose input could positively influence the implementation and success of planned interventions.

Low awareness of LED among businesses, civil society, communities and other economic actors. LG technical staff have not carried out mobilization programmes to popularize LED in their localities.

Inadquate information: Data, which is central for the planning and implementation of LED projects, is lacking. LGs are, in such instances, incapable of generating economic

and investment profiles that would be central for attracting investment in the different economic sectors in the localities.

Low local revenue collections: On average local revenues account for at most 3% of LG financing due to the central government retaining the collection of more lucrative local taxes that, renders local governments more reliant on government transfers than local revenue collections. The 2015 Public Finance Management Act provisions require all revenues collected by public entities are deposited into the consolidated fund. This further demotivates LGs since they can only access such funds in the next FY. Inadequate LED funding has been made worse by the failure to establish the national budget's non-conditional LED financing grant, as provided in the LED Policy.

Unequal fiscal relationship between the central and local governments. Whereas the legal and governance frameworks in place devolve significant functions and responsibilities to LGs, they can only exercise these powers with minimum discretion, which renders them incapable of performing optimally.

Limited legislative powers. The public-private partnership arrangement with non-state actors for LED implementation can only be sanctioned from the centre because local governments do not have the required jurisdiction to make the necessary legislation that can bring together the state and the non-state actors at the local level. In addition, there is an **absence of specific LED promotion bye-laws** and ordinances for production, including post-harvest storage and savings, passed by Local Councils.

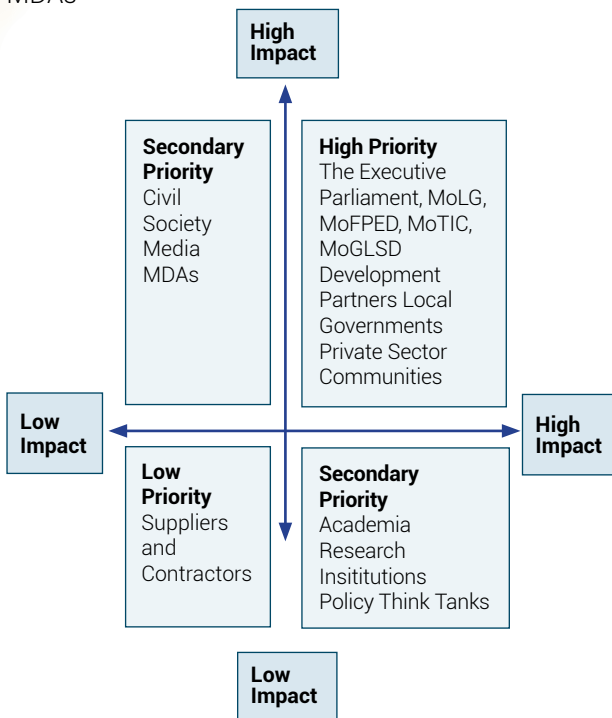
Unfavorable business enabling environment in LGs: This leads to low collections of market charges, business licenses, and parking fees.

Inadequate investments at the LG level linked to challenges in coordination of central and local levels for investment planning. There is very little support if any for small and medium-sized enterprises development which plays a strong role in the attraction of the investments of businesses at the local level, especially in the manufacturing sector and service sector, which impacts in increasing their value. At the LG level,

the lack of ordinances and bye-laws to enhance production capacities, and create new jobs, makes it difficult for local businesses and other businesses in the country plus foreign businesses to find concrete support from LGs in order to invest at the local level.

2.5. Stakeholder analysis

The following are some key institutions that play a crucial role, given that their mandates link directly to the priority areas of this Strategy. MDAs



Ministry of Local Government: The Ministry of Local Government is the parent institution of the NSLED and, for that matter, shall be responsible for coordinating MDAs and LGs and supporting and monitoring local government in the implementation of the Strategy. The Ministry shall create an enabling environment and support and monitor the LG’s LED performance. The LED department within the Ministry will be responsible for the coordination and operationalisation of the Strategy.

Other MDAs:

Ministry of Finance Planning and Economic Development (MoFPED)

MoFPED coordinates and will provide finance for implementing the NSLED. Their commitment to this NSLED is paramount to its success and will

require flexibility, innovation and commitment to funding mechanisms for LGs. As a funder, it also has a role in the overall Monitoring and evaluation of the process. Together with other Public-Sector Management MDAs, it plays a crucial role in ensuring good governance and success of the NSLED.

Ministry of Trade Industry and Cooperatives (MoTIC)

MoTIC, because of their involvement with the Trade Industry and Local Economic Development department in the LGs, needs to cooperate with MOLG, which supervises all LGs for the success of the NSLED. The DLRTs are central to the implementation of LED in LGs and are chaired by the Chief Administrative Officer with the City/District/Municipal Commercial Officer as its Secretary.

Ministry of Gender Labour and Social Development (MoGLSD)

The Ministry of Gender Labour and Social Development takes responsibility for matters relating to employment and special interest groups such as the youth, women, the elderly and persons with disabilities. Employment for these categories is a major concern, and several initiatives, including funds/grants for youth and entrepreneurship, is currently managed through the Ministry. MoGLSD plays a particular role in increasing the active participation of women and youth and is central to their mobilization for participation in the implementation of the NSLED. MoGLSD has elaborate structures for mobilization and reaches these groups.

Local Governments:

The Local Governments are responsible for coordinating the implementation within their geographical boundaries and mobilising stakeholders around the actualisation of a common agenda. In addition, LGs are responsible for coordinating, facilitating and enabling the implementation of specific activities in this NSLED within their territories. These activities may include consultative processes to LED agendas and providing conditions in the locality that will allow LED, such as reducing red tape and ensuring citizens have access to information.

Non-state actors

Private Sector:

As a direct beneficiary of LED, the private sector has the primary responsibility of contributing to actualising the objectives of the NSLED. They will play a critical role in sourcing employment opportunities, investments, and revenues for LGs. Working with other stakeholders, the private sector will foster competitiveness to ensure shared economic growth.

Community

Local communities play lead roles as consumers, taxpayers, savers, and representatives who understand local needs and communicate these to relevant stakeholders. They also play an essential role in monitoring the implementation and performance of the NSLED. LGs will empower the communities to ensure they take part actively in implementing interventions in the NSLED. They also play an important role in monitoring the implementation and performance of LED initiatives

Civil Society Organizations:

CSOs, including CBOs and NGOs (Local and International), will complement public and private sector initiatives by mobilising community stakeholders to participate in and own LED interventions, especially in not adequately served areas. CSOs/NGOs also play a particular role in reaching marginalised areas and broadening the economic base of local communities through creating opportunities in these areas.

Development Partners:

Development Partners play a vital role in providing resources, including technical and financial assistance, to support the implementation of specific components of the Strategy. In addition, they make important contributions to the different economic sectors and spheres of LED, including value chain analysis and

development, agricultural research and extension, and support in introducing information and communications technology.

2.6. SWOT Analysis

The quadrant below summarises the strengths, weaknesses, opportunities and threats for LED promotion and the NSLED.

Table 1: Summary SWOT Analysis

Strengths:	Opportunities:
<ul style="list-style-type: none"> • Favourable legal and policy environment - National LED Policy & LED as a critical development approach in the NDP III. • Diverse actors are involved in capacity building and awareness creation. • Various donor-funded LED programmes do exist (PRUDEV, RISE, PRELNOR, DINU, MATIP II, LEGS, etc..) • Existence of District Development Plans. • Security in the country and the region. 	<ul style="list-style-type: none"> • Strong political will at the highest level – the Presidency. • Existence of potential partners for LED – public sector, private sector and community on the one hand and development partners. • Institutional framework and structures at the National and LG level in place. • Skilling Uganda policy – skilled labour. • Abundant Natural resources – Land, Water, Minerals, Oil & Gas. • Available capacity building programmes - in and out of the country. • Availability of LED experts. • A Young population.

Weaknesses:

- Poor coordination within the Ministry
- Inadequate awareness of LED
- Capacity challenges in MDAs on LED
- Limited human resources at the national and local level
- Absence of private sector engagement at the LG level
- Lack of LED strategies at the LG level
- Weak institutional capacity in support organisations
- Lack of adequate critical economic infrastructure

Threats:

- Poor coordination between MDAs at national and local levels
- Limited resources
- Limited institutional capacity
- Endemic corruption – loss of public funds
- High population growth rate – strain on scarce resources for development

addition, there are several existing programmes and initiatives that can be exploited to promote LED at the LG level.

Notwithstanding the existence of a legal and policy framework and programmes that would aid the implementation and coordination of LED initiatives, there is an overall limited internalisation and localisation of some of these policies and synergies among programmes. There is also a lack of guidelines for implementing LED policy provisions and inter programme coordination, especially at the macro and micro level.

Diverse actors involved in LED

A number of actors within the public sector (MDAs), the private sector and civil society are involved in LED promotion directly or indirectly. In Government, these include the UIA, MoFPED (PPP Unit, Competitiveness and Investment Climate Strategy (CICS) Secretariat, etc.), MoTIC, Operation Wealth Creation, MAAIF etc. Capacity building for LED also has several actors that include, Universities and Institutions of higher learning, private sector business development services (BDS) providers,

Existence of donor-funded initiatives

A number of donors such as the Germany Development Cooperation, the EU, Islamic Development Bank, the World Bank, UNDP, UNCDF and USAID have projects that promote LED. Such projects include – Enterprise Uganda (Skills Development Facility), GIZ, (PRUDEV, RISE), PRELNOR, MATIP, DINU, LEGS, etc.

Existence of District Development Plans (DDPs)

DDPs provide an integrated planning framework for LGs. LED projects are incorporated into these plans providing a basis for their funding from the central Government and other development partners.

2.6.1. Conditions that favour the Strategy

Favourable Legal and Policy Environment

The Government of Uganda has put in place laws and favourable policies for social and economic development and LED. Specifically, the 1995 Constitution, LGA Cap 243, and the National LED policy (2014). The NDP III also recognises LED as a fundamental approach.

Favourable environment for promoting LED

The Constitution of Uganda has several provisions that support LED and poverty eradication³. Further, the response to the poverty situation is contained in the previous planning frameworks like the PEAP and its successor National Development Plans I, II and III. The Government has drawn on the principles of the PEAP to formulate other operational policies like the Rural Development Strategy (RDS); the Competitiveness Strategy; National Agriculture Advisory Services (NAADS), Program for Modernization of Agriculture (PMA); Northern Uganda Social Action Fund–Vulnerable Group Support (NUSAF-VGS). These policies provide a conducive framework for LED implementation. In

3. For the specific provisions refer to objectives iv, vii, ix to xii, xv of the Constitution.

Security

Security in the country is generally good and stable. This assures stability for private sector businesses and investments; it can be leveraged to promote LED.

2.6.2. Opportunities

Strong Political will

The political leadership in the country is committed to job and wealth creation, increasing household incomes and economic transformation of the country into a Middle-Income Country. This is spelled out in the country's planning frameworks like Vision 2040 and the NDP as well as programmes funded by the government.

Existence of potential partners for LED

LED involves the public sector, the private sector, and the community principally. These stakeholders are active at varying levels in the economic development of their localities. The private sector is organised under the Chambers of commerce and other business member organisations. Community is organised in groups and under Community-Based Organisations (CBOs). Local and international NGOs with an interest in social and economic development also work on issues of livelihood enhancement, income generation, and youth and women empowerment, among others. Other partners include the development partners. Each category of partners exhibits a range of skills and resources that they bring to the LED process. There will be a need to streamline working relationships and structures that fully engage all the stakeholders.

Institutional frameworks and structures at the National and LG level are in place

The Government has structures at the centre and in LGs that can be instrumental for LED promotion. At the national level, MOLG handles LG and coordinating the implementation of LED across the Government. Several MDAs also implement interventions that address a business / investment-friendly environment. At the LG level, structures exist up to the community level, and these can be utilised for LED promotion.

Existence of Natural resources (Land, water, minerals)

Uganda is endowed with vast arable land for agriculture, including commercial farming. In addition, the country has a wide range of minerals including oil & gas, gold, etc., and many rivers. Opportunities exist for hydropower generation, and tourism attractions range from culture, religion, nature, and historical sites. These resources, if harnessed sustainably, can contribute significantly to LED.

Capacity building programmes targeting LED

A number of academic institutions like the Uganda Management Institute and Makerere University have LED-tailored courses on offer. These and other international institutions provide an opportunity for equipping LED practitioners with knowledge and skills relevant for LED promotion. Through the Skilling Uganda policy, the GoU empowers the population with in-demand skills that increases employment and job creation opportunities.

Availability of LED Experts

There are several LED experts in the country, some practicing in the private sector and others in the public sector, including academia. This pool of experts brings on board various skills for LED promotion.

A young population that offers the opportunity to harness the demographic dividend: Uganda's population is predominantly comprising young people. This young population is more flexible, mobile, willing to learn and capable of working in the upcoming businesses.

2.6.3. Constraints

Poor coordination within the Ministry

LED is a multi-actor, multi-intervention approach that requires a coordinated effort of all departments in the Ministry. Currently, departments operate primarily in silo formations, which does not allow for synergy in the planning, implementing, and monitoring of LED-leaning interventions.

Inadequate awareness of LED

There is insufficient (if any) mobilisation of the private sector and other non-state actors for LED. Poor mobilisation of stakeholders (community, public sector, private sector, and CSO actors) undermines the effective implementation of LED. With awareness comes mindset change that should see greater cooperation and collaboration among stakeholders from issues and solution identification, planning, implementation and monitoring of LED initiatives and projects.

Weak capacity for planning, monitoring and evaluation at MDA and LG level

Whereas it is apparent that local governments know what they want, there is still a weak capacity to put together strategies, programs, and projects coherently. In particular, stakeholders' inadequate understanding of the LED concept makes it difficult to manage the LED process, coordinate the different actors, and mobilise their participation in planning and executing LED. Weaknesses in MDAs mean they cannot provide technical backstopping to LGs.

Weak capacity in support organisations.

Existing community-based and civil society organisations have not been able to positively impact community participation in the planning, implementation, and monitoring of interventions, including LED specific projects. This is partly because of the lack of skills to engage the citizens in a participatory way. Similarly, BMOs and farmer groups are often weak and rely on donor funding to sustain their operations. This undermines their ability to take part in dialogues forums and planning, implementation and monitoring of LED initiatives, let alone mobilise their membership to do so.

Limited human resources at national and local level.

As of the end of 2021, the LED department at the Ministry is inadequately staffed with only 5 technical staff. At the LG level, the situation is dire, with only 1 staff in the TILED department. The inadequacy of staff undermines effective support to the LGs from the national level and also from the LG to the stakeholders in the districts.

Absence of private sector engagement at LG level.

The lack of or low level of private sector engagement at LG level undermines their participation in LED. Most private sector organisations are very weak, which makes their effective representation on platforms rather difficult. There are no platforms or forums for dialogue on issues in the business operating environment currently in LGs hence unfavourable environments.

Lack of LED strategy frameworks at the LG level.

Very few LGs have developed comprehensive LED strategies that propose viable interventions based on an appraisal of their comparative and competitive advantages in terms of economic potential and motivation and capacity of stakeholders in the LG for enhancing LED promotion. In the absence of LED strategies, initiatives can only be ad hoc with no apparent link for impact on the LED.

Inadequacy of key economic infrastructure

The main reason for inadequate infrastructure is local financial limitations. There is an insufficient number of skilled technicians/personnel to provide adequate infrastructure. Key economic infrastructure for LED includes roads, markets, warehouses/silos, power and water.

2.6.4. Challenges to developing Sustainable Local Economies

Some of the identified challenges that stand in the way of stimulating and developing sustainable local economies include:

Limited resources: Currently, funding for LED projects is constrained by the unconditional grants transfers from the central Government, which limits flexibility.

Capacity constraints in logistics, human resources and skills

Local governments and municipalities still experience a shortage of personnel at all levels. There is also a lack of skilled employees at all levels, including management. The requisite tools and equipment are also lacking and all these undermine the effectiveness of the human resources in the LGs.

Uganda can build on the opportunities that favourable education and skilling policies and the young population provide in addressing these challenges.

Existing LED initiatives are not linked to the local reality

Existing LED strategies have primarily been initiated from the national level, with inadequate involvement of the local actors. In most cases, the strategies and plans do not adequately consider the background of the communities in question as well as the poverty level, cultural and interests of the local people. This results in low buy-in, hence undermining the success and impact of these initiatives.

Participation by all stakeholders is crucial in the design of LED strategies and plans. Participation and involvement by the local community, the business sector, and the Government play a pivotal role. This participation should involve community-based organisations.

Low levels of citizen participation and weak stakeholder mobilisation pose a major challenge for LED promotion. It is vital to build on the social cohesion and capital that exist and capitalise on the structures already in place for participation in LGs to ensure inclusive LED.

Poor coordination between MDAs at national and local levels: Similarly, MDAs are currently implementing many interventions that contribute to the LED policy objectives. There is no sharing of information, let alone engagement among MDAs, which undermines synergies and creates opportunities for duplication of efforts.

Endemic corruption: Corruption in the management of public resources is very endemic and needs to be urgently addressed if resources are to be freed for LED implementation.

Reliance on consultants to design LED programmes

In most cases, the consultants who design LED programmes are not local consultants. Therefore, they do not know the communities in which they work and do not fully understand and know the community's needs.

Economic Challenges

Poor linkages between locally produced products and markets and limited access to finance and advisory services ensure that the private sector can avail of economic opportunities. LED capacity building, value chain approaches and programs for accessing finance are required.

Poor Infrastructure

The infrastructural challenges faced in Uganda, such as poor community access to roads, inadequate access to electricity, water for production and poor sanitation, must not be underestimated. This Strategy and Action Plan aims to address how to best cope with this issue and plan for the future.

Weak Institutional Framework

Weak institutional framework. Although the LED policy stipulates institutional arrangements for LED implementation at all levels, these arrangements have not been fully functional. To promote LED, it is important to operationalise and build on the existing institutional frameworks and establish and strengthen a suitable institutional framework for LED.

High Population Growth

Uganda has one of the highest population growth rates, which poses a significant threat to economic growth and development. This is because a high population significantly pressures land, leading to land fragmentation, placing higher demands for service delivery and requiring a high rate of job creation.

2.7. Strategic Issues for Local Economic Development

The NSLED will build on the strengths, capitalise on opportunities while addressing weaknesses and threats, In particular, the following are key issues considered:

- i). Build the capacity of LGs to enable stakeholders to contribute to Local Economic Development.
- ii). Encourage stakeholder involvement for ownership (social cohesion) and better cooperation and coordination in planning, implementation and monitoring of LED

- initiatives.
- iii). Use local level networks such as Public-Private platforms/forums to identify challenges that need to be addressed collectively.
- iv). Develop tools, guidelines and regulatory instruments to enable consistency in approaches and methods.
- v). Develop a pool of business development support experts that can provide technical support to LGs, the private sector and other economic actors whenever the need arises.
- vi). Fund the implementation of the interventions in this strategy.
- vii). Support digitalisation of existing platforms for LED promotion and enhancement of monitoring and evaluation for learning.



Executive Director NAADS inspecting a mango farm of one of the beneficiaries of mango seedlings from NAADS in Kazo District



Southern Range Nyanza Limited
(NYTIL) Factory, Jinja City



Arua Hill Stadium Project developed
under a Public Private Partnership

3 STRATEGIC DIRECTION FOR LED PROMOTION

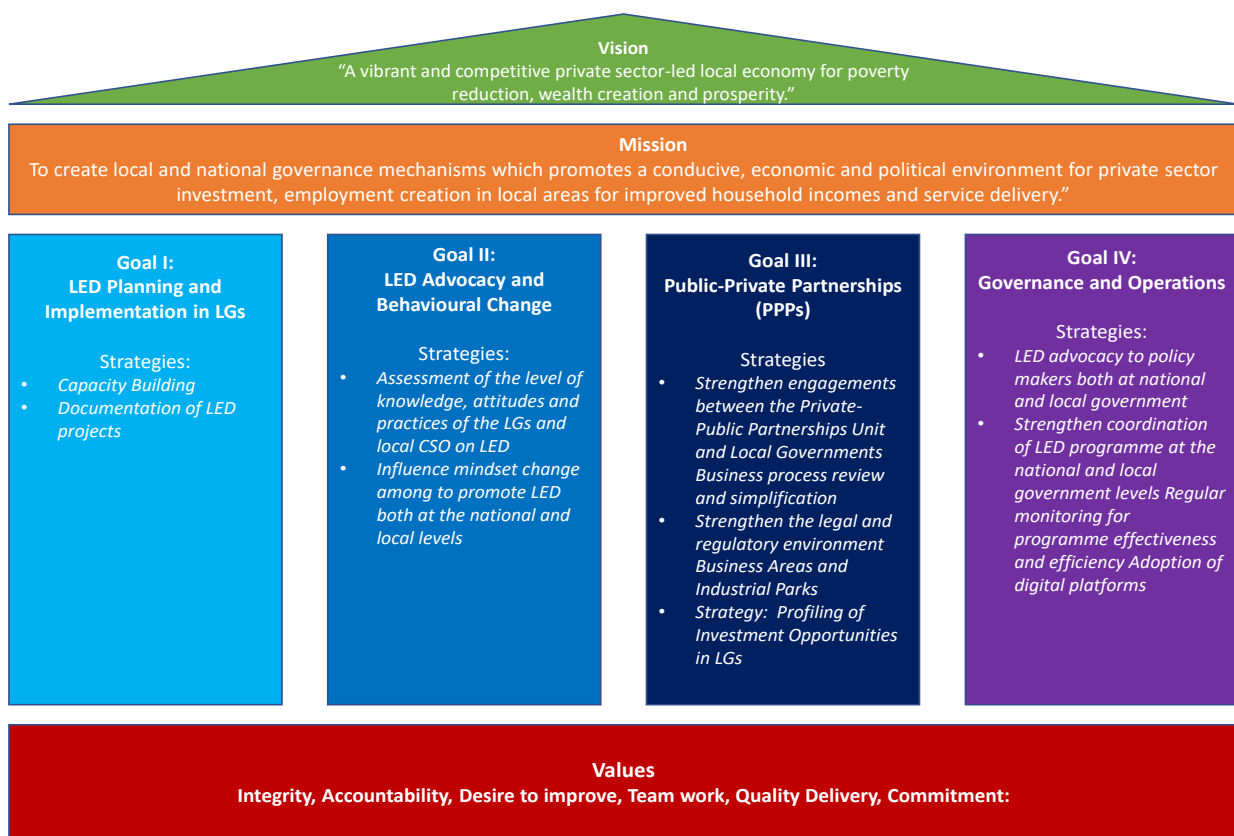
3.1. Introduction

This chapter provides the context, core values, guiding principles, theory of change, strategic themes, and objectives.

The NSLED comes at a time when the country has entered into a new planning period as reflected in the National Development Plan III. It is therefore aligned to the key priorities and approaches as proposed in the NDP III. The NDP III specifically with the regional development approach and the parish development model being key drivers of LED.

This strategy provides an overarching framework for the Ministry along with other MDAs and LG to initiate specific plans for implementation of LED that are aligned to the NSLED, the LG Sector Strategy, and NDP III among others.

The vision and mission statement of this plan are directly derived from the National LED Policy. This plan therefore seeks to contribute to the achievement of the vision and mission of the LED policy.



3.2. Vision

"A vibrant and competitive private sector-led local economy for poverty reduction, wealth creation and prosperity."

3.3. Mission

To create local and national governance mechanisms which promotes a conducive, economic and political environment for private sector investment, employment creation in local areas for improved household incomes and service delivery."

3.4. Core Values

The Strategy is based on increasing the number of local jobs, sustainable household incomes, and impact achievement. This is based on the following principles and values;

- a) **Integrity:** Dedication to serving with honesty, high professional standards and good ethical conduct.
- b) **Accountability:** Direct responsibility for the actions and decisions entrusted to us for the good of all public servants and citizens.

- c) **Desire to improve:** Always striving to achieve a greater user experience at a reasonable cost.
- d) **Team work:** Believing in combining expertise and skills to achieve common goals.
- e) **Quality delivery:** Subscribing to achieving value for money and quality delivery services within the perspectives of stakeholder's partnership.
- f) **Commitment:** Dedicating our time, resources, and skills to fulfilling the desired destiny.

3.5. Strategic Goals

The LED objectives contribute to achieving the higher goal of “*Transformed LG systems linked to stakeholders at the local, national level to facilitate effective business-oriented focus on poverty reduction and sustainable wealth creation*”, and this is structured into eight broad spectrums.

For each objective, the anticipated outputs or immediate results are identified, and key strategies and their associated intervention are provided. LED strategies provide the means of achieving the objectives, and each strategy consists of interventions intended to deliver the strategies.

Goal I: LED Planning and Implementation in LGs

The focus here shall be on strengthening LG systems through the pursuit of the following objectives:

Objective 1. To strengthen capacities of MOLG and LGs for LED conceptualisation, planning and budgeting, implementation and monitoring.

Output 1.1: LED incorporated in Local Governments Plans

Strategy: Capacity Building of LGs Interventions:

- 1.1.1. Conducting a LED needs assessment
- 1.1.2. Preparing a detailed LED capacity building Plan
- 1.1.3. Developing training manual for LED
- 1.1.4. Conducting training of trainers for key LED champions and facilitators both at the national and LG levels.

- 1.1.5. Supporting the re-tooling and equipping of the LED department in the MoLG and the district commercial officer office to act as secretariat for LED coordination

- 1.1.6. Incorporate LED into DDP III

Output 1.2. Key LG stakeholders sensitised on LED and buy-in increased

- 1.1.1. Develop national campaign materials for LED for key stakeholders
- 1.1.2. Conduct annual awareness campaigns on the LED process, objectives and progress

Objective 2. Increase the number of fully financed LED projects

Output 2.1. More fully funded LED projects across the regions

Strategy: Documentation of LED projects across the regions

Interventions

- 1.1.1. Support LGs in conducting participatory/rapid appraisal of competitive advantages (PACA/RACA) exercises in LGs / regions to identify priority LED projects
- 1.1.2. Developing the selected/prioritised LED projects based on the PACA exercise
- 1.1.3. Mobilising resources for the implementation of the LED projects
- 1.1.4. Developing tools for assessing the status of LED projects
- 1.1.5. Conducting studies to determine the location, size and status of LED projects across the country
- 1.1.6. Developing and maintaining a database for LED project status, outputs and outcomes.

Goal II: LED Advocacy and Behavioural Change

Objective 3. To strengthen engagements with CSOs for enhanced synergies, including integration of crosscutting issues (gender, HIV/AIDS, environment, and the vulnerable groups) in the promotion of LED

Output 3.1. Awareness of the LGs and community on the importance of LED and their active participation for sustainable LED

Strategy: Assessment of the level of knowledge, attitudes and practices of the LGs and local CSO on LED

Interventions

- 1.1.1. Conduct a study to establish the current level of knowledge, attitudes and practices for LED
- 1.1.2. Develop IEC material on LED both manually and electronically
- 1.1.3. Disseminate the IEC material to incorporate emerging issues
- 1.1.4. Organise LED promotional events at national and local levels

Strategy: Influence mindset change among to promote LED both at the national and local levels

Interventions

- 1.1.5. Develop and disseminate guidelines for LED forums/platforms
- 1.1.6. Re-activate and operationalise LED forums/platforms for social dialogues at the local government levels
- 1.1.7. Conduct LED forum/platform meetings with the CSO and private sector on the benefits of LED
- 1.1.8. Identify champions to promote knowledge of LED and mobilise local resources to implement LED
- 1.1.9. Conduct consultations with women, youths and other socially marginalised groups to ensure their inclusion in the LED planning process and projects

Goal III: Public-Private Partnerships (PPPs)

Objective 4. To promote collaborative partnerships with the private sector for local economic development

Output 4.1. Commitment by the central and local government to Private-Public Partnerships or Private Sector investing in public goods

Strategy: Strengthen engagements between the Private-Public Partnerships (PPP) Unit and Local

Governments

Interventions

- 1.1.1. Organise meetings for LG officials and economic actors to clarify the role of the public and private sector in the economy
- 1.1.2. Develop and disseminate guidelines for Private Public Dialogue (PPD) Platforms or forums in LGs
- 1.1.3. Facilitate the Establishment of PPD platforms or forums in the LGs
- 1.1.4. Conduct sensitisation meetings for the private sector on the PPP policy and guidelines
- 1.1.5. Coordinate support for identified potential PPP projects in LGs with the PPP Unit
- 1.1.6. Selecting, customising and implementing appropriate PPP modalities

Objective 5. To create business enabling environment that facilitates business growth and increased investments

Output 5.1. A conducive regulatory framework for improving productivity and competitiveness created

Strategy: Business process review and simplification

Interventions:

- 1.1.1. Review and reduce the time it takes to process applications; the cost to business; and minimise the number of forms to be filled for: Business registration; Licensing; Taxation; and Business regulation (health and safety inspection, workers protection etc.)

Strategy: Strengthen the legal and regulatory environment

Interventions:

- 1.1.2. Enact bye-laws and ordinances that promote investment and growth, including buying local goods and services
- 1.1.3. Digitalising LG revenue collection

Strategy: Business Development Support

- 1.1.4. Establish one-stop centre to provide business advisory services - registration, taxation, financial services.

1.1.5. Promoting work-based training and education for skills enhancement

Strategy: Business Areas and Industrial Parks

- 1.1.6. Upgrading of locally-based business areas through improvement in drainage, cleaning and garbage management
- 1.1.7. Establish business incubators by providing space for fledging businesses to operate at subsidised rental rates
- 1.1.8. Supporting the establishment of business and industrial parks that are well serviced.

Output 5.2. New Investments in Local Governments

Strategy: Profiling of Investment Opportunities in LGs

- Interventions:
- 1.1.1. Disseminate guidelines for conducting Local Economic Business Assessments
 - 1.1.2. Conduct the Local Economic Business Assessments
 - 1.1.3. Support LGs to develop regional investment profiles and LED strategies

Goal IV: Governance and Operations

Objective 6. To improve the policy coordination environment for LED promotion

Output 6.1. Commitment by the national and local governments to LED promotion is increased

Strategy: LED advocacy to policy makers both at national and local government

- Interventions:
- 1.1.1. Develop policy briefs for high-level policy makers
 - 1.1.2. Conduct sensitisation meetings with policy makers to appreciate LED and commit to its promotion for poverty eradication and job creation in the localities
 - 1.1.3. Incorporate LED into government planning and budgeting process at the MDA level

Strategy: Strengthen coordination of LED programme at the national and local government levels

Interventions:

- 1.1.4. Develop annual operational work plans for the national steering committee and working groups for coordination and monitoring
- 1.1.5. Strengthen relevant existing coordination mechanisms at the national and regional levels to provide support to the LGs

Objective 7. To monitor and evaluate strategy implementation

Output 7.1. LED strategy effectiveness and efficiency assessed

Strategy: Regular monitoring for programme effectiveness and efficiency

- Interventions:
- 1.1.1. Researching and documenting the application of new technology and knowledge
 - 1.1.2. Monthly reporting by the LGs and private sector implementing LED
 - 1.1.3. Developing a detailed national M&E strategy for LED
 - 1.1.4. Conducting annual reviews of the LED strategy
 - 1.1.5. Developing and continuously updating LED database in a manner that makes it accessible to stakeholders

Objective 8. To harness existing digital platforms for LED promotion and enhancement of strategy implementation

Output 8.1. Digital platforms utilised in LED promotion and Monitoring and Evaluation

Strategy: Adoption of digital platforms

Interventions

- 1.1.1. Assess existing digital platforms for relevant information for LED promotion
- 1.1.2. Review and re-design relevant platforms relevant for capturing and sharing information
- 1.1.3. Encourage infrastructure and site sharing among Telecommunication/ICT Operators.



Teju Fruit Concentrate Processing at Soroti Fruits Limited, Soroti City



Participants at a National Planning Meeting in Uganda



Commissioning Ceremony of Orion Electronics, Namanve Industrial Park

4 STRATEGY IMPLEMENTATION

4.1. Strategy Roll-out

A comprehensive communications strategy for this NSLED will be developed including the necessary tools and messages for a country-wide information education and communication (IEC) campaign.

Targeted stakeholder and community awareness campaigns for buy-in of LED will be conducted at national and local levels. The object of these campaigns will be to ensure LED and, the importance of stakeholders is well understood. Successful implementation of the NSLED require as a first step, informed and mobilized stakeholders, which in turn ensures a high level of their participation in LED activities. Mobilization of MDAs and LGs is key for ensuring they accept their roles and fulfill their obligations in the NSLED implementation plan. Successful implementation of the NSLED also requires the willingness of all

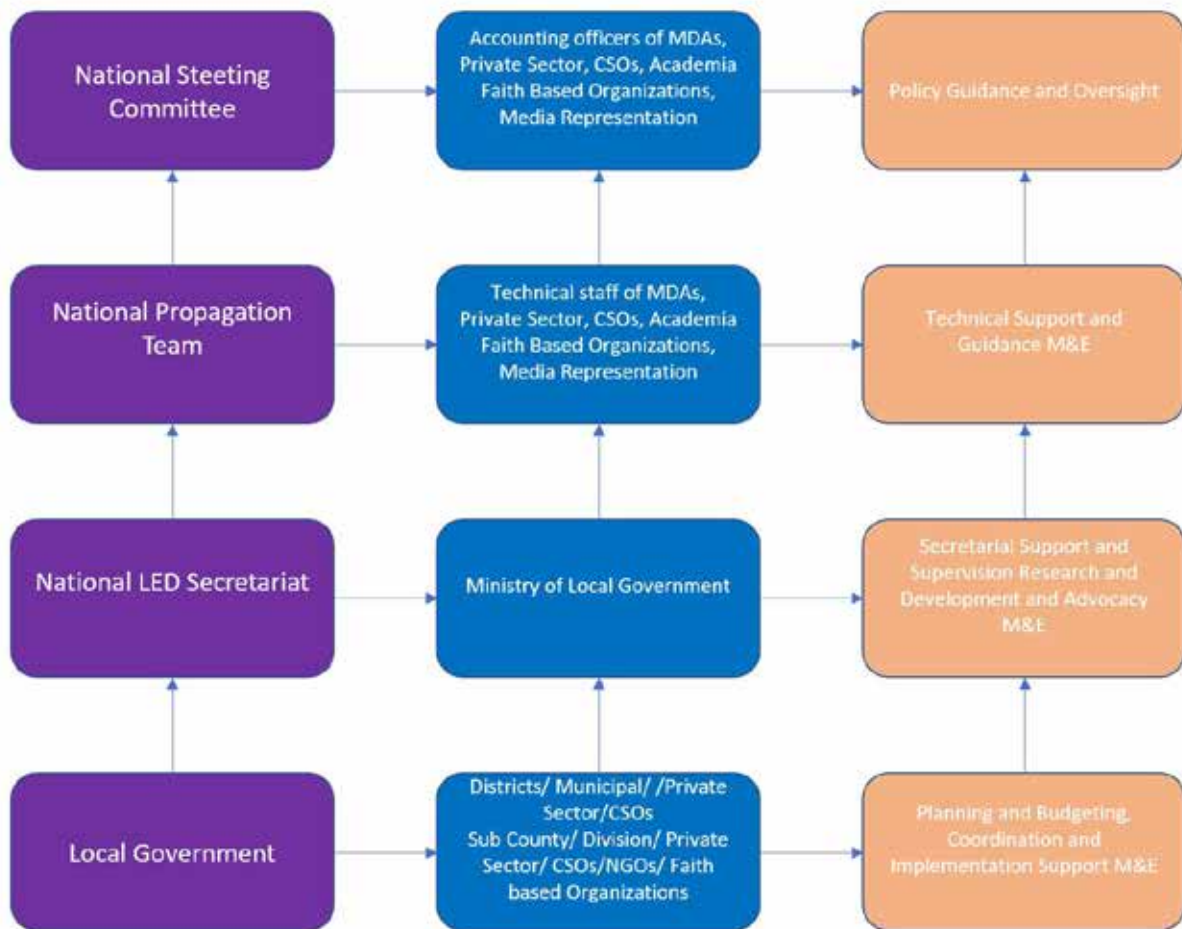
stakeholders to play their designated roles.

Being a multi-sector undertaking, the NSLED will involve various stakeholders’ participation to ensure efficient and effective implementation. For this, the roles of each stakeholder must be clearly understood, including how each one’s roles impact that of other stakeholders in the promotion of LED.

4.2. Coordination framework

The Strategy will have a **coordination framework** comprising:

- i. National LED Steering Committee
- ii. National LED Propagation Team
- iii. National LED Secretariat
- iv. Local Government



Institutional arrangements for LED Policy implementation at National and Local Government Levels

The **National LED Steering Committee** shall provide policy guidance and oversight of LED policy and Strategy implementation. The Permanent Secretary Ministry of Local Government will chair the committee. Each interested group shall establish its own LED structure or committee to cater to its requirements, which requirements shall be forwarded to the National Steering Committee. It will comprise Permanent Secretaries from the following institutional membership:

- a. Office of the President
- b. Ministry of Local Government
- c. Ministry of Finance, Planning and Economic Development
- d. Office of the Prime Minister
- e. Ministry of Trade Industry and Cooperatives
- f. Ministry of Water and Environment Uganda National LED Policy
- g. Ministry of Works and Transport
- h. Ministry of Lands Housing and Urban Development
- i. Ministry of Agriculture Animal Industry and Fisheries
- j. Ministry of Energy and Mineral Development
- k. Ministry of Gender Labour and Social Development
- l. Ministry of East African Community Affairs
- m. Ministry of Justice and Constitutional Affairs

In addition, the committee shall also include: representatives of LG's (ULGA), relevant regulatory bodies such as the Uganda Revenue Authority (URA), Uganda Local Government Finance Commission, National Planning Authority (NPA), National Agricultural Advisory and Development Services (NAADS), Electricity Regulatory Authority (ERA), Uganda National Bureau of Standards (UNBS), National Agricultural Research Organization (NARO), Bank of Uganda, Uganda Communication Commission (UCC) and Media, Uganda Investment Authority (UIA), representatives of development partners, private sector, civil society and higher institutions of learning.

4.3. National LED Propagation Team (NPT)

The roles and responsibilities of the NLPT will include:

- i). Formulate a National LED vision to provide an overall framework required to determine the direction of LED, considering the regional/local variations that reflect the diverse nature of local economies and their comparative advantages.
- ii). Support the institutionalisation of LED governance functions and processes at district and municipal levels.
- iii). Formulate and disseminate the National LED policy and Strategy.
 - iv). Advocate for integrating LED governance planning instruments into the planning guidelines at the National and local levels.
- v). Support the Secretariat in identifying new programming areas and innovations.
- vi). Support the Secretariat in identifying, documenting and disseminating best practices in LED implementation for replication.

The MoLG will constitute the NPT composed of focal persons or representatives of various national institutions, private sector, development partner organisations, CSOs and LED practitioners to support and engage into a national effort jointly and a formalised process for enhancing the national context of LED.

The membership will include: Government ministries (MoLG, MoFPED, OPM, MTTI, MAAIF); government agencies and programs (NPA, NAADS, OWC, MTCS); ULGA; development partners; NGOs with a track record of LED implementation; and private sector LED practitioners. The working modalities of the LED Propagation Team will be discussed during the ToT. To allow for continuity and institutional memory, individual members will be permanent and institutionalised with clear roles, membership and support.

4.4. National LED Secretariat

The LED department at MOLG will be the secretariat and coordination office at MoLG. The Secretariat shall be responsible for the following:

- i). Ensure harmonised approaches and synergies between the different systems and programs;
- ii). Share experiences and lessons learned (best and worst practices);
- iii). Develop appropriate reference and IEC materials;
- iv). Identify, train and mentor district and national stakeholders;
- v). Ensure quality assurance;
- vi). Provide a link between National and Local Government level actions on LED;
- vii). Serve as a depository for all relevant LED reference materials and support LGs in establishing LED Resource Centers under the Office of the DCO;
- viii). Identify LED Champions and Local Economic Development Agencies (LEDAs) at national and local government levels and provide them with the required skills to perform this function;
- ix). Monitor the implementation of LED Policy Objectives by the relevant institutions;
- x). Establish a mechanism for collaboration and promotion of partnerships between various categories of players in LED, especially at the local level; and
- xi). Ensure that LED is mainstreamed in relevant policies, plans and strategies.

Besides the dedicated staff at the LED department, technical advisors will from time to time be brought on board to build the capacity of staff through on-the-job training.

4.5. Institutional Arrangements at LG level

Although LED will be implemented as part of the mainstream local government activities, it requires special support and implementation modalities, given its uniqueness. Under the chairmanship of the CAO and technical direction

of the TPC, a District/Municipal **LED Resource Team (DLRT/MLRT)** will be constituted at the higher local government level. The LED resource team will be composed of local government staff responsible for activities related to investment promotion with the **District Commercial Officer (DCO) as Secretary**, CSO and private sector representatives selected from the umbrella organisations.

The roles and responsibilities will include:

- i). Internalise, and champion LED in Local Governments
- ii). Setup and coordinate the district/municipal LED Forum
- iii). Plan for and coordinate LED activities, including conducting local economy and business assessments
- iv). Support the preparation of a District LED Strategy
- v). Monitoring of LED interventions
- vi). Convene monthly meetings to review targets and set targets
- vii). Develop an inventory of LED initiatives in the district or municipal authority
- viii). Ensure incorporation of LED activities in district planning and budgeting frameworks
- ix). Document and disseminate information about LED
- x). Identify champions of LED in both the public and private sector and provide them with the necessary skills and tools to advocate for LED

At the lower LG level, the TPC, under the chairmanship of the Sub-County Chief or Assistant Town Clerk, will be responsible for LED activities. The TPC will provide technical direction to the Sub-county LED Resource Team composed of local government staff responsible for activities related to investment promotion with a CDO as Secretary, CSO and private sector representatives selected from the umbrella organisations and/or key actors in LED promotion.

At the parish level, the Parish is headed by a Parish Chief who is mandated to support

communities to develop Parish Development Plans in a participatory process and elect a Parish Development Committee (PDC) to ensure the implementation of the laid-out plan. In effect, the Parish Chief, along with the other technical staff, shall constitute a LED resource team with the representation of the private sector and community to champion LED activities in the Parish.

4.6. LED Strategy Implementation Framework

The implementation of the LED Strategy will require a comprehensive and often iterative process which will include the further elaboration of the strategic actions outlined in this Strategy. This section provides a framework for implementing the proposed activities within the strategy grouped according to thematic areas rather than logical sequence. The effective implementation of these activities will require a strong appreciation and internalisation of the LED concept and practice primarily.

4.6.1. Orientation and Popularization Activities

Orientation of national and local level stakeholders

The national and local stakeholders will include MDA and LG staff and elected leaders, CSO and the private sector. The orientation will use a multi-pronged strategy, including radio talk shows, brochures, a website, radio spots and jingles, newsletters, workshops and lectures. Orientation of stakeholders on LED is intended to make the key stakeholders appreciate LED concepts and approaches, get clear backing and pre-test the user's guide. The orientation will include a presentation of an updated inventory of LED approaches in Uganda and a briefing on the process, results, lessons and experiences of some of the tools in use; a presentation and discussion of the practical differences and complementarities between the different approaches/models and programs for promoting LED

Training of Trainers Course for Propagation Team and Development of LED Users Guide

This will involve: identification, screening (during ToT) and launching of the NPT and conceptual

and practical Training of Trainers on LED approaches/tools for the NPT. During the process, a sample of districts will be used to practically test the applicability of the used LED approaches and tools (like PACA). In the process, the LED Propagation Team will develop LED reference materials, including an orientation curriculum, materials and guidelines. The indicative content of the reference materials (Users Guide) includes: local economic assessments; strategies for exploiting macro policies for implementation of LED at the local government level; definition of elements of a LED initiative; formats for developing a local government level LED inventory; LED promotion tools; criteria for accessing support to implement the strategy; linkage of LED promotion to development planning informing the revision of the development planning guidelines.

4.6.2. LED Implementation Support Activities

Development of District level LED inventory

This will entail continuous assessment and registration of ongoing initiatives from the Sub-county level using a developed registration format adopted from related structures. The inventory will provide the basis for institutional strengthening and support and will enable the capturing of lessons of what works and what does not work.

Support local governments to initiate and implement LED

This will involve:

- a) Customizing and pilot testing of LED tools like PACA to sampled local governments as part of the ToT
- b) A sampling of local governments where the different LED tools and approaches will be piloted to determine applicability in different localities and circumstances. The key criteria for the district's inclusion in the pilot will include interest, willingness, and ability to use the local resources to host LED pilot activities.
- c) Support detailed appraisal of the local economy, identifying economic potentials and proposing ways of building on them and

- dealing with the challenges (local economic assessments).
- d) Development of a District LED strategy (and investment profile) that should be incorporated into the LG development plan and CBP.
- e) Backstopping and supporting the local governments to implement the LED programs, including follow-up training and coaching.
- f) Identification and use of non-state Local Economic Development coordination bodies in backstopping and monitoring the implementation of a LED initiative.
- g) Develop criteria for agencies to access support, including supporting CSOs to implement aspects of LED where they have a competitive advantage.

Monitoring and Documentation

- a) Documentation of key experiences and best practices.
- b) Developing a system of rewarding good performers covering local governments, the private sector and CSOs.
- c) Publicising, dissemination and supporting replication of good practices.
- d) Review and refinement of LED strategy as part of JARD process.
- e) Monitor implementation of LED as part of LGSIP CRM process
- f) Formulation of the LED Policy

4.7. Risks and Mitigation

Key envisaged internal and external risks with the potential to impact negatively the realisation of the NSLED objectives and outcomes have been summarised in Table 4.1 below.

Table 2: Risks Envisaged in Implementation of the NSLED and Possible Mitigation Measures

Risk	Probability	Mitigation
Internal		
Inadequate allocation of funds for plan implementation	High	Continuous advocacy for funding with government and development partners

Low Staffing levels in LGs	Medium	Advocate for increased funding for wages.
Service delivery mind-sets	High	Conduct mindset change trainings. Introduce a system of recognising champions and sanctions to stimulate better performance.
Ineffective monitoring & evaluation system	High	Develop a robust M & E system for the LED department and link to LGs to facilitate the capture and analysis of data on LED implementation and results.
External		
Inadequate funding for the implementation of the plan	High	Engage central government to increase funding to the Sector Engage Development Partners to support the implementation of the plan. Advocate for implementation of the constitutional financial transfers to LGs.
Inadequate coordination and collaboration mechanisms	High	Engage all stakeholders at all stages of the implementation of the plan. Organize regular meetings of the various institutional structures provided in the policy and captured in the NSLED.
New policy changes which may undermine decentralization	High	Engage with MDAs to harmonize their policies with decentralization and, more specifically, LED policy objectives.

4.8. Sustainability Arrangements

Funding for the plan and LED initiative is envisaged to be drawn from the Consolidated Fund, locally generated revenues, the Private Sector, and development partner support.

By its very nature, LED is a sustainable approach since it embraces collective action on the part of the public sector, businesses, and the community. Central to realising this will be creating a conducive environment for businesses

to operate in the LGs, thereby creating employment opportunities and providing tax revenue. In addition, the empowerment of communities (mindset change) to participate actively in their locality development and in turn realise an increase in household incomes and, in the long run, contribute to increased household productivity and Incomes. With more revenue, LGs are better placed to deliver services in their localities sustainably.



UNRA officials monitoring the progress of the Kampala Flyover Road Upgrading Project



Agricultural produce ready for sale - in Agago district



Field monitoring at a local market in Omoro District

5 STRATEGY MONITORING AND EVALUATION

5.1. Monitoring

The strategy will be continuously monitored to assess its success concerning agreed schedules and the use of inputs, infrastructure, and services by strategy beneficiaries. A strategy monitoring committee will be put in place. The purpose is to provide MOLG and other stakeholders with continuous feedback on implementation. Actual or potential successes and problems shall be identified early to measure progress and facilitate timely adjustments to strategy implementation.

Monitoring will be based on annual plans derived from the five-year strategy with clearly laid out indicators for the key strategy elements. These will be consolidated to determine program success and provide an overall assessment of LED strategy implementation.

The Ministry and other implementation stakeholders will carry out repeated quarterly, semi-annual and annual meetings to discuss results in the ongoing planning and learning processes. A monitoring and evaluation strategic workshop will be held at the start of strategy implementation for key stakeholders to establish an M&E timetable, including scheduled reviews of content and process indicators.

5.2. Evaluation

The Ministry will conduct an assessment to establish how the strategy outcomes were realised at the end of strategy implementation. The evaluation will adopt the OECD-DAC evaluation criteria that assess the relevance, efficiency, effectiveness, impact, and sustainability. Further, an interim evaluation will be conducted during strategy implementation as the first review of progress. It will serve as a forecast for the strategy's likely effects and identify the

required adjustments in the strategy design. Both process and outcome evaluations shall be conducted.

Central to evaluations will be the objective of learning and accountability/transparency. The strategy evaluation shall assess both process and outcomes in relation to strategy implementation. Process evaluation will involve the systematic examination of implementation quality, value for money, and choice of options.

Outcome evaluations will primarily seek to measure changes (short, medium and long term) resulting from implementing interventions of projects under the strategy.

5.3. Reporting

Information on the LED M&E E-system will be summarised in quarterly and annual reports for dissemination to all stakeholders, evaluators, and strategy users.

5.4. Monitoring and Evaluation Results Matrix

The results matrix summarises the expected outcomes and outputs, and their respective indicators, including baselines and sources of verification. **Annex 1** provides the Results Framework

5.5. Strategy Review

A mid-term review of the strategy will be carried out mid-way through the planned period to enable the Ministry to determine how its LED strategy progresses, gaps and challenges in implementing its strategy, and how challenges/mistakes might be rectified to ensure success over the remaining period. Besides the Mid-term review, annual reviews shall reflect on progress in achieving strategic objectives and goals. The revision will be

guided by a monitoring and evaluation plan that establishes the procedures and indicators for assessing the LED strategy planning process and implementing programs and projects. The District LGs and Municipal Councils and the national steering committee shall be involved in the

review process. To achieve holistic results, public opinion shall be sought in reviewing/ assessing the LED strategy implementation processes. Strategy review shall consider the use of use of surveys and focus groups on soliciting valuable information.



Minister of Finance, Planning and Economic Development arriving at Parliament to read the Uganda National Budget 2020/21



President Museveni hands over a 60BN Dummy Cheque and flags off agro-processing equipment for smallholder farmers, Wakiso District



Soroti Fish Farming Project, Soroti District

6 FUNDING LED

6.1. Sources of Funding

Financing for this strategy will primarily be derived from the national budget. In addition, funding is also expected from Uganda's development partners for specific programs and private sector actors such as financial institutions (banking and non-banking institutions such as pension funds, MFIs, MDIs, SACCOs and insurance companies) through their corporate social responsibility (CSR) allocations.

6.1.1. Central Governments Transfers

Activities coordinated and implemented by the MoLG and other MDAs shall be funded through the Central Government allocations to the MDAs for capacity building, monitoring and evaluation and facilitating linkage.

6.1.2. Funding from Development Partners

The strategy will be presented to development partners to solicit their support for the LED initiatives under a mechanism agreed upon with the Government. Further bi-lateral funding arrangements will be pursued.

6.1.3. Private sector funding through Corporate Social Responsibility

Corporations will be mobilised and encouraged to partner with LED to support specific interventions as part of their corporate social responsibilities.

6.2. LG Financing

6.2.1. Local Government Generated Revenue

The Uganda Constitution and the Local Governments Act (1997), amended in 2001, mandate LGs to raise local revenue through taxes like market duties, trading licenses, property rates, local service and hotel tax, etc., to finance activities under their mandate. A review of LG's tax base will significantly enhance its contribution to implementing LED initiatives.

6.2.2. Central governments transfers

The Central Government allocations to the LGs are currently in two forms: direct transfers and those channelled through government programmes and departments. The Government will increase funding to LGs to enable them to support LED initiatives. Through the national budget, the Ministry of Finance will create a budget line for LED programmes in all LGs as part of the conditional grants. The utilisation of the funds will be per the LED financing guidelines.

6.2.3. Local Finance Initiative (LFI)

LFI is intended to unlock Uganda's domestic financial system to finance LED infrastructure programmes at the LG level. LFI uses risk mitigation and credit enhancement methodologies, such as non-recourse project financing in which the project owners (sponsors) are liable only for the amount of their equity investment. At the same time, the local banks and institutional investors provide 70% - 75% of the remaining financing needed for the project.

LFI shall be adapted to financing small and medium-sized infrastructure projects, which may be capital intensive or social service-focused requiring special technical skills or experience. Development Partners (finance institutions and donor agencies) will be mobilised to provide project development support, credit enhancement, and technical assistance to LED-related projects. In addition, LFI will provide capacity-building interventions to enable the scaling-up and adoption of these alternative financing approaches as well as online communication platforms to increase the Government's capacity to coordinate across agencies and the private sector. As detailed in the annex, the LFI online communication platforms will increase the effectiveness of intra-

governmental coordination, stakeholder mobilisation, and private sector engagement.

6.3. Budgets

Indicative budget estimates have been provided based on the key themes and

outputs. However, budgets will be developed annually based on annual work plans, and sources of funds will be determined.

The total budget for this strategic plan is UGX 9,845,000,000 or USD \$ 2,734,722.22.

Table 3: Budget Estimates for Key Outputs

Sn	Goal / Outputs	Total Cost (UGX)	Total Cost (USD)
1	LED Planning and Implementation in LGs		
	LED incorporated in LG’s plans.	1,325,000,000	368,055.56
	Key LG stakeholder sensitized on LED and buy-in increased	1,385,000,000	384,722.22
	More fully funded LED projects across the regions.	797,500,000	221,527.78
2	LED Advocacy and Behavioral Change		
	Awareness of community on the importance of LED and their active participation in sustainable LED.	895,000,000	248,611.11
3	Public-Private Partnerships		
	The central and LG’s commitment to Private-Public Partnerships or Private Sector investing in public goods.	600,000,000	166,666.67
	Conducive regulatory framework for improving productivity and competitiveness created	1,475,000,000	409,722.22
	New Investments in LGs.	762,500,000	211,805.56
4	Governance and Operations		
	Commitment by the national and LG to LED promotion is increased	880,000,000	244,444.44
	LED strategy effectiveness and efficiency assessed	1,625,000,000	451,388.89
	Digital platforms utilised in LED promotion	100,000,000	27,777.78
	GRAND TOTAL	9,845,000,000	2,734,722.22

Central government transfers to LGs for LED and additional funding through budgets of MDAs for activities in LGs.

Annex 2 provides the Summary Budget Estimates

6.4. Resource Mobilisation

A detailed resource mobilisation plan will be developed for this NSLED. Key resource mobilisation activities will include:

- i). organising a development partners conference ahead of the strategy launch to obtain their indicative funding estimates for key themes aligned to their country strategies.
- ii). developing funding concept notes and proposals for specific projects and sharing with potential funding partners and.
- iii). organising events and securing corporate sponsorships for these events from the private sector.

Annex 1: Results Matrix Plan

Action Plan for implementation of the National Strategy for Local Economic Development (NSLED)

Strategic Objective #1: To strengthen capacities at MOLG and LGs for LED conceptualization, planning and budgeting, implementation and monitoring.						
Output 1.1:	Indicator (s) for measuring the achievement of the target	Baseline	2021/22	2022/23	2023/24	2024/25
LED incorporated in Local Governments Plans.	Percentage of LGs with LED incorporated in their DDP III rained in LED	0	30	34	34	34
Interventions / Activity	Time frame	Responsible Institutions	Indicators	Means of Verification		
Conducting a LED needs assessment	2021/22	MOLG MOTIC	Capacity needs identified	Needs Assessment Report		
Preparing detailed LED capacity building Plan	2021/22	MOLG MOTIC	Capacity development actions identified	Capacity Development Plan		
Developing training manual for LED	2021/22	MOLG MOTIC ACADEMIA	LED Training materials	Training Manual		
Conducting training of trainers for key LED champions and facilitators both at national and LG level.	2021/22	MOLG MOTIC LGs	No of ToTs trained and mentored	Training Report		
Supporting the retooling and equipping of the LED Department at MOLG and the district commercial office to act as secretariat for LED coordination	Continuous	MOLG MOTIC MOPS	No of LGs retooled / equipped	Distribution lists of tools and equipped provided to LGs		
Incorporate LED into DDP III	2021/22 & 2022/23	LGs MOLG	No of LGs DDP IIIs with LED incorporated	Annual plans and budgets		
Output 1.2.	Indicator (s) for measuring the achievement of the target	Baseline	2021/22	2022/23	2023/24	2024/25
Key LG stakeholder sensitized on LED and buy-in increased	Percentage of LGs where key stakeholders (political, technical and civil society) were trained/sensitized on LED.	0	30	34	34	34
Develop national campaign materials for LED for key stakeholders	2021/22	MOLG MOTIC	Campaign materials developed	Campaign materials		
Conduct annual awareness campaigns on LED process, objectives and progress	Continuous	LGs MOLG	No. districts in which LED campaigns are held	Reports – Awareness campaigns		

Strategic Objective #2: Increase the number of fully financed LED projects.						
Output 2.1.	Indicator (s) for measuring the achievement of the target	2021/22	2022/23	2023/24	2024/25	
More fully funded LED projects across the regions.	Number of funded LED projects across the regions	0	30	30	30	30
Interventions / Activity	Time frame	Responsible Institutions	Indicators	Means of Verification		
Disseminate guidelines and tools for conducting PACA	2021/22	MOLG MOTIC UIA	No of LGs provided with PACA guidelines and tools.	LG Distribution lists		
Support LGs to conduct Participatory/ Rapid Assessment of Competitive Advantage (PACA/RACA)	2022/23 onwards	LGs MOTIC MOLG UIA	Competitive advantages identified in LGs	PACA Reports		
Develop LED projects based on the PACA exercise that also target women, youths and other socially marginalized groups	2022/23 onwards	LG MOLG	No of LED projects developed for financing. No. of packages developed. No. of people targeted by programmes.	LED project proposals		
Mobilise resources for project implementation	2022/23 onwards	LGs MOLG	No of LED projects financed. No of LED projects implemented.	Financing Agreements. Profiles of funded projects.		
Conducting studies to assess location, size and status of LED projects across the regions	2022/23 onwards	MOLG LGs	Terms of reference for studies Project assessment tools	Study Reports		
Developing and maintain database for LED project status, outputs and outcomes	2022/23	MOLG LGs	Up-to-date LED projects database	Database		
Strategic Objective #3: To strengthen engagements with CSOs for enhanced synergies including integration of crosscutting issues (gender, HIV/AIDS, environment, and the vulnerable groups) in the promotion of LED.						
Output 3.1.	Indicator (s) for measuring the achievement of the target	2021/22	2022/23	2023/24	2024/25	
Awareness of community on the importance of LED and their active participation for sustainable LED	Number of LGs with operational LED Forums.	0	64	64	64	64

Interventions / Activity	Time frame	Responsible Institutions	Indicators	Means of Verification
Conduct a study to establish the current level of knowledge, attitudes and practices for LED	2022/23 onwards	MOLG THINK TANKS ACADEMIA	Gaps in knowledge, attitudes and practices on LED identified	KAP study report
Develop IEC material on LED both manually and electronically	2022/23 onwards	MOLG MOTIC LGs	IEC materials developed	IEC materials
Disseminate the IEC material to incorporate emerging issues	2022/23 onwards	MOLG LGs	No of LGs provided with IEC materials	Distribution Lists
Organize LED promotional activities at the national and local levels	2022/23 onwards	MOLG LGs	No. of awareness raising campaigns Undertaken. No. of radio and tv broadcasts of town meetings per district	Reports of information campaigns Radio transcripts
Develop and disseminate guidelines for operationalizing LED forums/platforms	2021/22 onwards	MOLG LGs	No of LED platform Tors disseminated	Distribution lists
Re-activate and operationalize LED forums/platforms for social dialogue at the local government levels	2021/22 onwards	LGs MOLG	No of LED forums re-activated / established No of dialogues held	Dialogue meeting reports
Conduct LED forum/platform meetings with the CSO and private sector on the benefits of LED	2022/23 onwards	LGs MOLG CSOs PSAs	No. of LED Forums meetings with CSO and private sector actors held No. of districts with operational Private Public Dialogue (PPD) forums.	Reports of meetings
Identify champions to promote knowledge on LED and mobilize local resources to implement LED	2022/23 onwards	LGs	No of LED champions identified	Inventory of LED champions in the DLG
Conduct consultations with women, youths and other socially marginalized groups to ensure their inclusion in LED planning process and projects	2022/23 onwards	LGs CSOs	Consultations held with women, youth, PWDs.	Reports of Consultative meetings

Strategic Objective #4: To promote collaborative partnerships with the private sector for local economic development						
Output 4.1.	Indicator (s) for measuring the achievement of the target	Baseline	2021/22	2022/23	2023/24	2024/25
Commitment by the central and local government to Private Public Partnerships or Private Sector investing in public goods.	Percentage of LGs with operational Private Public Dialogue Platforms (PPDs) Number of Private Public Partnerships entered into at CG and LG levels respectively.	0	10	10	20	31
Interventions / Activity	Time frame	Responsible Institutions	Indicators	Means of Verification		
Organize meetings for LG officials and economic actors to clarify the role of the public and private sector in the economy	2021/22 onwards	MOLG LGs	No of meetings with LG Officials			
Develop and disseminate guidelines for Private Public Dialogue (PPD) Platforms or forums in LGs	2021/22 onwards	MOLG LGs Private Sector CSOs	PPD forums established	PPD Governance Structures		
Facilitate the Establishment of PPD platforms or forums in the LGs	2021/22 onwards	LGs, MOLG, Private Sector, CSOs	PPD forums held	PPD Resolutions		
Conduct sensitization meetings for the private sector on the PPP policy and guidelines	2021/22 onwards	MFPEP/PPP Unit MOLG, LGs, Private Sector	Awareness of opportunities	Reports of meetings		
Coordinate and mobilise support for identified potential PPP projects in LGs with the PPP Unit	2021/22 onwards	MFPEP/PPP Unit MOLG, MoTWA, LGs, Private Sector	No. of PPPs structured in	Reports of support provided to LGs to tap into the PPP arrangements		
Selecting, customizing and implementing appropriate public private partnership modalities	2021/22 onwards	MFPEP/PPP Unit MOLG, MoTWA, LGs, Private Sector	No. of PPPs entered into at CG and LG levels respectively.	Report of support provided to LGs to tap into the PPP arrangements		
Objective 5. To create business enabling environment that facilitates business growth and increased investments.						
Output 5.1.	Indicator (s) for measuring the achievement of the target	Baseline	2021/22	2022/23	2023/24	2024/25
Conducive regulatory framework for improving productivity and competitiveness created.	Number of business process reforms in LGs Number of pro-business ordinances enacted in LGs	0	5	5	5	5

Interventions / Activity	Time frame	Responsible Institutions	Indicators	Means of Verification			
Review and reduce the time it takes to process applications; the cost to business; and reduce number of forms to be filled for: Business registration; Licensing; Taxation; and Business regulation (health and safety inspection, workers protection etc.)	2021/22 onwards	LGs MOLG, MOTIC, UJA, UEPB, URSB, UNBS	Reduction in time for No of LGs	Client service charters			
Enact bye-laws and ordinances that promote investment and growth including buying local goods and services	2021/22 onwards	LGs MOLG, MOJCA	No. of business process reforms in LGs. No. of pro-business ordinances enacted in LGs.	Ordinances. Byelaws.			
Digitalizing revenue collection	2021/22 onwards	LGs MOLG, LGFC	Revenue sources and collection streamlined and digitalized in LGs	Financial / Audit Reports			
Establish one-stop-centers to provide business advisory services - registration, taxation, financial services	2021/22 onwards	LGs, MOLG MOTIC, UJA, UEPB, URSB, UNBS	No of LGs with one-stop-centers	Site Visits			
Promoting work-based training and education for skills enhancement	2021/22 onwards	LGs	No of persons skilled	Training reports			
Upgrading of locally-based business areas through improvement in drainage, cleaning and garbage management	2021/22 onwards	LGs	Improvements in the business areas	Site visits			
Establish business incubators by providing space for fledgling businesses to operate at subsidized rental rates	2021/22 onwards	LGs MOLG UIRI	No of business incubators established	Site visits			
Support the establishment of business and industrial parks that are well serviced	2021/22 onwards	LGs, MOLG UJA	No of industrial parks established	Site Visits Land Titles			
Output 5.2.	Indicator (s) for measuring the achievement of the target		Baseline	2021/22	2022/23	2023/24	2024/25
New Investments in Local Governments.	Percentage increase in new businesses registered and operational in LGs/regions		0	10	10	10	10

Interventions / Activity	Time frame	Responsible Institutions	Indicators	Means of Verification
Disseminate guidelines for conducting of Local Economic Business Assessments	2021/22 onwards	MOLG	LEBA tools and guidelines.	Distribution lists to LGs
Support LGs to conduct the Local Economic Business Assessments	2021/22 onwards	LGs MOTIC	No of LGs that have conducted. Local Opportunities identified	LG Economic Profiles
Support LGs to develop regional / district investment profiles and LED strategies	2021/22 onwards	LGs MOTIC MOLG ULGA	No of regional LED strategies developed No of districts LED strategies developed Percentage increase in new businesses registered and operational in LGs	Regional LED strategies LG LED strategies
Strategic Objective #6: To improve policy coordination environment for LED promotion				
Output 6.1:	Indicator (s) for measuring the achievement of the target			
Commitment by the national and local government to LED promotion is increased	2021/22 onwards	MOLG MOTIC	0	2022/23 2023/24 2024/25 2 5 5
Interventions / Activity	Time frame	Responsible Institutions	Indicators	Means of Verification
Develop policy briefs for high level policy makers	2021/22 onwards	MOLG MOTIC	Increased central government funding for LED initiatives	Meeting Reports
Conduct sensitization meetings with policy makers to appreciate LED and commit to its promotion for poverty eradication and job creation in the localities	2021/22 onwards	MOLG MDAs	No. of ministries attending meetings	Meeting Reports
Incorporate LED into government planning and budgeting process at MDA level	2021/22 onwards	MDAs MOLG	LED incorporated into plans & budgets	Annual Plans & Budget
Develop annual operational workplans for national steering committee and working groups for coordination and monitoring	2021/22 onwards	MOLG MDAs	Schedule of SC meetings developed No of SC meetings held	SC meeting reports
Strengthen relevant existing coordination mechanism at the regional levels to provide support the LGs	2021/22 onwards	MOLG LGs	No of regional coordination mechanisms strengthened	Reports – Regional Coordination

Strategic Objective #7: To monitor and evaluate strategy implementation						
Output 7.1:	Indicator (s) for measuring the achievement of the target	Baseline	2021/22	2022/23	2023/24	2024/25
LED strategy effectiveness and efficiency assessed	Progress in LED implementation measured	0	20	25	25	30
Interventions / Activity	Time frame	Responsible Institutions	Indicators	Means of Verification		
Researching and documenting application of new technology and knowledge	2021/22 onwards	MOLG LGs	Progress in LED implementation measured	Study reports		
Monthly reporting by the LGs and private sector implementing LED	2021/22 onwards	LGs MOLG	LED actions implemented	LG reports		
Developing detailed national M&E strategy for LED	2021/22 onwards	MOLG LGs	M&E processes	M&E Strategy		
Conducting annual reviews of the LED strategy	2021/22 onwards	MOLG LGs	Progress, challenges identified	Annual Reports		
Developing and continuously update LED database in a manner that makes it accessible to stakeholders	2021/22 onwards	MOLG LGs MDAs	Data on LED implementation across LGs	Database		
Strategic Objective #8: To harness existing digital platforms for LED promotion and enhancement of strategy implementation.						
Output 8.1:	Indicator (s) for measuring the achievement of the target	Baseline	2021/22	2022/23	2023/24	2024/25
Digital platforms utilised in LED promotion and Monitoring and Evaluation	Number of LED digital platforms established and operational	0	4	4	5	5
Interventions / Activity	Time frame	Responsible Institutions	Indicators	Means of Verification		
Assess existing digital platforms for relevance to LED Promotion	2021/22 onwards	MOLG Private Sector MOICT	No of LED digital platforms reviewed and improved	Digital platforms		
Review and re-design relevant platforms relevant for capturing and sharing information	2021/22 onwards	MOLG Private Sector MOICT	No of LED digital platforms established and operational	Digital Platforms		
Encourage platform sharing among Telecommunication/ICT Operators	2021/22 onwards	MOLG MOTIC MOICT UCC	No of LED digital platforms established and operational	MoUs between ICT operators		

Annex 2: Five-Year Summary Budget Estimates

Strategic Objective #1:	
To strengthen capacities at MOLG and LGs for LED conceptualization, planning and budgeting, implementation and monitoring.	
Output	Total Cost
1.1. LED incorporated in in Local Governments Plans.	1,325,000,000
Interventions / Activity	
1.1.1. Conducting a LED needs assessment	50,000,000
1.1.2. Preparing detailed LED capacity building Plan	30,000,000
1.1.3. Developing training manual for LED	20,000,000
1.1.4. Conducting training of trainers for key LED champions and facilitators both at national and LG level.	150,000,000
1.1.5. Supporting the retooling and equipping of the LED Department at MOLG and the district commercial office to act as secretariat for LED coordination	675,000,000
1.1.6. Incorporate LED into DDP III	400,000,000
Output	Total Cost
1.2. Key LG stakeholder sensitized on LED and buy-in increased	1,385,000,000
Interventions/Activities	
1.2.1. Develop national campaign materials for LED for key stakeholders	35,000,000
1.2.2. Conduct annual awareness campaigns on LED process, objectives and progress	1,350,000,000
Strategic Objective #2:	
Increase the number of fully financed LED projects.	
Output	Total Cost
2.1. More fully funded LED projects across the regions.	797,500,000
Interventions/Activities	
2.1.1. Disseminate guidelines and tools for conducting PACA	20,000,000
2.1.2. Support LGs to conduct Participatory/Rapid Assessment of Competitive Advantage (PACA/RACA)	262,500,000
2.1.3. Develop LED projects based on the PACA exercise that also target women, youths and other socially marginalized groups	175,000,000
2.1.4. Mobilise resources for project implementation	60,000,000
2.1.5. Conducting studies to assess location, size and status of LED projects across the regions	250,000,000
2.1.6. Developing and maintain database for LED project status, outputs and outcomes	30,000,000
Strategic Objective #3:	
To strengthen engagements with CSOs for enhanced synergies including integration of crosscutting issues (gender, HIV/AIDS, environment, and the vulnerable groups) in the promotion of LED.	
Output	Total Cost
3.1. Awareness of community on the importance of LED and their active participation for sustainable LED.	895,000,000
Interventions/Activities	
3.1.1. Conduct a study to establish the current level of knowledge, attitudes and practices for LED	100,000,000
3.1.2. Develop IEC material on LED both manually and electronically	50,000,000
3.1.3. Disseminate the IEC material to incorporate emerging issues	30,000,000

3.1.4. Organize LED promotional activities at the national and local levels	200,000,000
3.1.5. Develop and disseminate guidelines for operationalising LED forums/ platforms	40,000,000
3.1.6. Re-activate and operationalize LED forums / platforms for social dialogue at the local government levels	175,000,000
3.1.7. Conduct LED Forum/Platform meetings with the CSO and private sector on the benefits of LED	175,000,000
3.1.8. Identify champions to promote knowledge on LED and mobilize local resources to implement LED	25,000,000
3.1.9. Conduct consultations with women, youths and other socially marginalized groups to ensure their inclusion in LED planning process and projects	100,000,000

Strategic Objective #4:

To promote collaborative partnerships with the private sector for local economic development

Output	Total Cost
4.1. Commitment by the central and local government to Private Public Partnerships or Private Sector investing in public goods.	600,000,000
Interventions/Activities	
4.1.1. Organize meetings for LG officials and economic actors to clarify the role of the public and private sector in the economy	200,000,000
4.1.2. Develop and disseminate guidelines for Private Public Dialogue (PPD) Platforms or forums in LGs	50,000,000
4.1.3. Facilitate the Establishment of PPD platforms or forums in the LGs	100,000,000
4.1.4. Conduct sensitization meetings for the private sector on the PPP policy and guidelines	100,000,000
4.1.5. Coordinate and mobilise support for identified potential PPP projects in LGs with the PPP Unit	100,000,000
4.1.6. Selecting, customizing and implementing appropriate public private partnership modalities	50,000,000

Objective 5.

To create business enabling environment that facilitates business growth and increased investments.

Output	Total Cost
5.1. Conducive regulatory framework for improving productivity and competitiveness created	1,475,000,000
Interventions/Activities	
5.1.1. Review and reduce the time it takes to process applications; the cost to business; and reduce number of forms to be filled for: Business registration; Licensing; Taxation; and Business regulation (health and safety inspection, workers protection etc.)	175,000,000
5.1.2. Enact bye-laws and ordinances that promote investment and growth including buying local goods and services	200,000,000
5.1.3. Digitalize LG revenue collection	300,000,000
5.1.4. Establish one-stop-centers to provide business advisory services - registration, taxation, financial services	500,000,000
5.1.5. Promoting work-based training and education for skills enhancement	100,000,000
5.1.6. Upgrading of locally-based business areas through improvement in drainage, cleaning and garbage management	50,000,000
5.1.7. Establish business incubators by providing space for fledging businesses to operate at subsidized rental rates	100,000,000
5.1.8. Support the establishment of business and industrial parks that are well serviced	50,000,000

Output	Total Cost
5.2. New Investments in Local Governments.	762,500,000
Interventions/Activities	
5.2.1. Disseminate guidelines for conducting of Local Economic Business Assessments	300,000,000
5.2.2. Support LGs to conduct the Local Economic Business Assessments	262,500,000
5.2.3. Support LGs to develop regional / district investment profiles and LED strategies	200,000,000
Strategic Objective #6:	
To improve policy coordination environment for LED promotion	
Output	Total Cost
6.1. Commitment by the national and local government to LED promotion is increased	880,000,000
Interventions/Activities	
6.1.1. Develop policy briefs for high level policy makers	200,000,000
6.1.2. Conduct sensitization meetings with policy makers to appreciate LED and commit to its promotion for poverty eradication and job creation in the localities	200,000,000
6.1.3. Incorporate LED into government planning and budgeting process at MDA level	30,000,000
6.1.4. Develop annual operational workplans for national steering committee and working groups for coordination and monitoring	150,000,000
6.1.5. Strengthen relevant existing coordination mechanism at the national and regional levels to provide support the LGs	300,000,000
Strategic Objective #7:	
To monitor and evaluate strategy implementation	
Output	Total Cost
7.1. LED strategy effectiveness and efficiency assessed	1,625,000,000
Interventions/Activities	
7.1.1. Researching and documenting application of new technology and knowledge	1,000,000,000
7.1.2. Monthly reporting by the LGs and private sector implementing LED	175,000,000
7.1.3. Developing detailed national M&E strategy for LED	50,000,000
7.1.4. Conducting annual reviews of the LED strategy	100,000,000
7.1.5. Developing and continuously update LED database in a manner that makes it accessible to stakeholders	300,000,000
Strategic Objective #8:	
To harness existing digital platforms for LED promotion and enhancement of strategy implementation	
Output	Total Cost
8.1. Digital platforms utilised in LED promotion and Monitoring and Evaluation	100,000,000
Interventions/Activities	
8.1.1. Assess existing digital platforms for relevance to LED Promotion	50,000,000
8.1.2. Review and re-design relevant platforms relevant for capturing and sharing information	30,000,000
8.1.3. Encourage platform sharing among Telecommunication/ICT Operators	20,000,000
GRAND TOTAL	9,845,000,000



THE REPUBLIC OF UGANDA

The Ministry of Local Government
P O Box 7037, Kampala - Uganda
Workers House, Pilkington Road
Tel: +256-414-341224

