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Report No: RES40354

INTERNATIONAL DEVELOPMENT ASSOCIATION

RESTRUCTURING PAPER

ON A

PROPOSED PROGRAM RESTRUCTURING
OF
UGANDA INTERGOVERNMENTAL FISCAL TRANSFERS PROGRAM
APPROVED ON JUNE 27, 2017

TO THE

REPUBLIC OF UGANDA

Governance Global Practice
Africa Region

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ABBREVIATIONS AND ACRONYMS

CBA	Cost Benefit Analysis
CGAP	Consultative Group to Assist the Poor
CPF	Country Partnership Framework
DDEG	Discretionary Development Equalization Grant
DFID	Department for International Development
DHMT	District Health Management Team
DLI	Disbursement Linked Indicator
DLR	Disbursement Linked Result
DRDIP	Development Response to Displacement Impacts Project
EMIS	Education Management Information Systems
FY	Fiscal Year
GBV	Gender-Based Violence
GDP	Gross Domestic Product
GoU	Government of Uganda
HC	Health Center
HUMC	Health Unit Management Committee
IAG	Internal Auditor General
IDA	International Development Association
IFMIS	Integrated Financial Management Information System
IFTRP	Intergovernmental Fiscal Transfers Reforms Program
LG	Local Government
LGFC	Local Government Finance Commission
LLG	Lower Local Government
LGPA	Local Government Performance Assessment
MDA	Ministries, Departments and Agencies
MGLSD	Ministry of Gender, Labour and Social Development
MoES	Ministry of Education and Sports
MoFPED	Ministry of Finance, Planning, and Economic Development
MoH	Ministry of Health
MoLG	Ministry of Local Government
MoPS	Ministry of Public Service
MIS	Management Information System
MTP	Medium Term Plan
MTEF	Medium Term Expenditure Framework
MWT	Ministry of Works and Transport
M&E	Monitoring and Evaluation
NAPA	National Adaptation Programme of Action
ND-GAIN	Notre Dame Global Adaptation Initiative
NEMA	National Environment Management Authority
NPV	Net Present Value
NWR	Non-Wage Recurrent
ODI	Overseas Development Institute



OPAMS	Online Performance Assessment Management System
OPM	Office of Prime Minister
OTIMS	Online Transfer Information Management System
PDO	Project Development Objective
PfoR	Program for Results
PIP	Performance Improvement Plan
PNFP	Private Not-for-Profit
POM	Program Operational Manual
PP	Program Paper
PPDA	Public Procurement and Disposal of Public Assets Authority
RA	Results Area
RBF	Results Based Financing
REAP	Resource Enhancement and Accountability Program
RCU	Reform Coordination Unit
RGC	Rural Growth Centre
SBD	Standard Bidding Document
SCD	Systematic Country Diagnostic
SEIL	Strengthening Education Systems for Improved Learning
SMC	School Management Committee
TA	Technical Assistance
TELA	Teacher Effectiveness and Learner Achievement
UgIFT	Uganda Intergovernmental Fiscal Transfers
UGX	Ugandan Shilling
UNDP	United Nations Development Program
UNHCR	United Nations High Commissioner for Refugees
URMCHIP	Uganda Reproductive Maternal and Child Health Services Improvement Project
USMID	Uganda Support to Municipal Infrastructure Development Program
VAC	Violence Against Children
VfM	Value for Money
WB	World Bank
WDR	World Development Report



DATA SHEET (Uganda Intergovernmental Fiscal Transfers Program - P160250)

Project ID P160250	Financing Instrument Program-for-Results Financing	IPF Component No
Approval Date 27-Jun-2017	Current Closing Date 30-Jun-2024	

Organizations

Borrower Republic of Uganda, Ministry of Finance, Planning and Economic Development	Responsible Agency Ministry of Finance, Planning and Economic Development
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Program Development Objective(s)

To improve the adequacy and equity of fiscal transfers and fiscal management of resources by Local Governments for health and education services.

Summary Status of Financing (US\$, Millions)

Ln/Cr/TF	Approval Date	Signing Date	Effectiveness Date	Closing Date	Net Commitment	Disbursed	Undisbursed
IDA-67730	14-Sep-2020			30-Jun-2024	240.00	0	246.74
IDA-D7150	14-Sep-2020			30-Jun-2024	60.00	0	61.79
IDA-61040	27-Jun-2017	26-Apr-2019	29-May-2019	31-Dec-2023	200.00	106.18	94.40

Policy Waiver(s)

Does the Program require any waivers of Bank policies applicable to Program-for-Results operations?

No



I. PROGRAM STATUS AND RATIONALE FOR RESTRUCTURING

A. Introduction

1. **The Uganda Intergovernmental Fiscal Transfer (UgIFT) Program (P160250)** was approved by the Board on June 27, 2017 and declared effective on May 29, 2019. The original Program has overall allocation of US\$200 million which consists of International Development Association (IDA) credit of SDR145.9 Million. The Program has disbursed USD106 million or 53 percent as of March 15, 2020. Despite late effectiveness, the Government of Uganda (GoU) has been implementing the Program since Board approval, which has enabled disbursement in line with met DLIs soon after the Program became effective. The performance of the original Program was rated Moderately Satisfactory between June 2019 and January 2020, when it was rated as Satisfactory following confirmation of results. The original UgIFT Program is supporting the Government of Uganda (GoU) through Program for Results (PforR) instrument. The PforR is disbursing against the achievement of Disbursement Linked Indicators (DLIs), which are a combination of results and key steps on defined reform paths. Under the original UgIFT Program, the GoU provides US\$593 million to support and enable the implementation of the Intergovernmental Fiscal Transfer Reform Program (IFTRP) in the health and education sectors, using government systems. The World Bank resources notionally support increased GoU development grant allocations for service delivery infrastructure, whilst GoU funding notionally support increased operational grants for health and education facilities within a combined expenditure framework.

2. **The Program Development Objective (PDO) for the Program is “to improve the adequacy and equity of fiscal transfers and improve management of fiscal resources by Local Governments (LGs) for education and health services.”** The Program has focused on addressing three challenges in adequacy, equity, and better financial management, and was expected to achieve the following:

- (a) To enhance the adequacy, or general level of financing, for education and health services. The latter is achieved by providing additional resources to LG conditional grants over four years between FY2018/19 and FY2021/22 based on an agreed medium-term plan (MTP) for increasing financing for LG service delivery, which includes wage, non-wage recurrent, and development grants.
- (b) To enhance the equity of distribution of LG transfers across districts. The latter is achieved by targeting the least funded LGs using objective and equitable allocation formulae to distribute funds more fairly and predictably to local governments. This is carried out through applying formulae for recurrent and development grants. Recurrent grant formulae were to be phased in over four years using the increases in overall grant allocations, ensuring that no LG’s allocation is reduced, whilst development grant formulae were to be implemented from the outset.
- (c) Strengthening management at LG level of education and health services. This is achieved through a systematic approach in four stages: (i) improving guidelines for LGs and service facilities (i.e. schools and health centers); (ii) conducting an annual local government performance assessment from 2017/18 in districts and municipalities, and from 2019/20 at the facility level; (iii) supporting poor performing LGs through the development and implementation of performance improvement plans executed by MoLG; and (iv) providing financial incentives linked to grant allocations, with the size of development grants linked to performance assessments.

3. **The original Program has demonstrated satisfactory progress despite the delays in the effectiveness.** The implementation of the Program has been advancing broadly on schedule since July 2017 even though the effectiveness was only reached in May 2019. The Project Development Objective (PDO) indicators and intermediate indicators are on track in all but the area of equity.

4. **In terms of adequacy of financing, grants have increased sizably in Health and in Education since FY2017/18 in line with the PDO Indicators and broadly in line with the MTP.** Wage, non-wage recurrent and development grants



have shown a steady increase both in education and health from FY2017/18 to FY2019/20. Specifically, reversing over a decade of decline, operational non-wage recurrent grants for both education and health have increased in the double digits. Non-wage recurrent grants for education have increased by 41 percent in the Approved Budget from FY2018/19 to FY2019/20, and similarly non-wage recurrent grants for health have increased by 42 percent. This has had a direct impact on school and health facility level operational funding. More precisely, budgeted and released operational funding for primary schools increased 50 percent, and for health facilities the increase amounted to 43 percent since FY2017/18. Furthermore, an equivalent of US\$200 million was allocated to development grants to upgrade and construct health and education facilities. The GoU has decided that most of these funds be used to upgrade existing Health Center (HC) IIs to HC IIIs¹ and build secondary schools in sub-counties where these facilities do not exist in line with policy commitments.

5. **The achievements in equity, as measured by the original PDO indicators, have been mixed.** The IFTRP involved the introduction of objective formulae to enhance the equity and reduce disparities in the distribution of resources, which is supported by DLIs in health and education under UgiFT. In the health sector, non-wage recurrent grants are now more equitable in per capita terms due to the sizable reduction in their spread across districts (Figure 2). In education, the use of enrollment rather than overall population and per child of school-going age in the allocation of recurrent grants has limited the impact of the funding on the PDO measures of equity. Furthermore, between board approval and effectiveness the focus of development grants was agreed to change. A share of development grants has been focused on meeting the GoU policy objectives of one health-center III and one secondary school per sub-county. Whilst a legitimate objective, this was not part of the original design, and a share of development grant allocations have been based on formulae which include population-based indicators. This has, therefore, limited the improvements in equity of development financing as measured by per capita terms. That said, technically population measures equality, not equity, and the objectivity, targeting and transparency of grant allocations has been considerably improved.

6. **Higher scores in the management of resources² have been recorded on each sector assessed by the new Local Government Performance Assessment (LGPA) introduced under the IFTRP in both health and education.** Three annual LGPAs of all Districts and Municipalities have taken place so far and have shown improvements in the management of service delivery. Comparing FY2016/17 and FY2018/19, the overall average score for the LGPA increased in education from 52 percent to 65 percent, health from 53 percent to 70 percent, water & sanitation from 59 percent to 68 percent and cross-cutting areas from 56 percent to 61 percent (Figure 3). Performance Improvement Plans (PIPs) were implemented for poorly performing LGs in FY2017/18, which resulted in significant improvements in their LGPA scores in FY2018/19. Local Government PIPs however were not prepared in 2019 as a result of delays to the formal announcement of results.

7. **As part of the GoU's IFTRP, in FY2019/20 the LGPA results were introduced as a variable in the allocation formulae for sector LG development grants in health, education, water & environment and the discretionary development equalization grant.** Although this was one year behind schedule, it represented an important step in establishing incentives.

¹ Basic health services are delivered through a network of health facilities, which include Health Centre (HC) Level IVs, which are headed by a doctor and HC Level IIIs, which are headed by a nurse. These provide outpatient and basic inpatient services. HC Level IIs, which are small dispensaries, provide outpatient services. In addition, some Districts run general hospitals. The district/municipal health department oversees this network of health facilities and also carries out public health activities.

² The following is assessed in each sector: i. human resource, planning and management, ii. monitoring and inspection, iii. governance, accountability and oversight, iv. procurement and contract management, v. financial management and reporting, vi. Social and environmental safeguards.



Table 1: Achievement of DLIs

DLI	Year 1 FY2017/18 By June 2018	Year 2 FY2018/19 By June 2019
Results Area 1. Enhancing Adequacy and Equity of Fiscal Transfers and Fiscal Management of Resources for Education Services		
DLI 1.1: Annual increase in budget allocation to sector conditional grants (wage, non-wage, recurrent, and development) to LGs for education services	Achieved	Not Achieved
DLI 1.2: Enhanced, equitable formula for operational grants in education phased in as planned	Achieved	Achieved
DLI 1.3: Enhanced, equitable formula for development grants in education implemented as planned	Not Achieved	Achieved
DLI 1.4: The quality of fiscal management of education resources by LGs is maintained	Achieved	Achieved
Results Area 2. Enhancing Adequacy and Equity of Fiscal Transfers and Fiscal Management of Resources for Health Services		
DLI 2.1: Annual increase in budget allocation to sector conditional grants (wage, non-wage, recurrent, and development) to LGs for health services	Partially Achieved	Not Achieved
DLI 2.2: Enhanced, equitable formula for conditional non-wage recurrent grants in health phased in as planned	Not Achieved	Achieved
DLI 2.3: Enhanced, equitable formula for development grants in health implemented as planned	Not Achieved	Not Achieved
DLI 2.4: The quality of fiscal management of health resources by LGs is maintained	Achieved	Achieved
Results Area 3. Improvement in Fiscal Management of Education and Health Services		
DLI 3: LG Performance assessments, performance improvement plans, value for money audits, and fiscal management improvement planning take place	Partially Achieved	Partially Achieved
Disbursements		
Disbursement Plan by WB	US\$40 million	US\$40 million
Achieved DLIs	US\$26.05 million	US\$29.5 million
DLIs not achieved	US\$13.95 million	US\$10.5 million

8. **The Program has disbursed so far US\$106.18 million or 53 percent as of August 2020.** The Bank disbursed the first advance mid-June 2019 totaling US\$50 million, while the second advance and results payment were disbursed mid-February 2020 totalling US\$56.18 million (Table 1).

9. **The achievement of DLIs has been satisfactory and speaks to the decisive steps taken toward restoring the adequacy and equity of financing LG service delivery and the management of service delivery.** Nine DLIs were selected to support results under the Program. The GoU has fully or partially achieved 12 out of 18 Disbursement Linked Results (DLRs) in Year 1 (FY2017/18) and Year 2 (FY2018/19). Some DLRs from Year 2 that have yet to be achieved are still achievable. The achievement of DLRs worth US\$27 million in Year 3 are on track according to the second Budget Call Circular for FY 2020/21, which reflects that non-wage recurrent and development transfers are in line with those agreed in the MTP. Early in the program, wage allocations were increased beyond what was envisaged in the MTP which made it more costly to achieve target percent increases in grant allocations in year 2 (DLIs 1.1 and 2.1). Rather than attempt to achieve these from 2019/20 onwards, the commitments relating to wage-recurrent allocations will be reformulated as part of the restructuring, in the context of the revised MTP.

10. **Overall, the institutional arrangements for advancing reforms are effective.** Institutional coordination and management of reforms has improved at both the political and the technical level with increased ownership of the GoU. The oversight and steering committees are regularly attended by ministers and accounting officers respectively, and engagement of technical staff responsible for implementation have broadened within and across implementing agencies. Furthermore, attention of stakeholders, especially at the top, is moving beyond the initial focus on the construction of new facilities to the operational aspects searching for ways to improve service delivery and value for money at the facility level.

11. **Some implementation issues have emerged regarding the coordination and oversight of the program and the effectiveness of national engagement.** First, the communication and ownership of the UgIFT program needs to be broadened and strengthened and the dissemination of guidelines improved, so that stakeholders are aware of and implement changes to systems and processes at the local level. Second, the oversight and monitoring of service delivery



at national and local government levels need to be strengthened overall and, in particular, for construction. Notably, there is a lack of appreciation for environmental and social requirements for civil works implementation at all levels, which means that little is being enforced on the ground. Finally, the coordination of UgIFT is complex and resource intensive, and adequate resources need to be in place to perform the required tasks at the center.

12. **The key challenge ahead in maximizing the impact of increased resources and associated fiscal transfers reforms is to improve the quality of service delivery for the population at the facility and subcounty level.** Whilst increasing resources to service delivery and improving the management of fiscal resources by LGs will help remove some of the binding constraints to LG service delivery and enhance incentives, improvements in the actual delivery of services to the population will not happen automatically. This challenge has been placed to the GoU and World Bank by the leadership of MoFPED and Sector Management - to make UgIFT count for service delivery. To provide the enabling framework, the GoU is in the process of revising the IFTRP to address the challenges to service delivery across sectors and is updating the associated MTP for financing local service delivery based on the sector costing exercise planned in the original IFTRP. The updated IFTRP will also include a new area focusing on central government oversight of local service delivery.

B. Rationale for restructuring

13. **The Government of Uganda made a request to restructure the project on April 14, 2020, to deepen the engagement in health and education and increase the focus on service delivery.** The changes requested included (i) reducing the timeframe for DLIs by one year to enable frontloading of disbursements in 2020/21 in support of increased health and education transfers in line with the revised MTP for Financing Local Government Services; (ii) aligning the DLIs to the deepened agenda for health, education and cross-cutting issues and (iii) reprogramming or the \$24 million DLIs not achieved in the first two years of the Programme. The Restructuring will support the updated IFTRP with the focus on education and health sectors.

14. **By deepening the sectoral engagement, this will ensure that going forward the IFTRP reforms lead to improvements in local service delivery.** The restructured UgIFT can do this by both supporting and incentivizing the functional change required to deliver such an improvement, in the following four areas:

- a. UgIFT has the potential to increasing the impact of resources on service delivery by focusing on performance at the point of delivery, through rolling out performance assessment and improvement frameworks at the facility and subcounty level.
- b. Staffing is a key constraint to service delivery in many LGs – schools and health facilities do not meet basic staffing requirements and critical staff are in position in higher and lower LGs. In 2019, only 8 percent of LGs had all heads of department substantively in place. Targeted incentives and financing have the potential to address this intransigent issue.
- c. The impact of the IFTRP has been reduced as a result by weaknesses in the center playing its roles. By placing explicit emphasis on strengthening the routine oversight by central government including dissemination of guidelines and capacity building, performance improvement support and joint monitoring, UgIFT can help the implementation of reforms at the local level. Furthermore, there are weaknesses in the processes and systems at the local levels, which can be addressed by concerted action at the center and the use of digital technologies.
- d. Finally, by linking the size and distribution of financing for local service delivery to the costs of delivering those services is a priority, the IFTRP can contribute more effectively towards achieving sector objectives.

15. **Finally, the rationale for UgIFT is made more compelling in the context of the COVID-19 response and recovery and it is crucial that resources to service delivery are sustained.** UgIFT will protect basic services and during the recovery phase it will contribute towards increasing the finance and building more robust and resilient systems for local service delivery over the medium term. In doing so, it will strengthen human resource management and oversight of



service delivery. UgIFT is also well positioned to provide support and incentives for rolling out e-solutions that improve management, accountability, and transparency.

16. **Alongside the restructuring of the original program proposed in this paper, further Additional Financing (AF) and Restructuring for UgIFT has been prepared and was approved by the World Bank Board on the 14th September 2020 (P172868).** The AF extends the scope of sectors beyond health and education to Water and Sanitation and Micro-Irrigation, lengthens the Program timeframe and aligns it to the updated IF RTP and deepening agenda. Whilst the restructured Program set out in this paper is not dependent on the effectiveness and implementation of the AF, the DLIs and Program expenditures in this restructuring of the original program supports are aligned with and represent a complementary set of DLIs to those under the Additional Financing.

II. DESCRIPTION OF PROPOSED CHANGES

17. **While the Program Development Objective (PDO) remains the same, PDO level and intermediate indicators and DLIs framework will be revised to reflect the deepening agenda.** PDO indicators and interim results indicators will measure service delivery performance, and performance in relation to national government oversight of service delivery alongside the management of service delivery by local governments. Equity PDO indicators and associated interim results have been adjusted for recurrent and development spending in education to reflect the evolving policy objectives. Table 2 below sets out the changes to PDO indicators and highlights other changes to the results framework.

Table 2: Adjustments to PDO Indicators

Results Areas	Adjusted PDO Indicators	Description of Change to PDO and IRI indicators
1. Enhancing Adequacy and Equity of Financing for LG Services	PDO Indicator 1a: Adequacy and Equity of Staffing - % of Higher LGs with a) staffing of schools and health facilities and b) sector department and lower local government staff above stated minimum levels	<ul style="list-style-type: none"> • Results Areas 1 and 2 adequacy and equity are combined. • Adequacy PDO indicators remain the same, with an adjustment to shorten the timeframe to three year moving average. • Equity PDO indicators for wage to focus on uplifting the least funded LGs. • Equity indicators for development and recurrent changed to adherence to formula. • IRIs reflect a) increases in per capita allocations and b) uplifting transfers and implementing formulae.
	PDO Indicator 1b: Adequacy of Non-Wage and Development Financing - Nominal allocations in health and education.	
	PDO Indicator 1c: Equity of Non-Wage and Development Financing - % of non-wage recurrent and development grant allocations to which equitable formula for conditional non-wage recurrent and development grants in health and education has been applied.	
2. Improved Oversight of Service Delivery by Central Government	PDO Indicator 2: Overall performance in the Oversight of Service Delivery by the ministries responsible for health, education and cross-cutting areas as measured in the annual performance assessment.	<ul style="list-style-type: none"> • This is a new indicator and results area. • IRIs include central performance in specific areas relating to oversight of service delivery and construction, safeguards and MIS, and actions to improve strengthen systems, processes and performance, including safeguards.
3. Improvement in Management	PDO Indicator 3a: Improvement in the LG Performance in the management of services in health, education and Crosscutting areas as measured in the annual performance assessment.	<ul style="list-style-type: none"> • This is an existing indicator. • IRIs include LG performance in specific areas relating to oversight of service delivery and construction, safeguards and performance



Results Areas	Adjusted PDO Indicators	Description of Change to PDO and IRI indicators
of Services by Local Governments	PDO Indicator 3b: Improvement in LG performance in the management of resources in the 20 worst performing LGs in Health, Education and Crosscutting Areas as measured in the annual performance assessment.	
	PDO Indicator 4: Service delivery performance assessed <ul style="list-style-type: none"> Education: Secondary school with basic facilities and minimum staffing levels and the average score in the primary school performance assessment improves Health: Functional health center III or IV and average score in RBF facility assessment improves. 	<ul style="list-style-type: none"> This is a new indicator which measure service delivery performance. IRIs highlight performance in specific areas for each sector and sectoral indicators relating to safeguards and service delivery.

Changes to Disbursement Linked Indicators (DLIs)

18. **The framework for DLIs will be revised to achieve the results across the four Results Areas (RAs) as follows³:**

- a. **The DLIs covering the adequacy and equity of local government financing (RA1) will be consolidated and sharpened.** The DLIs for non-wage recurrent will be extended to cover both wage and non-wage recurrent funding in line with the MTP for financing local service delivery. Essential medical supplies, which are procured centrally, will also be included. The combined recurrent and development DLIs, now DLIs 4 and 5 respectively will cover the adequacy and equity of all conditional grants for LG service delivery in education and health. This will enable the discontinuation of the original DLIs (originally labeled as DLI 1.1, 1.2 and 1.3 and DLI 2.1, 2.2 and 2.3) from the FY 2019/20 onwards relating to the overall size of health and education resources, as overall adequacy will be covered by DLIs 4 and 5.
- b. **New DLIs will be added to measure central government oversight overall (new RA2) and service delivery performance (RA3).** DLI 6 relates to the implementation of key actions to strengthen service delivery process, systems and their implementation by central government. Sector and crosscutting key actions will be set out in a service delivery improvement matrix which will form part of the Restructuring and AF Program Paper and updated in the Program Operations Manual (POM). A value of \$1m will be assigned to each action. The original DLI 3 will be discontinued, and replaced by DLI 7, which is broadened to relate to central government performance in oversight, technical support, and capacity building functions overall and incorporates undertaking the LG performance assessment. The original DLIs 1.4 and 2.4 will be replaced from 2019/20 onwards by a single DLI, DLI 8 which measures performance in local government management of service delivery in health, education and crosscutting. Finally, under the new DLI 9, service delivery performance will be systematically assessed and encouraged through the PforR.

19. **The framework of DLIs will be applied to all sectors and for crosscutting interventions.** Table 3 sets out the revised structure for DLIs. Each sector has annually specified Disbursement Linked Results (DLRs) for each DLI. Similarly, DLRs are specified against DLIs for crosscutting interventions. This differs from the original UgIFT where sectors had their own DLIs and on DLI covered crosscutting areas.

20. **Another change is that DLIs will be scalable based on the components of the DLI that have been achieved.** During implementation thus far it has become apparent that having ‘all or nothing’ meant that in some cases the DLIs

³ The following DLRs have been discontinued, which either a) were not achieved up to 2018/19 or are being replaced by DLIs 4 to 9 from 2019/20 onwards: DLR#1.1.2 to .5; DLR#1.2.3 to .5; DLR#1.3.1, DLR#1.3.3 to .5; DLR#1.4.3. to .5; DLR#2.1.2 to .5; DLR#2.2.1, DLR#2.2.3 to .5; DLR#2.3.1 to .5; DLR#2.4.3 to .5; DLR#3.3 to .5



did not reward genuine progress made. Therefore, in the disbursement DLIs have been disaggregated and made scaleable, with amounts linked to the elements achieved, where appropriate.

Table 3: Revised Structure of DLIs

DLIs	Values	Revised Scope of DLIs																																
Results Areas 1: Improving the adequacy and equity of financing of LG services																																		
DLI 4 - Adequacy and Equity of Recurrent Financing of Local Service Delivery Improves in line with the Medium-Term Plan for Financing Local Government Service Delivery – Wage (DLI 1.1) and Non-Wage (DLI 1.2)	<table border="1"> <thead> <tr> <th>DLI 4 Recurrent</th> <th>By June 2020</th> <th>By June 2021</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>4.1 Wage</td> <td>8.00</td> <td>20.00</td> <td>28.00</td> </tr> <tr> <td>Education</td> <td>6.00</td> <td>14.00</td> <td>20.00</td> </tr> <tr> <td>Health</td> <td>2.00</td> <td>6.00</td> <td>8.00</td> </tr> <tr> <td>4.2 NWR</td> <td>22.00</td> <td>25.00</td> <td>47.00</td> </tr> <tr> <td>Education</td> <td>14.00</td> <td>12.00</td> <td>26.00</td> </tr> <tr> <td>Health</td> <td>8.00</td> <td>13.00</td> <td>21.00</td> </tr> <tr> <td>DLI 4</td> <td>30.00</td> <td>45.00</td> <td>75.00</td> </tr> </tbody> </table>	DLI 4 Recurrent	By June 2020	By June 2021	Total	4.1 Wage	8.00	20.00	28.00	Education	6.00	14.00	20.00	Health	2.00	6.00	8.00	4.2 NWR	22.00	25.00	47.00	Education	14.00	12.00	26.00	Health	8.00	13.00	21.00	DLI 4	30.00	45.00	75.00	<p><i>DLR4.1. Wage Allocations, Recruitment and Releases</i> Approved budget and MTEF wage recurrent allocations are consistent with plans in the MTP in specified sectors for:</p> <ul style="list-style-type: none"> (a) staffing critical positions to in higher LG departments and in lower LGs, (b) staffing of newly constructed/upgraded facilities to agreed minimum levels; and (c) at least an agreed percentage of planned recruitment has been completed, with new staff on the payroll. <p><i>DLR4.2. Non-Wage-Recurrent Allocations and Releases</i> Approved budget and MTEF allocations are for non-wage recurrent financing of service delivery in specified sectors:</p> <ul style="list-style-type: none"> (a) are consistent with the MTP for financing local services; (b) are based on an agreed formula whose underlying data is publicly available; and (c) at least 97% of the previous FY’s budgeted transfers are released to all LGs and releases publicly available online. <p><i>NB: This represents an expanded and combined version of former DLI 1.2 and 2.2, including wage together with non-wage recurrent allocations for health and education. This means that the original DLI 1.1 and 2.1 will be discontinued from 2019/20 onwards.</i></p>
	DLI 4 Recurrent	By June 2020	By June 2021	Total																														
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DLI 5 -Adequacy and Targeting of Development Financing for Service Delivery Infrastructure and Equipment improves and is linked to Performance	<table border="1"> <thead> <tr> <th>DLI 5 Development</th> <th>By June 2020</th> <th>By June 2021</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Education</td> <td>6.00</td> <td>6.00</td> <td>12.00</td> </tr> <tr> <td>Health</td> <td>8.00</td> <td>4.00</td> <td>12.00</td> </tr> <tr> <td>DLI 5</td> <td>14.00</td> <td>10.00</td> <td>24.00</td> </tr> </tbody> </table>	DLI 5 Development	By June 2020	By June 2021	Total	Education	6.00	6.00	12.00	Health	8.00	4.00	12.00	DLI 5	14.00	10.00	24.00	<p>Approved budget and MTEF allocations for development grants for service delivery in specified sectors:</p> <ul style="list-style-type: none"> (a) are consistent allocations to grant components within the MTP; (b) at least one component is based on an agreed formula; (c) the formula based component is linked to performance as specified in the POM; and (d) at least 97% of the previous FY’s budgeted transfers are released to all LGs, with releases publicly available online <p><i>NB: This is a revised and combined former DLI 1.3 and 2.3 and extends to cover DDEG.</i></p>																
DLI 5 Development	By June 2020	By June 2021	Total																															
Education	6.00	6.00	12.00																															
Health	8.00	4.00	12.00																															
DLI 5	14.00	10.00	24.00																															
Results Area 2: Improving performance in the oversight, management and delivery of LG services																																		
DLI 6 (New) Number of key actions from the Service Delivery Improvement Matrix that have been completed by central government to improve systems, processes and capacity for improved service delivery	<table border="1"> <thead> <tr> <th>DLI 6 Systems & Processes</th> <th>By June 2020</th> <th>By June 2021</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>DLI 6</td> <td>18.00</td> <td>-</td> <td>18.00</td> </tr> </tbody> </table>	DLI 6 Systems & Processes	By June 2020	By June 2021	Total	DLI 6	18.00	-	18.00	<p>18 key actions from Service Delivery Improvement Matrix that have been completed where for each action completed the following is true: (a) the action completed is represented by a distinct row in the Service Delivery Improvement Matrix; (b) a definition of completion and evidence required for verification of completed has been specified in the POM for that action; and (c) The action has been completed in a way that is consistent with the definition in the POM and the responsible MDA has reported on that completion of that activity to OPM and provided supporting evidence in line with the requirements of the POM.</p>																								
DLI 6 Systems & Processes	By June 2020	By June 2021	Total																															
DLI 6	18.00	-	18.00																															



DLIs	Values	Revised Scope of DLIs																				
DLI 7 (New) Central Government core functions in oversight, guidance, performance assessment and improvement, monitoring and technical support to LG service delivery take place	<table border="1"> <thead> <tr> <th>DLI 7 Routine Oversight</th> <th>By June 2020</th> <th>By June 2021</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td><i>Crosscutting</i></td> <td>2.0</td> <td>4.0</td> <td>6.0</td> </tr> <tr> <td><i>Education</i></td> <td>1.0</td> <td>4.0</td> <td>5.0</td> </tr> <tr> <td><i>Health</i></td> <td>1.0</td> <td>4.0</td> <td>5.0</td> </tr> <tr> <td>DLI 7</td> <td>4.00</td> <td>12.00</td> <td>16.00</td> </tr> </tbody> </table>	DLI 7 Routine Oversight	By June 2020	By June 2021	Total	<i>Crosscutting</i>	2.0	4.0	6.0	<i>Education</i>	1.0	4.0	5.0	<i>Health</i>	1.0	4.0	5.0	DLI 7	4.00	12.00	16.00	Central MDAs carry out their core functions in the oversight delivery in specified sectors/areas, including (a) essential guidance, (b) performance assessment and improvement support, and (c) routine review of workplans, budgets and reports, monitoring of service delivery and construction and safeguarding requirements
	DLI 7 Routine Oversight	By June 2020	By June 2021	Total																		
	<i>Crosscutting</i>	2.0	4.0	6.0																		
	<i>Education</i>	1.0	4.0	5.0																		
	<i>Health</i>	1.0	4.0	5.0																		
DLI 7	4.00	12.00	16.00																			
Results Area 3: Improving LG Management of Service Delivery																						
DLI 8 Management of Service Delivery is strengthened in LGs overall and for the weakest performing LGs	<table border="1"> <thead> <tr> <th>DLI 8 LG Management</th> <th>By June 2020</th> <th>By June 2021</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td><i>Education</i></td> <td>2.0</td> <td>2.0</td> <td>4.0</td> </tr> <tr> <td><i>Health</i></td> <td>2.0</td> <td>2.0</td> <td>4.0</td> </tr> <tr> <td>DLI 8</td> <td>4.00</td> <td>4.00</td> <td>8.00</td> </tr> </tbody> </table>	DLI 8 LG Management	By June 2020	By June 2021	Total	<i>Education</i>	2.0	2.0	4.0	<i>Health</i>	2.0	2.0	4.0	DLI 8	4.00	4.00	8.00	In the performance assessment of the LG management of services and delivery of infrastructure in the specified sectors/areas: (a) for the 18/19 assessment the average LG score has improved and for subsequent assessments the number of LGs meeting minimum conditions is at least an agreed specified level and does not decline; <i>and</i> (b) average ranking of a specified number of the weakest performing LGs, on average improves, in comparison to the previous assessment. <i>NB: This combines and revises the former DLIs 1.4, 2.4 and 3</i>				
	DLI 8 LG Management	By June 2020	By June 2021	Total																		
	<i>Education</i>	2.0	2.0	4.0																		
	<i>Health</i>	2.0	2.0	4.0																		
	DLI 8	4.00	4.00	8.00																		
DLI 9 Service delivery performance is strengthened overall and for the weakest performing facilities and sub-counties	<table border="1"> <thead> <tr> <th>DLI 9 Service Delivery</th> <th>By June 2020</th> <th>By June 2021</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td><i>Education</i></td> <td></td> <td>2.0</td> <td>2.0</td> </tr> <tr> <td><i>Health</i></td> <td></td> <td>3.4</td> <td>3.4</td> </tr> <tr> <td>Total</td> <td>-</td> <td>5.37</td> <td>5.37</td> </tr> </tbody> </table>	DLI 9 Service Delivery	By June 2020	By June 2021	Total	<i>Education</i>		2.0	2.0	<i>Health</i>		3.4	3.4	Total	-	5.37	5.37	Service delivery performance in facilities School/health facility and lower local governments has been assessed				
	DLI 9 Service Delivery	By June 2020	By June 2021	Total																		
	<i>Education</i>		2.0	2.0																		
	<i>Health</i>		3.4	3.4																		
	Total	-	5.37	5.37																		

Table 4: Verification Arrangements

DLI Area	DLIs 4 & 5 Equity and Adequacy of Financing	DLIs 6 & 7 Service Delivery Improvement and Central Oversight	DLI 8 LG Performance Assessment	DL 9 Service Delivery Performance Assessment
Compilation of Results	MoFPED July 15 th FY0	OPM, from Sector Ministries, with review by LGPA-TF July 15 th FY0	OPM, from contracted firms, with review by LGPA-TF 15 th Dec FY0	Sector Ministry, from assessing entities, with review by LGPA-TF 15 th Dec FY0
Verification of Results	LGFC July 31 st FY0	OPM, supported by Independent Verification Firm July 31 st FY0	OPM, supported by an Independent QA & Verification Firm Dec 31 st FY0	OPM, supported by Independent Verification Firm Dec 31 st FY0 ⁴
Endorsement by GoU and forwarding to WB by MoFPED	IGFT TC July 31 st FY0	IFT TC July 31 st FY0 on advice of the LGPA-TF	IFT TC Jan 15 th FY0 on advice by the LGPA-TF	
	IFT SC August 15 th FY0		IFT SC 31 st Jan FY0	
Confirmation by WB	Sept 15 th FY0		28 th February FY0	

⁴ Audit results ready by end of December will be incorporated in first week of January.



21. **LGFC will be responsible for verifying DLIs 4 and 5 relating to the adequacy and equity of financing and OPM will be responsible for verification of DLIs 6, 7, 8 and 9 relating to Central Government Oversight, Local Government Management and Service Delivery performance.** This is in line with their institutional mandates. An independent firm or firms will support the OPM in verifying results for DLIs 6, 7, 8 and 9. For those actions under DLIs 3 and 4 which are the responsibility of OPM, LGFC will conduct an independent check. The PS/ST of MoFPED, as chair of the IFT Steering Committee, will continue to report to the World Bank on achievement of DLIs. The IFT Technical Committee, chaired by MoFPED will be responsible for overseeing the reporting on DLIs and endorsement of the verification of the associated results by the LGFC.

22. **The IDA will observe the process of results achievement and continue to retain the right to make the final decision on whether a DLR has been achieved or not when confirming results.** This will include observing all stages of the annual performance assessment processes and associated meetings of the LGPA task force. The basis of this confirmation will be the verification protocols and reporting requirements set out in the POM.

23. **Reallocation of funds between DLIs will streamline project activities to align with government priorities and better contribute to the achievement of the PDO.** The amount allocated for the payment to each DLI and DLR has been adjusted (Table 4). The time horizon to achieve DLIs will be reduced from 1 year from end-June 2022 to end-June 2021, enabling allocation resources to new results. The difference in the value of the Original DLIs not yet achieved and Restructured DLIs is due to changes in the SDR US\$ exchange rate.

Table 5: Proposed reallocation of funds between DLIs

DLI	Original DLI values not achieved
Original Program	
1. Enhancing Adequacy and Equity of Fiscal Transfers and Fiscal Management of Resources for Education Services	\$88m (\$78m Y3-5, \$10m Y1-2)
2. Enhancing Adequacy and Equity of Fiscal Transfers and Fiscal Management of Resources for Health Services	\$45.2m (\$33m Y3-5, \$12.2m Y1-2)
3. Improvement in Fiscal Management of Education and Health Services	\$11.25m (\$9m Y3-5, \$2.25m Y1-2)
	\$144.45m
Restructured Program	Value assigned to restructured DLIs
4. Adequacy and Equity of Wage and Non-Wage Recurrent Financing of Local Service Delivery Improves in line with the Medium-Term Plan for Financing Local Government Service Delivery	\$75m
5. The Adequacy and Targeting of Development Financing for Service Delivery Infrastructure and Equipment improves and is linked to Performance	\$24m
6. Systems, processes and capacity for improved service delivery within and across sectors are strengthened	\$18m
7. Central Government core functions in oversight, guidance, performance assessment and improvement, monitoring and technical support to LG service delivery take place	\$16m
8. Local Government Management of Service Delivery and Provision of Infrastructure is strengthened in LGs overall and in the weakest performers	\$8m
9 Service Delivery performance improves overall, and in the weakest performing facilities and sub-counties	\$5.37m
Total	\$146.37
<i>o/w health</i>	<i>\$53.37m</i>
<i>o/w education</i>	<i>\$69m</i>
<i>o/w cross-sectoral</i>	<i>\$24m</i>



Changes to Medium-Term Plan and Expenditure Framework

Table 6: Summary Medium Term Plan for Financing Local Services

Total Indicative LG Allocations (US\$ Billions)	Actual Budget Allocations			MTP Projections	
	2017/18	2018/19	2019/20	2020/21	2021/22
	Original UgIFT Timeframe				
LG Unconditional Wage Grant Increment - Additional School Inspectors				1.4	4.3
Total Education	259.2	383.8	450.1	534.9	642.8
Recurrent - Education Sector Wage Grant Increment (Cumulative)				17.2	73.7
o/w Primary Education Wage Increment (Cumulative)				0.0	27.5
o/w Secondary Education Wage Increment (Cumulative)				17.2	46.2
Recurrent - Education Sector Non-Wage Grant	226.7	255.3	298.1	335.3	384.7
o/w Primary Education - Non Wage Recurrent	67.8	85.1	131.8	160.4	196.2
o/w Secondary Education - Non Wage Recurrent	127.1	137.4	130.7	139.4	145.7
o/w Skills Development - Non Wage Recurrent	31.8	32.7	35.0	35.0	42.0
o/w SNE Education - Non Wage Recurrent			0.6	0.6	0.8
Development - Education Sector Development Grant	32.5	128.6	152.0	182.4	184.4
o/w Seed Secondary Schools		79.5	106.4	130.4	117.4
o/w Formula and Performance-Based			45.6	52.0	67.0
Total Health	39.9	109.3	106.2	249.0	426.6
Total Health - LGs	39.9	109.3	106.2	167.6	307.8
Recurrent - Health Wage Grant Increment (Cumulative)				3.5	43.3
Recurrent - Health Non-Wage Grant	39.9	39.9	56.2	85.9	131.4
Development - Health Sector Development Grant	0.0	69.4	50.0	78.2	133.1
o/w Facility Upgrades			39.7	55.1	88.6
o/w Formula and Performance-Based			10.3	23.1	44.5
Total Health - Central Government (from FY 20/21)			75.3	81.4	118.8
Recurrent - Essential Medical Supplies NMS & JMS - PNFP (from FY 20/21)			75.3	81.4	118.8
Total Grant Allocations	299.1	493.1	556.3	785.3	1,073.7
Indicative Central Level Allocations (US\$ Billions)					
Routine Coordination, Oversight and Performance Improvement	0.0	11.2	12.1	14.7	19.9
Strengthening Processes, Systems and Capacity for Service Delivery	0.0	0.0	4.9	2.0	34.1
Total Central Routine Oversight, Systems Strengthening and Capacity Development	0.0	11.2	16.9	16.7	54.1
GRAND TOTAL (Total LG Financing + Central Allocations)	299.1	504.3	573.2	802.0	1,127.8
Of which IDA		183.8	205.8	257.3	88.2
% IDA		36%	36%	32%	8%
Annual Allocation Changes (20/21 reflects changes vs 19/20 allocations including new sectors)		205.2	68.9	153.6	325.7
Increase as a % of IDA		112%	33%	60%	369%

24. **The Medium-Term Plan for Financing Service Delivery is a key pillar of the IFTRP and is being revised based on sector costing.** Table 6 sets out a summary of the revised medium-term plan based on the sectors which have been costed. The Medium-Term Plan involves two main elements:

- First, the allocation to fiscal transfers for local service delivery over time. Within health, the allocations to essential medical supplies have been included in the MTP, which are key service delivery inputs for local service delivery. The MTP covers the period from 2017/18 to 2023/24. Although program expenditures will end in 2022/23 the last year of DLIs will impact on 2023/24 grant allocations.
- Second, central government Oversight and Systems Strengthening, which is given great emphasis in the revised IFTRP. Allocations will be increased significantly to enable its implementation, with costs divided into two components: 1) routine oversight, technical support and performance improvement costs; and 2) the new



component, allocation to policies and systems strengthening, which will support the delivery of actions to strengthen service delivery. Central allocations will further be broken down by national government institutions based on their roles in oversight, technical support and policies and systems development requirements in line which agreed principles which take into account the nature of a) routine oversight, technical support and capacity building functions and b) the key actions that need to be implemented in a given year to strengthen processes and systems.

25. **The Program expenditure framework represents a subset of the MTP and will continue to be limited to the non-wage recurrent and development transfers to LGs and national government costs.** Table 6 shows the Expenditure Framework in US\$. The total expenditure framework is US\$868 million over the Program period. Of this the World Bank will have contributed US\$200 million and GoU US\$668 million. The World Bank contribution is approximately equivalent to 75% of the value of development allocations and the GoU covers the value of recurrent allocations and a quarter 25% of development allocations.

Table7: Program Expenditure Framework

Total Indicative LG Allocations	Actual Budget Allocations			MTP Projections		PEF
	2017/18	2018/19	2019/20	2020/21	2021/22	GRAND
	UgIFT Timeframe					Total
Total Education	70.5	104.4	122.5	140.9	154.8	593.2
Recurrent - Education Sector Non-Wage Grant	61.7	69.5	81.1	91.2	104.7	408.2
Development - Education Sector Development Grant	8.8	35.0	41.4	49.6	50.2	185.0
Total Health	10.9	29.7	28.9	66.8	104.3	240.6
Recurrent - Health Non-Wage Grant	10.9	10.9	15.3	45.5	68.1	150.6
Development - Health Sector Development Grant	0.0	18.9	13.6	21.3	36.2	90.0
Total Rural Water				0.0	0.0	0.0
Water & Env Non-Wage Recurrent Grant				0.0	0.0	0.0
District Water Development Grant				0.0	0.0	0.0
Total Smallscale Irrigation				0.0	0.0	0.0
Development - Smallscale Irrigation				0.0	0.0	0.0
Total Grant Allocations	81.4	134.2	151.4	207.7	259.1	833.8
<i>Of which Recurrent - Non-Wage</i>	<i>72.5</i>	<i>80.3</i>	<i>96.4</i>	<i>136.8</i>	<i>172.8</i>	<i>558.8</i>
<i>Of which Development</i>	<i>8.8</i>	<i>53.9</i>	<i>55.0</i>	<i>70.9</i>	<i>86.4</i>	<i>275.0</i>
Indicative Central Level Allocations						
Routine Coordination, Oversight and Performance Improvement (DLI 4)	0.0	3.0	3.3	4.0	5.4	15.8
Strengthening Processes, Systems and Capacity for Service Delivery	0.0	0.0	1.3	0.5	9.3	11.2
Total Central Routine Oversight, Systems Strengtening and Capacity Development	0.0	0.0	14.7	4.5	14.7	34.0
GRAND TOTAL (Total Grant Allocations + Coordination Oversight, Assessment & Support)						
	81.4	134.2	166.1	212.2	273.9	867.7
<i>Of which GoU</i>	81.4	84.2	110.1	142.2	249.9	667.7
<i>Of which IDA</i>		50.0	56.0	70.0	24.0	200.0

26. **Long term sustainability of the IFTRP beyond UgIFT and the associated gains is expected to be secure for four reasons.** Firstly, the GoU is committed to sustaining the improvements to equity and adequacy of transfers to sectors, as these increases and improved targeting is of resources underpinned by sectoral policy commitments and MoFPED leadership and support, the resource allocation process has been hardwired into the system, and the partnership between MoFPED and sector ministries and between central and local governments have further strengthened this commitment. Secondly, the GoU will be able to sustain these changes, as the changes are being made incrementally over time and the share of World Bank resources underpinning those increases will have reduced to less than 30% of the Expenditure Framework by the end of the extended Program. Thirdly performance assessment frameworks in the oversight, management and delivery of services will be difficult to roll back, as they will have been fully institutionalized



under the coordination of OPM and MoLG. Finally, the results expected from UgIFT are to improve significantly the service delivery, and this will create expectations in the public as well, which will be politically difficult to roll back.

Changes to the Risks

27. **The overall risks for the Program continue to be rated as substantial.** This is consistent with the overall Program risk at the of approval of the original UgIFT Program as well as the last Implementation Status and Report (ISR) ratings. The risk rating for the operation are presented in Section IV.

28. **The COVID-19 pandemic affects risks to the program in several ways, whilst increasing its relevance.** If the pandemic accelerates in Uganda, COVID-19 is likely to put strain on local health systems. Schools may also remain closed for a lengthy period, as may travel restrictions and social distancing measures. Health facilities will have to adjust how they deliver services. This makes capacity and systems strengthening simultaneously more important and more challenging. It is important that UgIFT implementation arrangements remain flexible, so they can adapt rather than be derailed by COVID-19 related constraints. This may include innovative and technology-based modalities for remote dissemination, training and monitoring.

29. **Political and governance-related risks, together with macroeconomic, environmental and stakeholders' risks remain moderate.** These ratings reflect the implementation progress of the Original UgIFT Program. The Government continues to demonstrate strong ownership and commitment towards the achievement of the PDO. Furthermore, MoFPED provides strong leadership on advancing institutional reforms, and strengthening institutional capacity, and coordinates efforts with line ministries and local governments. Macroeconomic risks remain moderate, despite economic and fiscal shock associated with COVID-19, the low risk of debt distress rating based on the DSF due to the vulnerabilities to weather-related shocks, and the uncertainties regarding the presidential elections that could impact investment activity and therefore growth. From a fiscal sustainability perspective, the increase in allocations for wage, non-wage and development grants to LGs is not expected to result in a deterioration of the risk of debt distress.

30. **Substantial risks remain at sector strategies and policies, technical design of the program, institutional capacity, fiduciary, but only change in risk rating is social risks.** The main social risks under the project include potential economic and physical displacement for the construction of new school and health facilities. In addition, the expected influx of labor into affected communities to carry out related civil works may pose risks if not mitigated adequately. Under the UgIFT substantial gaps in addressing the issues at both central and local levels have been noted and as such, social risk under this project will be rated at substantial.

31. **Risk mitigation measures.** The program will put in place mitigating mechanisms to address these risks with a focus on strengthening capacity in MoFPED to perform oversight and coordination functions to the participating ministries and LGs. Additional focus on investing in ministry capacity to oversee local service delivery and accompanying institutional enhancement activities will help mitigate these risks. These measures will address shortcomings which cut across the Program, as well as risks, which are specific to sector strategies and policies, technical and institutional capacity, as well as fiduciary, and environmental and social management. A number of these risks will be addressed at the DLI level and through actions in the Program Action Plan. Measures will be put in place to ensure the quality of systems, process and capacity strengthening activities.

Changes to Institutional Arrangements

32. **The UgIFT Restructured Program will be more complex to manage given its deepened scope.** With appropriate bolstering of the implementation arrangements, this challenge can be met, and the cross sectoral and sectoral benefits will be large. This will involve building on what has worked, including the strong leadership of the MoFPED, and addressing weaknesses that have been identified during implementation.



33. **There are two critical dimensions to coordination of the deeper agenda of the Program – cross sectoral and sectoral:**

- **The oversight, steering and technical committees, which are functioning well in providing cross sectoral coordination and oversight, will continue with expanded participation.** This will involve participation from MoPS, given the increased focus on crosscutting and sectoral human resources issues. To strengthen oversight of construction of service delivery infrastructure, MoWT and PPDA will be included as will MoGLSD and NEMA. The Inspectorate of Government will also be coopted into the membership alongside PPDA.
- **At the sectoral dimension, strengthened coordination structures will be established and capacity gap addressed.** Coordination structures will depend on the sector, and will involve responsible line departments within sector ministries. In addition, each sector will review its capacity to undertake their functions in supporting service delivery actions will be taken to address capacity gaps. These represent key actions in the service delivery improvement matrix for each sector.

34. **The restructured UgIFT provides a greater emphasis on central level oversight and processes and systems strengthening and mechanisms needed to be put to ensure these activities are well coordinated.** There are two elements to these activities a) routine oversight, technical support, performance assessment and targeted performance improvement and b) process and systems strengthening. To manage **these** two dimensions two tools will be introduced:

- **A calendar of routine oversight, monitoring and technical support activities,** which will be developed by each sector and cross sectoral agencies, and help agencies ensure they are on track in the implementation of routine activities
- **The service delivery improvement matrix,** will be a key tool for monitoring action to strengthen processes and systems, and implementing institutions will report quarterly on progress in implementing activities

35. **MDAs will report quarterly against both adherence to their calendars to their own coordination mechanisms and the IFTRP technical and steering committees.** This will enable stakeholders to review each other progress and help senior managers **understand** where progress is being made and challenges are emerging.

36. **An important implementation lesson is that central activities need to be adequately funded and effective management procedures for those funds need to be put in place.** Under the restructured program the following provisions have been made to **increase** funding and ensure those funds are well managed:

- The MTP involves significant increases to ensure these funds are managed effectively. Allocations to routine oversight and process and systems strengthening will increase from \$4.6m in 2019/20 to \$6.4m in 2020/21 increasing to \$13m by 2021/22 – enabling systems and process strengthening to take place alongside routine oversight.
- The Reform Coordination Unit (RCU) in MoFPED, which has an established dedicated team to support work-planning, financial management, procurement and reporting, will support the management of central government funding. The majority of resources earmarked for (i) routine oversight, technical support, performance assessment and targeted performance improvement and (ii) process and systems strengthening will be budgeted for under the Resource Enhancement and Accountability Program (REAP), which is managed by the RCU in the Ministry of Finance, Planning and Economic Development. The UGIFT Component of REAP will be led by the Budget Directorate, MoFPED, and each of the implementing institutions will identify a lead senior officer as the focal point to drive implementation at MDA level.



- As part of the arrangements for both windows of funding a) a quarterly system of work-planning and quarterly reporting will be put in place linked to the events calendar and service delivery matrix and b) critical policy and systems strengthening activities will be identified in the POM, and TORs will be required to be cleared by the Technical Committee and the World Bank. Funding for routine activities will be transferred from the RCU directly to MDAs on a half yearly basis. Funding for process and systems strengthening will be activity based and managed directly by the RCU.

37. Further **Procedures** for the management of these funds will be elaborated in the updated Program Operations Manual.

III. SUMMARY OF CHANGES

	Changed	Not Changed
Change in Program Scope	✓	
Change in Results Framework	✓	
Reallocation between and/or Change in DLI	✓	
Change in Disbursement Estimates	✓	
Change in Systematic Operations Risk-Rating Tool (SORT)	✓	
Change in Technical Method	✓	
Change in Environmental and Social Aspects	✓	
Change in Implementation Schedule	✓	
Change in Implementing Agency		✓
Change in Program's Development Objectives		✓
Change in Loan Closing Date(s)		✓
Change in Cancellations Proposed		✓
Change in Disbursements Arrangements		✓
Change in Safeguard Policies Triggered		✓
Change in Legal Covenants		✓
Change in Institutional Arrangements		✓



Change in Fiduciary		✓
Other Change(s)		✓

IV. DETAILED CHANGE(S)

DISBURSEMENT ESTIMATES

Year	Current	Proposed
2018	10,272,000.00	0.00
2019	23,314,400.00	50,492,707.00
2020	36,969,600.00	55,688,419.00
2021	46,877,200.00	74,000,000.00
2022	41,494,600.00	19,818,874.00
2023	32,966,400.00	0.00
2024	8,105,800.00	0.00

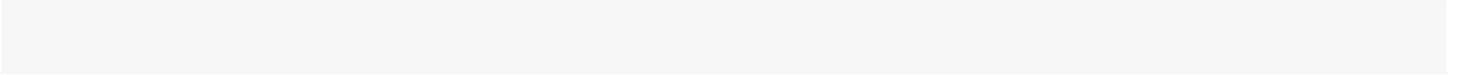
SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Latest ISR Rating	Current Rating
Political and Governance	● Moderate	● Moderate
Macroeconomic	● Moderate	● Moderate
Sector Strategies and Policies	● Substantial	● Substantial
Technical Design of Project or Program	● Substantial	● Substantial
Institutional Capacity for Implementation and Sustainability	● Substantial	● Substantial
Fiduciary	● Substantial	● Substantial
Environment and Social	● Moderate	● Substantial
Stakeholders	● Moderate	● Moderate
Other	● Moderate	● Moderate
Overall	● Substantial	● Substantial



The World Bank

Uganda Intergovernmental Fiscal Transfers Program (P160250)





ANNEX 1: RESULTS FRAMEWORK AND DISBURSEMENT LINKED INDICATORS

Results framework

Program Development Objectives(s)

To improve the adequacy and equity of fiscal transfers and fiscal management of resources by Local Governments for health and education services.

Program Development Objective Indicators by Objectives/ Outcomes

Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
1a: Adequacy and equity of Staffing for Service Delivery (Action: This Objective is New)				
Primary Schools - % of LGs with enough teachers to meet minimum staffing levels. (Text)	N/A		78%	78%
Action: This indicator is New				
Secondary Schools - % of LGs with enough teachers to meet minimum staffing levels. (Text)	N/A		47%	47%
Action: This indicator is New				
Health Facilities - % of LGs with enough health workers to meet minimum staffing levels. (Text)	N/A		37%	37%
Action: This indicator is New				
Critical Sector Departments & LLG staff - % of LGs all critical staff in place. (Text)	N/A		10%	35%
Action: This indicator is New				



Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
1b: Adequacy of Non-Wage Recurrent and Development Financing for Service Delivery (Action: This Objective is New)				
LG Non Wage Recurrent Financing - Nominal Budget Allocations for Health and Education (UGX billion) (Text)		223.00	354.00	421.00
<i>Action: This indicator is New</i>				
LG Development Financing - Nominal Budget Allocations for Health and Education (UGX billion) (Text)		28.00	202.00	261.00
<i>Action: This indicator is New</i>				
1c: Equity of Non Wage Recurrent and Development Financing for Service Delivery (Action: This Objective is New)				
LG Non Wage Recurrent Financing - % of Grant Allocations for Health and Education based on an Equitable Formula (Text)		0%	90%	92%
<i>Action: This indicator is New</i>				
LG Development Financing - % of Grant Allocations for Health, Education on an Equitable Formula (Text)		100% (Education Only)	28%	29%
<i>Action: This indicator is New</i>				
2: Core Functions Carried Out in the Oversight of Service Delivery by Central Government (Action: This Objective is New)				
Number of core central functions carried in support of service delivery (in Education, Health and Crosscutting Areas) (Text)		0 out of 2	1 out of 2	2 out of 4
<i>Action: This indicator is New</i>				
3a: Improvement in the LG performance in the management of service delivery and investments (Action: This Objective is New)				



Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
Improvement in LG Management Performance Overall (in Education, Health and Cross-cutting Areas) (Text)		N/A	Yes	Yes
Action: This indicator is New				
3b: Improvement in LG performance in the management of resources in the worst performing LGs (Action: This Objective is New)				
Improvement in LG management performance in the worst performing LGs (in Education, Health and Cross-cutting Areas) (Text)		N/A	Yes	Yes
Action: This indicator is New				
4. Service Delivery Performance Assessed (Action: This Objective is New)				
Education: % of LLGs with population >15,000 with a government secondary school with basic facilities and minimum staffing levels (Text)		N/A	84%	87%
Action: This indicator is New				
Education: Average score in the primary school performance assessment improves in the sample LGs. (Text)		N/A	N/A	Yes
Action: This indicator is New				
Health: % of sub-counties with population >15,000 with a functional health center III or IV (Text)		N/A	96%	97%
Action: This indicator is New				
Health: Average score in the RBF facility assessment improves (Text)		N/A	N/A	Yes
Action: This indicator is New				



Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
Annual percentage increase in sector conditional grants to LGs for edu and health services (4-yr MA) (Action: This Objective has been Marked for Deletion)				
Education % (Percentage)		0.01		7.50
Action: This indicator has been Marked for Deletion				
Health % (Percentage)		0.01		13.25
Action: This indicator has been Marked for Deletion				
Conditional non-wage current grants per beneficiary of 20 least as % of 20 best funded Districts (Action: This Objective has been Marked for Deletion)				
Education, per child of school going age: % (Percentage)		33.00		46.00
Action: This indicator has been Marked for Deletion				
Health, per capita: % (Percentage)		22.00		38.00
Action: This indicator has been Marked for Deletion				
% share of education and health development grants made to the 30 least served Districts (Action: This Objective has been Marked for Deletion)				
Transfers to 30 districts with lowest enrolment rates (Percentage)		20.00		21.00
Action: This indicator has been Marked for Deletion				
% transfers to 30 Districts with highest population per health facility (Percentage)		39.00		35.00
Action: This indicator has been Marked for Deletion				



Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
Fiscal management of education resources by LGs overall doesn't deteriorate (Action: This Objective has been Marked for Deletion)				
Education (Yes/No)		No		Yes
<i>Action: This indicator has been Marked for Deletion</i>				
Health (Yes/No)		No		Yes
<i>Action: This indicator has been Marked for Deletion</i>				
Fiscal management of health resources in 20 worst performing LGs doesn't deteriorate (Action: This Objective has been Marked for Deletion)				
Education (Yes/No)		Yes		Yes
<i>Action: This indicator has been Marked for Deletion</i>				
Health (Yes/No)		No		Yes
<i>Action: This indicator has been Marked for Deletion</i>				

Intermediate Results Indicators by Result Areas

Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
Results Area 1. Enhancing Adequacy and Equity of Financing for LG Services (Action: This Result Area is New)				
IR Indicator 1.1: Average size conditional non-wage recurrent grants for education (primary &		6,621, exc. refugees	7,998	9,397



Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
secondary only) and health services per capita. (Text)				
Action: This indicator is New				
IR Indicator 1.2: Average size of conditional development grants per capita for health and education (Text)		907, exc. refugees	5,069	6,349
Action: This indicator is New				
IR Indicator 1.3: Average conditional non-wage recurrent grants for health and education per beneficiary for the 20 least funded LGs as % national per capita value. (Text)		47%, exc. refugees	47%	53%
Action: This indicator is New				
IR Indicator 1.4: Average conditional development grants for health and education per beneficiary for the 20 least funded LGs as % national per capita value. (formula-based only) (Text)		74% exc. refugees	69%	61%
Action: This indicator is New				
IR Indicator 1.5 - Average % of budgeted non-wage recurrent transfers (as per allocation formula) in the health and education released to Local Governments. (Text)		100%	100%	100%
Action: This indicator is New				
IR Indicator 1.6 Enhanced, equitable formula for conditional development grants in health and education implemented as per plan. (Text)		100% [Education Only]	28%	29%



Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
<i>Action: This indicator is New</i>				
Results Area: 2. Improved Oversight of Service Delivery by Central Government (Action: This Result Area is New)				
IR Indicator 2.1: Central Government Essential Guidance Issued and Disseminated (Text)		No	No	Yes
<i>Action: This indicator is New</i>				
IR Indicator 2.2: Central Government Performance Assessments and Performance Improvement Support Implemented (Text)		No	No	Yes
<i>Action: This indicator is New</i>				
IR Indicator 2.3 Routine Coordination, Oversight, Monitoring and Technical Support of service delivery and safeguards requirements by central government Implemented (Text)		No	Yes	Yes
<i>Action: This indicator is New</i>				
IR Indicator 2.4: Cumulative number of actions to improve service delivery implemented from the service delivery improvement matrix (Number)		0.00	10.00	20.00
<i>Action: This indicator is New</i>				
IR Indicator 2.5: Cumulative % of agreed actions to strengthen social and environmental management implemented (Text)		0%	25%	50%
<i>Action: This indicator is New</i>				
Results Area 3: Improvement in Management of Services by Local Governments (Action: This Result Area is New)				



Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
IR Indicator 3.1: Improvement in LG performance in the management of human resources as measured in the annual performance assessment (Text)		N/A	Yes	Yes
Action: This indicator is New				
IR Indicator 3.2: Improvement in LG performance in the inspection, monitoring and assessment of service delivery as measured in the annual performance assessment (Text)		N/A	Yes	Yes
Action: This indicator is New				
IR Indicator 3.3: Improvement in LG performance in the oversight of construction and the implementation of environmental and social requirements (Text)		N/A	Yes	Yes
Action: This indicator is New				
IR Indicator 3.4: Increase in the average number of minimum conditions met by LGs. (Text)		N/A	Yes	Yes
Action: This indicator is New				
Results Area 4: Improvement in Delivery of Services and infrastructure by Local Governments (Action: This Result Area is New)				
IR Indicator 4.1 – Education: Number of new secondary schools constructed, equipped and staffed to minimum levels (Number)		0.00	115.00	117.00
Action: This indicator is New				



Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
IR Indicator 4.2 – Education: Number of primary schools upgraded to meet basic infrastructure standards (cumulative) (Number)	0.00		0.00	200.00
Action: This indicator is New				
IR Indicator 4.3 – Education: Number of LGs where the school performance assessment and improvement framework has been implemented (Number)	0.00		0.00	50.00
Action: This indicator is New				
IR Indicator 4.5 – Health: Number of HCIIIs upgraded to HCIII which are completed, equipped and staffed up to at least minimum staffing levels. (Number)	0.00		157.00	291.00
Action: This indicator is New				
IR Indicator 4.6 - Health: Number of existing HCIIIs or HCIVs rehabilitated, expanded and/or equipped to meet basic standards. (Text)	N/A		0.00	0.00
Action: This indicator is New				
Enhancing adequacy of fiscal transfers for education and health services (Action: This Result Area has been Marked for Deletion)				
Average conditional non-wage recurrent grants for education services per beneficiary (Number)	6,815.00			11,430.00
Action: This indicator has been Marked for Deletion				
Average conditional non-wage recurrent grants for health services per beneficiary (Number)	1,295.00			3,198.00



Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
Action: This indicator has been Marked for Deletion				
Average conditional development grants for education per child of school going age (Number)		2,260.00		6,432.00
Action: This indicator has been Marked for Deletion				
Average conditional development grants for health services per capita (Number)		321.00		1,804.00
Action: This indicator has been Marked for Deletion				
Number of service delivery structures constructed or rehabilitated in education (Number)		2,909.00		5,275.00
Action: This indicator has been Marked for Deletion				
Number of service delivery structures constructed or rehabilitated in health (Number)		780.00		4,365.00
Action: This indicator has been Marked for Deletion				
Enhancing equity of fiscal transfers for education and health services (Action: This Result Area has been Marked for Deletion)				
Average conditional non-wage recurrent grants for education services per beneficiary for the 20 least funded Districts per child of school going age (Number)		8,303.00		17,349.00
Action: This indicator has been Marked for Deletion				



Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
Average conditional non-wage recurrent grants for health services per beneficiary for the 20 least funded Districts per capita (Number)		692.00		2,120.00
Action: This indicator has been Marked for Deletion				
Enhanced, equitable formula for conditional non-wage recurrent grants in education phased in as per plan (Yes/No)		No		Yes
Action: This indicator has been Marked for Deletion				
Enhanced, equitable formula for conditional non-wage recurrent grants in health phased in as per plan (Yes/No)		No		Yes
Action: This indicator has been Marked for Deletion				
Number of services delivery structures constructed or rehabilitated in the 30 least served districts in education: no of structures in the districts with lowest enrollment (Number)		574.00		1,110.00
Action: This indicator has been Marked for Deletion				
Number of services delivery structures constructed or rehabilitated in the 30 least served districts in health: no of health facilities in the districts with highest population per health facility (Number)		159.00		786.00



Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
Action: This indicator has been Marked for Deletion				
Enhanced, equitable formula for conditional development grants in education implemented as planned (Yes/No)		No		Yes
Action: This indicator has been Marked for Deletion				
Enhanced, equitable formula for conditional development grants in health implemented as planned (Yes/No)		No		Yes
Action: This indicator has been Marked for Deletion				
Improvement in fiscal management of education and health services (Action: This Result Area has been Marked for Deletion)				
Annual performance assessments of LGs completed (Percentage)		0.00		100.00
Action: This indicator has been Marked for Deletion				
Number of performance improvement plans prepared for LGs (Number)		0.00		20.00
Action: This indicator has been Marked for Deletion				
Value for Money audit completed (Yes/No)		No		Yes
Action: This indicator has been Marked for Deletion				



Disbursement Linked Indicators Matrix

DLI 1	DLI 4.1 Adequacy and equity of wage and non-wage recurrent financing of local service delivery improves in line with the medium term plan for financing Local Government service delivery - Wage			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Outcome	Yes	Text	28,000,000.00	0.00
Period	Value		Allocated Amount (USD)	Formula
Baseline	Limited increases in wage recurrent allocations and a lack of objective allocation principles and formulae for conditional grants, with allocations not linked to costs of service delivery.			
by end June 2018			0.00	
by end June 2019			0.00	
by end September 2020	DLR#4.1.20: 2020/21 Approved Budget and MTEF wage recurrent allocations are consistent with plans in the MTP for (a) staffing critical positions to in higher LG departments and in lower LGs (b) staffing of any newly constructed/upgraded facilities to agreed minimum levels, and (c) releases are publicly available online for the following areas: education; health.		8,000,000.00	\$6m Education; \$2m Health
by end June 2021	DLR # 4.1.21: 2021/22 Approved Budget and MTEF wage recurrent allocations are consistent with plans in the MTP for (a) increasing staff by specified numbers in the least staffed LGs and staffing critical		20,000,000.00	\$14m Education; \$6m Health



	positions in higher LG departments and in lower LGs (b) staffing of any newly constructed/upgraded facilities to agreed minimum levels and (c) at least an agreed percentage of planned recruitment for 2020/21 has been completed, with new staff on the payroll, for the following areas: education; health.			
by end June 2022			0.00	
Action: This DLI is New				
DLI 1.1	DLI 4.2 Adequacy and equity recurrent financing of local service delivery improves in line with the medium term plan for financing Local Government service delivery - Non-Wage			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Outcome	Yes	Text	47,000,000.00	0.00
Period	Value		Allocated Amount (USD)	Formula
Baseline	Limited increases in non-wage recurrent allocations and a lack of objective allocation principles and formulae for conditional grants, with allocations not linked to costs of service delivery.			
by end June 2018			0.00	
by end June 2019			0.00	
by end September 2020	DLR#4.2.20: 2020/21 Approved Budget and MTEF allocations are for non-wage recurrent financing of service delivery a) are consistent with the MTP, b) are based on an agreed formula whose underlying data is publicly available, and c) at least 97% of 2019/20 budgeted transfers are released to all LGs		22,000,000.00	\$14m Education; \$8m Health



	and releases publicly available online, for the following areas: Education; Health		
by end June 2021	DLR #4.2.21: 2021/22 Approved Budget and MTEF allocations for non-wage recurrent financing of service delivery a) are consistent with the MTP, b) are based on an agreed formula whose underlying data is publicly available, and c) at least 97% of 2020/21 budgeted transfers are released to all LGs and releases publicly available online, for the following areas: Education; Health, including central allocations to essential medical supplies.	25,000,000.00	\$12m Education; \$13m Health
by end June 2022		0.00	
Action: This DLI is New			
DLI 2	DLI 5. Adequacy and targeting of development financing for service delivery infrastructure and equipment improves and is linked to performance in the Education and Health, sectors, as applicable		
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)
Outcome	Yes	Text	24,000,000.00
Period	Value	Allocated Amount (USD)	Formula
Baseline	2017/18 budget allocations for conditional health sector development grants and transitional development grants were ad hoc and not linked to performance. Values of grants had stagnated.		
by end June 2018		0.00	
by end June 2019		0.00	



by end September 2020	DLR # 5.20: 2020/21 Approved Budget and MTEF allocations for development grants for service delivery a) are consistent allocations to grant components within the MTP, b) at least one component is based on an agreed formula, c) the formula based component is linked to performance as specified in the POM, and d) at least 97% of 2019/20 budgeted transfers are released to all LGs, with releases publicly available online for the following areas: Education; Health			14,000,000.00	\$6m Education; \$8m Health
by end June 2021	DLR # 5.21: 2021/22 Approved Budget and MTEF allocations for development grants for service delivery a) are consistent allocations to grant components within the MTP, b) at least one component is based on agreed formula, c) the formula based component is linked to performance as specified in the POM, and d) at least 97% of 2020/21 budgeted transfers are released to all LGs, with releases publicly available online, for the following areas: Education; Health			10,000,000.00	\$6m Education; \$4m Health
by end June 2022				0.00	
Action: This DLI is New					
DLI 3	DLI 6. Number of Key actions from the Local Service Delivery Improvement Matrix that take place which are intended to improve systems, processes and capacity for improved service delivery				
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount	
Output	Yes	Text	18,000,000.00	0.00	
Period	Value		Allocated Amount (USD)	Formula	



Baseline	0.00		
by end June 2018		0.00	
by end June 2019		0.00	
by end September 2020		0.00	
by end June 2021	DLR #6. 18 key actions from Service Delivery Improvement Matrix that have been completed where for each action completed the following is true: (a) the action completed is represented by a distinct row in the Service Delivery Improvement Matrix; (b) a definition of completion and evidence required for verification of completed has been specified in the POM for that action; and (c) The action has been completed in a way that is consistent with the definition in the POM and the responsible MDA has reported on that completion of that activity to OPM and provided supporting evidence in line with the requirements of the POM.	18,000,000.00	\$1 million per action
by end June 2022		0.00	
Action: This DLI is New			



DLI 4	DLI 7. Central Government core functions in oversight, guidance, performance assessment and improvement, monitoring and technical support to LG service delivery take place			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Output	Yes	Text	16,000,000.00	0.00
Period	Value		Allocated Amount (USD)	Formula
Baseline	No assessment of the performance by central government coordination, oversight, performance assessment and support. Central government did not have a system of assessing LG performance and improvement planning.			
by end June 2018			0.00	
by end June 2019			0.00	
by end September 2020	DLR#7.20 Central MDAS carry out their core functions in the oversight of service delivery including a) essential guidance, b) performance assessment and improvement support, and c) routine review of workplans, budgets and reports, monitoring of service delivery and construction and safeguarding requirements, in the following areas: crosscutting; education (a) only; health (a) only.		4,000,000.00	\$2m Crosscutting; \$1m Education; \$1m Health
by end June 2021	DLR#7.21 Central MDAS carry out their core functions in the oversight of service delivery in 2020/21 to agreed levels including a) essential guidance, b) performance assessment and improvement support, and c) routine review of workplans, budgets and reports, monitoring of service delivery and construction and safeguarding		12,000,000.00	\$4m Crosscutting; \$4m Education; \$4m Health



	requirements, in the in the following areas: crosscutting; education; health.			
by end June 2022			0.00	
Action: This DLI is New				
DLI 5	DLI 8. LG management of service delivery is strengthened overall and for the weakest performing Local Governments in education and health as applicable.			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Output	Yes	Text	8,000,000.00	0.00
Period	Value		Allocated Amount (USD)	Formula
Baseline	No LG performance assessment in place.			
by end June 2018			0.00	
by end June 2019			0.00	
by end September 2020	DLR#8.20 In the 2019/20 performance assessment of the LG management of services and delivery of infrastructure a) average scores improve overall and b) the average ranking for a specified number of the weakest performing LGs improves in comparison to the previous assessment in each of the following areas ; health – 5 LGs; education – 5LGs.		4,000,000.00	\$2m Education; \$2m Health
by end June 2021	DLR #8.21 In the 2020/21 performance assessment of the LG management of services and delivery of infrastructure a) the number of LGs that have met the minimum conditions has reached the level specified in the POM; and b) the average ranking for		4,000,000.00	\$2m Education; \$2m Health



	a specified number of the weakest performing LGs improves in comparison to the previous assessment in each of the following areas: health – 5 LGs; education – 5 LGs.			
by end June 2022			0.00	
Action: This DLI is New				
DLI 6	DLI 9. Service delivery performance is strengthened overall and for the weakest performing facilities and sub-counties			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Intermediate Outcome	Yes	Text	5,370,000.00	0.00
Period	Value		Allocated Amount (USD)	Formula
Baseline	No Service Delivery Assessments in Place.			
by end June 2018			0.00	
by end June 2019			0.00	
by end September 2020	N/A		0.00	
by end June 2021	DLR#9.21 Service delivery performance is assessed in 2020/21 for: all health center IIIs and IVs; and a sample of primary schools.		5,370,000.00	\$2m Edu; \$3.37m Health;
by end June 2022			0.00	
Action: This DLI is New				



DLI 7	DLI 1.1: Annual increase in budget allocation to sector conditional grants (wage, non-wage recurrent, and development to LGs for education services.			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Process	No	Text	20,000,000.00	0.00
Period	Value		Allocated Amount (USD)	Formula
Baseline	Allocations to conditional grants for the education sector is planned at 1,419 UGX billion for 2017/18			
by end June 2018	DLR # 1.1.1: Medium-term plan (MTP) for increasing budget allocations to the transfers reflected in the MTEF and the approved budget with allocations to education sector conditional grants for 2018/19 at least 6 percent higher than in 2017/18		4,000,000.00	
by end June 2019	DLR # 1.1.2: MTP for increasing budget allocations to the transfers reflected in the MTEF and the approved budget with allocations to education sector conditional grants for 2019/20 at least 10 percent higher than in 2018/19		4,000,000.00	
by end September 2020	DLR # 1.1.3: MTP for increasing budget allocations to the transfers reflected in the MTEF and the approved budget with allocations to education sector conditional grants for 2020/21 at least 7 percent higher than in 2019/20		4,000,000.00	
by end June 2021	DLR # 1.1.4: MTP for increasing budget allocations to the transfers reflected in the MTEF and the approved budget with allocations to education sector conditional grants for 2021/22 at least 7 percent higher than in 2020/21		4,000,000.00	



by end June 2022	DLR # 1.1.5: MTP for increasing budget allocations to the transfers reflected in the MTEF and the approved budget with allocations education sector conditional grants for 2022/23 not lower than in 2021/22	4,000,000.00	
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Action: This DLI has been Revised. See below.

DLI 7	<i>DLI 1.1: Annual increase in budget allocation to sector conditional grants (wage, non-wage recurrent, and development) to LGs for education services.</i>			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Process	No	Text	4,000,000.00	100.00
Period	Value		Allocated Amount (USD)	Formula
Baseline	Allocations to conditional grants for the education sector is planned at 1,419 UGX billion for 2017/18			
by end June 2018	DLR # 1.1.1: Medium-term plan for increasing budget allocations to the transfers reflected in the Approved Budget and MTEF with 2018/19 allocations at least 6 percent higher than in 2017/18.		4,000,000.00	
by end June 2019			0.00	
by end September 2020			0.00	
by end June 2021			0.00	
by end June 2022			0.00	



DLI 8		DLI 1.2: Enhanced, equitable formula for operational grants in education phased in as planned		
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Intermediate Outcome	No	Text	70,000,000.00	0.00
Period	Value		Allocated Amount (USD)	Formula
Baseline	Enhanced formula drafted but not implemented.			
by end June 2018	DLR # 1.2.1: Enhanced formula and phase in plan adopted and the 2018/19 budget allocations consistent with formula phase in plan and publicly available online. 2017/18 releases publicly available online.		14,000,000.00	
by end June 2019	DLR # 1.2.2: 2019/20 budget allocations consistent with formula phase in plan, and publicly available online. At least 97% of 2018/19 budgeted transfers are released to all LGs. Releases publicly available online.		14,000,000.00	
by end September 2020	DLR # 1.2.3: 2020/21 budget allocations are consistent with formula phase in plan, and publicly available online; performance incentives are in place. At least 97% of 2019/20 budgeted transfers are released to all LGs. Releases publicly available online.		14,000,000.00	
by end June 2021	DLR # 1.2.4: 2021/22 budget allocations are consistent with formula phase in plan, and publicly available online; performance incentives are in place. At least 97% of 2020/21 budgeted transfers are released to all LGs. Releases publicly available online.		14,000,000.00	



by end June 2022	DLR # 1.2.5: 2022/23 budget allocations are consistent with formula phase in plan, and publicly available online; performance incentives are in place. At least 97% of 2021/22 budgeted transfers are released to all LGs. Releases publicly available online.	14,000,000.00	
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Action: This DLI has been Revised. See below.

DLI 8		DLI 1.2: Enhanced, equitable formula for operational grants in education phased in as planned		
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
<i>Intermediate Outcome</i>	<i>No</i>	<i>Text</i>	<i>28,000,000.00</i>	<i>100.00</i>
Period	Value		Allocated Amount (USD)	Formula
<i>Baseline</i>	<i>Enhanced formula drafted but not implemented.</i>			
<i>by end June 2018</i>	<i>DLR # 1.2.1: Enhanced formula and phase in plan adopted by MoFPED and the 2018/19 budget allocations consistent with formula phase in plan and publicly available online. 2017/18 releases publicly available online.</i>		<i>14,000,000.00</i>	
<i>by end June 2019</i>	<i>DLR # 1.2.2: 2019/20 budget allocations consistent with formula phase in plan, and publicly available online. At least 97% of 2018/19 budgeted transfers are released to all LGs. Releases publicly available online.</i>		<i>14,000,000.00</i>	
<i>by end September 2020</i>			<i>0.00</i>	
<i>by end June 2021</i>			<i>0.00</i>	



by end June 2022			0.00	
DLI 9	DLI 1.3: Enhanced, equitable formula for development grants in education implemented as planned			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Intermediate Outcome	No	Text	30,000,000.00	0.00
Period	Value		Allocated Amount (USD)	Formula
Baseline	2017/18 budget allocations in line with formula without performance element and publicly available online. 2016/17 budget disbursements are available online (in document form) are available online.			
by end June 2018	DLR # 1.3.1: 2018/19 budget allocations are in line with enhanced formula and phase in plan, linked to performance assessment results and publicly available online. The 2017/18 transfers are available online.		6,000,000.00	
by end June 2019	DLR # 1.3.2: 2019/20 budget allocations are in line with enhanced formula and phase in plan, linked to performance assessment results and publicly available online. At least 97% of 2018/19 budgeted transfers are released to all LGs which meet accountability requirements. Releases are publicly available online.		6,000,000.00	
by end September 2020	DLR # 1.3.3: 2020/21 budget allocations are in line with enhanced formula and phase in plan, linked to performance assessment results and publicly available online. At least 97% of 2019/20 budgeted transfers are released to all LGs which meet accountability requirements. Releases are publicly available online.		6,000,000.00	



by end June 2021	DLR # 1.3.4: 2021/22 budget allocations are in line with enhanced formula and phase in plan, linked to performance assessment results and publicly available online. At least 97% of 2020/21 budgeted transfers are released to all LGs which meet accountability requirements. Releases are publicly available online.	6,000,000.00	
by end June 2022	DLR # 1.3.5: 2022/23 budget allocations are in line with enhanced formula and phase in plan, linked to performance assessment results and publicly available online. 97% of 2021/22 budgeted transfers are released to all LGs which meet accountability requirements. Releases are publicly available online	6,000,000.00	

Action: This DLI has been Revised. See below.

DLI 9	DLI 1.3: Enhanced, equitable formula for development grants in education implemented as planned			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Intermediate Outcome	No	Text	6,000,000.00	100.00
Period	Value		Allocated Amount (USD)	Formula
Baseline	2017/18 budget allocations in line with formula without performance element and publicly available online. 2016/17 budget disbursements are available online (in document form) are available online.			
by end June 2018			0.00	
by end June 2019	DLR # 1.3.2: 2019/20 budget allocations are in line with enhanced formula and phase in plan, linked to performance assessment results and publicly available online. At least 97% of 2018/19 budgeted		6,000,000.00	



	<i>transfers are released to all LGs which meet accountability requirements. Releases are publicly available online.</i>			
<i>by end September 2020</i>			0.00	
<i>by end June 2021</i>			0.00	
<i>by end June 2022</i>			0.00	
DLI 10	DLI 1.4: The quality of fiscal management of education resources by LGs is maintained			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Intermediate Outcome	No	Text	10,000,000.00	0.00
Period	Value		Allocated Amount (USD)	Formula
Baseline	No performance assessment. Grant guidelines do not address all fiduciary, environmental and social risks.			
<i>by end June 2018</i>	DLR # 1.4.1: Guidelines at the LG and school level updated, addressing fiduciary, environmental and social risks and grievance redress.		2,000,000.00	
<i>by end June 2019</i>	DLR # 1.4.2: The average score on the education resources management in the annual performance assessment is not lower than in 2017/18		2,000,000.00	
<i>by end September 2020</i>	DLR # 1.4.3: The average score on the education resources management in the annual performance assessment and the average score of the 20 worst LGs are both not lower than in 2018/19.		2,000,000.00	
<i>by end June 2021</i>	DLR # 1.4.4: The average score on the education resources management in the annual performance		2,000,000.00	



	assessment and the average score of the 20 worst LGs are both not lower than in 2019/20.		
by end June 2022	DLR # 1.4.5: The average score on the education resources management in the annual performance assessment and the average score of the 20 worst LGs are both not lower than in 2020/21	2,000,000.00	

Action: This DLI has been Revised. See below.

DLI 10	DLI 1.4: The quality of fiscal management of education resources by LGs is maintained			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Intermediate Outcome	No	Text	4,000,000.00	100.00
Period	Value		Allocated Amount (USD)	Formula
Baseline	No performance assessment. Grant guidelines do not address all fiduciary, environmental and social risks.			
by end June 2018	DLR # 1.4.1: Guidelines at the LG and school level updated, addressing fiduciary, environmental and social risks and grievance redress.		2,000,000.00	
by end June 2019	DLR # 1.4.2: The average score on the education resources management in the annual performance assessment is not lower than in 2017/18		2,000,000.00	
by end September 2020			0.00	
by end June 2021			0.00	
by end June 2022			0.00	



DLI 11	DLI 2.1: Annual increase in budget allocation to sector conditional grants (wage, non-wage recurrent, and development) to LGs for health services.			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Intermediate Outcome	No	Text	10,000,000.00	0.00
Period	Value		Allocated Amount (USD)	Formula
Baseline	Allocations to sector conditional grants for the Health sector is planned at 336 UGX billion for 2017/18			
by end June 2018	DLR # 2.1.1: MTP for increasing budget allocations to the transfers reflected in the approved budget and MTEF with allocations to health sector conditional grants for 2018/19 at least 21 percent higher than in 2017/18		2,000,000.00	
by end June 2019	DLR # 2.1.2: MTP for increasing budget allocations to the transfers reflected in the approved budget and MTEF with allocations to health sector conditional grants for 2019/20 at least 11 percent higher than in 2018/19		2,000,000.00	
by end September 2020	DLR # 2.1.3: MTP for increasing budget allocations to the transfers reflected in the approved budget and MTEF with allocations to health sector conditional grants for 2020/21 at least 10 percent higher than in 2019/20		2,000,000.00	
by end June 2021	DLR # 2.1.4: MTP for increasing budget allocations to the transfers reflected in the approved budget and MTEF with allocations to health sector conditional grants for 2021/22 at least 9 percent higher than in 2020/21		2,000,000.00	



by end June 2022	DLR # 2.1.5: MTP for increasing budget allocations to the transfers reflected in the approved budget and MTEF with allocations health sector conditional grants for 2022/23 not lower than in 2021/22	2,000,000.00	
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Action: This DLI has been Revised. See below.

DLI 11	<i>DLI 2.1: Annual increase in budget allocation to sector conditional grants (wage, non-wage recurrent, and development) to LGs for health services.</i>			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
<i>Intermediate Outcome</i>	<i>No</i>	<i>Text</i>	<i>1,800,000.00</i>	<i>100.00</i>
Period	Value		Allocated Amount (USD)	Formula
<i>Baseline</i>	<i>Allocations to sector conditional grants for the Health sector is planned at 336 UGX billion for 2017/18</i>			
<i>by end June 2018</i>	<i>DLR # 2.1.1: Medium-term plan for increasing budget allocations to the transfers reflected in the Approved Budget and MTEF with 2018/19 allocations at least 21% higher than in 2017/18.</i>		<i>1,800,000.00</i>	
<i>by end June 2019</i>			<i>0.00</i>	
<i>by end September 2020</i>			<i>0.00</i>	
<i>by end June 2021</i>			<i>0.00</i>	
<i>by end June 2022</i>			<i>0.00</i>	



DLI 12		DLI 2.2: Enhanced, equitable formula for operational grants in health phased in as planned.		
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Intermediate Outcome	No	Text	20,000,000.00	0.00
Period	Value		Allocated Amount (USD)	Formula
Baseline	2016/17 budget releases are available online in document form only.			
by end June 2018	DLR # 2.2.1: Enhanced formula and phase in plan adopted and the 2018/19 budget allocations consistent with formula phase in plan and publicly available online. 2017/18 releases publicly available online.		4,000,000.00	
by end June 2019	DLR # 2.2.2: 2019/20 budget allocations consistent with formula phase in plan, and publicly available online. At least 97% of 2018/19 budgeted transfers are released to all LGs. Releases publicly available online.		4,000,000.00	
by end September 2020	DLR # 2.2.3: 2020/21 budget allocations are consistent with formula phase in plan, and publicly available online; performance incentives are in place. At least 97% of 2019/20 budgeted transfers are released to all LGs. Releases publicly available online.		4,000,000.00	
by end June 2021	DLR # 2.2.4: 2021/22 budget allocations are consistent with formula phase in plan and publicly available online; performance incentives are in place. At least 97% of 2020/21 budgeted transfers are released to all LGs. Releases publicly available online.		4,000,000.00	



by end June 2022	DLR # 2.2.5: 2022/23 budget allocations are consistent with formula phase in plan, and publicly available online; performance incentives are in place. At least 97% of 2021/22 budgeted transfers are released to all LGs. Releases publicly available online.	4,000,000.00	
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Action: This DLI has been Revised. See below.

DLI 12	DLI 2.2: Enhanced, equitable formula for operational grants in health phased in as planned.			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Intermediate Outcome	No	Text	4,000,000.00	100.00
Period	Value		Allocated Amount (USD)	Formula
Baseline	2016/17 budget releases are available online in document form only.			
by end June 2018			0.00	
by end June 2019	DLR # 2.2.2: 2019/20 budget allocations consistent with formula phase in plan and publicly available online. At least 97% of 2018/19 budgeted transfers are released to all LGs. Releases publicly available online.		4,000,000.00	
by end September 2020			0.00	
by end June 2021			0.00	
by end June 2022			0.00	



DLI 13		DLI 2.3: Enhanced, equitable formula for development grants in health implemented as planned.		
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Intermediate Outcome	No	Text	15,000,000.00	0.00
Period	Value		Allocated Amount (USD)	Formula
Baseline	2017/18 no budget allocations for conditional health sector development grants and transitional development grants were ad hoc. 2016/17 budget disbursements are available online (in document form) are available online.			
by end June 2018	DLR # 2.3.1: 2018/19 budget allocations are in line with enhanced formula and phase in plan, linked to performance assessment results and publicly available online. The 2017/18 transfers are available online.		3,000,000.00	
by end June 2019	DLR # 2.3.2: 2019/20 budget allocations are in line with enhanced formula and phase in plan, linked to performance assessment results and publicly available online. At least 97% of 2018/19 budgeted transfers are released to all LGs which meet accountability requirements. Releases and are publicly available online.		3,000,000.00	
by end September 2020	DLR # 2.3.3: 20120/21 budget allocations are in line with enhanced formula and phase in plan, linked to performance assessment results and publicly available online. At least 97% of 2019/20 budgeted transfers are released to all LGs which meet accountability requirements. Releases are publicly available online.		3,000,000.00	



by end June 2021	DLR # 2.3.4: 2021/22 budget allocations are in line with enhanced formula and phase in plan, linked to performance assessment results and publicly available online. At least 97% of 2020/21 budgeted transfers are released to all LGs which meet accountability requirements. Releases are publicly available online.		3,000,000.00	
by end June 2022	DLR # 2.3.5: 2022/23 budget allocations are in line with enhanced formula and phase in plan, linked to performance assessment results and publicly available online. 97% of 2021/22 budgeted transfers are released to all LGs which meet accountability requirements. Releases are publicly available online.		3,000,000.00	
Action: This DLI has been Marked for Deletion				
DLI 14	DLI2.4: The quality of fiscal management of health resources by LGs is maintained.			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Intermediate Outcome	No	Text	10,000,000.00	0.00
Period	Value		Allocated Amount (USD)	Formula
Baseline	No performance assessment Grant guidelines do not address all fiduciary, environmental and social risks.			
by end June 2018	DLR # 2.4.1: Grant guidelines at the LG and facility level updated, addressing fiduciary, environmental and social risks and grievance redress.		2,000,000.00	
by end June 2019	DLR # 2.4.2: The average score on the health resources management in the annual performance assessment is not lower than in 2017/18		2,000,000.00	



by end September 2020	DLR # 2.4.3: The average score on the health resources management in the annual performance assessment and the average score of the 20 worst LGs are both not lower than in 2018/19.	2,000,000.00	
by end June 2021	DLR # 2.4.4: The average score on the health resources management in the annual performance assessment and the average score of the 20 worst LGs are both not lower than in 2019/20.	2,000,000.00	
by end June 2022	DLR # 2.4.5: The average score on the health resources management in the annual performance assessment and the average score of the 20 worst LGs are both not lower than in 2020/21	2,000,000.00	

Action: This DLI has been Revised. See below.

DLI 14	DLI2.4: The quality of fiscal management of health resources by LGs is maintained.			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
<i>Intermediate Outcome</i>	<i>No</i>	<i>Text</i>	<i>4,000,000.00</i>	<i>100.00</i>
Period	Value		Allocated Amount (USD)	Formula
<i>Baseline</i>	<i>No performance assessment Grant guidelines do not address all fiduciary, environmental and social risks.</i>			
<i>by end June 2018</i>	<i>DLR # 2.4.1: Grant guidelines at the LG and facility level updated, addressing fiduciary, environmental and social risks and grievance redress</i>		<i>2,000,000.00</i>	
<i>by end June 2019</i>	<i>DLR # 2.4.2: The average score on the health resources management in the annual performance assessment is not lower than in 2017/18</i>		<i>2,000,000.00</i>	
<i>by end September 2020</i>			<i>0.00</i>	



by end June 2021			0.00	
by end June 2022			0.00	
DLI 15	DLI 3: Assessment and Targeted Performance Improvement of the Fiscal Management by LGs.			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Intermediate Outcome	No	Text	15,000,000.00	0.00
Period	Value		Allocated Amount (USD)	Formula
Baseline	a) Performance Assessment Pilot performance assessment conducted. Initial assessment manual prepared and approved b) Performance Improvement No Performance Improvement Plans. c) VfM Audit No VfM Audit			
by end June 2018	DLR # 3.1: Annual performance assessment of 2016/17 is conducted, validated and publically disseminated. Performance Improvement Plans prepared for and agreed with at least 5 local governments and in 1 thematic areas of underperformance.		3,000,000.00	
by end June 2019	DLR # 3.2: Annual performance assessment of 2017/18 is conducted, validated and publically disseminated. Assessment manual for assessment of FY 2018/19 onwards updated and disseminated to take into account updated procedures in grant manuals and agreed additional performance parameters. Performance Improvement Plans prepared for and agreed with at least 20 local governments and in 2 thematic areas of underperformance. A VfM audit of 2017/18 is		3,000,000.00	



	conducted in a sample of local governments' expenditures in health and education.		
by end September 2020	DLR # 3.3: Annual performance assessment of 2018/19 using updated manual is conducted, validated and publically disseminated. Performance Improvement Plans prepared for and agreed with at least 20 local governments and in 2 thematic areas of underperformance.	3,000,000.00	
by end June 2021	DLR # 3.4: Annual performance assessment of 2019/20 using updated manual is conducted, validated and publically disseminated. Performance Improvement Plans prepared for and agreed with at least 20 local governments and in 2 thematic areas of underperformance.	3,000,000.00	
by end June 2022	DLR # 3.5: Annual performance assessment of 2020/21 using updated manual is collected, validated and publically disseminated. Performance Improvement Plans prepared for and agreed with at least 20 local governments and in 2 thematic areas of underperformance.	3,000,000.00	

Action: This DLI has been Revised. See below.

DLI 15	DLI 3: Assessment and Targeted Performance Improvement of the Fiscal Management by LGs.			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
<i>Intermediate Outcome</i>	<i>No</i>	<i>Text</i>	<i>3,750,000.00</i>	<i>100,000.00</i>
Period	Value		Allocated Amount (USD)	Formula
<i>Baseline</i>	<i>a) Performance Assessment Pilot performance assessment conducted. Initial assessment manual prepared and approved b) Performance</i>			



	<i>Improvement No Performance Improvement Plans. c) VfM Audit No VfM Audit</i>		
<i>by end June 2018</i>	<i>DLR # 3.1: Annual performance assessment of 2016/17 is conducted, validated and publicly disseminated. Performance improvement plans prepared for and agreed with at least 5 LGs and in 1 thematic areas of underperformance.</i>	<i>2,250,000.00</i>	<i>75% of originally allocated amount</i>
<i>by end June 2019</i>	<i>DLR # 3.2: Annual performance assessment of 2017/18 is conducted, validated and publicly disseminated. Assessment manual for assessment of 2018/19 onwards updated and disseminated to take into account updated procedures in grant manuals and agreed additional performance parameters. Performance improvement plans prepared for and agreed with at least 20 LGs and in 2 thematic areas of underperformance.</i>	<i>1,500,000.00</i>	<i>50% of originally allocated amount</i>
<i>by end September 2020</i>		<i>0.00</i>	
<i>by end June 2021</i>		<i>0.00</i>	
<i>by end June 2022</i>		<i>0.00</i>	



ANNEX 2: PROGRAM ACTION PLAN

Action Description	Source	DLI#	Responsibility	Timing		Completion Measurement	Action
The Annual Budget allocations and MTEF are consistent with the agreed Medium Term Plan for increasing budget allocations to the transfers which is set out in the POM.	Technical		MoFPED	Recurrent	Yearly	The Annual Budget and MTEF allocations are consistent with the MTP.	No Change
Reconsideration of Medium Term Plan for increasing budget allocations to the transfers in the POM and MTEF allocations to the transfers, if specified macroeconomic variables deteriorate.	Technical		MoFPED	Recurrent	Yearly	MTEF allocations changed following agreement of revisions between WB and GoU.	No Change
Adherence to the revised formulae and phase in plan in the budget allocations and releases.	Technical		MoFPED	Recurrent	Yearly	Formula phase in plan implemented as measured by DLIs 1 and 2.	No Change
Implementation of a process ensuring consistency of the data used for implementation of the redesigned grants.	Technical		MoLG, MoES, MoH	Recurrent	Yearly	Formulae variables and cost center lists signed off by the responsible parties using process set out in POM.	No Change
Renegotiation of targets if the combination of formulae, equity targets and	Technical		MoFPED	Recurrent	Yearly	Agreed targets following renegotiation.	Revised



medium term plan to uplift transfers become misaligned, which significantly increases the cost of achieving equity targets.							
Proposed Renegotiation of targets if the combination of PDO adequacy, equity, service delivery targets, and medium term plan to uplift transfers become misaligned in a way which significantly increases the cost of achieving targets.	Technical		MoFPED	Recurrent	Yearly	Agreed targets following renegotiation.	
Implementation of the institutional strengthening measures in Central Government to manage transfers system, make transfers on time, and to communicate effectively with LGs.	Technical		MoFPED	Recurrent	Yearly	Institutional strengthening measures as specified in the POM implemented	No Change
Guidance for unified system of grievance redress and community engagement in Local governments issued.	Environmental and Social Systems		MoLG	Due Date	31-Aug-2020	Guidance for establishment and functioning of grievance redress in LGs including: grievance handling system; consultative committees to handle grievances and disputes at each LG and MDA; crosscutting and	New



						sectoral community engagement structures.	
Annual performance assessment takes place according to agreed rules and covers technical, fiduciary, environmental and social risks.	Technical		Office of Prime Minister	Recurrent	Yearly	Annual assessment takes place (DLI 3) and validated in line with process in the POM.	Revised
Proposed Annual performance assessment takes place according to agreed rules and covers technical, fiduciary, environmental and social risks.	Technical		Office of Prime Minister	Recurrent	Yearly	Annual assessment takes place (DLIs 7, 8 and 9) and validated in line with process in the POM.	
Strengthen tools for enhancing integration of Environmental and Social issues into LG planning, budgeting, project screening, procurement, contract management and monitoring.	Environmental and Social Systems		MWE, NEMA, PPDA, MoGLSD	Due Date	31-Aug-2020	Tools in place: sectoral screening checklists; ESMP templates; ESHS provisions in bidding docs, evaluation criteria, approval of certificates; monitoring, reporting and E&S mainstreaming checklists.	New
Updating and dissemination of manuals and procedures relating to transfers, procurement, financial management, and LG staffing to cater to technical, fiduciary,	Technical		MoFPED	Recurrent	Yearly	Specified manuals and guidelines adjusted taken into account issues specified in the POM.	Revised



environmental and social risks.							
Proposed Updating and dissemination of manuals and procedures relating to transfers, procurement, financial management, and LG staffing to cater to technical, fiduciary, environmental and social risks.	Technical		MoFPED	Recurrent	Yearly	Specified manuals and guidelines adjusted taken into account issues specified in the POM. Central MDAs conduct dissemination and training exercises annually directly to local government staff, teachers and in charges of health facilities.	
Implementation of a process for targeted performance improvement.	Technical		MoLG, MoES, MoH	Recurrent	Yearly	Local Government and Thematic Performance Improvement Plans implemented as measured in DLI3	No Change
Two thematic areas for targeted performance improvement in 2018/19 address fiduciary and social and environmental risks identified during the first round of LG performance assessments and help to strengthen capacity of LGs to implement the guidelines	Technical		MoLG, MoH, MoES	Recurrent	Yearly	Thematic Performance Improvement areas are chosen accordingly	Revised
Proposed Two thematic areas for targeted performance improvement in 2018/19 address	Technical		MoLG, MoH, MoES	Due Date	30-Apr-2020	Thematic Performance Improvement areas are chosen	



fiduciary and social and environmental risks identified during the first round of LG performance assessments and help to strengthen capacity of LGs to implement the guidelines						accordingly	
Joint monitoring visits to all local government for construction led by MoWT, covering procurement, contract management, safeguards requirements.	Fiduciary Systems		MWT Sector MDAs MGLSD NEMA IG MoLG PPDA	Recurrent	Quarterly	Quarterly Monitoring and Follow up Reports.	New
Minimum condition in the performance assessment put in place a) to ensure critical staffing in LG sector and fiduciary, environmental and social safeguarding departmental roles and LLGs, and b) to ensure E&S project screening takes place.	Technical		OPM	Due Date	30-Jun-2020	Updated Performance Assessment Manual	New



ANNEX 3: PERFORMANCE ASSESSMENT FRAMEWORK

1. The Annual Performance Assessment Framework is at the heart of the design of UgIFT, and sector and crosscutting assessments will be carried out of central oversight, local government management and service delivery performance. Table 8 below sets out the major tentative groupings of performance measures that will be further elaborated in the Performance Assessment Manual. The performance measures identified will be limited within and across sectors to those which are crucial enablers for service delivery or measure service delivery performance directly.

Table 8: Summary of the three Levels of Annual Performance Assessment

Level 1a: Facility Primary Schools and Health Centers III and IV	Level 2: Local Government Service Delivery Management and Results Education, Health and Crosscutting	Level 3: Central Government Oversight & Systems Strengthening Education, Health, Crosscutting
Primary School <ul style="list-style-type: none"> Basic Standards for Staffing, Infrastructure and Facilities Learner, Teacher School Management Community management 	Local Government Service Delivery Results <ul style="list-style-type: none"> Achievement of Basic Standards Service Delivery Performance Investment Performance and execution 	a) Essential sector guidance prepared and disseminated (DLI4) <ul style="list-style-type: none"> Essential Sector Guidance for Service Delivery Updated and Issued Grant and Budgeting Guidelines Updated and Issued on time LGs and Service Delivery Staff directly trained on all new and updated sector guidance
Health Centre III and IV <ul style="list-style-type: none"> Basic Standards for Staffing, Infrastructure, Equipment, and RBF Qualification Curative Health Services Health promotion and prevention activities Continuous quality improvement Health Facility Leadership and Management Human Resources for Health Essential Medicines and Supplies Management Equipment and Infrastructure 	Service Delivery Performance Reporting and Performance Improvement <ul style="list-style-type: none"> Facility/LLG Compliance and Reporting Performance Improvement Accuracy of Reported Information 	b) Performance assessment and improvement support (DLI4) <ul style="list-style-type: none"> Annual Performance Assessment Takes Place in Line with Assessment Manual Performance Improvement Planning and Support Value for Money and Technical Audits (crosscutting only)
Level 1b: Lower Local Governments (LLGs) Education, Health, Crosscutting	Human Resources Management and Development <ul style="list-style-type: none"> Budgeting for and Actual Recruitment and Deployment of staff Attendance and Performance Management 	c) Routine Coordination, Oversight, Monitoring and Technical Support (DLI4) <ul style="list-style-type: none"> Central government review of LG budgets, work plans and reports Budgeting, Financial Management and Procurement Monitoring, Oversight and Technical Support to service delivery and follow up Oversight and support to LG investment management, including Joint Monitoring of Construction and follow up Coordination and Institutional Arrangements Environmental and Social Safeguards
Education <ul style="list-style-type: none"> Appraisal of Head Teachers Termly school visits LLG education investment prioritization and selection 	Management, Monitoring and Supervision of Services <ul style="list-style-type: none"> Planning, Budgeting and Transfer of Funds for service delivery Routine Oversight and Monitoring Communication and Mobilization of Beneficiaries 	d) Strengthening Local Government Processes and Systems (DLI3) <ul style="list-style-type: none"> Actions to Strengthening Local Government Processes and Systems in line with the Service Delivery Improvement Matrix
Health <ul style="list-style-type: none"> Health awareness, prevention and reporting LLG health investment prioritization and selection 	Investment Management <ul style="list-style-type: none"> Planning and budgeting for Investments Procurement, Contract management/execution 	
Crosscutting <ul style="list-style-type: none"> Basic Standards for Staffing and Equipment Planning and budgeting Procurement Revenue mobilization Reporting Execution, gender and environment Sector Indicators 	Environmental and Social Requirements <ul style="list-style-type: none"> Safeguards for Service Delivery Safeguards in the Delivery of Investments Transparency Grievance Redress 	
	Financial Management (crosscutting only) <ul style="list-style-type: none"> Bank Reconciliations Internal audit and follow-up on audit Audit opinion and Follow up 	
	Locally Raised Revenues (crosscutting only) <ul style="list-style-type: none"> Predictability Revenue mobilization performance Revenue sharing 	



2. **Level 1 – Facility and Lower Local Government Service Delivery.** This level of performance assessment is focused on the institutions directly providing services. Health Centre IIIs and IVs performance will be assessed as part of the mainstreaming of Results Based Financing in the LG grant system from 2021/22. Primary School performance will be assessed using a new performance assessment framework that will be rolled out in a phased manner over the course of UgIFT. A lower local government assessment will also be phased in over the program period. This will assess performance of lower local governments roles in education health and crosscutting areas.

3. **Level 2 – LG Management of Service Delivery.** The local government assessment will be sharpened in three respects. Firstly, sectoral assessments will assess service delivery results overall in the district/municipalities, aggregating performance information from facilities and lower local governments and alongside this assess the degree of compliance with performance reporting and performance improvement support. This will provide a focus on and incentives for local governments to focus on performance at the point of delivery. Secondly, minimum conditions for the performance component of development grants will be identified, to focus on key bottlenecks for delivery and safeguards management. Proposed minimum conditions are set out in Table 8 below, which will apply to 50% of the performance allocations for 2021/22 and 100% thereafter. This will sharpen incentives for LGs to address these key issues, which have proved challenging in early UgIFT implementation.

4. **Level 3 – Central Assessment.** Central ministries will report on progress in performance of core functions in line with their calendar and provide supporting evidence in line with the performance assessment manual. The performance assessment will assess the degree to which each of the four key oversight functions have been carried out.

Table 7: LG Minimum Conditions for Accessing the Performance Component of Development Grants

<p>Sector Development Grants</p> <ul style="list-style-type: none"> • HLG has assessed sector facility and LLG basic service delivery standards, service delivery performance and investment performance in line with the LGPA manual and phase in plan. • LG has substantively recruited or requested for secondment of all critical professional staff as per staff structure, where there is a wage bill provision. • Environmental, Social and Climate Change screening has been carried out and ESIA and costed ESMPs developed (including child protection plans), where required, prior to commencement to project activities.
<p>Crosscutting</p> <ul style="list-style-type: none"> • The HLG has assessed crosscutting LLG performance in line with the LGPA manual. • The LG has ensured critical staff are substantively appointed in HLG departments or has requested for secondment from central government where there is a wage bill provision as below: <ul style="list-style-type: none"> a) All HoDs b) A Senior Procurement Officer and Procurement Officer (if Municipal: Procurement Officer and Assistant Procurement Officer) c) A Senior Environment Officer and Senior Land Management Officer. d) A Senior Community Development officer e) A Senior Accountant f) At least one Senior Internal Auditor • The LG has ensured critical minimum staff are substantively appointed every LLG as below: <ul style="list-style-type: none"> g) Senior Assistant Secretary or an Assistant Secretary; h) Community Development Officer or Assistant Community Development Officer; and i) Senior Accounts Assistant or an Accounts Assistant. • Environmental, Social and Climate Change screening has been carried out and ESIA and costed ESMPs developed (including child protection plans), where required, prior to commencement to project activities. • LG has allocated at least 5% of the total budget allocations to capital development in a LG to oversight and management of construction under the LG administration department, and the planned activities and targets in the workplan include a) procurement and b) contract management and c) environmental and social safeguards as specified in guidelines for investment servicing costs. • The Local government does not have an adverse or disclaimed audit opinion. • The LG has provided information to the PS/ST on the status of implementation of Internal Auditor General and Auditor General findings for the previous financial year by end of February



<p>Sector Development Grants</p> <ul style="list-style-type: none"> • HLG has assessed sector facility and LLG basic service delivery standards, service delivery performance and investment performance in line with the LGPA manual and phase in plan. • LG has substantively recruited or requested for secondment of all critical professional staff as per staff structure, where there is a wage bill provision. • Environmental, Social and Climate Change screening has been carried out and ESIA's and costed ESMPs developed (including child protection plans), where required, prior to commencement to project activities.
<p>Crosscutting</p> <ul style="list-style-type: none"> • The HLG has assessed crosscutting LLG performance in line with the LGPA manual. • The LG has ensured critical staff are substantively appointed in HLG departments or has requested for secondment from central government where there is a wage bill provision as below: <ul style="list-style-type: none"> j) All HoDs k) A Senior Procurement Officer and Procurement Officer (if Municipal: Procurement Officer and Assistant Procurement Officer) l) A Senior Environment Officer and Senior Land Management Officer. m) A Senior Community Development officer n) A Senior Accountant o) At least one Senior Internal Auditor • The LG has ensured critical minimum staff are substantively appointed every LLG as below: <ul style="list-style-type: none"> p) Senior Assistant Secretary or an Assistant Secretary; q) Community Development Officer or Assistant Community Development Officer; and r) Senior Accounts Assistant or an Accounts Assistant. • Environmental, Social and Climate Change screening has been carried out and ESIA's and costed ESMPs developed (including child protection plans), where required, prior to commencement to project activities. • LG has allocated at least 5% of the total budget allocations to capital development in a LG to oversight and management of construction under the LG administration department, and the planned activities and targets in the workplan include a) procurement and b) contract management and c) environmental and social safeguards as specified in guidelines for investment servicing costs. • The Local government does not have an adverse or disclaimed audit opinion. • The LG has provided information to the PS/ST on the status of implementation of Internal Auditor General and Auditor General findings for the previous financial year by end of February

5. **The overall assessment process will be coordinated by OPM and the Local Government Performance Assessment Task Force.** The strengthened focus on service delivery, especially at levels 1 and 2, will require and rely on strengthened sector management information systems, reporting and validation processes. Actions to develop these systems and strengthen the performance assessment are set out in the Service Delivery Improvement Matrix.



ANNEX 4: SERVICE DELIVERY IMPROVEMENT MATRIX

6. This Annex sets out the Service Delivery Improvement Matrix. The matrix sets out sectoral and cross sectoral actions to strengthen LG service delivery processes, systems and capacity, and forms the basis of DLI 6.

- Each row in the matrix represents an action.
- Progress on implementation of the actions will be reported on and monitored on a quarterly basis by the IFT TC and follow up activities agreed to complete the actions.
- Based on implementation progress, the actions in the matrix may be adjusted, subject to agreement of the World Bank.

7. Completed of actions will be verified as follows:

- A definition of completion and evidence required for verification of completion will be specified in the POM for each action. This definition of compliance should be prepared and incorporated in the POM at least six months prior to completion of the action.
- Each MDA will provide the supporting evidence to OPM on completion of an action in line with the verification requirements specified in the POM.
- The verification of completion of actions will be conducted by an independent firm contracted by OPM, which will report to the LGPA task force.
- Where actions are the responsibility of OPM, then the LGFC will review the evidence compiled and advise the LGPA task force.

8. Under DLI 6 a value of \$1m is assigned to the completion of each action and the total allocated to the DLI is \$50m. The number of actions in the matrix is greater than 50. The completion of 50 actions would be seen as satisfactory progress over the duration of the UgIFT AF Program. Given the nature of the actions in the matrix, it is likely that some will be delayed and others will not be achieved due to unforeseen reasons. In the context of DLI 3, an action will be considered complete, even if it is delayed, unless otherwise stated in the verification procedures for that action in the POM.



Table 8: Service Delivery Improvement Matrix

Timing	Key Actions – EDUCATION
1: Strengthening school performance, teacher adequacy and time at task supported by a revitalised school inspection function [Contributes to RA4/DLI 6 – Service Delivery Performance]	
By Sept 2020	Basic minimum school standards for service delivery established and approved for both primary and secondary. This includes specification of a) bare minimum staffing levels, b) infrastructure and equipment requirements c) basic processes for school management. Principles, approach and phase-in plan developed for equitable distribution of primary and secondary teachers across LGs and to schools within LGs focusing on a) uplifting staff numbers in the lowest staffed LGs agreed and integrated into MTP for LG Financing, and b) including staffing for phase 1 and phase 2 secondary schools.
By Dec 2020	Harmonized inspection tool, staffing structure and model for the Inspection of Primary and Secondary Schools, consistent with integration of TELA, e-inspection and other instruments developed and disseminated. Staffing structure for the inspection function in Local Governments for primary schools agreed with Ministry of Public Service and funded in the 2021/22 budget. School performance assessment (SPA) tool/manual based on harmonized inspection tool and agreed minimum school standards, tested and finalized along with a combined roll out plan for the School performance assessment and Teacher Effectiveness and Learner Achievement (TELA) developed and an impact evaluation.
2: Strengthening the capacity, processes and tools for the District/Municipal Education Office to manage human resources, infrastructure and service delivery [Contributes towards RA 3/DLI 5, LG Management of Service Delivery and Investments]	
By Sept 2020	Sector LG budget structure for program outputs, performance indicators, schools, staffing, infrastructure and equipment local government workplan updated for inclusion in the PBS.
By June 2021	National stock-take of school infrastructure and equipment undertaken and School Atlas in place. Geotagged asset registers populated by at least 75 percent of local governments. School Atlas in place, using information from stock-take and piloting of dashboards and tools underway in at least 10 district local governments, with report on implementation including how information is used in decision making and accountability.
3: Strengthening central government oversight and support to improving education service delivery [Contributes towards RA 2/DLI 3, Central Government Routine Oversight Service Delivery]	
By Sept 2020	Framework developed for national government coordination oversight and regional technical support to local service delivery which includes a) functional roles and responsibilities of MoES and other departments b) required institutional structures c) coordination arrangements c) a calendar of oversight activities and d) performance measures.
By June 2021	Structures approved and central government positions (incl. the inspection function in DES) agreed with MoPS and filled to perform core functions in coordination, oversight and management of and technical support to service delivery.
4: Integrated Digitization of Education Service Delivery and its Management [Contributes to all RAs]	
By June 2021	A time bound costed strategy developed for the integrated digitization of education service delivery and its management , based on an assessment of education information and management tools and systems, incorporating TELA, e-inspection, EMIS and other tools. The strategy aims to enhance the inter-operability of tools, rationalizing overlapping tools and filling in gaps in a way which addresses the challenges to service delivery and improving transparency. Automated system for capturing and quality assuring results school performance assessment results developed and linked to or integrated with OPAMS and OTIMS



Timing	Key Actions – HEALTH
1. National Roll out and Mainstreaming Facility Result Based Financing, Quality Improvement and efficiency in the distribution of Health Workers and Medical Supplies <i>[Contributes to RA4/DLI 6 – Service Delivery Performance]</i>	
By Sept 2020	<p>Basic minimum health facility standards for service delivery established and approved and integrated strategy for mainstreaming RBF in 2021/22 and Quality Improvement finalized and approved by the IFTRP Steering Committee. This includes specification of a) bare minimum staffing levels, b) infrastructure and equipment requirements and c) costing and principles for the RBF roll out.</p> <p>Principles, approach and phase-in plan developed for equitable distribution of wage and health workers across LGs and to Facilities within LGs focusing on a) uplifting staff numbers in the lowest staffed LGs to agreed minimum health facility and DHT staffing levels, b) staffing the upgraded HCIIIs and c) follow up with local governments on use of funds allocated for wages this and follow-on FYs.</p> <p>Agreed approach to strengthening supply of essential medical supplies which involves a) increasing allocations to an agreed target level for a defined priority package of commodities, b) objective allocation to districts and facilities linked to workload/need, c) availing information on the allocations and distribution of commodities to LGs and facilities to the public and d) enhance tracking of redistributed health commodities.</p>
By Dec 2020	<p>Updated implementation manual for RBF mainstreaming and harmonized district/municipal level quality enhancement and performance assessment tools. This will include the updated package of the core health results to be financed through RBF and priority quality improvement interventions approved including (a) assessment and incentive payments which promote balanced preventive and curative service delivery for mainstreaming for 2021/22 (b) harmonized approach to facility quality improvement based on the HPQAP and the adapted RBF approaches (c) Strengthened framework and tools for monitoring performance of all health facilities by functional DHMTs and HUMCS/Hospital Boards having strong community involvement.</p>
2: Strengthening processes and tools for the District/Municipal Health Team to manage staff, infrastructure and service delivery <i>[Contributes towards RA 3/DLI 5, LG Management of Service Delivery]</i>	
By Sept 2020	<p>Sector LG budget structure for program outputs, performance indicators, health facilities, staffing, infrastructure and equipment local government workplan updated for inclusion in the PBS.</p>
By June 2021	<p>National stock-take of health facility infrastructure and equipment takes place, and GIS assisted Health Facility Atlas developed with, with geotagged asset registers populated for all health facilities in at least 75 percent of local governments.</p>
3: Strengthening central government oversight and support to improving health service delivery <i>[Contributes towards RA 2/DLI 3, Central Government Routine Oversight Service Delivery]</i>	
By Sept 2020	<p>Framework developed for national government coordination oversight and regional technical support (identify all key functions requiring special oversight e.g. RBF, technical supervision by RRs, equipment maintenance workshops, refugee health etc.) to local service delivery which includes a) functional roles and responsibilities of MoH and other relevant agencies b) required institutional structures c) coordination arrangements d) a calendar of oversight activities and e) performance measures for inclusion in the performance assessment framework. This framework will accommodate oversight and support required to address the peculiar needs of refugee hosting LGs as well.</p>
By June 2021	<p>Regional supervisory structures established and central government positions (incl. RBF, technical supervision and mentorship by RRs, ensure functionality of regional equipment maintenance workshops) filled to perform core functions in coordination, oversight and technical support to service delivery.</p>
4. Integrated digitalization of health service delivery and its management <i>[Contributes to all RAs]</i>	
By June 2021	<p>A costed strategy developed for the integrated digitization of health service delivery and its management, based on an assessment of health information and management tools and systems. . The strategy is time bound and aims to enhance the inter-operability of tools, rationalizing overlapping tools and filling in gaps in a way which addresses the challenges to service delivery and improves transparency.</p> <p>Automated system for RBF invoicing, verifying results and administering results payments anchored to DHIS 2 and linked to OTIMS and OPAMS developed, tested and ready for implementation and made available online for FY2021/22</p> <p>Information on district and facility allocations of medical supplies and facility performance (outputs, quality score etc) made publicly available and linked to the budget website or equivalent.</p> <p>Electronic Medical Records System implemented in all 13 Regional Referral Hospitals</p>



Timing	Key Actions - CROSSCUTTING
Human Resource Management	
By Dec 2020	<p>Establishment structures for sectoral departments, LLGs and service facilities and aligned to accommodate agreed minimum levels for critical district and municipal staff, health-workers and teachers (MoPS) and unconditional grant wage allocations adjusted , with complementary circular from MoPS to LGs to provide clear and staged approach to ensuring posts are filled and deployment of staff over the medium term, and central secondment of critical staff.</p> <p>Cross sectoral strategy for addressing absenteeism including a) recruiting, deploying and retaining staff in challenging (hard to reach hard to stay) areas (MoH, MoES, MAAIF and MWE) (b) strengthening time at task (MoPS, OPM, MoFPED and MoLG).</p>
June 2021	Establishment of consultative committees to handle grievances and disputes at each LG and MDA , in line with Public Service Negotiating, Consultative, and Dispute Settlement Machinery and this should be captured in the assessment framework.(MoPS)
LG Budgeting, Public Investment Management and Reporting and for Service Delivery	
By Dec 2020	<p>LG Public Investment Management Procedures in place which</p> <ul style="list-style-type: none"> - Involve LG asset registers for service delivery infrastructure and equipment as the basis of decision making for investing in existing and new infrastructure. - Set out a process for the DTPC processing of projects eligible for budgeting: a) sector certifies in line with sector prioritization guidelines; b) local council structures and community have been consulted c) project environmental and social screening has been carried out and endorsed by the Community Development and Environment Officers and d) land is available and owned by the LG. - Contract supervision including: contract supervision including roles clerks of works, safeguards assurance, supervision, roles of District Engineer, Environment and Community Dev Officers in larger and smaller investments direct supervision by districts. - Interim payment certificates shall be approved by the Engineer only where a) the clerk of works has cleared and b) a site meeting has taken place at which the clerk of works gave his/her recommendation and representatives of the Environment and Community Development Officers were present and b) the Environment and Community Development Officer has approved. - Include relevant forms for project proposals, screening, reporting and checklists. This includes a safeguards mainstreaming checklist to guide LGs during planning, design, budgeting, bidding, contracting and implementation
By June 2021	Strengthened budgeting and reporting system functionality for 2021/22 including PBS functionality for a) combined allocation of staff and operational funding to sub-counties and facilities b) improved budget formats with lists facility and project allocations in PBS, c) updated standard output structure and performance indicators for core services, d) linked to LG PIM system e) online review in PBS of sector budget compliance by sector ministries and MoFPED, f) consolidating LG information on sector performance and g) tracking and reporting on environmental (including Climate Change) and Social performance
Social and Environmental Requirements	
By Sept 2020	<p>PPDA standard bidding documents for works incorporating environmental and social risk requirements adopted by all LGs under UgIFT AF.</p> <p>MWE and NEMA strengthen tools for environmental and social screening and monitoring of implementation of requirements and grievance redress, in consultation with MoWT, MGLSD, MoLG, PPDA and other oversight bodies will revise and update a) the ESHS screening form and checklist, integrating climate change and disaster risks; develop ESMP templates, and b) develop integrated reporting forms/checklists for joint monitoring at the local governments and central government levels, and c) Guidance for establishment and functioning of grievance redress in LGs including a grievance handling system and consultative committees to handle grievances and disputes at each LG and MDA, in line with Public Service Negotiating, Consultative, and Dispute Settlement Machinery. Crosscutting and sectoral community engagement structures</p>
By Dec 2020	<p>Undertake a functional review and social skill needs assessment and agree proposals related to strengthening social risk management at the LG level including, GBV and VAC (in coordination with the review of environment functions). This includes i) development strengthened joint E&S guidelines including monitoring tools for non- E&S Officers, both at the Central and Local Governments ii) agreed staffing structures; iii) prepare a training program for the social team at the Ministries and DLG. iv) Include the application of non-compliance penalties in the LG Assessment Tool; and (v) update budgeting guidelines to require minimum allocations to E&S requirements</p> <p>Eligible investments in environment, climate change mitigation and adaptation and social risk management identified (MoFPED, MWE and NEMA) for including in DDEG and sector guidelines.</p> <p>Environment and Social Safeguards requirements identifiable in revised LG budget structure and reporting formats for Social Development and Natural Resources departments via outputs and performance indicators for inclusion in the PBS aligned with results from the functional review.</p>
By June 2021	All Local Governments Trained on Strengthened Systems and Guidance for Environmental and Social Risk Management , including key specialist and non-specialist staff.
Coordination and Communication of IFT Reforms	
By Sept 2020	UgIFT Communications Strategy has been developed and initial communication activities have taken place relating to LGPA and minimum conditions

