



THE REPUBLIC OF UGANDA

IN THE MATTER OF THE CONSTITUTION OF THE REPUBLIC OF UGANDA AND THE LOCAL GOVERNMENTS ACT CAP 243

CONDITIONAL GRANT UTILIZATION AGREEMENT FOR FINANCIAL YEAR 2024 /2025

BETWEEN

THE MINISTRY OF TOURISM, WILDLIFE AND ANTIQUITIES

AND

THE LOCAL GOVERNMENTS

UNDER THE TOURISM DEVELOPMENT PROGRAMME

This Agreement is made this 5th day of September 2024 between the **Ministry of Tourism, Wildlife, and Antiquities (MoTWA)** of P.O. Box 4241 Kampala (hereinafter referred to as the **“First Party”**) of the one part and which expression where the context so permits shall include its assignees, representatives and anyone acting under its authority, and the **Local Governments (LGs)** represented by Uganda Local Government Negotiation and Advocacy Team (UNAT) of c/o P.O. Box 23120 or P. O. Box 23092 Kampala (hereinafter referred to as the **“Second Party”**) of the other part and where the context so permits shall include its assignees, representatives and anyone acting under its authority. For purposes of this Agreement, the two shall be jointly referred to as **“the Parties”**.

PREAMBLE:

Article 193(3) of the Constitution of the Republic of Uganda and Section 83(3) of the Local Governments Act Cap 243 provide “Conditional grants shall consist of monies given to Local Governments to finance programmes agreed upon between the Government and Local Governments, and shall be expended only for purposes for which it was made in accordance with the conditions agreed upon”. The above provision requires negotiations on programs and the expenditure of the conditional grants in accordance with the conditions agreed upon and this

necessitates for the Local Governments to interface with the Line Ministries (Government) to agree upon the conditions attached.

Pursuant to the above, the Uganda Local Governments Association and Urban Authorities Association of Uganda, acting on behalf of the Local Governments, established the Uganda Local Governments Negotiation and Advocacy Team (UNAT) in 2004 with an aim of representing them and negotiating on their behalf, with the line ministries, the conditions for Conditional Grants utilization.

The negotiations are organized and chaired by the Local Government Finance Commission, and witnessed by Ministry of Local Government, Ministry of Finance, Planning and Economic Development, Ministry of Public Service, Office of the Prime Minister and the National Planning Authority.

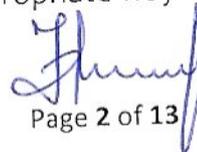
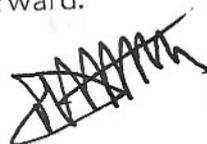
WHEREAS;

1. The Ministry of Tourism, Wildlife, and Antiquities, and its Constituents, Departments and Agencies has the statutory responsibility for policy, settings standards, planning, inspection, support supervision, monitoring, capacity building, regulation, coordination, mentoring, and provision of technical guidance to Local Governments in the implementation of programmes.
2. The Local Governments are the implementers of Government programmes within their locality and jurisdiction in accordance with the Constitution of the Republic of Uganda and the Local Governments Act (Cap 243).
3. Both parties have a common objective of implementing agreed upon conditions for expenditure of the Conditional Grants.

NOW THEREFORE, having deliberated, do hereby agree to work together towards achieving the above common goal and in so doing, the Parties agree to be bound by the terms and conditions as stipulated here below.

AGREEMENT

- a) The Agreement shall come into effect on the date of last endorsement of signature to this agreement and shall run during budget formulation and implementation for Financial Year 2025/2026.
- b) Modification of the terms and conditions of this Agreement shall only be made by written and signed Agreement between the Parties hereto.
- c) None of the parties to this agreement shall be held liable on any of their obligations herein if owing to an occurrence or event beyond their control or reasonable foresight and without negligence on their part, execution of this Agreement has been rendered impossible. In such circumstances, the parties shall mutually agree on the appropriate way forward.



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- d) Failure to implement any of the provisions of this Agreement by any of the parties shall be communicated to the affected party by the defaulting party within two (2) months from the date of failure to implement. The notification shall clearly state the reasons for failure and shall be delivered at the duly appointed and known address of the Local Government Finance Commission, with copies to Uganda Local Governments Association (ULGA), Urban Authorities Association of Uganda (UAAU), Ministry of Local Government, Ministry of Tourism, Wildlife and Antiquities, National Planning Authority, Office of the Prime Minister and Ministry of Public Service.

PURPOSE

The purpose of this agreement is to define the programs and the conditions for the expenditure of conditional grants for the Financial Year 2025/2026 in the Tourism Development Programme.

MID-TERM REVIEW (MTR)

The Parties shall have a mid-term review in May 2025 to discuss the progress of implementation, highlight challenges faced, and make recommendations to improve performance. This review shall be organized with the following framework:

- 1) There shall be a Joint Technical Committee (JTC) comprising of Fourteen (14) members drawn in the following ratio;
 - a) Local Governments Finance Commission (LGFC): 2
 - b) Uganda Local Governments Association: 2
 - c) Urban Authorities Association of Uganda: 2
 - d) Ministry of Tourism, Wildlife and Antiquities: 2
 - e) Office of the Prime Minister: 1
 - f) Ministry of Finance Planning and Economic Development: 1
 - g) Ministry of Local Government: 1
 - h) Ministry of Public Service: 1
 - i) National Planning Authority: 1
 - j) Equal Opportunities Commission: 1
- 2) The Local Government Finance Commission shall be the Chair and Secretariat of the Joint Technical Committee.
- 3) The JTC shall sit once a year at a time and place determined and communicated by the Local Government Finance Commission.
- 4) The Joint Technical Committee shall execute the following tasks:
 - a. Oversee implementation of the agreements and monitor the progress of either party;
 - b. Ensure that the Agreements are disseminated to all stakeholders;



- c. Conduct a mid-term review of the implementation process to obtain feedback and disseminate it to the parties;
 - d. Identify the non-complying parties and make recommendations to MoFPED, and Office of the Prime Minister, and MoLG for appropriate sanction; and
 - e. Handle any other upcoming issues.
- 5) The JTC shall report to the respective Policy Organs of their Institutions.

GENERAL OBLIGATIONS OF THE PARTIES

The Parties shall perform the services and carry out their obligations with all due diligence, efficiency, and economy.

OBLIGATIONS OF THE LOCAL GOVERNMENTS

Local Governments shall:

- a. Through their Constituent organizations (ULGA and UAAU) disseminate the agreements to their members;
- b. Implement the agreed obligations in accordance with this agreement and the guidelines issued by the MoTWA;
- c. Ensure timely response to issues raised by the MoTWA;
- d. Provide timely and accurate data on their plans, achievements, and status on programme implementation to the MoTWA;
- e. Adhere to the line/Grant Utilization Guidelines issued by the Ministry;
- f. Ensure timely submission of Monitoring and Inspection reports to the MoTWA and;
- g. Ensure timely submission of the quarterly performance reports.

OBLIGATIONS OF THE MINISTRY OF TOURISM, WILDLIFE, AND ANTIQUITIES.

The Ministry shall;

- a. Prepare and disseminate to LGs the final Programme and grant utilization guidelines for FY2025/2026.
- b. Include the signed agreement for the FY 2025/2026 as an annex to its Ministerial Policy Statement.
- c. Communicate the issues agreed upon in the negotiations for Local Governments to implement in their respective Tourism Development Programme through circulars addressed to the Chief Administrative Officers/ Town Clerks and copied to the District Chairpersons/ Mayors and Speakers.
- d. Ensure timely response to issues raised by the Local Governments, Local Government Associations and Local Government Finance Commission.
- e. Ensure adequate involvement and participation of Local Governments during its line ministries reviews. LGs should be consulted on composition of their representatives.

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- f. Invite and provide a slot to the Local Government Associations (ULGA and UAAU) to make a presentation on the key issues affecting service delivery in the Tourism annual review meetings.

SPECIFIC OBLIGATIONS OF THE PARTIES

1. The Tourism Grant

It was noted that according to guidelines, the Ministry of Tourism, Wildlife, and Antiquities (MoTWA) allocated 40% of the funds to non-wage expenses and 60% to development projects. LGs noted that the grant amount was too insufficient to cover both development and recurrent expenditures. The Ministry explained that some LGs lack Tourism Officers, which puts them at a disadvantage in benefiting from the Tourism Grant.

LGs requested MoTWA to include municipalities in the Tourism Grant allocation.

LGs recommended that the entire grant be allocated to recurrent expenditure. This would enable officers to effectively perform recurrent activities in line with regulations and quality assurance, including tourism planning, product development, branding and marketing, enterprise development, fundraising, and sector coordination.

It was agreed that:

- a) MoTWA shall ensure that the Tourism Grant is allocated to 176 LGs.
- b) MoTWA shall review the Tourism Grant guidelines for FY 2025-26 and communicate to LGs accordingly.
- c) LGs shall recruit Tourism Staff (Tourism Officers, Wildlife Officers, and Conservators) where the structure permits and to establish the function where the structure needs prioritization to create a tourism position.

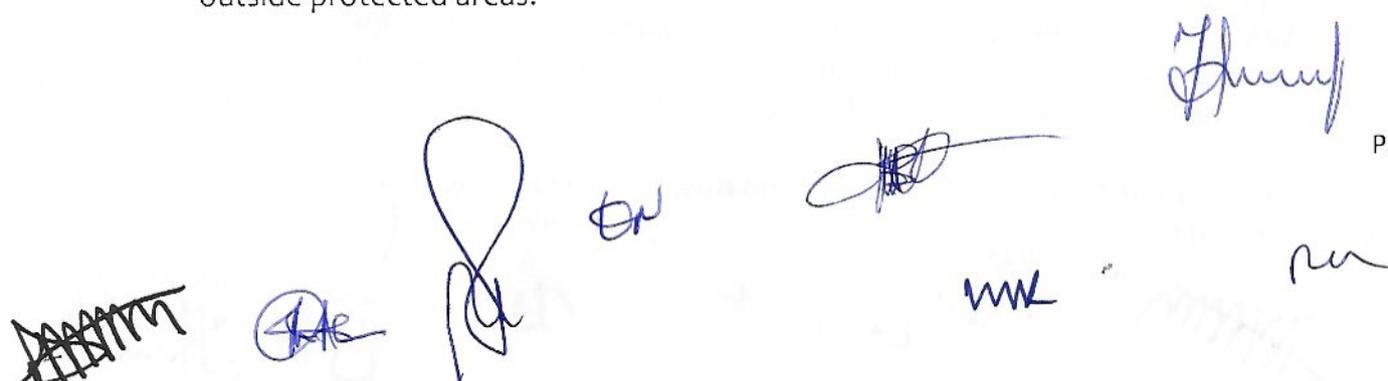
2. Guidelines for Managing Wildlife Outside Protected Areas

LGs highlighted the need for guidance on managing wildlife outside Protected Areas.

LGs noted the lack of official public information on managing wildlife outside Protected Areas, as well as delays in operationalizing compensation guidelines for wildlife attacks. They also expressed a desire for greater involvement in promoting tourism, particularly through local media.

MoTWA explained that UWA as mandated by the Wildlife Act 2019, had been conducting public awareness programs on wildlife conservation through mass media, including TV and radio.

While UWA had primarily used mass communication, MoTWA reported plans to increase targeted sensitization efforts for local government staff and political leadership on handling wildlife outside protected areas.



It was agreed that:

- a) MoTWA shall put in place deliberate measures to specifically sensitize LG staff on the management of wildlife outside Protected Areas.
- b) MoTWA shall consider regional sensitization strategies to cover a larger number of LGs.
- c) MoTWA shall sensitize all LG political leadership, communities neighboring Protected Areas, and the general public on the importance of wildlife conservation in Uganda.
- d) UWA shall involve local government staff in sensitization and public awareness programs to improve visibility.

3. Compensation for Families Affected by Wild Animals

LGs noted that while some families affected by wild animals had received compensation from UWA, the process began late; and four individuals from Waiga and one from Bugana Kitokye Village in Buliisa Sub County remained uncompensated.

They also expressed concerns about the compensation process, as some claims were rejected by the Committee, and some claimants refused the offered payments. LGs further reported difficulty in accessing funds from UWA meant for them.

It was agreed that:

- a) MOTWA shall provide to UNAT a List of families affected by wild animals that have been compensated by December 2024.
- b) MOTWA shall disseminate the Compensation guidelines to the LGs.
- c) LGs shall provide to MoTWA lists of families that were not compensated.
- d) MoTWA shall follow up on families that were not compensated to ensure the conclusion of the compensation applications.

4. Royalties from Protected Areas

LGs reported that Local revenue from UWA was inconsistently released. For example, Kibale District last received royalties from MoTWA in 2022. UWA only released funds to LGs when the amounts were significant, and as not transparent about how much revenue was generated from gate collections from which the 20% that was allocated to communities was determined. They pointed out a mismatch between funded projects and conservation efforts, resulting in inconsistencies on concerns about how the grant was being utilized.

The Ministry expressed concerns on poor implementation of the revenue sharing scheme leading to poor service delivery by LGs.

It was agreed that:

- a) UWA shall provide timely and consistent IPFS to LGs every fiscal year for planning purposes.
- b) UWA shall ensure that all collections are accurately declared through their systems.
- c) UWA shall remit the 20% revenue share to the benefiting LGs annually.
- d) UWA shall refrain from deciding for LGs when funds are considered significant.

5. Enforcement of Tourism Development and Hospitality Standards and Regulations.

LGs emphasized the need for them to be involved in tourism development regulation.



It was explained that MoTWA was involving LG tourism staff in hotel grading and assessment although that had been limited to tourism officers in cities, and that there were plans to gradually involve more LG tourism officers after training them in the EAC hotel standards

MoTWA reported that the proposals to review the Tourism Act of 2008 have been submitted to the Cabinet. They had graded 34 hotels and licensed 152 out of more than 100,000 facilities. However, this was limited by resources, as they currently have only six assessors. MoTWA hopes to decentralize this function to LGs after additional training is completed.

LGs also highlighted the importance of focusing not only on hotels but also on other attractions, such as cultural sites.

MoTWA noted that there is a new law on museums and monuments, which provides useful guidelines and is available online for LG use. They, however, noted challenges remain in acquiring land for cultural sites.

It was agreed that:

- a) MOTWA shall ensure enforcement of Tourism Development and Hospitality Standards and Regulations.
- b) LGs shall access and use the Museums and Monuments law.
- c) LGs shall liaise with MoTWA to collaborate and establish museums in the various LGs.
- d) MoTWA shall write to the LGs to identify land for cultural sites.
- e) Tourism Officers be trained assessors to help in the grading of hotels.
- f) MoTWA shall expedite the finalization of the revised Tourism Act.

6. Retooling for Tourism Officers

LGs noted that Tourism Offices were ill-equipped, lacking the necessary furniture and equipment for tourism marketing and promotion activities. MoTWA had only provided support to 20 LGs so far. LGs requested that the development grant for the fiscal year 2024/25 be allocated for purchasing furniture and equipment.

MoTWA reported that a request for additional support regarding furniture and equipment for LGs had been submitted to the Project Coordinator of the Competitive Enterprise Development Project (CEDP) for consideration. LGs will be updated on the progress of this request.

It was agreed that MoTWA shall write a circular to LGs for the current development grant (FY 2024/25 to purchase furniture and equipment for the LGs that were not equipped

7. Beautification Schemes for Urban Councils

LGs noted that they were supposed to collaborate with the MoTWA to implement the beautification scheme for towns and cities, which includes the identification and gazetting of amusement parks, green belts, and gardens, among other elements. However, MoTWA's presence and influence have not been felt on the ground, and currently, there is no common standard for beautification efforts.

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Currently, the beautification process is ongoing, but it has not been conducted in consultation with MoTWA. In Fort Portal City, for example, beautification efforts are underway, but MoTWA is not involved, and LGs are pursuing their own approaches.

It was agreed that:

- a) MoTWA shall develop guidelines standardize the beautification schemes for Urban Councils.
- b) LGS shall mobilize the local leaders to participate in the beautification agenda.

8. Regional Zoos

LGs noted that they were strategically involved in the development of regional zoos but have been excluded during the implementation phase.

MoTWA explained that the National Forestry Authority (NFA) offered 37 acres of land to the Uganda Wildlife Education Centre (UWEC). However, efforts to acquire land in all regions should continue. The Ministry was working with Mbale District to establish a zoo although there were delays in acquiring the land titles.

LGs also highlighted that the Mbale City authority has not been involved in the process of setting up the zoo.

It was agreed that LGs shall support MoTWA in land acquisition for establishing regional zoos in their areas of jurisdiction.

9. Parish Development Model for Tourism enterprises

LGs noted the need for MoTWA to write to MoLG's PDM Secretariat to include Tourism Enterprises on the list of eligible enterprises for PDM.

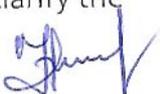
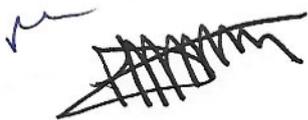
It was agreed that MoTWA shall write to MoLG and copy to the PDM Secretariat to include Tourism Enterprises on the list of eligible enterprises for PDM.

10. Wildlife Poaching and Illegal Trade

LGs emphasized their need to collaborate with the MoTWA and UWA to combat and minimize wildlife poaching and control illegal trade.

LGs were assigned the task of promoting and recommending Wildlife User Rights applicants for registration. However, the procedures for this task are not well known among Local Government personnel.

MoTWA reported that they had been actively working to prevent access to protected areas and had taken legal action against illegal trade and poaching. However, there are known hotspots for poaching and the illegal sale of game meat. There is a need to address these areas and clarify the regulations for game meat.



It was agreed that MoTWA shall liaise with UWA to publicize information on Wildlife Use Rights and Sport hunting to encourage the development of more wildlife enterprises.

11. Reporting

LGs noted that they required quarterly technical support supervision and program coordination among other activities, for improved service delivery in the Tourism Sector.

It was agreed that MoTWA shall provide LGs support supervision and monitor their performance every quarter.

12. Collaboration and Communication

The following issues were noted:

- i. The Ministry continued to communicate directly with tourism officers and excluded the CAOS/TCs.
- ii. LGs never received feedback from MoTWA on their submitted Tourism Development Plans partially due to unclear communication.
- iii. LG Associations were not allowed to present key issues affecting service delivery during the Tourism Programme annual review meetings.
- iv. LGs emphasized the need for atleast one annual regional fora for Tourism and Wildlife stakeholders in Uganda.

It was agreed that:

- a) MoTWA shall communicate with Local Governments through circulars and letters addressed to Chief Administrative Officers/Town Clerks, with copies sent to District Chairpersons/Mayors and Speakers.
- b) MoTWA shall provide feedback to LG on the status of their development plans.
- c) MoTWA shall provide a desk officer to correspond with LGs on issues affecting Tourism.
- a) MOTWA shall invite ULGA and UAAU to make a joint presentation on key issues affecting tourism service delivery during Tourism programme reviews.
- b) MoTWA shall organize an annual regional Tourism and Wildlife stakeholders; forum.

13. Tourism Promotion and Marketing

LGS noted that the promotional marketing grant was too little to make meaningful impact in promotion and marketing activities such as developing marketing collateral, branding, data collection, packaging and information dissemination, etc. There was a lack of a clear tourism marketing strategy to guide the tourism marketing and promotion function at LGs. Tourism activities are field-based hence the need for transport facilitation for staff.

It was agreed that:

- a) MOTWA shall involve LGs to fast-track the development/popularization of the Uganda National Tourism Marketing Strategy.

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14. Product Development and Conservation

The following was noted:

- i. There are 12 Wildlife reserves in Uganda and some need upgrading to National Park status for better marketing and revenue generation. They include Katonga Game reserve, Toro Semuliki, Pian Upe, and Kabwoya among others.
- ii. Some areas need to be gazetted as wildlife reserves to manage the human-wildlife conflicts. For instance, in Moyo District, Fort Dufile/Emin Pasha Fort borders Nimule National Park in South Sudan which has wild animals that normally invade communities in Uganda.
- iii. The increasing Human-Wildlife Conflicts need serious attention and quick practical action.
- iv. There are no clear guiding tools for systematic, consistent, and standardized product development. This compromises the efforts.
- v. The development and conservation of cultural and heritage resources under tourism are not clearly defined.
- vi. Small-scale tourism entrepreneurs like rolex makers, crafts etc lack financing yet they should be benefiting from strategic Government programs such as PDM
- vii. There are widespread conflicts in the management of natural attractions such as Aruu falls in Pader, Mahoma falls in Kabarole, Sipi falls in Arua, Mukombe Cave, and Muhumuza Foot in Rukiga District etc that affect product development, tourism promotion and conservation. Most attractions are surrounded by private landowners who block access and cause undue conflicts.
- viii. MOTWA had embarked on some work to upgrade the wildlife reserves.

It was agreed that:

- a) MoTWA shall upgrade key Wildlife Reserves and Natural Central Forest Reserves to National Park status through a highly consultative process.
- b) MoTWA shall explore possibilities of gazeting new wildlife reserves in some areas with a critical need to curb human-wildlife conflicts and also gazette key tourist attractions that are within the communities.
- c) MoTWA shall support LGs in the Development of Tourism products in the sub-regions based on the Tourism Development Area plans.
- d) MoTWA shall develop Tourism Development Area plans with clear guidelines to guide product development.
- e) MoTWA shall engage and empower LGs on response to Human-Wildlife conflicts, sensitize them on key actions and procedures, take quick action in case management and review where need be the response mechanisms.
- f) MoTWA shall prioritize Tourism financing through mainstreaming Tourism development in strategic government programs such as PDM and also fast-track the establishment of the Tourism fund.
- g) MoTWA shall fast-track the launch of the Programs on Natural and cultural/ heritage conservations, conduct programs, and create public awareness on Cultural Heritage Conservation in Uganda.



15. Tourism Infrastructure Development

It was reported that tourism infrastructure development and maintenance was a big challenge within LGs and a great bottleneck to tourism development. Most of the tourist attractions are in rural hard to reach areas with poor road network; a case in point is the road to Bwindi Impenetrable National Park, the roads to key cultural sites such as Fort Patiko, Emin Pasha's Fort Dufile, Bigo Bya Mugenyi, Nyero rock paintings, etc.

Aerodromes also need attention to ease access to key attractions.

In addition, there are no clearly defined and regulated stopovers on most highways, no regional museums, amusement parks, zoos etc. to stir tourism development.

It was agreed that:

- a) MOTWA shall advocate and lobby responsible MDAs to develop and improve the roads to cultural heritage sites of Fort Patiko, Emin Pasha's Fort Dufil, Bigo, Byamugenyi, Nyero rock paintings and other roads that lead to key attractions
- b) MOTWA shall advocate and lobby responsible MDAs to upgrade to tarmac and maintain the road access to critical tourism attractions such as Mgahinga NP, Bwindi Impenetrable NP in Kisoro, and many others in all districts. Most are in a sorry state
- c) MOTWA shall work with LGs to Construct, regulate and offer guidance to stop over points along the main highways
- d) MOTWA shall engage UCAA to rehabilitate/Maintain and operationalize strategic aerodromes (Pakuba, Kisoro, Kasese and Saaka) and brand them
- e) MOTWA shall establish regional tourism information centres across the country to ease access to information and services while prioritizing boarder points such as Kyanika border, Elegu/Nimule.
- f) MOTWA shall establish regional Museums to promote the conservation of heritage and stir tourism development.
- g) UWA shall review the performance of concessions in protected areas and take action where they are not active.

16. Regulation and Skills Development

It was noted that:

- i. The delay in reviewing the Tourism Act (2008) affected the full decentralization of Tourism services.
- ii. The Tourism Act 2008 is silent on Tourism Decentralization Local Governments and the role of LGs is not clearly defined.
- iii. Over 90% of accommodation facilities are not graded/star rated in Uganda. Grading of hotels and lodges is a sole mandate of Uganda Tourism Board hence LGs cannot do without authorization.
- iv. MoTWA has been implementing a Tourism Development Area Approach which most LGs are not well versed with.
- v. Most Private tourism and hospitality training institutions lack the necessary basic equipment, capacity and ability to effectively equip learners with the necessary skills and knowledge

- vi. Most tourism actors do not appreciate the concept of quality management and standards in promoting tourism.

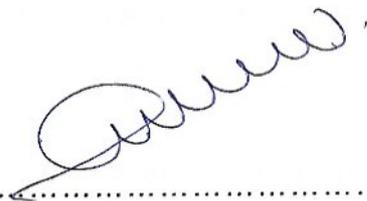
It was agreed that :

- a) MOTWA shall finalize the review of the Tourism Act 2008 to fully decentralize the Tourism development function and establish clear support supervision mechanisms.
- b) MOTWA shall put in place measures to regularly do the grading of accommodation facilities by empowering LGs to carry out the function since they have officers on the ground.
- c) MOTWA shall support and offer guidelines to LGs to prepare Tourism development plans in line with the Tourism Development area approach.
- d) MOTWA shall support LGs to understand and implement the Tourism Development Area Approach
- e) MOTWA shall support Private tourism & hospitality training institutions with basic training equipment and guide on regulation and enforcement
- f) MOTWA shall work with LGs to conduct capacity building for the actors in quality assurance of Tourism service standards.
- g) MOTWA shall fast-track the development of policies, standards, and regulations for tourism, as well as the management and utilization of natural and cultural heritage resources

IN WITNESS, WHEREOF, the appointed representatives of Parties hereto have set their hands on this Agreement on the day, month, and year first above written.

Signed for and On Behalf of Local Governments:

Mr. Richard Rwabuhinga

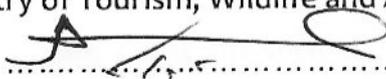


Authorized Representative

UNAT

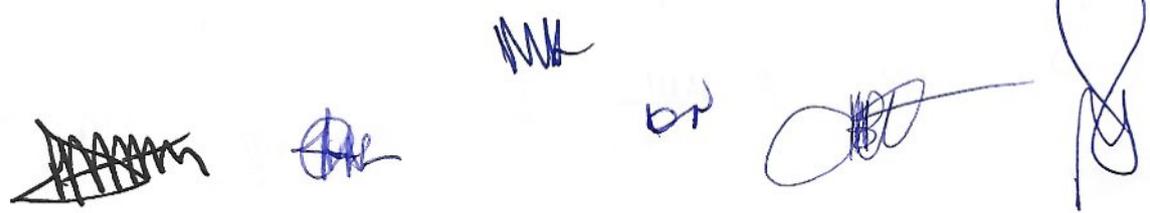
Signed for and on behalf of the Ministry of Tourism, Wildlife and Antiquities

Mr. Kakula-Khirome. S



Authorized Representative

Ministry of Tourism, Wildlife, and Antiquities



IN WITNESS HEREOF: (Authorized Representatives)

Hon. Isaac Musumba Isanga



Local Government Finance Commission

Mr. Silver Tindizirarira



Ministry of Local Government

Mr. Charles Matovu



Ministry of Finance, Planning & Economic Development

Mr. Adam Tusiiime



Ministry of Public Service

Mr. Dhikusooka Gyaviira



National Planning Authority

Mr. Nathan Otutu



Office of the Prime Minister

Ms. Manasseh Kwihangana



Equal Opportunities Commission