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 2025/2026

BETWEEN
MINISTRY OF WATER AND ENVIRONMENT

AND

LOCAL GOVERNMENTS

UNDER THE PROGRAMMES OF CLIMATE CHANGE, NATURAL RESOURCES, ENVIRONMENT, AND WATER MANAGEMENT; AGRO INDUSTRIALIZATION; AND HUMAN CAPITAL DEVELOPMENT

THIS Agreement is made this **28th day of August, 2024** between the Ministry of Water and Environment (MoWE) of P.O. Box 20026 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 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 any one acting under its authority. For purpose 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 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 programmes and the conditions to be implemented for a specific period.

Pursuant to the above, the Uganda Local Governments Association and Urban Authorities Association of Uganda (UAAU), 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, on programmes and conditions for Conditional Grants utilization.

The negotiations are organized and chaired by the Local Government Finance Commission (LGFC). They are witnessed by the Office of the Prime Minister (OPM); Ministry of Local Government (MoLG); Ministry of Finance, Planning and Economic Development (MoFPED); Ministry of Public Service (MoPS); Equal Opportunities Commission; the National Planning Authority (NPA) and selected Civil Society Organizations (CSOs).

WHEREAS;

1. The MoWE and its constituents Departments and Agencies has the statutory responsibility of policy, setting standards, inspection, support supervision, monitoring, regulation, coordination, mentoring, and provision of technical guidance to Local Governments in the implementation of government programmes;
2. The Local Governments are the implementers of government programmes within their localities 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 programmes and 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 here-to.

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.

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 Finance Planning and Economic Development, National Planning Authority, Office of the Prime Minister and Ministry of Public Service.

PURPOSE

The purpose of this agreement is to define the the conditions for the expenditure of the conditional grants for the Financial Year 2025/2026 in the Water, Climate Change, Environment and Natural resources management program.

Mid-term Review (MTR)

The Parties shall hold a mid-term review in May 2025 to discuss the progress in 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 Government Finance Commission: 2
b) Uganda Local Governments Association: 2
c) Urban Authorities Association of Uganda: 2
d) Ministry of Water & Environment: 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 at least once a year in a 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 so as to obtain feedback and disseminate it to the parties.

d) Identify the non-complying parties and make recommendations to MoFPED; Office of the Prime Minister and MoLG for appropriate action.

e) Handle any other activity that may be agreed upon by the parties

f) The Joint Technical Committee members 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 Ministry of Water and Environment

The Ministry shall:

a) Prepare and disseminate the final sub-program grant utilization guidelines for FY 2025/2026 through circulars addressed to the Chief Administrative Officers and Town Clerks, copied to Chairperson/Mayors and Speakers of Council;

b) Include the signed agreement for the Financial Year 2025/26 as an annex to its Ministerial Policy Statement and provide a report to the Committee of Parliament responsible for MoWE, regarding the agreed positions reached with UNAT on behalf of the Local Governments during the negotiations;

c) Communicate through circulars addressed to the Chief Administrative Officers and Town Clerks, copied to Chairperson/Mayors and Speakers of Council the issues agreed upon in the negotiations for LGs to implement in their respective programs and functions;

d) Ensure timely response to issues raised by the Local Governments, Local Government Associations and Local Government Finance Commission;

e) Implement its obligations in accordance with this agreement;

f) Liaise with MoFPED to ensure that all funds for capital development are released to Local Governments by the third Quarter;

g) Ensure adequate involvement and participation of the Accounting Officers of Local Governments during its program reviews and program working groups; and

h) 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 Water, Climate Change, Environment, and Natural Resources management Programme Review meetings.

i) OPM shall issue a circular to all MDAs, informing them of the requirement to coordinate with LGs before implementing any activities. MDAs that implement activities in LGs without prior notification shall be subject to corrective measures by the OPM.

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 MoWE;
c) Ensure timely response to issues raised by the MoWE;
d) Provide timely and accurate data on their plans, achievements and status on programme implementation to the MoWE;
e) Adhere to the programme Grant Utilization Guidelines issued by the MoWE;
f) Ensure timely submission of Local Government monitoring and Inspection reports to the MoWE; and
g) Ensure timely submission of the quarterly performance reports.

SPECIFIC OBLIGATIONS OF THE PARTIES

1. District Water and Sanitation Conditional Grant

The following was noted:

i. The Conditional Grant guidelines currently do not cater for urban councils especially where the National Water and Sewerage Corporation (NWSC) does not operate.

ii. Urban Councils (Cities, Municipalities & Town Councils) don't have a conditional grant for water. There is no staffing structure for water in urban councils.

iii. The grant is still very small hence not possible to include urban councils such as Cities and municipalities. As a result, urban residents have turned to boreholes.

iv. The NWSC had not covered all necessary water points hence the need for allocating resources to local governments (LGs) in areas where NWSC is absent. However, LGs must carefully manage these funds.

v. LGs failed to submit requests for approval of borehole drilling, which is gazetted for rural LGs, though urban councils may also seek permission for such projects.

vi. When Cities were created, larger areas were gazzetted under their jurisdictions and are, therefore, entitled to water services from the Government. A number of Urban Councils have rural characteristics and are barred from drilling boreholes and springs yet once gazzetted as urban they can only use NWSC water supply.

vii. Some Urban Councils eg Mbarara city have a wide catchment area eg 40kms meaning that they are rural and can't afford paying for the water supplied by NWSC.

viii. NWSC gets some water from LGs like Masesse in Jinja. They should pay royalties to LGs where they draw such bulk water from.

ix. Since MoWE is unable to serve all urban LGs in the short term, the guidelines should be relaxed for them to access water from other sources.

x. The cost of the piped water system is higher than point water system hence there is need to increase the grant.

It was agreed that:

a) **The District Water and Sanitation Conditional Grant guidelines for FY 2025/26 shall provide for urban areas as beneficiaries of the conditional grant where Utilities authorities do not operate.**

b) **The LGs shall design and construct solar powered piped water systems that will serve the Urban areas that are not served by the Utility Authorities.**

c) **LGs shall write to the MoWE seeking approval to drill boreholes in places that don't have water supply and are located in urban areas.**

2. Operation and Maintenance of Rural Water Infrastructure

MoWE noted stagnation in the functionality of rural water systems, which had maintained a performance level of 85% over the past four years. Previously, water infrastructure was managed at the community level, but going forward, it will be handled in a more professional manner. The introduction of an Area Service Provider as the professional entity in liaison with the Water Supply Services Board at regional/district/sub-county levels would be in charge of the operations and maintenance at the various levels. Water users would also be required to pay a fee which would be deposited on a collection account that would have signatories comprising the district leadership and Water Supply and Services Board members. Aside the mandatory water user fees, the collection account will be serviced by funding from the District Water and Sanitation Conditional Grant and various WASH players.

LGs reported ongoing discussions with development partners regarding proposals for innovative financing of water services. However, most partners were focused on rural water supply schemes where there is no payment involved.

It was agreed that:

a) **LGs shall promote the new Rural Water Infrastructure Operation and Maintenance framework.**
b) **LGs shall develop proposals on how funds can be generated from local revenue to provide water services to the population.**

3. Piped Water Grant

MoWE noted that the LGs were still slow in providing piped water to Seed Secondary schools and health centers even after receiving additional financing and guidance on how to utilize the grant.

It was agreed that LGs shall provide piped water to all the schools and health centers that don't have piped water.

4. Water Catchment Management Plans

LGs noted that water catchment management plans were presented to smaller groups during the Local Government Budget Consultative Workshop. However, it was necessary for these plans to be deliberately disseminated to all LGs, and thus, the Ministry of Water and Environment (MoWE) was tasked with securing a slot in the plenary presentation.

MoWE explained that every region in Uganda has a catchment management officer whose role is to assess, disseminate, and monitor these plans as well as respond to issues raised by the LGs. The development of these plans is carried out in consultation with the LGs.

It was agreed that MoWE shall disseminate the Water Catchment Management Plans to all LGs during the Local Government Regional Budget Consultative Workshops for FY 2025/26.

5. Water Quality

MoWE noted that the quality of water appeared to be deteriorating and that LGs were not doing regular water quality testing of older water sources. LGs reported that the budget allocations were too inadequate to accommodate mini-treatment systems. In urban areas, some residents use untreated water due to a lack of resources for water quality checks.

The MoWE emphasized that while water systems were designed and tested during the design stage, some systems still suffer from poor water quality, particularly in areas where the water sources have high iron content.

It was agreed that:

a) **LGs shall have functional water quality testing kits.**
b) **LGs without water quality testing kits shall acquire them using the District Water and Sanitation Conditional Grant.**

c) **LGs shall ensure that all newly constructed water sources are tested, as well as at least 20% of existing water sources.**
d) **LGs shall design mini-treatment systems for small water sources with low water quality.**
e) **MoWE shall issue a circular to LGs regarding the necessity for them to acquire water testing kits.**

6. Environment and Natural Resources Grant

It was observed that the districts of Masaka, Kayunga, Jinja, Lira, Alebtong, Tororo, Kyankwanzi, and Mubende did not receive any increment in the Environment and Natural Resources (ENR) grant. However, Mpigi and Wakiso reported an increase of UShs 6 million. Although cities and municipalities have a staffing structure under the ENR, there is no grant provided to address emerging waste and public health issues.

The District Environment and Natural Resources Committees (DENRC) require the Minister to issue procedural guidelines for their functionalization. This has not been done yet, and MoWE is urged to expedite the development of these guidelines to ensure that the committees function effectively.

MoWE explained that the ENR budget is only UShs 4.5 billion, and the grant differences are based on varying parameters specific to each Local Government. They noted that if the grant is spread too thin, it will lose its impact.

The Ministry acknowledged that the grant remains insufficient to adequately cover ENR needs in urban areas. It is crucial for District Local Governments to collaborate with urban councils in managing ENR.

Considering that the country is using the Programme based approach to planning and budgeting, we are targeting efficient allocation of resources and their effective utilization. These issues should be discussed for prioritization under the programme led by MoWE.

It is important for MoWE to have a programme expenditure review and decide programmes to take more resources in light of a constrained budget.

It is important for the LGFC and LGs to be represented on all the 18 NDP IV programmes.

It was agreed that:

a) **MoWE shall increase the budget allocation for ENR management to ensure adequate support for the intended ENR functions, upon which all developments rely.**

b) **MoWE shall provide guidelines to support the DENRC's quarterly activities.**

c) **MoWE shall present the case for a dedicated ENR grant for cities and municipalities to the Natural Resources Environment Climate and land Management Programme Working Group.**

d) **The NPA and MoFPED shall ensure that the LGs and LGFC are well-represented on all the NDP IV programmes.**

7. Environmental Protection Police

The LGs reported that the presence of the Environment Police at the district level was very limited. MOWE was supposed to provide clear guidance to LGs on how to access and utilize the established Environmental Protection units but this was not done.

MOWE reported that 40 Environmental protection police had been recruited and NEMA is developing a curriculum for training and they shall send out communications circulate to LGs.
Additionally, they reported that the President provided clearance to increase the Environmental protection force and the MOWE shall use it.

The LGS requested for streamlining so that they know who are the police officers that have been deployed and tagged to environment sector.

MOWE reported that the police tagged to environment are being phased out.
The line ministry reported that after undergoing orientation training, the EPF shall be given identity cards and introduced accordingly to Local Governments.

It was agreed that:

a) **MOWE shall provide update on the EPU during the midterm review.**
b) **MoWE shall provide clear guidance to LGs on how to access and utilize the established Environmental Protection units.**
c) **MOWE shall communicate environmental officers tagged to the various LGs.**

8. Environment and Wetland Grant

The LGs noted that the grant is too meagre to make meaningful impact and requested MoWE to increase the grant to LGs but also consider extending the wetland and environment grant to urban councils.

The guidelines are emphatic on restoration yet a circular guided that LGs are to use pillars, as well as develop catchment management plans for demarcation. The LGs noted that the design is really big as guided by the MOWE and costly yet they can get more pillars at a cheaper cost. The MOWE noted that that was a Standard design of the pillars.

MoWE noted that they had budget of UGX 4.8 bn for all LG translating to UGX 35m per LG of which UGX2.5m per km is for demarcation and UGX 3m is for restoration.

It was agreed that:

a) **LGs shall write to the MoWE on areas they need to demarcate.**

b) **MoWE shall support LGs and provide the pillars for demarcation to LGs that have requested.**

9. Direct implementation by the MDAs

The LGs noted that under the LG Act CAP 243, ENR is a decentralized service but the Ministry was implementing it parallel to LGs and often independently. This hinders the efforts of LGs to ensure sustainability of the implemented projects. It was, therefore, a violation of mandates for supervisors to implement in LGs. They requested for a policy reform and/ or clarity in the working arrangement between MoWE and the LGs.

The MoWE acknowledged the fault but explained that in some instance the political leaders do not convey the right information to the people because of language barrier.

It was agreed that MoWE shall consult LGs before engaging in any operations in their jurisdictions.

10. None Compliance to Reporting Timelines

The Ministry of Water and Environment (MoWE) noted delays in the submission of reports by Local Governments (LGs). However, MoWE also mentioned that the LG assessment manual was under review, and the new version would be used for the next assessment starting in September 2024.

The Office of the Prime Minister (OPM) was requested to include performance indicators for Water and Environment in the Assessment manual. It was, therefore, paramount for the Ministry to take advantage of this opportunity to address all the relevant issues that need to be included in the manual.

OPM reported that they have restructured the assessment manual, and most indicators have been consolidated into a merged format. Consultations were conducted across all LGs on the indicators, and the finalized manual will be piloted in selected LGs.

It was agreed that:

a) **OPM shall distribute to all LGs copies of the LG reporting and Assessment manual during the Regional LG Budget Consultative Workshops for FY 2025-26.**

b) **MoWE shall officially send reminders to LGs regarding their need to submit timely reports.**
c) **LGs shall adhere to the reporting schedules as stipulated in the grant guidelines.**

11. Capacity Building in Writing Proposals for Climate Change Financing

The LGs emphasized the necessity for the Ministry to train their staff in writing proposals for LGs' involvement in climate change. MoWE had undertaken to skill LGs train LGs at Entebbe training center on proposal writing for Climate Change financing by December 2023 but this was not done due to lack of technical expertise at the Ministry. Subsequently, Uganda was failing to compete for the Climate Change fund with other countries.

It was also noted that:

i. There is no special fund for Climate Change at MoFPED. However, there are projects benefiting from the Climate change financing and these are LIFE-AR and LOCALE, being managed in MOWE and MoLG respectively.

ii. The LGs still need the training for proposal writing for accessing climate change funds from Embassies and other international organizations. A leaf can be borrowed from the Mayors of Nansana and Masaka who secured such funding from Brazil.

iii. The LGs are never involved in the international negotiations for funding.

It was agreed that:

a) **MoWE shall, in liaison, with MoFPED prepare LGs on how to tap into climate change financing.**
b) **The MoWE shall involve LGs in International Negotiations on Climate Change financing in the future.**
c) **The MoWE shall borrow experiences from the LIFE-AR and LOCALE pilot LGs for future application.**
d) **The OPM shall rationalize resources under their department concerned with disaster management and Sustainable Development Goal 13 on Climate Action to fund LGs to limit and adapt to climate change.**

12. Decentralized Services by the Ministry of Energy and Mineral Development (MoEMD)

LGs noted that the Ministry of Energy, despite having decentralized services, operates in a very centralized manner with little or no connection to the LGs who lack clear guidance on its roles in the LGs.

Additionally, the MoEMD was not represented in the Local Government regional budget consultative workshops for FY 2024/25, hence their engagement with LGs remains inadequate.

LGFC reported that the MoEMD was invited to the Negotiations on Conditional Grants for FY 2025/26. They neither declined nor gave reason(s) for not attending.

It was agreed that:

a) **The Office of the Prime Minister (OPM) will communicate with the Ministry of Energy and Mineral Development regarding the concern by LGs and other stakeholders on their failure to attend the Negotiations on conditional grants for FY 2025/26.**
b) **The OPM shall follow up with the Ministry of Energy and Mineral Development to ensure their participation in local government budget consultative workshops.**
c) **The OPM shall enhance linkages among Ministries, Departments, and Agencies (MDAs) and introduce structural provisions for energy at the local government level.**
d) **LGFC shall invite to the Negotiations for FY 2026/27, all key stakeholders such as MoEMD and NEMA.**

13. Extraction of Building Materials

LGs noted the need for laboratories to test the value of different minerals, such as sand and stones but they lacked guidelines for extracting these building materials.

The Ministry explained that guidelines for sand mining and brick-making were being developed. The MoWE was tasked with expediting their formulation.
It was recommended that the guidelines should address how LGs can benefit from local revenues related to extraction of building materials.

It was agreed that MoWE shall finalize the guidelines and give a status on their formulation by the time of Mid-term Review of this agreement.

14. Staffing

Local Governments (LGs) reported that staff structures in Urban Councils, particularly Municipalities and Town Councils, place Environment and Physical Planning under the Engineering department. Therefore, Environment Officers and Physical Planning should be standalone departments, not part of the Works Department in Municipalities and Town Councils.

They also highlighted the need for a U2 position within these departments to facilitate promotion and smooth staff carrier development. Additionally, they noted the necessity of realigning the PBS with Human Capital Management staff positions, as Assistant Environment Officers and Assistant Records Officers have experienced months without salary payments.

Some districts have Water Officers categorized as U4 while others have them as U3 due to restructuring issues. LGs were given a lee-way to determine their structures, which has negatively impacted many Water Officers, as they cannot progress in their careers.

Line Ministries are permitted to provide guidance on LG structures, but these structures are approved by the respective entities, but Ministries cannot dictate their configurations.

MoPS reported that while they provide guidance on structures, these are subject to approval by the respective entities, and Ministries cannot influence their structures. MoPS was in the process of holding meetings on wage analysis, and recruitment would depend on the available wage. LGs have been advised to prioritize Heads of Departments (HODs) and other critical positions. MoPS also reported that minimum staffing should be at 65% as 100% capacity cannot be provided at this time.

It was agreed that:

a) **MoPS shall carry out functional analysis for offices responsible for Environmental and Physical planning in LGs.**
b) **MoPS shall report on the status of LGs staffing during the Regional Local Government Budget Consultative Workshops for FY 2025/26.**
c) **MoPS shall realign the PBS with Human Capital Management System.**

15. Submission of Draft Work plans by LGs

MoWE noted that LGs were not sharing their draft workplans for scrutiny before they are presented for approval by the Local Government specific Councils as required by the law.

It was agreed that LGs shall submit their draft workplans for the FY 2025/26 to the MoWE by end of second quarter of FY 2024/25.

16. Purchase of Motor Vehicles

LGs continue to face challenges with transport, which hampers their ability to effectively monitor and supervise activities. Compliance monitoring requires government vehicles as a mandatory tool for authoritative inspections and enforcement. To address this, LGs should be provided with red number plates and security personnel to facilitate their work.

MoWE reported that they had approved the purchase of motorcycles but rejected most proposals from LGs with smaller grants that sought to buy cars. Only two LGs were allowed to purchase cars, as they had budgets exceeding UGX 800 million.
It was also noted that different LGs quoted varying prices for the same motorcycles.

It was agreed that:

a) **MoWE shall consider transport in the priorities to be presented to the Program working group.**

b) **LGs shall purchase Motor Cycles to facilitate their transportation needs as they wait for a waiver on ban for the purchase of vehicles.**

17. Commissioning of New Water Sources

MoWE expressed concern that while some Local Governments had completed new water source projects, they had not officially commissioned them. Official commissioning of these projects was important for ensuring ownership, improving operations and maintenance (O&M), and enhancing accountability to the community.

It was agreed that LGs shall commission all completed projects for new water sources, by December 2024.

18. Water Management Information System

MoWE noted that over the years they have experienced challenges in updating LG data arising out of the fact that LGs submit their data late and yet the same data is expected to be utilized in resource allocation.

It was agreed that:

a) **LGs shall submit to MOWE data on all new water sources and the functionality status of the already existing sources together with the annual reports.**

b) **LGs shall produce and share with MoWE maps showing the villages without a safe water source.**

19. Presidential Directive on provision of at least one safe water source per village

MoWE reported that it was directed by His Excellency the President and Cabinet to ensure provision of at least one safe water source per village. They requested the LGs to cater for the 15,000 villages without water sources in the next planning period. LGs requested that MOWE provide commensurate funds to the villages without water.

It was agreed that:

a) **LGs shall prioritize the provision of water sources to the villages without a source, using the grant.**

b) **LGs shall rehabilitate water sources that are non-functional in villages that don't have water sources.**

c) **LGs shall annually provide to MoWE a list of the number and names of the new villages served.**

20. Water Abstraction Permits

MoWE emphasized that water resources belong to the state. Therefore, it is important to monitor water usage to ensure that the environment is protected and that adequate supply is available for others in the area. Water Abstraction Permits are, therefore, required to specify the amount of water that can be used, helping to manage and prevent the overuse of resources and ensure sustainable supply for the community.

It was agreed that LGs shall acquire Water Abstraction permits for all their piped water systems.

21. Unspent Balances

MoWE presented data on 8 Local Governments with unspent balances each exceeding UGX 20 million. The primary reason for these unspent funds was attributed to delayed procurement processes. It was reported that these funds unless they are Donor funds, will not be returned to the LGs. Instead, the activities that remain unfunded will be prioritized in the allocation of resources for the new fiscal year.

It was agreed that LGs shall commence the procurement process early to avoid unspent balances.

IN WITNESS WHEREOF, the appointed representatives of the parties here-to 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 Water and Environment

Eng. Christopher Tumusiime .....

Authorized Representative Ministry of Water and Environment

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 Tusiime .....
Ministry of Public Service

Mr. Dhikusooka Gyaviira .....
National Planning Authority

Mr. Nathan Otutu .....
Office of the Prime Minister

Ms. Manassch Kwihangana .....
Equal Opportunities Commission