

Decentralisation and Rural Service Delivery in Uganda.

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1.0 Introduction

Agriculture is still a significant sector in Uganda's economy although its contribution to the total Gross Domestic Product (GDP) has continued to decline over the years from 25% in 2004/05 to 21% of total GDP in 2007. The sector provides about 70 percent of employment and most industries and services in the country depend on agriculture. This is actually an increase from 63% in 2002/03 (UBOS, 2008).

Uganda's policy framework since 2000 which includes the Plan for the Modernisation of Agriculture (PMA) and more recently "the Prosperity for All (PFA)" has emphasized the goal of poverty eradication through agriculture. Both PMA and PFA recognize that rural institutions and their governances are key for stimulating an agriculture-led development. It is through strong, well organized, well facilitated and well governed rural institutions that rural people (men and women) can be empowered to participate in local governance, demand the services they need and hold service providers accountable. Decentralization which involved establishment of local governments at various levels with attendant powers and responsibilities for service delivery, was a key governance reform around this period. This paper documents the state of knowledge regarding rural service provision in Uganda under decentralization and identifies knowledge gaps for further investigation. The paper is arranged as follows: section two presents a historical review of decentralization and governance in Uganda, section three examines the effect of decentralization on delivery of rural services, while section four discusses the impact of decentralization on natural resource management. Section five concludes the review with a summary, conclusion and policy implications. This final section also identifies some of the outstanding issues for further investigation.

2.0 Historical Review of Decentralization and Governance in Uganda

The first step in Uganda's decentralization process was the enactment of the 1987 Resistance Council/Committees (RCs) Statute no. 9 that legalised RCs and gave them powers in their areas of jurisdiction at the local level (Asiimwe, 1989). Thereafter, the government embarked on an effective implementation programme of decentralization with the enacting of the 1993 Resistance Council Statute (Lubanga, 1996). The decentralisation policy was later enshrined in Uganda's

Constitution of 1995 and was legalised by the Local Government Act, 1997 which established the district level Local Council (LCV), municipality (LCIV) and sub county / division / town council (LCIII) as corporate bodies of local governments and devolved to them far reaching powers and responsibilities in such areas as finances, legislation, political, planning and personnel matters. The devolution of powers, functions and responsibilities to local governments, was intended to achieve the following objectives:

- To transfer real power to the districts and thereby reduce the workload on remote and under-resourced central government officials;
- To bring political and administrative control over services to the point where they are actually delivered, and thereby improve accountability, effectiveness and promote people's ownership of programs and projects executed in their districts;
- To free local managers from central government constraints and, as a long-term goal, allow them to develop organisational structures tailored to local circumstances;
- To improve financial accountability and responsibility by establishing a clear link between payment of taxes and provision of services they finance; and
- To improve the capacity of local councils to plan, finance and manage the delivery of services to their constituents (Asiimwe, 1989).

Hence decentralisation in Uganda is based on three inter-linked aspects: (i) political and legislative empowerment of the people, (ii) fiscal devolution and (iii) control of the administrative machinery by the local councils.

3.0 Challenges and Opportunities of Decentralization

Scott-Herridge (2002) noted that whilst decentralisation has potential advantages, there are serious issues to be faced and it will not succeed without full commitment from national and local governments. The key decentralisation challenges discussed in this paper include financing, human resource capacity, and elite capture.

3.1 Financing

One of the most critical challenges of Local governments is the low financial resource base due to limited sources of local tax revenue, and overdependence on grants from the centre. This is of major importance since all activities required of LGs require adequate financial resources. The

imperativeness of adequate financial and staff resources is further recognised by the World Bank's World Development Report 1999/2000 (p.117). Unfortunately, in the process of introducing the decentralised system of governance in Uganda, the political and administrative aspects moved faster than the fiscal decentralisation. This means that decentralised services were not matched with adequate financial resources for Local Governments (LGs) to deliver services effectively (Green, 2008).

Currently, LGs obtain their finances from mainly four sources that include:

- i. Locally generated revenue, such as market dues, trading licence, rent and rates.
- ii. Government grants;
- iii. Donor/project funds, for specified activities, and
- iv. Fundraising from well-wishers

However, LGs depend heavily on subventions from Central Government. The dependence of LG on funding from the central government increased when the graduated tax, which contributed 80% of the local revenue was abolished in 2005 (Green, 2008). According to Onyach – Olaa (2007) Central Government transfers to LGs account for 30 – 37% of the national budget and constitute about 95% of LGs revenue. Government grants are by and large earmarked for the services for which they are given. Only a slight degree of flexibility is permissible, but even so with restrictions. There are three main forms of grants from the central to the local government:

- (i) The unconditional grant, which is the only grant that LGs may use as part of their revenues is mainly used to pay staff salaries. In many districts, it is not even adequate to cover the wage bill. LGs have to top up from their local revenue.
- (ii) The conditional grant which is by far the largest source of revenue to local government, accounting for up to 85% of LG revenue in 1999/2000. This grant finances programmes agreed between central and local government such as primary education, feeder roads and primary health care. Currently, it includes the Local Government Development Programme (LGDP) through which grants are available to lower councils for specific projects identified in development plans.
- (iii) The equalisation grant paid as a special provision based on the extent to which least developed districts lag behind the national average standard for a particular service.

The main source of local revenue was for a long time the graduated tax (G.T.), accounting for about 80% of all local revenues. In total, G.T. contributed about Ugandan shillings (UGX) 60 – 80 billion per annum. The other sources of revenue collected by LGs were either of low yield or difficult to collect. It is also important to note that the districts used to collect some development levy for education, administration, agriculture, health, and other services through the GT. This yielded about UGX 20 billion per annum. G.T. offered LGs the flexibility to put up administration blocks at district and sub-county level and to undertake their own local priority projects in various sectors.

With time, the GT collection became a highly politicised tool used by candidates aspiring for political offices, both at the Local and National Government levels to canvas for votes. It was labelled as regressive to the poor and out-dated and was consequently abolished in 2005. The government promised to compensate the LGs for the lost revenue, till a suitable alternative was found. In 2005/06 fiscal year, the total government release for GT compensation was Uganda shillings 34billion and this was increased to Uganda shillings 45billion in 2006/07. The Minister of Finance Planning and Economic Development in his budget speech on 14th July 2007 decided to stop the GT Compensation. This was done without consulting the LGs on the assumption that there would be new taxes introduced to replace the GT with effect from 1st July 2007. However, it was not until July 2008 that the local service tax and the local hotels¹ tax were introduced as a replacement for GT. Their implementation has been gradual and the impact is yet to be realised.

But a number of reservations have been expressed about the potential yield of these two taxes and the fact that they require massive civic education and community buy-in. The difficulty of raising funds through this means is already recognized in the literature. Scott – Herridge (2002) notes that people are often not used to paying property or poll taxes and have insufficient income to do so. He further notes that revenue collectors may use their influence with local politicians to avoid payments. In the medium term, it would be advisable for the Government to undertake wide

¹ The Local Government Bill, 2007 provides for a local government hotel tax to be charged on occupants of hotel and lodge rooms. It also imposes a local service tax on people with gainful employment, that is. those in business, large scale commercial farmers, self employed professionals and artisans. The rates are US\$ 2 per room for five and four star hotels, UGX 2,000 for three and two-star hotels and UGX 1,000 per room for other types of accommodation. It allows salaried employees to be charged between UGX 10,000 and UGX 100,000 per year depending on the level of income. These resources are to be retained and used by local government authorities without interference from the central government.

consultations on the proposed new taxes for LGs, so that the ills of the GT are not allowed to permeate the new tax measures.

A more sustainable situation, however, will emerge from a national consensus on the financing of LGs in a manner that shields the local taxes from politicisation and default. The Local Government Finance Commission is examining alternative sources of LG financing such as royalties, agency fees and devolution of some of the taxes that could be effectively managed by the LGs. The Commission shall study and advise Government on the whole question of financing decentralisation in a comprehensive way. Such a study shall include measures to strengthen LG accountability, to establish a stronger link between payment of taxes and services. Here Scott – Herridge (2002) suggests the central and local governments working together to seek donor funding, particularly for capital projects with the central government reassuring donors that democratic processes are being pursued and that corruption is being tackled. However, the downside of seeking donor funding is deepening of dependency on external funding.

Innovative ways of mobilising funding for LGs are still rare. Suggestions revolve around forging international partnerships and increased cooperation and networking between councils both to enhance capacity, share experiences, share facilities and equipment and increase bargaining power with government and donors for increased funding. To depoliticize procurement at LG level and enhance financial efficiency, procurement reforms have recently been undertaken. Among other things, this entails abolition of the Local Government Tender Board (LGTB) and replacing it with contract committees. According to Onyach – Olaa (2007), the funding dilemma of LGs is certainly not helped by the continuous creation of new districts. Twenty one (21) new districts were created (13 districts effective FY 2005/06 and eight (8) districts effective 2006/07) bringing the total number of districts in the country to 80. This makes Uganda the fourth country in the world with the largest number of sub-national administrative units² and consequently the smallest average number of people per sub-national administrative unit among large countries in Africa (Green, 2008). The emerging concern is that the districts are becoming too many, too small, financially non viable and difficult to supervise and monitor by the centre. Estimates by Onyach – Olaa 2007 show

² The first three are: Russia, Philippines and Turkey (Green, 2008).

that the fixed cost for a single district is about UGX 1.2 billion per annum. Multiply this by 80 and the magnitude of financing the LGs becomes very clear.³

Another dimension of the financing problem of the LG has to do with lack of financial management skills a point expounded on further in the subsequent section. There is generally a shortage of qualified accountants and the financial audit system remains weak.

3.2 Human Resource capacity

There is general agreement that there is still a problem of inadequate capacity in local government in Uganda. The problems highlighted by De Muro et al (1998) as affecting many Sub-Saharan countries also exist in Uganda; and they include shortages of qualified and experienced staff to deliver public services and a lack of training opportunities to develop professional and technical expertise. The problems noted by this study as constraining staff recruitment and retention in the LG include among others low pay, and salary payment delays all of which lead to low staff morale. In Uganda, the problem of lack of staff is exacerbated by shortage of equipment and materials. A study by Azfar et al (2000) reported that only 17% of health facility respondents reported that all their employees have the necessary equipment and resources to do their job well.

The central government is however making efforts to increase the capacity of local governments through training for administrative and support staff. The decentralisation secretariat also runs sensitisation courses for new council chairpersons and councillors. A related problem is that there is insufficient capacity within training institutions in Uganda to train sufficient qualified staff, despite a recent growth in private universities. Having a sufficient professional and well – trained staff is essential for local governments to realize their potential for serving their communities. However, LGs in Uganda continue to operate at less than the acceptable minimal personnel structures, in some instances as low as 9% of the approved manpower structure (Onyach – Oloo 2007).

³ This translates to a total of UGX 96 billion per year, which is about 2% of the total Ugandan government budget (UGX 6145.4 billion) in 2008/09 (GOU, 2008).

3.3 Elite Capture, participation, and exclusion of vulnerable groups

One key ingredient of decentralisation, the transfer of more political and administrative power to local leaders may also provide an avenue for abuse. This feature opens the system to corruption, especially in awarding lucrative service contracts to friends, family, relatives, clan chiefs and to those who pay kickbacks. This can lead to the poor, women, disabled, the less politically favoured and other minorities being marginalised unless measures are explicitly put in place to deter it. In Uganda, the constitution and Local Government Act (1997) require the representation of special interest groups like women, youth and disabled on local councils. However evidence on the status of accountability and corruption in Uganda's decentralised structures remains mixed and inconclusive. On a rather positive note, a report by Kullenberg and Porter (1998) whilst recognising that institutions and legal frameworks to promote accountability are not strong, argues that the budgeting and expenditure process has become more transparent. The report concludes by observing that "whereas malfeasance and corruption went undetected at the central level, increased transparency in local government has greatly improved the capacity to expose these practices and initiate corrective action." Flanay and Watt (1999) and others, highlight the contribution of the press in Uganda in exposing corruption.

However, most of the literature by far points to rampant corruption in Uganda's decentralised system. May and Baker (2001) observe that despite pressures on local politicians and staff at both district and sub-county level, corrupt behaviour still occurs. The authors further observed that generally financial management, procurement systems and audit systems were weak and that decentralisation had exacerbated this owing to a chronic shortage of qualified accountants at all levels of government. Another documented observation pertains to weak internal audit systems that open up the way for corruption such as with tender boards. They conclude with a disturbing observation that "corruption itself has been devolved, creating opportunities for the enrichment of local elites" (ibid). Flanay and Watt (1999) also hint on what they called decentralisation of corruption. The problem with elite capture is best summarized by Olowu (1990) who notes that "in many instances, it is local elites rather than the most vulnerable that capture decentralised power." Naidoo (2002) in a comparative analysis of decentralization of education in several sub-Saharan African countries including Uganda concluded that 'initial indications are that decentralization creates intermediate levels of power which are accountable not to the grassroots they are supposed

to serve but to the central authority or their own institutional interests. In general the location of power has not really shifted from the center to the periphery but has reinforced the central control of the periphery' (p.18)

4.0 The effect of decentralization on rural services

Local governments are involved in the delivery or facilitation of a diversity of rural services. This section discusses the effect of decentralization on the most important rural services provided by local governments, namely, education, health, agricultural advisory services and rural infrastructure (rural roads, water, electricity etc).

4.1 Education

4.1.1 Structural and governance reforms in Uganda's education services

In 1997, the Local Government Act decentralized social services including education. The Act provided for five levels of local government: village, parish, sub-county, county and district. The district and sub-county levels have political authority and significant control over resources. District councils have autonomy over primary and secondary education, primary health services, and basic services in water provision, roads, planning and licensing. Each district has the authority to formulate, approve, and execute its own development plan. Primary education, community-based health services, hygiene, and low-level health units were devolved by districts to lower level councils (Azfar et al, 2000 cited in Naidoo, 2002). However, the central government continues to play a key role in policy setting, governance, management, finance and curriculum development. Essentially, national guidelines regulate translation of state policy into local reality and define how schools are run (Naidoo, 2002).

Decentralization coincided with introduction of the universal primary education policy in 1997 which provided for free primary education for all school age children, up to a limit of four children per family initially, and amended to benefit all children in 2003 (Nishimura et al, 2005). The UPE policy aimed at expanding access, enhancing equity, and increasing efficiency in education systems (Inter-Agency for Basic Education for All, 1990). Specifically, the policy objectives of UPE include the following:

- (i) Establishing, providing and maintaining quality education as the basis for promoting necessary human resources development;
- (ii) Transforming society in a fundamental and positive way;
- (iii) Providing the minimum necessary facilities and resources to enable every child to enter and remain in school until primary cycle of the education is complete;
- (iv) Making basic education accessible to the learner and relevant to his/her needs as well as meeting national goals;
- (v) Making education equitable in order to eliminate disparities and inequalities;
- (vi) Ensuring that education is affordable by the majority of Ugandans;

By aiming to achieve Universal Primary Education, government would be fulfilling its mission to eradicate illiteracy while equipping every individual with basic skills and knowledge with which to exploit the environment for self and national development (MOES, 1998 cited in Vokstrup, 2001, p.135).

4.1.2 The performance of education services under decentralization reforms

The UPE policy led to increased public funding for primary education, number of teachers and schools (Nishimura et al, 2005). The immediate result of the policy was a dramatic increase in primary school enrolment with the number of pupils in public primary schools nearly doubling by mid 1997 (Diarra, 2003). The net enrolment ratio of school age children (6-12 years) grew from 85% in 2000 to 92% in 2007⁴ (MOES, 2007). The UPE policy also decreased delayed enrolment in primary school and achieved higher educational attainment at least up to grade 4 for boys and grade 5 for girls. It also has achieved a low economic burden of education at primary level for all households, regardless of their expenditure level. In a nutshell, it has contributed to access and equity of education as a pro-poor policy (Nishimura et al, 2005). However, besides enrolment, its actual effects or impacts are yet to be realized and/or empirically determined. Various studies have revealed flaws in its design and operationalization. While some studies conducted a few years after implementation indicated that UPE policy improved access to primary education for children of poor families by removing tuition fees, others revealed that due to the various other charges which were still levied (such as uniforms, meals, exercise books, local materials for building classrooms) a

⁴ Net enrolment is a ratio of primary school children aged 6-12 years to the number of children of the same age range in the population.

drop out rate as high as 55% was reported by government (Nishimura et al, 2005). Drop out was also attributed to the high opportunity cost of sending children to school when they could have provided the much needed household labour in rural areas. There were also problems of capacity to accommodate the large numbers, inadequate instructional materials and qualified teachers (Diarra, 2003). Other problems observed include internal inefficiency such as delayed enrolment and repetition of grades by pupils and funding arrangements that do not reward performance. Performance of UPE was measured mainly using number of students enrolled and little effort was made to measure the student academic performance (e.g. academic competency of students and teachers). A similar problem has been observed in Tanzania (Hakielimu, 2008). In addition, increases in teacher numbers have not matched the increased enrolment hence the reported decline in the quality of public primary school education (Nishimura et al, 2005). The other problems included weaknesses in teacher training and insufficient investment in secondary education to absorb the expected increase in primary school leavers (Mushemeza, 2003). However, the universal secondary education program – which started in 2007 – is designed to address this gap (MOES, 2007).

Government responses to these challenges have been limited to provision of enough school facilities in the nearby neighborhood, paying special attention to schools in the ‘hard-to-reach’ areas through top-up salary and provision of housing in these areas, and school construction in remote areas (Nishimura et al, 2005). However, the effectiveness of these responses has not been thoroughly investigated.

According to Vokstrup (2001), a fundamental flaw in the design of the UPE policy is lack of a research-based strategy for structural and/or curricular reform aimed at aligning the education system with current national education needs. Vokstrup expounds this flaw as follows.

‘Uganda’s education system is a transplantation of the British education system initiated under colonialism for attainment of their economic and social goals. Efforts to revive the education system after the decline of the 1970s has unfortunately focused on reconstruction and not a new construction aimed at making it more relevant to the current needs. The official belief seems to be that the key to national development is rapid quantitative expansion of current educational opportunities. Since the majority of Uganda’s population is poor and dependent on agriculture, there is a big need for development and implementation of an agricultural human resource strategy, which includes adequate basic education for the rural poor. However, the goal of the current system is to prepare all children to pass standard qualifying exams for secondary schools. Thus the curricula have a strong urban bias meeting the assumed educational needs of the urban and middle class while minimal attention is given to educational needs of the majority of students, those who live and work in the rural areas.... Currently, formal education in Uganda does not impart knowledge and skills

that empower the majority of individuals to function as economic change and development agents on national and local levels. Its bias on western ideas, attitudes and aspirations may not support the nation's development objective. The education system faces the challenge of being relevant to the rural population' (Vokstrup, 2001, p.134).

UPE has also failed to bridge the rural-urban, and private-public school divide in quality of education. Historically and currently under UPE, the Uganda primary education system consists of two parallel formal systems: a public system mainly attended by the rural and urban poor—the majority, and a private system of day and boarding schools for the more affluent households. According to Graham-Brown (1998) cited in Vokstrup (2001): Except in the rhetoric, the Ugandan educational system does not reflect any vision towards a society of more equity, but does in its structure reflect continued growing inequality in society. Access to education continues to favor the more affluent groups. Net enrolment rate continues to be skewed against the poor from primary education to higher levels, the situation getting worse with advancement in levels. The net enrolment rate for secondary education varies from 2% for the poorest quintile to 27% for the richest quintile, and the net enrolment rate for higher education varies from 1% for the poorest quintile to 5% for the richest quintile.

4.1.3 Accountability of education services to beneficiaries under decentralization

The need for active participation of parents and communities in school governance has assumed increased importance under decentralization of education. Concurrent with decentralization, the implementation of the UPE policy puts much emphasis on local management of schools, particularly management of the UPE grant. LCs at the various levels are expected to monitor the flow and use of the UPE grant. At the school level, the role of the school governing bodies is stressed. In Uganda, every primary school is required by law to have a school management committee (SMC) which takes overall responsibility for running the school. The SMC consists of 4 members appointed by the LC V education committee, 2 members elected by parents (often the chairperson and treasurer of the PTA) and 3 members appointed by the Commissioner for education of the central government. The SMC on one hand represents government while on the other hand it could have potential for providing an avenue for exercising local democracy given its broad stakeholder representation. However, an in-depth study conducted in 4 schools in Mukono district in 2000 revealed this not to be the case despite the parents being represented in school management

structures and participating in various school activities (Suzuki, 2002). The findings do not support the contention that decentralization leads to greater participation, which increases accountability of decentralized units. On the contrary, it was found that participation had little effect upon accountability. Three factors identified as affecting the parents' perceptions of the lack of school accountability included lack of transparency in school finances, power imbalance between parents and teachers (including the head teacher), and distance between ordinary parents and school leaders including those elected to represent them on the school management committee. Most parents did not feel that they were involved in the SMC where they were often represented by the local elite 'big people' who were not accountable to them. Regarding lack of financial accountability, the sanctions open to parents, namely, withdrawing their children from the school and refusing to contribute to school finance, did not affect the remuneration of the head teachers directly and therefore didn't evoke any improvement in behavior. On the other hand, the power imbalance between parents and teachers hindered parents from accessing information they needed. Many parents including some of their representatives on the SMC felt intimidated by the teachers whom they perceived to be more educated and knowledgeable, particularly in rural areas where the level of education of parents is low.

Reinikka and Svensson (2004) cited lack of information by users and a system of patronage politics as some of the factors explaining local capture and lack of government accountability to beneficiaries. They found that beneficiaries were not able to hold government accountable because the central government's policy regarding the capitation grant was not well-known to parents, particularly outside the capital. This meant that local officials and politicians could take advantage of the gap in information and divert resources since they knew such actions would not attract political attention. The system of patronage politics and the lack of other sources to fund the local political apparatus—features shared by most Sub-Saharan African countries—explain why this information gap is exploited. Measures aimed at curbing local capture in response to Reinikka and Svensson's public expenditure tracking survey included publishing monthly transfers of public funds to districts in newspapers, and requiring primary schools to post all inflows of funds on public notice boards. This promoted accountability by giving schools and parents access to information needed to understand and monitor the workings of the grant program leading to improved outcomes.

Another explanation for weak accountability relates to social capital (Suzuki, 2002). According to this study, social capital determines communities' ability to produce local public goods, raise funds, and cooperate on policies to improve the community's welfare. The ethnic diversity and history of politics of ethnic division in Uganda have undermined the development of this much needed social capital at local levels (Suzuki, 2002).

4.2 Health services

4.2.1 Structural and governance reforms in Uganda's health services

Prior to the 1990s, Uganda had a highly centralized health care system with considerable difference of health services standards between urban and rural areas (Ojermark, 1992 and MacRae et al, 1996 cited in Jeppsson and Okuonzi, 2000). The center, through the Ministry of Health (MOH), was responsible for resource allocation and hospitals. However, it had devolved much of the responsibility of operating the lower health units such as health centres and dispensaries to lower levels of local government under the Ministry of Local Government. Health facilities run by faith-based organizations constituted 40% and offered better services (Jeppsson and Okuonzi, 2000).

The process of fiscal decentralization began in Uganda in 1993/94, when the central government devolved many functions and responsibilities, including the provision of basic health services and control of medical personnel from the central MOH to the district level. Fiscal decentralization occurred in a phased manner, with some districts being decentralized before others (Akin et al, 2005). The health sector reform was part of an overall reform of the public sector consisting of liberalization, constitutional reform, civil service reform, and privatization. The public sector reform was essentially the one driving changes in the health sector. Therefore, health sector decentralization follows and uses the general administrative/political structures. At the central level, the functions of the MOH were revised to include policy formulation, setting service standards, quality assurance, providing training and human resource guidelines, providing technical supervision, responding to epidemics and other disasters, and monitoring and evaluation of health services. The MOH headquarters divested all service provision to regional and national hospitals and was reorganized significantly and reduced in size. At the local levels, formal powers over implementation of health services lies with the political bodies in the district and management

boards for the hospitals appointed by elected local councils. Technical management teams are charged with the day to day running of health services. The district health team headed by the District Director of Health Services (DDHS) provides technical leadership for the health sector in the district including hospitals. However, the DDHS plays only an advisory role in the affairs of regional and national referral hospitals which are under the leadership of Medical Superintendents and hospital committees or boards. The next level below the district is a sub-district which is an innovation of the health sector and is not a formal structure of the decentralized system of government. This level was established to increase equitable access to health services given that there were too many sub-counties for the existing health care infrastructure and resources. The headquarters of a sub-district is a hospital or an upgraded health centre. Planning is mainly the responsibility of district health teams. Plans and budgets are approved by the local councils over which they have jurisdiction. All staff except at the national and regional hospitals were transferred to the districts (Jeppsson and Okuonzi, 2000).

Non-government organizations especially church missions play an important role in the provision of rural health services, while the private for profit sector is very small and remains an urban phenomenon. However, a large informal sector is booming in urban as well as in rural areas (Jeppsson and Okuonzi, 2000). This is comprised of health providers not formally registered as such.

4.2.2 The performance of decentralization reforms in the health sector

The general objectives of decentralization within the wider context are to bring political power closer to local communities, to respond to local needs, to build local capacity, and to improve accountability. Specifically for the health sector, improvement was expected in the form of increased utilization of health services, better access to health services, more coverage of the population with basic services, better quality of health care and, ultimately, a decline in the rate of illness and death (Jeppsson and Okuonzi, 2000). However, according to Jeppsson and Okuonzi , existing data show no improvement in social services or people's quality of life during the period of the reform. Many indicators have either remained the same or worsened. Komakech (2005) challenged the criteria used by MOH to determine the performance of the different districts as unreliable and misleading. These indicators are mainly facility and management indicators derived

from Uganda's first Health Sector Strategic Plan and most of the data used for the ranking are obtained from the facility Health Management Information system reporting forms submitted to the MOH without triangulation with other sources. Examples of the indicators used include proportion of health management information system forms submitted timely and complete; the proportion of the approved posts that are filled by trained health personnel; and pit latrine coverage among others. These have limited value in monitoring progress towards attainment of the national health sector objective of improvement in health status. Accordingly, it is no wonder that in 2004, the war torn district of Gulu in northern Uganda topped the ranking despite its widely documented appalling health situation.

This inadequate performance can be explained by a range of factors, among which are financial resource management and allocation patterns at local level and personnel quality and management. Foster and Mijumbi (1993) noted that there was steep decline in spending on primary health care following decentralisation and that funds intended for schools and health facilities were used for administrative costs, that health workers were rarely present and that drugs and supplies were diverted for personal gain. Similar findings were obtained by Akin et al (2005) who analyzed district annual health workplans and budget patterns for the fiscal years 1995/96, 1996/97, and 1997/98. Their findings supported the hypothesis that districts alter the budget shares of public goods and other types of health activities during the decentralization process. Between the period 1995/96 and 1997/98, the overall budget share allocated to the public goods category of health activities decreased from nearly 50% of the total budget to around 30%. Their results indicate a movement of resources out of highly public activities into brick, mortar and staff amenities; in other words away from societal benefit goods towards expenditures that benefit health sector managers and employees. This brings into question the widely held assumption that decentralization necessarily increases social welfare (Akin et al, 2005). Apparently, it is the budgetary allocation patterns by local governments which prompted the central government to introduce conditional grants to local authorities in an effort to force them to cater for basic essential services (Foster and Mijumbi, 1993).

Besides resource allocation at local level, the actual total resources allocated to the sector are inadequate. According to Jeppsson and Okuonzi (2000), Uganda is still heavily dependent on

external support with insufficient internal commitment of resources to the health sector, which is indicative of the precarious sustainability status of the services. Faced with competing priorities in other sectors, government does not usually rate health high on the priority list as reflected in the budgets. Regarding human resource quality, Bossert and Beauvais (2002) in an effort to assess the effects of decentralization on equity, analysed effects of the reform on the vertical and horizontal patterns of resource distribution. They found that given the wide variation between sub-county own resource revenues, there are significant equity and quality issues associated with changes in human resource management. As the MOH system was no longer nationally unified, district health officials no longer had the same geographic mobility and access to promotion, making it significantly more difficult for poorer rural districts to attract qualified personnel. Different levels of resources and prioritization of the health sector tended to lead to non-uniformity in the training and capacity of district health personnel. Moreover, wealthier urban districts provided better amenities, as well as opportunities for complementary private sector employment (Okunzi and Lubanga, 1995). Hiring and firing decisions were susceptible to tribalism and clientelism which contributed to a deterioration in staff quality (Hutchinson 1998).

4.2.3 Accountability of health services to beneficiaries

Uganda's holistic decentralization offers substantial opportunities to involve political and administrative leaders in the local decision process over the health services at local level (Jeppsson and Okunzi, 2000). However, this potential is yet to be fully tapped as Jeppsson and Okunzi summarise below.

‘The fact that the reforms have been promulgated in good democratic order does not in itself suffice to achieve legitimacy. Other factors also need to be accomplished. Do the users accept the system? What are the mechanisms whereby the users can control the system? ...the local government system is strong and provides a potential mechanism for the users to institutionalize the control of services through various political bodies. ...However, these possibilities are still largely under-utilized and remain a theoretical possibility not yet realized...Health is still seen to a large extent, as a technical issue rather than a social or political one...So far the country has to a large extent practiced a push rather than pull system of the services, which is more sensitive to the views of the health professionals than to the users of the services’ (pp. 288).

For instance, Komakech (2005) observed that health care consumers are absent at the annual stakeholders' National Health Assembly convened by the MOH to determine the performance of different districts, the assumption being that they are represented by technical district officials.

4.3 Agricultural Advisory Services

4.3.1 Decentralization and civil service reform

Decentralization led to transfer of powers, functions and responsibilities for planning and implementation of agricultural extension services from the Ministry of Agriculture Animal Industry and Fisheries (MAAIF) to district local governments. MAAIF was left with the role of planning and policy formulation, regulatory functions, technical backstopping and training, setting standards and monitoring performance of the agricultural sector, and managing funds of selected projects. Extension workers at district level were put under the direction of the local District Governments (Friis-Hansen and Kisauzi, 2004; Mangheni, 1999).

In 1998, the directorate of extension in the MAAIF was abolished, central staffing was reduced by some 80% and the major responsibility for supporting field level extension was transferred to the National Agricultural Research Organization (NARO). In the same year, in a move contrary to downsizing, restructuring, and contracting out/privatization objectives at the time, central government introduced a plan to employ up to three graduate specialists per sub-county with salaries paid by the central government as conditional grants while the districts and sub-counties were expected to cater for operational expenses (Crowder and Anderson, 2002).

Parallel to the changes in public extension in the 1980s and 1990s, liberalization of service delivery led to a proliferation of private companies and Non Government Organizations (NGOs) operating at the grassroots level, providing channels for agricultural technology and information service delivery to the farmers (Friis-Hansen and Kisauzi, 2004). While private companies hired their own full time staff to provide the complete package of services required for the production and marketing of commodities of interest, many NGOs tended to use government extension staff to provide services to farmers within their area of jurisdiction (Kibwika and Semana, 1998). The latter is one of the two kinds of public—private sector partnerships that have operated in Uganda, the second one being where government contracts the private sector to offer services (Crowder and Anderson, 2002).

In 2001, Uganda embarked on a process of transforming its public extension system in conformity with the rest of its economic transformations. Under the NAADS Act (2001), the public extension system was gradually phased out and replaced by a contract privatized system implemented by a new statutory semi-autonomous body - the National Agricultural Advisory Services (NAADS) – under the MAAIF implemented within a broader policy framework of a multi-sectoral Plan for Modernisation of Agriculture (PMA), decentralization, liberalization and privatization (Mangheni, 2007).

4.3.2 The performance of agricultural extension services under the various reforms

Under decentralization, district extension staff were to be paid by unconditional block grants from central government, with the districts expected to bear the bulk of the operational expenses supplemented by the sub-counties. However, these contributions were in reality often not forthcoming and extension was greatly constrained by operational funding save for situations where supplements from donor or NGO funding was available (Crowder and Anderson, 2002). Other negative effects of decentralization included misappropriation of funds by local authorities, and reduced staff job satisfaction stemming from lack of job promotions, resentment from being supervised by local councils that are not technical in the field, perceived unrealistic expectations from political supervisors, and isolation from the headquarters. However, on a positive note, decentralization is perceived to have enhanced participation of local communities in planning and implementation of programs, and ensured closer staff supervision (Kibwika and Semana, 1998).

Another reform was what Crowder and Anderson (2002) referred to as ‘contracting in’. Under this arrangement, public extension staff who are often under-utilized due to lack of operational funds are contracted or seconded to national and international NGOs to offer services in areas targeted by the respective NGO. The NGO therefore provides operational funds, travel allowances, per diem, and in some cases salary supplements to augment the low civil servant wages of the extension staff. This arrangement potentially benefits both the institutions involved and the farmers. The public extension staff enjoy better working conditions and terms of service, while the public extension institutions as a whole benefits through increased mobility for its staff, training of its staff in planning, organizing and supervising local development activities, participatory community based approaches and improved production practices. The NGO is able to utilize already salaried

government employees, which is more cost effective, and to tap the often scarce technical expertise in the rural areas. Farmers on the other hand benefit from the technical skills of the extension agents. The synergy and complementarity of functions resulting from this arrangement may be more efficient and effective than either sector working in isolation. However, one limitation to the sustainability and replicability of this model is the fluid and location specific nature of these coalitions which to a large extent depend on local networks, available staff capacity and organizational needs. The other drawback is that such arrangements are often driven by the donor and/or NGO interests with limited farmer involvement in developing programs and evaluating performance. In addition, there are instances where NGO programs are not developed in the context of district agricultural development plans. Other problems include the managerial confusion and inefficiencies resulting from extension staff having two masters, the NGO and the local government which could pause a conflict of interest. To compound the problem, there are instances where an extension worker is contracted by more than one NGO and may work with the same favored group of farmers to carry out the activities of each NGO. In the absence of government mechanisms to ensure equitable spread of NGO interventions, this model therefore has tended to concentrate services on a few farmers in areas favored by NGOs. For example, Jagger and Pender (2005) observed that programs and organization with focus on agriculture and environment were concentrated in areas with high market access in Uganda. Direct quantifiable impacts of this approach on farmers' production, productivity and incomes have not been studied (Crowder and Anderson, 2002).

Besides 'contracting in', the other kind of private-public partnership is where government provides conditional matching grants to local governments at district and sub-county level to contract private firms, farmers' associations, or other NGOs to provide extension services, also referred to as 'contracting out' (Crowder and Anderson, 2002). Scott – Herridge (2002) underscores the importance and potential of improved service delivery through local government – private sector / NGO partnerships but notes that there appears to be little study of this. Anecdotal evidence to this is provided by Obwona et al (2000) who suggest that revenue from markets has increased where management has been tendered to the private sector. The privatized contract farmer owned agricultural extension approach introduced in 2001 under NAADS is a classic example of this model. The major features of the NAADS programme included private delivery of publicly funded services; demand-driven and farmer owned; decentralized service delivery; and poverty and gender

targeting (Mangheni, 2007). Private extension service providers who operate either as individuals or firms were contracted by sub-county farmers' fora to deliver enterprise specific services to specific groups of farmers over a period of 3 to 6 months. In order to foster farmer articulation of needs, ownership and control over the program, NAADS through the farmer institution development process facilitated establishment of farmers' fora from parish to district level. The rating of the performance of the programme which began with six trailblazing districts and gradually expanded to cover the majority of districts in the country is mixed. Benin et al (2008) found that farmers participating in the NAADS programme had better access to extension and other rural public services, were more organized in groups, had better capacity to demand for improved technologies, and had experienced welfare gains. For example, 41-58% of the NAADS participants perceived that their average wealth, access to adequate food, nutritional quality of food, ability to meet basic needs or overall wellbeing had improved between 2000 and 2007 compared to 27-44% of their non-participants counterparts. These impacts were found to vary by region with the largest impact being in the central and western region. However, certain key anticipated benefits of such an extension system such as more operational efficiency and cost effectiveness; greater accountability of extensionists to farmers; and diversity or plurality of service providers (Crowder and Anderson, 2002) were not fully realized. Some of the documented deficiencies include an unsatisfactory process for articulating farmer demands perceived by some as prescriptive (Obaa, Mutimba, and Semana, 2005) and too complicated for farmers especially the poor and illiterate (Draa *et al*, 2004); failure to actively engage the farmer group members in monitoring service providers and quality assurance, weak private service provision capacity, unfavorable conditions for private service providers, and unsustainable funding arrangements (Mubangizi, 2006). Therefore, while Uganda is lauded for what is considered an innovative reform, attainment of the potential benefits seems to be hampered by, among others, absence of some critical prerequisites for success of this kind of extension approach, namely, a conducive policy environment, sufficient farmer capacity to articulate their demands, sufficient private service provision capacity, efficient and effective service quality assurance mechanisms, adequate and sustainable funding, conditions conducive for profitable private service provision, and effective coordination of the multi-actor processes that are part and parcel of this complex approach (Mangheni, 2007).

5.0 Decentralization and Natural Resource Management

5.1 Issues and Opportunities of enhancing natural resource management under local governments

At the Central government level, the National environment Management Authority (NEMA) is the principal institution in Uganda responsible for environmental matters with the mandate to coordinate, monitor and supervise all activities in the field of environment (NEMA, 2006/07). NEMA was established under the National Environment Act 1995. It relates horizontally with the different sectoral agencies and departments that were previously called Environment Liaison Units (ELUs) but are now known as Lead Agencies (Las).

Under decentralization, the districts and lower local governments are responsible for the management of the environment in their respective jurisdictions. NEMA links vertically with local governments and assists them through technical backstopping, capacity building and where funds are available, the funding of demonstration projects. The recent creation of a department or directorate of natural resources at the district level to manage the environment and natural resources is hailed as a significant improvement from the situation where the environment was either alone, with planning, production, or health departments and directorates. Whereas this arrangement lends greater weight to the office of the District Environment Officer, it still needs further improvement (NEMA, 2006/07). For example, it does not give adequate recognition to the cross-sectoral nature of the environment. Second, the opportunity of bringing all diverse institutions under one umbrella as recommended in the National Environment Management Policy of 1994 has just been partially achieved. One important advantage is that under the new structure, the Department or Directorate for natural resources represents significant opportunities for districts to raise non-tax resource based revenues (ibid). It also allows districts to innovate to protect their environment.

Recently, there have been important developments in the management of natural resources in Uganda. First, the 1997 Local Government Act entrusted the local government to enact and enforce bylaws including natural resource management regulations and consequently, a study by Nkonya et al., (2008) showed that 11% of the 234 Ugandan communities investigated enacted NRM regulations between 1992 – 2003. Comparison of level of compliance with NRM regulations enacted by different levels of government showed that people are more likely to comply with a tree

planting or protection regulation enacted by the local village council than by higher levels of government (Nkonya, et al., 2008). These results suggest that devolution of responsibility contributes to greater compliance with some NRM requirements.

Second, the Forest Act of 2003 that formed the National Forest Authority (NFA) and the district forestry services transferred the management of centralized forests to local government. The District Forest Services offer advisory services to decentralized forests, which currently account for 70% of the total forest area in Uganda (Banana, et al., 2007; GOU, 2003). Comparison of the centralized and decentralized forest management reveals ambiguous results. Consistent with Nkonya, et al., (2008) and Gibson, (2005), Banana, et al., 2007 observed that compliance with timber and firewood harvesting regulations were higher in communities which enacted and/or enforced the forest harvesting regulations. They also observed that communities with high degree of awareness of the benefits of forests and the impacts of their degradation had higher degree of compliance with forest regulations than those with lower awareness. These results underscore the importance of environment knowledge that NEMA is promoting in schools and local communities. However, Banana, et al., (2007) also observed that forest conditions in the study area (Mpigi district) generally declined following decentralization. The number of trees in the study area decreased mainly due to the increasing demand for timber and fuelwood and institutional failure to regulate management of forests (Ibid). The results suggest the need to *strengthen the local institutions* in order to increase their effectiveness in managing natural resources.

Third, according to the PMA (2008), various sub-sectors such as wetlands, forestry, fisheries, meteorology and environmental management already have investment plans. These were consolidated into a draft ten year ENR SIP for the period 2007-2017. However, this has not yet been submitted to Cabinet for approval. An encouraging development is that most districts and sub-counties have environment action plans (EAPs), integrated into their district development plans. Over 90% of the districts have integrated environment issues in their District Development Plans (DDPs) (PMA, 2006/07). But NEMA still needs to support more districts (especially the new ones) and sub-counties to update or prepare their EAPs.

Fourth, the central government has worked with LGs to undertake wetland inventories for District Wetlands Action Plans in 7 districts. Restoration plans for wetlands in Kampala, Wakiso and Mukono have also been drawn. The central government has also held consultations on wetland by-laws in 10 districts in south-western Uganda and also supported the development of Community Wetland Management Plans.

Fifth, the Sawlog Production Grant Scheme (SPGS) implemented by the National Forestry Authority (NFA) succeeded in stimulating the *private sector* to establish long-term commercial forestry in Central Forestry Reserves and in privately owned forests. During FY 2006/07, NFA planted 760 Ha and private sector planted 3,900 Ha of trees under license in central forest reserves.

The main challenge to the NFA is the large encroachment on forest reserves for subsistence cultivation. For example, the NFA reported that encroachment increased by 23% (from 180,000 people in 2005 to 220,000 in 2006/07). Also, despite concerns over soil degradation that leads to diminished arable land and crop yields, the National Soils and Rangelands Policies remain incomplete. NEMA and MAAIF are leading the formulation of these policies. Other challenges to optimal management of environment and natural resources include poor funding for environment activities in the districts as well as limited political support to control degradation of the environment and natural resources.

NGOs also play a key role in enhancing the capacity of local institutions to manage natural resources. Nkonya, et al., (2008) observed that programs and organizations with a focus on agriculture and environment in Uganda increased the likelihood of communities to enact NRM regulations. The Local Government Act of 1997 grants NGOs a representation in the local environmental and natural resource committees. Civil Society Organisations (CSOs), especially those with focus on conservation have been the ‘traditional friends’ of the environment and ‘voice’ of the rural communities. NEMA also links vertically with these CSOs who are often national and international NGOs, community – based organisations (CBOs) and community – based associations (CBAs). The challenges faced by these organizations is that they lack capacity and the recent shift by major international donor organizations away from project to budget funding has denied them their traditional sources of funding. Other things remaining equal, it is likely there will be a

rationalisation of the CSO ‘industry’ with a number closing due to lack of funds for implementing conservation projects, or re-orienting activities away from their traditional focus of operations. On the other hand, there are opportunities for national NGOs to partner with foreign NGOs who may have the financial resources to carry out conservation work.

5.2 Challenges of natural resource management under decentralization

Decentralization seems not to be quickly achieving the envisaged natural resource management and conservation results. Recent estimates of the cost of natural resource degradation is as high as 17 percent of gross national income (GNI) per year, of which 6 percent consists of forest degradation and 11 percent soil degradation. This is because despite the improvements in the institutional, policy and legal framework, Uganda still faces daunting environmental challenges. Perhaps, the biggest challenge is in the area of enforcement of the existing environmental instruments that is exacerbated by lack of adequate human resource capacity at the LG level. It may as well be that Ugandans are enjoying environmental goods and services today at the expense of those not yet born, contravening the principle of sustainable development which the country subscribes to. This assertion is supported by a number of observations that include; neglect of the provisions of environmental laws; horrendous hidden annual costs of soil erosion; increased land scarcity and fish and other natural resources off-take rates close or beyond long-run sustainable yield levels. According to UBOS (2008), total fish catch in Uganda dropped by 10.2 percent from 416.8 thousand tons in 2005 to 374.3 thousand tons in 2007 whereas fish exports dropped by 18 percent from 39 thousand tons to 32 thousand tons over the same period. According to the fisheries department of MAAIF, 40% of Uganda’s annual fish production is immature and the number of fishers on Lake Victoria alone increased by 52% from 129,305 to 196,426 between 2000 and 2006 (UBOS, 2007).

According to the national biomass studies, the volume of total biomass declined by 20% from 299,119 thousand tons in 2000 to 239,126 thousand tons in 2005 (NEMA, 2005). According to the same report, the amount for tropical high forest also declined even faster by 64% from 44,216 thousand tons in 2000 to 15,832 thousand tons in 2005 and the amount of woodland biomass also declined by 31% over the same period. Meanwhile, Uganda’s rate of deforestation is estimated at

2.1 percent per year or 92,000 hectares of the total forest cover of 3.6 million hectares as of 2005 (ibid). At this rate it is feared that Uganda will have no forest left by the year 2052.

Furthermore, apart from Kampala City Council, virtually no meaningful efforts are being made at managing solid waste in other urban areas, especially the non-decomposable components (plastics). There are still low levels of private sector involvement in environment and natural resources management. There are also signs of an intensifying conflict between the environment and development. The absence of land use plans leads to poor administration of land-related matters – ownership, dispute settlements, inappropriate uses and many others.

6.0 Summary, Conclusion and Implications for further research

6.1 Summary

The analysis in this paper constitutes one among several studies that examine the implications of decentralization on delivery of services. The results in terms of attainment of the objectives of decentralization are mixed.

The Local Government Act of 1997 legalized the policy of decentralization. The aims were to transfer real power to the districts and lower level local governments, to bring political and administrative control over services closer to the people, to free local managers from central government constraints, to improve financial accountability and responsibility by establishing a clear link between payment of taxes and provision of services they finance and to improve the capacity of local councils to plan, finance and manage the delivery of services to their constituents. However, LGs are still unable to mobilise adequate local financial resources and the financing of local governments still relies heavily on central government grants. The Local Service tax and Local hotels tax which were introduced to fill the financing gap caused by the abolition of graduated tax in 2005 are yet to make a significant contribution to the local resource base.

Local governments are still unable to attract and retain sufficient trained and experienced staff and there is still insufficient capacity within training institutions in Uganda to train adequate qualified staff, despite a recent growth in the number of private universities.

Evidence on the status of accountability and corruption in Uganda's decentralised structures remains mixed and inconclusive. However there is sizeable literature pointing to existence of corruption, nepotism, and elite capture.

Meanwhile implementation of the UPE under the decentralization framework is credited with the dramatic increase in primary school enrolment with the number of pupils in public primary schools nearly doubling by mid 1997 although it is still dodged by concerns over financing, quality and the need for curriculum reform.

Regarding health services, some studies show that there has been no improvement in services or people's quality of life as a result of the reform. Many indicators are seen to have either remained the same or worsened. Factors responsible include weak financial resource management and allocation patterns at local level that prioritise private benefits of staff as opposed to investment in services of a public nature; and shortcomings in personnel quality and management. Generally, decentralization of education and health services has not resulted in greater participation of the ordinary people and accountability of service providers to the community.

With regard to agricultural extension/advisory services, decentralization coincided with other reforms, namely, civil service reform, privatisation and liberalisation of service delivery which attracted a number of NGOs to offer services. NGOs supplemented the efforts of local governments and largely improved service delivery in the targeted areas. However, save for areas serviced by NGOs, the vast majority of the country does not readily access extension services because districts are unable to cater for operational expenses. With regard to outcomes of privatization of extension services under the NAADS Act 2002, it is widely believed that the anticipated benefits such as more operational efficiency and cost effectiveness; greater accountability of extension officers to farmers; and diversity or plurality of service providers are yet to be fully realized. Confounding factors include; absence of a conducive policy environment, insufficient farmer capacity to articulate their demands, insufficient private service provision capacity, lack of efficient and effective service quality assurance mechanisms and inadequate and unsustainable sources of funding.

Regarding natural resource management, available evidence so far suggests that devolution of responsibility contributes to greater compliance with some NRM requirements. In particular, involvement of locally accountable and representative authorities in enacting and enforcing NRM requirements appears critical for the legitimacy and success of such regulation. With regard to forest conservation, comparison of the centralized and decentralized forest management reveals ambiguous results. There is evidence that forest conditions in some areas have declined following decentralization.

Meanwhile, NGOs, Civil Society Organisations (CSOs) and Community Based Organisations (CBOs) are also involved in environmental conservation and natural resource management (NRM). What is common among them is lack of capacity – both skills and finances. The main NRM constraints include inadequate capacity at the local government level, neglect of provisions of environmental laws; high and hidden costs of soil erosion; increased land scarcity, fish and other natural resources depletion and poor management of solid waste. There is still limited private sector involvement in NRM and there is apparent conflict between environment and development.

On whether decentralisation has improved service delivery the evidence is still inconclusive and more research is needed.

6.2 Policy implications

The results of service delivery as compared to the pre decentralization present a mixed scenario. With regard to education, although local governments implement both UPE and USE, funding is provided by the central government and there seems to have been a rush for numbers at the expense of quality. The human resource capacity implications of this phenomenon will be seen in the near future. Local governments also oversee the delivery of the public funded and (until recently) private sector delivered NAADS extension services. Beyond donor and central government support for NAADS, the LGs have found it difficult to mobilize resources for agricultural extension. Local government run health services are also under-budgeted, understaffed and deliver a less than adequate health service. Despite the policy of decentralisation and creation of NEMA, a number of challenges still persist in natural resource management including alarming soil erosion levels, high rates of deforestation, depletion of fish stocks, and the recent climate change.

It is therefore evident that Uganda still has some way to go to realize the full benefits of decentralization. There is a need for regular assessment on the part of the government with the view to making hard choices and adjustments when this becomes necessary. The Local Government Act enacted in 1997 is more than 10 years old and may require a review. Circumstances have greatly changed to warrant this. On the domestic front, there were about 35 districts then compared to today's 80; and since the law was made, the population has also increased to the current 30 million persons. There have also been regional and global changes such as the rising food prices, the financial crisis and others that may support the need to revisit the local government Act.

To enhance sustainability and anchor firmly the benefits of decentralization, the education/sensitization and increased involvement of service recipients (beneficiaries) in planning and executing service delivery programs needs to go hand in hand with capacity building for effective service delivery. The central government needs to devise means to reign on the tendency by local governments to spend more on recurrent rather than development elements of the budget. This makes LGs to degenerate into consumption rather than development nodes (stages) of government. It is practically possible for the central government to offer guidelines on budget proportions to be spent on development investments as opposed to recurrent spending without being accused of interference. Uganda still has a great opportunity to be a shining example in the region by deepening decentralization and enhancing the delivery of public services for the good of her people.

6.3. Gaps and implications for future research

The analysis in this paper has identified some outstanding issues which call for research to make a contribution in terms of availing information to allow a better understanding of the opportunities and possible solutions to the challenges facing rural services in Uganda.

Education:

- What are the challenges to full realization of the objectives of the UPE and USE policies? To what extent has government responded to these challenges? What lessons have been learnt?
- What are the opportunities and contribution of UPE to community level capacity development and empowerment (that is, does the increased literacy level of the rural

populace as a result of UPE translate into a better informed society that assumes leadership at local level and is able to participate more actively in rural service provision as well as hold rural service providers accountable?). How can UPE be integrated with other pro-poor rural services within a comprehensive rural development strategy?

- To whom are the school governing bodies under UPE accountable-- the central government, the local politicians, community or parents? If the purpose of educational decentralization is to facilitate participation of parents in democratic decision making over the education of their children, how can school governing bodies become more accountable to parents, who have the greatest interest in the education of their children? (Suzuki, 2002).
- What factors drive local decision making processes and choices regarding resource allocation for pro-poor services? What tools or incentives are most likely to improve local government compliance with national objectives and/or beneficiary priorities-- for instance, would sanctions be more effective or monetary incentives and investment in popular participation? (Bossert and Beauvais, 2002).

Health:

- To what extent has decentralization of health services been effective in achieving anticipated goals? What are the effects of decentralization on health sector performance (efficiency, quality, equity and financial soundness)? How have sector outputs per expenditure changed, if at all, as a result of decentralization reforms? What degree of variation among local governments do we see in the levels of expenditure, utilization and the quality of services provided? What factors account for this variation? What is the impact of decentralization on the major objective of the health system—improving health status? (Bossert and Beauvais, 2002).

Agricultural Extension:

- What local dynamic processes make for effective public-private extension coalitions under decentralization—for instance aspects of the local environment which foster coalitions, negotiation processes, organizational roles and how organizations perceive each others' roles, transaction costs and how to diminish them, creating collaborative platforms and managing conflicts, and measuring farm level impacts(Crowder and Anderson, 2002).

Natural resource management:

- What are the social, environmental and other factors driving the high rates of natural resource depletion and how can these be mitigated in a decentralized framework?
- What are the most efficient policy instruments for achieving sustainable rates of forest use and fishing?
- What are the farmer level costs of soil erosion and what incentive structures can enhance soil conservation especially in the soil erosion prone environments?
- What is the level of awareness and knowledge about climate change among farmers and local governments; and how are farmers coping with the effects of climate change?
- What are the sustainable levels of fishing and deforestation in the face of growing population and climate change?

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