



THE REPUBLIC OF UGANDA

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

AND

IN THE MATTER OF A CONDITIONAL GRANT UTILIZATION AGREEMENT FOR
FINANCIAL YEAR 2018 – 2019

BETWEEN

MINISTRY OF AGRICULTURE, ANIMAL INDUSTRY & FISHERIES

AND

LOCAL GOVERNMENTS

THIS Agreement is made this 24th day of **August 2017** between the **Ministry of AGRICULTURE, ANIMAL INDUSTRY & FISHERIES (MAAIF)** of P.O. 7174, 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 represented by Uganda Local Government Negotiation and Advocacy Team (UNAT)** of c/o P.O. Box 23120 or P. O. Box 23092 Kampala (hereinafter referred to as the "**Second Party**") of the other part and where the context so permits shall include its assignees, representatives and any one acting under its authority. For purpose of this Agreement, the two shall be jointly referred to as "**the Parties**". 102
Entebbe

Preamble:

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



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

The negotiations are organized and chaired by the Local Government Finance Commission, and witnessed by LGFC, Ministry of Local Government, Ministry of Finance, Planning and Economic Development and Ministry of Public Service.

WHEREAS;

- a. The Ministry of Agriculture, Animal Industry & Fisheries has the statutory responsibility of inspection, supervision, monitoring, regulation, coordination, mentoring, and provision of technical guidance to local governments in the implementation of government programmes;
- b. The Local Governments are the implementers of government programmes within their locality and jurisdiction in accordance with the Constitution of the Republic of Uganda and the Local Governments Act Cap 243;
- c. Both parties have a common objective of implementing agreed upon conditions for expenditure of the Conditional grants in the sector.

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 2018-2019.
- b) Modification of the terms and conditions of this Agreement shall only be made by written and signed Agreement between the Parties hereto.
- c) None of the parties to this agreement shall be held liable on any of their obligations herein if owing to an occurrence or event beyond their control or reasonable foresight and without negligence on their part, execution of this Agreement has been rendered impossible. In such circumstances, the parties shall mutually agree on the appropriate way forward.

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-) 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 and set out the terms and the conditions for the expenditure of the conditional grants for the financial year 2018/2019 in the Agriculture, Animal Industry & Fisheries Sector.

Mid-term Review

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

- 1) There shall be a Joint Technical Committee (JTC) comprising of Thirteen (13) members drawn in the following ratio;
 - a) Local Governments Finance Commission: 2
 - b) Uganda Local Governments Association: 2
 - c) Urban Authorities Association of Uganda :2
 - d) Ministry of Agriculture, Animal Industry & Fisheries: 2
 - e) Office of the Prime Minister: 1
 - f) Ministry of Finance: 1
 - g) Ministry of Local Government: 1
 - h) Ministry of Public Service: 1
 - i) National Planning Authority: 1
- 2) The Local Government Finance Commission shall be the Chair and Secretariat of the Joint Technical Committee.



- 3) The JTC shall sit on a quarterly basis at a time and place determined and communicated by the Local Government Finance Commission.
- 4) The Joint Technical Committee shall execute the following tasks.
 - a) Oversee implementation of the agreements and monitor the progress of either party.
 - b) Ensure that the Agreements are disseminated to all stakeholders.
 - c) Conduct a mid-term review of the implementation process so as to obtain feedback and disseminate it to the parties.
 - d) Identify the non-complying parties and make recommendations to MoFPED, and Office of the Prime Minister and MoLG for appropriate sanction
 - e) Handle any other upcoming issues.
 - f) The Joint Technical Committee 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 Agriculture, Animal Industry & Fisheries

The Ministry shall;

- a) Prepare and disseminate the final sector and grant utilization guidelines for (FY 2018/2019) during the local government budget consultative workshops.
- b) Include the signed agreement for the financial year 2018/19 as an annex to its Ministerial Policy Statement and provide a report to the Committee of Parliament for MAAIF, regarding the agreed positions reached with UNAT during the negotiations.
- c) Communicate through circulars addressed to the Chief Administrative Officers and Town Clerks, the issues agreed upon in the negotiations for Local Governments to implement in their respective sectors.
- 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.

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- g) Ensure adequate involvement and participation of the Accounting Officers of Local Governments during its sector reviews.
- 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 Agriculture sector.
- i) Shall involve the LGs in the service delivery decision making (policy development, review and development of guidelines)
- j) Report on the progress of their undertaking to the LGFC in writing so that information can be shared.

Obligations of the Local Governments

Local Governments shall;

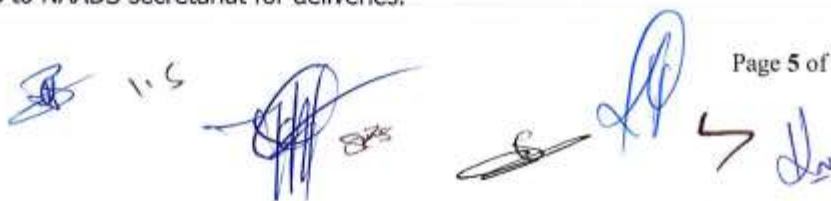
- a) Through their Constituent organizations (ULGA and UAAU) disseminate the agreements to their members.
- b) Implement the agreed obligations in accordance with this agreement and the guidelines issued by the MAAIF;
- c) Ensure timely response to issues raised by the Sector Ministry;
- d) Provide timely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

Specific Obligations of the Parties

1. Operation Wealth Creation

LGs reported that there is no logistical support to OWC team and District Production Team. Districts are mandated to conduct farmer selection, verification and supervision of distribution of the inputs yet no facilitation is provided for execution of the work. They also reported low survival rates of seedlings for instance coffee, which was below 50% according to the coffee seedling survival rate assessment conducted by UCDA in 2016.

MAAIF reported that UGX.39.6 billion has been mobilized for the extension workers, however, it is not applicable to have OWC Indicative Planning Figures for LGs. It was reported that LGs are supported to organize farmers who should submit their requirements to NAADS secretariat for deliveries.

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MoPS noted that there is a need to review the performance outputs and job descriptions for the extension workers under the Production Department.

MAAIF proposed that LGs should recruit extension workers using their unconditional wage so that each LG to fill its own approved /or customized structures..

MAAIF reported that poor management of the procurement process for seedlings is partly responsible for delays. MAAIF came up with supplier schedules so that the LGs can follow up on this and proposed that LGs should reject late supplies to improve the survival rate.

It was agreed that;

- a) **MAAIF shall share with LGFC the list of Districts that have not recruited extension workers, so that the responsible districts can do so by end of December, 2017.**
- b) **MAAIF shall ensure that call off orders with the suppliers are shared with the LGs within 14 days prior to the supply and that suppliers should have a meeting with recipient Local Governments to agree on supply schedules**
- c) **MAAIF shall review and streamline the communication with the LGs to ensure effective follow-up, and report on progress by the midterm review in April, 2018.**
- d) **LGs shall mobilise farmers to demand for inputs from NAADS secretariat.**

2. Production & Marketing Grant

LGs reported that whereas it was agreed that the 70:30 ratio of recurrent to development be applied, the MAIF guidelines insist on 45:55 ratio which is in breach of the agreement of 2016/17.

MAAIF reported that NAADs and other agencies are not providing enough for the development needs therefore more funds are needed hence the 45:55 ratio. In addition to this, the 39.6bn disbursed exceeded that previously agreed upon.

It was agreed that;

MAAIF shall revert to the 45:55 ratio to cater for the development priorities.

3. Fisheries- Management of Fish landing sites

LGs noted that UPDF is closing the landing sites without consulting the LGs amidst alleged human rights violations.

MAAIF reported that there was excessive fishing that was destructive to the fish population. Therefore, stringent limitations were put on fishing activities. There are also



Some non-gazetted landing sites and these are the ones being closed. Due to the absence of an enforcement force with MAAIF, there was a need to partner with capable partners for this therefore, Presidential Directive on Fisheries Enforcement established Fisheries Protection Force which DiFR facilitates. The LGs requested to be represented on this protection force since these resources are of their concern too.

MAAIF wants to first regulate the fishing activities until the fish are mature, after which the LGs shall be involved.

MAAIF reported that it just concluded the consultative process for the National Fisheries Policy; 2017. It has been approved by MAAIF Top Management and is awaiting cabinet approval. It has also developed national guidelines on fish breeding areas, gazetted them and are being disseminated to stakeholders.

The LGs noted that they require feedback for the policy direction on closure so that they can support.

LGs reported that there is reduction in the female stocks.

It was agreed that;

- a) **MAAIF shall disseminate and share guidelines on fisheries management and breeding areas with the LGs by the end of September 2017.**
- a) **MAAIF shall investigate and ascertain the decline in the female fish stocks and take relevant action.**

4. Construction of Valley dams/ Tanks

LGs noted that during the dry season, livestock farmers from Karamoja move with their animals looking for water in the neighboring districts. This results into inconveniences in the affected districts. They were seeking for a solution to this problem.

It was agreed that;

MAAIF shall explore the possibility of constructing valley dams in the districts surrounding Karamoja.

5. Utilisation of Government Farm land

It was noted that Government has a lot of land under the former district farm institutes and ranches. However, some of it is not titled, planned for, resulting into encroachment and is being grabbed and some of it being offered to investors. The LGs noted that such land could effectively be used more productively in collaboration with the farmers within the respective LGs e.g. via leasing.

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It was agreed that;

- a) MAAIF shall follow up on all Government farm land to ensure that they have titles.
- b) The MAAIF shall ask its Agencies to develop plans for land use.

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


Signed for and On Behalf of **Local Governments:**

Mr. Mutabazi George


.....
Authorized Representative
UNAT

Signed for and on behalf of
**The Ministry of Agriculture, Animal Industry
& Fisheries**

Ms. Byarugaba B Beatrice


.....
Authorized Representative
MAAIF

**IN WITNESS HEREOF
Authorized Representatives**

Mr. Lawrence Banyoya


.....
LGFC

Mr. Olarker Charles

.....
MOLG

Mr. Sam Omaid


.....
MOFPED


Ms. Samalie Ibanda


.....
MOPS

Mr. David Katungi


.....
NPA

Mr. Nibert Katsirabo


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OPM