



The Republic of Uganda

MINISTRY OF LOCAL GOVERNMENT

**Discretionary Development Equalisation Grant (DDEG)
Grant, Budget and Implementation Guidelines
For Financial Year 2021/22**

27th January 2021

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Foreword

The Ministry of Local Government (MoLG) in consultation with other Key stakeholders have reviewed and refined the Discretionary Development Equalization Grant (DDEG) Guidelines for FY 2021/22 to address Challenges encountered during implementation in the previous years. In addition, there is need to respond to the emerging Needs notably the COVID 19 Pandemic.

The Challenges identified have informed the Revision of the Guidelines to include the following among others;

- a) Broaden the expenditure areas to enable Local Governments respond to challenges of COVID 19 Pandemic;
- b) Enable Local Governments to deal with surveillance and address social, environmental and epidemiological vulnerability and Risks.

It is imperative to note that Government is constrained to finance all Development Needs in the Local Governments at ago. However, efforts for Resource Mobilization are underway to ensure that all decentralized Services are adequately financed.

I wish to further call upon all Local Leaders to ensure that the Resources at their disposal are utilized with a purpose of causing social economic Transformation of our Communities.


Ben Kumumanya

PERMANENT SECRETARY

Ministry of Local Government

Abbreviations

BFP	Budget Framework Paper
BoQs	Bills of Quantities
CAO	Chief Administrative Officer
CDO	Community Development Officer
CLIC	Community and Livelihood Improvement Component
DDEG	Discretionary Development Equalization Grant
DEC	District Executive Committee
DP	Development Plan
FYs	Financial Years
GoU	Government of Uganda
HR	Human Resource
IDA	International Development Association
IGFTR	Intergovernmental Fiscal Transfer Reform
IPFs	Indicative Planning Figures
LGFC	Local Government Finance Commission
LGMSD	Local Government Management Service Delivery Program
LGs	Local Governments
LLGs	Lower Local Governments
LRDP	Luwero-Rwenzori Development Program
MC	Municipal Council
MDAs	Ministries, Departments and Agencies
MLHUD	Ministry of Lands, Housing and Urban Development
MoFPED	Ministry of Finance, Planning and Economic Development
MoLG	Ministry of Local Government
MoU	Memorandum of Understanding
MoWT	Ministry of Works & Transport
NDP	National Development Plan
NPA	National Planning Authority
OPD	Outpatient Department
OPM	Office of the Prime Minister
OTIMS	Online Transfer Information Management System.
PBS	Program Budgeting System
PDU	Procurement and Disposal Unit
PIP	Performance Improvement Plan
PPDA	Public Procurement and Disposal of Public Assets Authority
PRDP	Peace Recovery and Development Plan
RGCs	Rural Growth Centres
SAS	Senior Assistant Secretary
TC	Town Council
TPC	Technical Planning Committee
UBOS	Uganda Bureau of Statistics
USMID	Uganda Support to Municipal Infrastructure Development

1 GRANT INFORMATION

1.1 Objectives and structure of the DDEG

1.1.1 Objectives of the DDEG

The objectives of the DDEG are to:

- i. Enable LGs to allocate funds to priority local development needs that are within their mandate and are consistent with the National priorities by provision of **discretionary development** funding.
- ii. Provide LGs with equitable access to development financing, ensuring that more disadvantaged LGs receive additional funding to enable them catch up with the rest of the country. In doing so, the grant is **the Equalization Grant provided for in the Constitution** Article 193 (4); and primary financing for regional development programmes under affirmative action. Adherence by LGs to sectoral budget requirements will ensure that allocations are focused on areas where they lag behind national average standards for a service.
- iii. Provide development financing which caters for the **differing development needs of rural and urban areas.**
- iv. **Improve LGs capacities and systems for provision of quality services.** This is through rewarding good performance & sanctioning poor performance; coupled with performance improvement support to address areas where LGs have gaps.

1.1.2 Structure of the DDEG

The DDEG is structured based on the differing development priorities of rural and urban LGs as follows:

- i. The **District** discretionary development equalisation grant; and
- ii. The **Urban** discretionary development equalisation grant.

The **District** DDEG has 7 windows for: (i) PRDP District Development (allocated to PRDP Districts only); (ii) PRDP Sub-County Development (allocated to PRDP Sub-Counties only); (iii) LRDP District Development (allocated to LRDP Districts only); (iv) LRDP Sub-County Development (allocated to LRDP Sub-Counties only); (v) LG Grant -Districts Development (allocated to the remaining Districts only); (vi) LG Grant Sub-County Development (allocated to the remaining Sub-Counties only); and (vii) Refugee Hosting District Development (allocated to the refugee hosting LGs benefitting from USMID).

Similarly, the **Urban** DDEG shall have 5 windows: (i) City/Municipal USMID (allocated to USMID City/Municipalities only); (ii) Division – USMID (allocated to USMID Cities/Municipalities only);

(iii) Municipal – Non USMID (allocated to the remaining Municipalities only); (iv) Division – Non USMID; and (v) Town Councils (allocated to Town Councils only).¹

Additional windows may be created to cater for any other regional development programmes that may be introduced. However, any additional window MUST adhere to the principles in these harmonised guidelines.

Table 1: Overview of DDEG Grant Windows

Grant	Purpose
District Discretionary Development Equalisation Grant	<ul style="list-style-type: none"> - Address development needs of rural areas - Provide discretion to LGs to fund local priorities - Increase adequacy of funding whilst giving preferential treatment to LGs that are lagging behind the national average standard for a particular service
o/w PRDP District Development	
o/w PRDP Sub-County Development	
o/w LRDP District Development	
o/w LRDP Sub-County Development	
o/w LG Grant District Development	
o/w LG Grant Sub-County Development	
o/w Refugee Hosting Districts - (USMID)	<ul style="list-style-type: none"> - Strengthen LGs ability to cope with refugee influx and to deliver critical infrastructure to host communities/LGs as well as refugees
Urban Discretionary Development Equalisation Grant	<ul style="list-style-type: none"> - Address development needs of urban areas - Provide discretion to LGs to fund local priorities - Increase adequacy of funding whilst giving preferential treatment to LGs that are lagging behind the national average standard for a particular service
o/w City/ Municipal USMID	
o/w Division – USMID	
o/w Municipal – Non USMID	
o/w Division – Non USMID	
o/w Town Councils	

1.2 Linkage to NDP III and Expected Service Delivery Outcomes

The DDEG contributes to the goal of the Regional Development Programme (Program 15 of NDP III 2020/21-2024/25)² which is to accelerate equitable, regional economic growth and development.

Given its discretionary nature, the DDEG will contribute to the attainment of service delivery outcomes across the sectors under the mandate of LGs. The DDEG should not only be used by LGs to construct and complete priority infrastructure projects, it should also be used to ensure that the constructed infrastructure is functional and serves the intended needs of the citizens.

¹ It is also expected that the DDEG guidelines can be used for new multi-sectoral funding such as e.g. climate related finance.

² Third National Development Plan (2020/21-2024/25), Chapter 21, Page 206, Paragraph 469

1.3 Procedures/Guidelines for Allocating the DDEG

The DDEG is allocated to LGs in a three-step process. The first step is to allocate the DDEG resources across the windows explained above. The second step is to allocate the DDEG resources across LGs within each window using the DDEG allocation formula. The third step is to allocate the DDEG resources to eligible and approved activities within a LG. The details are elaborated below.

1.3.1 Allocation of the DDEG across windows

The principle of allocating the DDEG across windows, is to ensure that: (i) the affirmative action nature of PRDP and LRDP projects is maintained; (ii) the World Bank funding of the USMID City/Municipalities and refugee hosting districts can be retained³; and (iii) any additional resources are allocated to the LGs with a relatively low per capita allocation. Therefore, whereas the allocation of DDEG resources across windows is based on historical allocations, it also endeavours to reduce the gap in per capita allocations across LGs.

1.3.2 Allocation of the DDEG between the different LG levels

Rationale for specific rule for sharing of the grant among levels of Local Government:

- The specific legal mandates of respective levels of local governments as stipulated in second schedule of the LG Act,
- To ensure a certain level of equity in resource allocations within Districts, Cities and municipalities among lower levels of local governments,
- Some windows of the DDEG are funded entirely by DP funded projects and have revised rules accordingly to cater for project specific objectives.

District Discretionary Development Equalisation Grant – windows	Specific percentage allocated each level of LG
o/w PRDP District Development	35%
o/w PRDP Sub-county Development	65%
o/w LRDP District Development	35%
o/w LRDP Sub-County Development	65%
o/w LG Grant District Development	35%
o/w LG Grant Sub-County Development	65%
o/w Refugee Hosting Districts/Cities - (USMID)	100% of IDA
o/w Refugee Hosting sub-county	100% of GoU
Urban Discretionary Development Equalisation Grant	
o/w City/Municipal USMID	100% of IDA
o/w Division – USMID	100% of GoU
o/w Municipal – non USMID	50% (GoU)
o/w Division – non USMID	50% (GoU)
o/w Town Councils	100% of TC window (GoU)

³ As per financing agreement between the World Bank and the Government of Uganda

1.3.3 Allocation of the DDEG across LGs in a given window

a) Allocation across Districts and Municipalities

The third step is the distribution of DDEG resources within the windows using the allocation formula. The DDEG will be allocated 50/50 based on two components: (i) the basic allocation based on socio-economic variables; and (ii) the performance component based on the results of the LG performance assessment, weighted by the basic allocation. As per the overall Intergovernmental Fiscal Transfer Reform objectives, the purpose is to: promote equitable allocation within a particular window; and promote efficiency in the use of funds for improved service delivery objectives.

1. Basic allocation based on socio-economic variables

The grant allocation formula for the basic component (albeit with different weighting applicable to both district and urban LGs) is described in the table below.

Table 2: The DDEG allocation formula

Variable name	Weights in percentage		Justification
	District DDEG	Urban DDEG	
Constant (fixed allocation for higher/LLGs)	20	17.5	Ensure that Higher and Lower LGs have minimum allocations for construction and completion of meaningful infrastructure
Rural Population / Urban Population	30	62	Provide for demand/scale of delivering services
Rural poverty headcount/Urban poverty head county	40	15	Equalizing variables - to allocate greater resources to districts that lag behind as per article 193 (4) of the Constitution.
Conflict ⁴	5	3	Allocate more resources to LGs severely affected by conflict.
Environmental risk index ⁵	2.5	0	Ensure that Higher and Lower LGs have allocations for addressing environmental risks
Population in high epidemiological risk ⁶	2.5	2.5	Ensure that Higher and Lower LGs have allocations for addressing COVID-19/epidemiological risks

Overall, the intent of the allocation formula is that it should: be objective, simple and easy to understand; be (politically) acceptable; use reliable information from official sources.

II. Performance-based component of the allocation formula

In order to provide strong incentives to LGs to improve effective operations and service delivery, the size of the DDEG for Districts, Cities and Municipalities is adjusted against the performance of the LGs during the Annual LG Performance Assessment exercise that is conducted between October and December each year.

The impact from the results of the crosscutting assessment is weighted (scaled) with the basic allocation formula discussed in the previous sub-section to ensure that every performance

⁴ The conflict variable is calculated as follows: (i) 60 points to category 1 districts (severely conflict or cattle rustling affected), (ii) 30 points to category 2 districts (sporadically conflicts and/or cattle rustling affected), (iii) 10 points to category 3 districts (conflict spill over) points to districts without conflicts the last 35 years. The MOLG, OPM, LGFC and MolHUD will develop the criteria and determine the districts that fall within the respective categories.

⁵ The indicator is a composite index combining three factors of environmental risk: Flood, Landslide, Drought. The index is the combined % of population vulnerable to each of these three (additive). Source: National Vulnerability and Risk Atlas

In the formula, the indicator is multiplied by the rural population of the LG.

⁶ The indicator is the total population of lower local governments in a local government with high population density (defined as above a threshold of 500 people per km²)

indicator has a noticeable impact on the actual size of the allocations, and that the system provides incentives for all (larger as well as smaller LGs). The system ensures that LGs with a performance score above the average score receive additional funding and a LG with a score that is below the average is allocated lower resources. The system also ensures that all the funds are allocated (no balances).

b) Allocation of DDEG across LLGs

The DDEG is allocated across LLGs based on the variables described in the table below.

Table 2: The DDEG allocation formula

Variable name	Weights in percentage	Justification
	LLGs	
Constant (fixed allocation for LLGs)	25	Ensure that Higher and Lower LGs have minimum allocations for construction and completion of meaningful infrastructure
Rural Population / Urban Population	75	Provide for demand/scale of delivering services

Note that the allocation to the LLGs (Sub-Counties, Municipal Divisions and Town Councils) will also be subjected to LLG PA results when the system is designed and rolled out.

1.4 Use of the DDEG – an overview

The DDEG can be used for the different activities at District, City and Municipal level as well as LLGs (sub-counties, town councils and municipal divisions) as follows.

At the District, City and Municipal LGs can use the DDEG for a wide range of infrastructures within the mandate of LGs according to their own local priorities and needs. In addition, the LGs can utilize the grant for investment servicing/monitoring of DDEG as well as for Performance Improvement support within the maximum thresholds provided below.

Table 5: Main types of Expenditure Items and expenditure thresholds at District/Municipal

Main Expenditure Items	Threshold
Infrastructure Projects	Minimum 80%
Investment Servicing and Monitoring ⁷	Maximum 10%
Performance Improvement	Maximum 10%

The Sub Counties, Divisions and Town Councils can use the DDEG for three main type of activities outlined in the table below.

⁷ Regional/purpose-specific windows may have a higher /lower allocation for this depending on the start-up preparations and awareness needed, planning, design, etc., defined as and when they are on board.

Table 6: Main types of Expenditure Items and expenditure thresholds at LLGs

Expenditure Item	Threshold
1. Infrastructure projects, including economic, social, and administrative infrastructures as well as environmental protection projects	Minimum 80%
2. Investment Servicing Costs including Monitoring and Evaluation	Maximum 10%
3. Support Parish Planning including data collection, Monitoring all projects and programs in parish	Maximum 10%

2 GUIDELINES FOR DISTRICTS, CITIES AND MUNICIPALITIES

The following three subchapters present the procedures for budgeting, management and reporting on each of these three components of the DDEG.

2.1 Guidelines for Infrastructure projects at Districts, Cities and Municipalities

2.1.1 Use of the DDEG for Infrastructure Development

a) Eligible Activities and Minimum Quality Standards for Districts

The Districts, Cities and Municipalities are allowed to use the DDEG funds for the eligible infrastructure development activities summarized in the matrix below. All infrastructure to be constructed and/or rehabilitated should:

- i. Comply with the minimum quality infrastructure standards of the investment(s) prescribed in the respective sector grant, budget, and implementation guidelines; and
- ii. Be designed and/or remodeled in a manner that adapts to climate change and enables compliance with the COVID 19 SOPs.

Table 7: Positive List/Investment Menu

LG Mandated Services	Eligible Activities
Administration	148272 – Construction or rehabilitation and furnishing of government offices
Primary Education	078180 – Classroom construction and rehabilitation (incl. fencing, safety, rain water harvesting, hand washing facilities, COVID19 Screening facilities, PPE Disposal facilities etc.) 078181 – Latrine Construction (incl. rehabilitation and emptying) 078182 – Teacher house construction and rehabilitation 078183 – Provision of furniture to primary schools
Secondary Education	078280 – Secondary school construction and rehabilitation (incl. latrine construction, fencing, safety, rainwater harvesting, hand washing facilities COVID19 screening facilities, PPE disposal facilities, etc.) 078281 – Administration block rehabilitation 078282 – Teacher house construction 078283 – Laboratory and science room construction
District Hospital and Primary Health Care	088281 – Staff houses construction and rehabilitation 088283 – OPD and other ward construction, and rehabilitation 088155 – Standard pit latrine construction (incl. rehabilitation and emptying) 088156 – Technologically appropriate hand washing facility installation 088182 – Maternity Ward construction and rehabilitation

LG Mandated Services	Eligible Activities
Water and Sanitation	088183 - OPD and other ward construction and rehabilitation 088184 – Theatre construction and rehabilitation 088104 – Equipping Health Facilities with beds , mattresses, COVID 19 screening facilities, PPE Disposal facilities, 098151 – Rehabilitation and repairs to rural water sources. 098180 – Construction of public latrines in RGCs 098181 – Spring protection 098183 – Borehole drilling and rehabilitation 098184 – Construction of piped water system 098185 – Construction of dams 098303 - Tree planting and greenery of public places, including erosion protection around infrastructure, riverbanks etc. 098307- River Bank and Wetland Restoration (including Up-grading of degraded water catchment areas) 098151 – Water Harvesting and storage and supply, e.g. rainwater harvesting and improved local water retention through ponds and improved irrigation practices.
District Engineering Services	048281 – Construction of public building including major up-grading ⁸ 048104 – Community access roads maintenance 048106 – Urban roads maintenance 048152 – Urban roads re-sealing 048154 – Urban paved roads maintenance 048155 – Urban paved roads rehabilitation 048156 – Urban unpaved roads maintenance 048159 – District and Community Access roads maintenance 048174 – Bridges for District and Urban Roads 048380 – Street Lighting Facilities constructed and rehabilitated 048381 – Construction and rehabilitation of urban drainage infrastructure 048382 – Construction and rehabilitation of solid waste collection and disposal facilities 048383 – Urban Beautification Infrastructure
Production and Environment Protection	018280 – Valley dam construction 018281 – Cattle dip construction 018282 – Slaughter slab construction 018283 – Livestock market construction 018284 – Plant Clinic/Mini Laboratory Construction 018285 – Crop marketing facility 018305 Tourism Promotional Services
Commercial Services	068380 – Construction, remodeling and rehabilitation of markets 068381 – Construction, remodeling and rehabilitation of bus stands, lorry parks and other Economic Infrastructure (including car wash bay etc.)

⁸ E.g. to ensure that they are resilience against the threats from climate change etc.

LG Mandated Services	Eligible Activities
	068381 Demonstration areas for private business and one-stop shops for interaction between business and private sector
Natural Resources Management	098310 – Land management Services(Surveying, Valuations, Titling and Lease Management)

b) Ineligible Activities (Negative List)

The Districts and Municipalities as well as LLGs cannot use the DDEG funds for:

- a) Recurrent cost activities;
- b) Livelihood projects
- c) Purchase and repair of vehicles and motorcycles;
- d) Projects with unsettled land issues
- e) Private goods and private business with exclusive options for utilization
- f) All kinds of credit schemes and insurances, guarantees etc.
- g) Projects which have a detrimental environmental/and or social impact
- h) Projects which are not following public design standards

2.1.2 Guidelines for Planning and Budgeting of Infrastructure Projects

The steps followed for planning and budgeting for infrastructure projects are outlined in the matrix below and elaborated thereafter.

Date (When)	Step and Description of Procedures (What, Why & How)	Responsible (Who)
July	a) Maintaining the Asset Register: LGs are required to maintain an up-dated assets register covering details on buildings, vehicle etc, as per the format prescribed in the Accounting Manual. Also, to facilitate judicious management of the stock of assets and investments, LGs should make use of their Board of Survey reports to inform decisions on asset management e.g. the choice to procure new assets, to dispose old assets and the priority for this.	CAO/Town Clerk
September	b) Present the IPFs to TPC and DEC: - Inform them of the available resource envelope	District/City / Municipal Planner
October	c) Identification of projects to be constructed using DDEG (and other sector development grants): The principles for selection and prioritization of investments <ol style="list-style-type: none"> i. planned investments. Prioritise investments within the resources for the DDEG, communicated in the Local Government Budget Call Circular; ii. Equity of allocations, which includes consideration of the spatial location to ensure the prioritisation of investments in underserved areas. iii. Prioritisation of rehabilitation of infrastructure over new infrastructure. iv. Uncompleted phased projects should receive a first call on resources 	District/City / Municipal Planner

Date (When)	Step and Description of Procedures (What, Why & How)	Responsible (Who)
	v. Focus on local needs that must be consistent with national/sector program priorities. The priorities should in part be derived from the budget conferences and/or Municipal Development Fora. vi. Ensuring there will be funds in future for the operation and maintenance of any	
November	d) Presentation to the Budget Conference:	Planner
November	e) Conduct a Desk Appraisal: - To establish whether <ul style="list-style-type: none"> • Must be derived from the approved LG Development Plan and included in the AWP and budget of the LG • Investment prioritised must be eligible for funding under the respective sector guidelines, consistent with the objectives of the DDEG • Financial feasibility-checking the cost of the proposed investment against the DDEG funds available to the LG in the financial year (and realistic projection if phased in a multi-year manner). • Project profiles for the proposed investments, with costing have been developed as per the LG planning guidelines 	DTP
November	f) Conduct field Appraisal: visiting the proposed areas of location of the investments and examining them against the following criteria, short of which they do not qualify: <ul style="list-style-type: none"> • Technical feasibility-this involves checking among others, whether: (i) the proposed project aims to satisfy the needs envisaged at conception; (ii) whether the proposed project can be delivered using the available materials whether in the locality or the market within the budget resources provided. • Environmental and social acceptability⁹ screening checklist which includes: <ul style="list-style-type: none"> • Environmental screening and proposed mitigation measures for identified risks by the LG Environment Officer involving: <ol style="list-style-type: none"> i. Project site selection-involving checking if the generic designs for the various infrastructure investments must be customised to suit site conditions ii. planning and screening (including screening for climate change) iii. Preparation and implementation of Environmental and Social Management Plans iv. Waste management in an environmentally safe manner v. Scope for proper drainage of wastewater vi. Scope for protection of beneficiaries and catchment area from pollution vii. Scope for management of borrow pits, if applicable viii. Feasibility for post construction sites management e.g. re-vegetate eco-systems 	Planner + Environmental officer

⁹ Refer to detailed guidelines of Environmental Safeguards and Social, Health and Safety issued by MoWE/NEMA & MoGLSD respectively; checklist for screening of subprojects for environmental and social safeguards.

Date (When)	Step and Description of Procedures (What, Why & How)	Responsible (Who)
	<ul style="list-style-type: none"> • <i>Social, health and safety screening and proposed mitigation measures for identified risks by the CDO and/or Labour Officer, involving:</i> <ul style="list-style-type: none"> ○ Ascertaining land acquisition and proof of ownership, access and availability ○ Appraise if the target community are positively responsive to the proposed intervention (community engagement procedures were followed in selection) ○ Training of workers on health and safety ○ Social, health and safety reporting checklist for LGs completed 	
December	Incorporate in the BFP	Planner
February	Production of customized technical designs – use technical designs from sectors	LG Engineer
February	Preparation of Engineers Estimates	LG Engineer
March/ April	Incorporation of Investments into the AWP and Budget: LGs are required to ensure that the prioritised investments for a given financial year are in the Annual Work Plan ¹⁰ and Budget allocation in the Programme Budgeting System (PBS). This is done by isolating out the identified priorities for the financial year been planned for from the LG five-year rolling-development plan.	Planner
May	<p>Preparation of the Procurement Plan: In accordance with Section 58 (4) of the PPDA Act, 2003, the LG Procurement and Disposal Unit (PDU) will coordinate the preparation of a comprehensive procurement plan, incorporating all infrastructure projects including those funded using the DDEG resources. The following steps are followed in deriving the procurement plan:</p> <ul style="list-style-type: none"> • Respective user departments submit all their infrastructure and other procurement requests to the PDU by the 30th April of the year the investment is due. • PDU and the District Planning Unit ensure that the procurement requests are incorporated into the LG annual workplan, budget and procurement plans. These are subsequently considered and approved by the LG Council. 	PDU

2.1.3 Guidelines for Procurement and Implementation of Infrastructure Projects

Date (When)	Step and Description of Procedures (What, Why & How)	Responsible (Who)
May	<p>Prepare bidding documents including BoQs and evaluation criteria: Preparation of bidding documents, including development of evaluation criteria, bills of quantities etc will be done by the LG Engineering department. LGs should ensure that the Environmental, Social Management Plans (ESMPs) are</p>	District Engineer/ PDU

¹⁰ Refer to format provided for in the Local Government Development Planning Guidelines (Appendix 6), issued by NPA to LGs

Date (When)	Step and Description of Procedures (What, Why & How)	Responsible (Who)
	incorporated in the BoQs, bidding and contractual documents for all infrastructure projects.	
July	Advertising for infrastructure projects to be constructed	PDU
July	Receipt of bids	PDU
August	Evaluation of bids	Evaluation Committee
August	Award of contracts	Contracts Committee
September	Signing of contracts and commence implementation	CAO/Town Clerk
September	<p>Composition and roles of the Project Implementation Team (PIT): LG Accounting Officers are required to establish project implementation teams for each of the respective infrastructure investments to be undertaken. This comprises of: (i) the Contract Manager who shall be the head of the respective user department of a given investment; (ii) the Project Manager who shall be the District Engineer; (iii) Clerk of Works; (iv) Environment Officer; (v) Community Development Officer; and (vi) Labour Officer. The roles of the Project Implementation Team are:</p> <ul style="list-style-type: none"> i. The Project Manager, shall be responsible for supervising the site at least at the key stages of works, prior to being considered for payment and issue payment certificates for satisfactorily executed works ii. the Contract Manager (i.e. the head of the user department for the District/Municipality) has a major role to ensure smooth implementation of the Project. iii. The LG Environment Officer shall ensure that the LG has proof of ownership or access of land by the LG for the investment and environment screening, as well as the proposed mitigation measures to minimise the negative impacts. Where ESIA/ESMPs are applicable, s/he is responsible to check that these are costed and incorporated into the designs, bidding, and contractual documents as per guidelines iv. The Community Development Officer, in close collaboration with the Environment Officer ensures the social screening is done and requisite mitigation measures incorporated prior to commencement of all civil works; conduct support supervision and monitoring to ascertain compliance with ESMPs, providing monthly reports. v. The Labour Officer conducts support supervision and monitoring to ensure aspects of health and safety are complied with at the sites. 	CAO / Town Clerk
quarterly	<p>Conducting Site Meetings: The local government shall constitute a project site committee for each infrastructure investment, chaired by the CAO/Town Clerk and additionally, comprise of the Sub-county Chief (SAS), the designated contract and project managers, chairperson of the community management committee as relevant e.g SMC/BoG, HUMC in the case of education and health projects respectively, etc. Monthly site meetings should be held with all key stakeholders including RDCs, LCV Chairs, Town Mayors and LCIII chairpersons.</p>	Contract management team
	<p>Supervision of Projects: Joint technical supervision of works should be undertaken at least monthly, by the relevant technical officers including the LG Engineers, Environment Officers, Community Development Officers etc. Reports from site supervision and monitoring should later form part of the agenda for</p>	Contract management team

Date (When)	Step and Description of Procedures (What, Why & How)	Responsible (Who)
	<p>site meetings. The purpose of construction supervision shall be, among others, to ascertain compliance with the following:</p> <ul style="list-style-type: none"> i. Technical Requirements: conformity to the structural designs; conformity to the architectural drawings; conformity to the required specifications; timeliness; and cost control ii. Environmental guidelines: Minimal vegetation clearing; revegetating cleared areas as quickly as practicable; ensuring proper site drainage; and proper solid waste management: stripped soil (overburden) used for site restoration and landscaping, rather than being dumped offsite; workers do not litter school campus with litter (plastic bags, water bottles, etc); reusable waste (e.g. timber planks, paper bags, etc) given to local people if requested, pit latrines lined with masonry brickwork to enable their emptying with a honey sucker when full. iii. Social safeguards: schedule transporting of materials and other noisy activities outside beneficiary community active hours to minimise risk of accidents, road dust and traffic noise at the sites; fencing off construction sites to avoid risk of accident of falling debris to community members; HIV awareness among the surrounding community and workers; all workers should have appropriate safety gear and latrines should be safely dug on firm ground, carefully watching out for signs of possible wall failure to minimise risk of workers at heights or depth; sensitization of workers and other related measures to address issues of Gender Based Violence (GBV), Violence Against Children (VAC) and other influx of labor related issues (Child Labor, labor disputes, etc) 	
	<p>Certification of Works: Before payment can be made, the contracting firm shall request the project manager to confirm adequate completion of works. Depending on the nature of the project in question, representatives of the beneficiary community may be required to approve prior e.g in the case of a school, the School Management Committee/ Board of Governors, the Head Teacher shall submit a written request including a signature of the Chairperson of the School Management Committee to the Chief Administrative Officer and the MoES confirming adequate completion of works. Thereafter, the Project Manager shall confirm with the LG Environment/Community Development Officers that the environmental guidelines have been adhered to. Following this the Project manager will issue payment certificates for works satisfactorily executed and these shall be endorsed by: the Internal Auditor; Chief Finance Officer and Contract Manager</p>	Project manager
	<p>Payment of Contractors: LGs should ensure that interim and completion certificates are issued for all projects based on the technical supervision reports, and that payment of contractors and suppliers is done within the contract specified timeframes, once certification of works has been duly done.</p>	CAO / Town Clerk
	<p>Maintenance of procurement files: The LGs are required to maintain a complete procurement file for each infrastructure project implement. A complete procurement file must include: Budget, procurement plan and requisition; request for quotation and responses; evaluation report; award letter and acceptance letter; contract as per format/requirement</p>	PDU

2.1.4 Guidelines for Reporting

Date (When)	Step and Description of Procedures (What, Why & How)	Responsible (Who)
October, January, April, July	a) Site progress reports: A LG should conduct site visits and meetings at least quarterly.	Engineer
October, January, April	b) Quarterly physical and financial progress report (PBS)	Planner with Engineer and User Department.
July	c) Annual physical and financial progress report (in PBS)	Planner with Engineer and User Department.

2.2 Guidelines for Investment Servicing and Monitoring

2.2.1 Use of the DDEG for Investment Service Costs

a) Eligible Expenditures

There are a number of activities that must be undertaken in order to properly plan, implement and monitor the construction of infrastructure projects. A LG can use a maximum of 10% of the DDEG to fund the activities which are outlined in the matrix below:

Budget codes	Activities - Positive List
281504 - Monitoring, supervision and appraisal of capital works	<ul style="list-style-type: none"> - Project identification and appraisal (desk and field), including review of the impacts from climate change, and screening/classification - Contract management and execution activities. - Routine monitoring - Data bases and systems
281502 – Feasibility Studies for Capital Works	<ul style="list-style-type: none"> - Preparation of engineering designs and cost estimation, including design work on review of additional costs from impact from climate change and climate proofing of infrastructure - Location studies for geotechnical, environmental, review of e.g. flood levels to ensure safety of existing buildings and studies of more resilient development in sectors impacted - Preparation of bidding documents including preparation of BoQs
098309 – Monitoring and Evaluation of Environmental Compliance	<ul style="list-style-type: none"> - Environmental and social impact assessments - Preparation of environmental and social management plans, - Mainstreaming of climate change in plans, budgets, contracts, and monitoring. - Monitoring compliance to the environmental and social management plans

b) Negative List

Everything not explicitly mentioned above.

2.2.2 Guidelines for Planning and Budgeting for Investment Service Costs

The Annual Work Plan for implementing Investment Service Costs should be coordinated under the Planning Department.

Date (When)	Step and Procedures (What, Why and How)	Responsible (Who)
December	Identification of priority investment servicing cost activities	Planner in consultation with user departments, engineer, environmental officer and community development officer and clerk to the council.
February	Presentation and discussion of the work plan for investment service activities in TPC	Planner
March	Presentation and discussion of work plan in - /CEC / MEC	CAO / TC
March	Incorporation into District/Municipal Annual Work Plan and Budget for approval.	Planner

2.2.3 Guidelines for Implementation of Investment Service Activities

According to the Work Plan, the respective beneficiary Departments will implement activities by making requisitions to the CAO/ TC through the Planning Department. The key departments to use the investment service costs include: user department, Engineering department, Environment, Community Development, Planning.

2.2.4 Guidelines for Reporting of Investment Service Activities

Reporting procedures will follow the normal procedures of the LG. The User Department will provide an activity report using a standard reporting template, which will then inform the PBS quarterly reporting system

2.3 Guidelines for Performance Improvement Activities

The LGs have the responsibility to ensure that all stakeholders at the LG level have the required skills, knowledge and attitudes to perform their functions. LG Performance Improvement Activities will be implemented by Districts, Cities and Municipalities. The focus will be to address gaps identified from the LG PA. District/Municipal Administration (HR Unit) will coordinate all Performance Improvement Activities. The procedures for development, implementation and reporting of Performance Improvement Activities are briefly described below.

2.3.1 Use of the DDEG for Performance Improvement Support

a) Positive List

The districts, Cities and municipalities are allowed to use maximum 10% of their DDEG allocations to implement a wide range of activities intended to improve LG management and performance. The activities that are eligible are outlined in the matrix below:

Table 8: Eligible Activities/Positive List

Budget codes	Activities / examples of expenditure
221003 – Staff training (on the job)	In-house Short term training, skills development (not more than a month)
221012 – Small Office Equipment	Office Equipment Retooling
221002 – Workshops and Seminars	Benchmarking on best practices,
312213 – ICT Equipment	ICT Equipment, including data bases on e.g. climate changes, vulnerabilities, early warning systems, etc.
225001 – Consultancy Services – Short – term	For example support to strengthen the planning process and mainstreaming of cross – cutting issues, e.g. climate adaptation, especially if LGs have performed poorly in the LG PA.

b) Negative List

- i. Staff training (career development)
- ii. Travel abroad
- iii. Procurement of vehicles and motorcycles
- iv. Operation and maintenance of vehicles

These activities in the negative list may be financed from other sources but not DDEG:

2.3.2 Guidelines for Planning and Budgeting for Performance Improvement Activities

Date (When)	Step and Procedures (What, Why and How)	Responsible (Who)
May (previous FY)	Prepare preliminary budget provisions for PIP up to max. 10% of DDEG for inclusion in LG budget under Administration (HR). The LG may provide additional resources on top of the 10% DDEG allocation.	Administration Department (HR unit)
January	Review and/or analyse the LG PA Report to identify performance improvement gaps. Hold individual discussion with the respective staff and political leadership in the LGs to discern the underlying causes of underperformance in the local government Prepare tentative proposals of the actions to be undertaken by the LG.	Administration Department (HR unit)
February	Develop Performance Improvement Plan and Budget. The PIP should include: the issue, proposed activity (what and how); responsible (who), when and Output targets (precisely what will be achieved when the activity is implemented) The draft PIP should be discussed by LG TPC and District Executive Committee (DEC) to validate and substantiate the analysis and proposals and ensure that all the most important areas of underperformance identified in the LGPA are addressed.	Administration Department (HR unit)
February	Approval of the Performance Improvement Plan. The LG Chairperson and Accounting Officer should sign the PIP committing to implementing the PIP	CAO /Town Clerk

2.3.3 Guidelines for Implementation of Performance Improvement Activities

Implementation Modalities

- a) Administrative actions – to enforce requisite procedures and processes to improve performance e.g. records management, etc
- b) On the job-training by the LG staff (understudies, mentoring etc..)
 - The District, City /Municipal Resource Pool: LG Resource Pools shall be constituted and used for implementing performance improvement activities for LGs. Remuneration of the members of the resource pool should adhere to the circular on duty facilitating allowances issued by Ministry of Public Service.
- c) Request for support from the NRP coordinated by MoLG
- d) Procurement of private service providers: Private service providers shall be procured in accordance with LG PPDA Regulations 2006.

2.3.4 Guidelines for reporting on Performance Improvement Activities

- a) For each activity there must be a report to CAO,
- b) Regular monitoring of PIP activities to be mainstreamed within LG monitoring – responsibility of HR unit,
- c) LGs are required to do annual PIP reporting for July-Sept (end of September) & April to June (end of June)

3 GUIDELINES FOR SUBCOUNTIES, DIVISIONS AND TOWN COUNCILS

The following subchapters explain the subsequent detailed procedures for the respective types of development projects as will be selected by LLGs.

3.1 Guidelines for Infrastructure Projects at LLG levels

3.1.1 Use of the DDEG for Infrastructure Development

The eligible and ineligible investments are similar to those elaborated for the districts, Cities and municipalities under section 2.1.1. However, the Sub Counties, Divisions and Town Councils should invest in infrastructure as per the development responsibilities described in the LG Act (2nd schedule). The larger infrastructure investment priorities identified by the Sub Counties, Divisions and Town Councils should be forwarded the Districts, Cities and Municipalities where more substantive levels of funding for infrastructure is available. Therefore LLGs can only invest in infrastructure projects where:

- i. They can meet the recurrent cost implications. In case the recurrent costs are being met by the Districts, Cities or municipality, the LLG must have clear authorization prior to construction.
- ii. They have sufficient funds to complete the investment within the financial year.
- iii. Infrastructure projects which are consistent with the physical plan.
- iv. LLGs can use funds for development of physical development plans

3.1.2 Guidelines for Annual Planning and Budgeting for Infrastructure Projects

Budgeting for infrastructure construction shall comply with the LG budgeting guidelines issued by Ministry of Finance, Planning and Economic Development. The infrastructure projects must be derived from their development plan and incorporated in the annual plans and budgets approved by the LGs. The main steps are outlined in the table below.

Date (When)	Step and Description of Procedures (What, Why & How)	Responsible (Who)
September	Present the IPFs to TPC and Sub-county / Town council / Division - the Council and TPC - Inform them of the available resource envelope	SAS / Town Clerk
September	Maintaining the Asset Register: LGs are required to maintain an updated assets register covering details on buildings, vehicle etc, as per the format prescribed in the Accounting Manual to inform decisions on whether to invest in new assets or livelihood improvement activities.	SAS/Town Clerk
September	Identification of projects to be constructed using DDEG: The principles for selection and prioritization of investments	TPC

Date (When)	Step and Description of Procedures (What, Why & How)	Responsible (Who)
	I. Prioritise investments within the resource envelop; II. Prioritising investments in underserved areas. III. Prioritisation of rehabilitation of infrastructure over new infrastructure. IV. Uncompleted phased projects should receive a first call on resources V. Focus on local needs that must be consistent with district program priorities. Ensuring there will be funds in future for the operation and maintenance of any planned investments.	
October	Presentation to the Budget Conference	TPC
November	Conduct a Desk Appraisal - To establish whether the prioritized investment is: (i) derived from the Development Plan; (ii) eligible for expenditure under DDEG; (iii) will have no negative environmental and social impact.	Sub County / Town Council / Division Technical Planning Committee
November	Conduct field Appraisal - Check for: (i) technical feasibility; (ii) social acceptability; and (iii) customize designs – ensure environmental screening, climate adaptation etc.	TPC
November	Submit to District / Municipal Planner to Incorporate in the BFP	SAS / Town Clerk
	Liaise with the District/ Municipal engineer for production of customized technical designs – use technical designs from sectors	SAS / Town Clerk
	Liaise with the District/ Municipal engineer for preparation of Engineers Estimates	SAS / Town Clerk
March/April	Incorporate in the Annual Work Plan and Budget	TPC

3.1.3 Guidelines for Procurement and Implementation of Infrastructure Projects

All procurements must be done in accordance with PPDA Act and LG Procurement Regulations 2006. Sub-counties / Town councils /Divisions should manage procurement through the District / Municipal PDU.

Date (When)	Step (What, Why and How)	Who
April	Sub County/ Town Council / Division to prepare procurement plan and submit to PDU	SAS / TC
May	Incorporation in the procurement plan	PDU
June	Prepare bidding documents including BoQs and evaluation criteria	SAS / PDU
July	Advertising for infrastructure projects to be constructed	PDU
July	Receipt of bids	PDU
August	Evaluation of bids	Evaluation Committee

July	Award of contracts	Contracts committee
July	Contracting of contractors – include a work plan	CAO/TC/SAS
	Formation of the contract management team: This will include: <ul style="list-style-type: none"> • Contract manager (Head of User Department) • Project manager (Engineer) • Members: planning, procurement, environment, community development. 	CAO / TC/SAS
	Labelling of projects:	Contractor
	Supervision:	Contract management team
	Certification of works – including detailed measurement sheets	Project manager
	Payment of contractors	SAS / TC
	Maintenance of procurement files	PDU
	Commissioning	Chairperson

3.1.4 Guidelines for Reporting

No.	Step	Who
1.	Site progress reports: A LG should conduct site visits and meetings at least quarterly.	Engineer
2.	Quarterly physical and financial progress report sent from the LLG to the District/Municipality for uploading into PBS	SAS
3.	Annual physical and financial progress report sent from the LLG to the District/Municipality for uploading into PBS	SAS

3.2 Guidelines for Investment Servicing and Monitoring

3.2.1 Use of the Grant for Investment Servicing and Monitoring

a) Eligible Expenditures

There are a number of activities that must be undertaken in order to properly plan, implement and monitor the construction of infrastructure projects. A LG can use a maximum of 10% of the DDEG to fund the activities which are outlined in the matrix below:

Budget codes	Activities - Positive List
281504 - Monitoring, supervision and appraisal of capital works	<ul style="list-style-type: none"> - Project identification and appraisal (desk and field), including review of the impacts from climate change, and screening/classification - Contract management and execution activities. - Routine monitoring - Data bases and systems

Budget codes	Activities - Positive List
281502 – Feasibility Studies for Capital Works	<ul style="list-style-type: none"> - Preparation of engineering designs and cost estimation, including design work on review of additional costs from impact from climate change and climate proofing of infrastructure - Location studies for geotechnical, environmental, review of e.g. flood levels to ensure safety of existing buildings and studies of more resilient development in sectors impacted - Preparation of bidding documents including preparation of BoQs
098309 – Monitoring and Evaluation of Environmental Compliance	<ul style="list-style-type: none"> - Environmental and social impact assessments - Preparation of environmental and social management plans, - Mainstreaming of climate change in plans, budgets, contracts, and monitoring. - Monitoring compliance to the environmental and social management plans

b) Negative List

Everything not explicitly mentioned above.

3.2.2 Guidelines for Planning and Budget for Investment Service Activities

The Annual Work Plan for implementing Investment Service Costs should be coordinated under the SAS/TC.

Date (When)	Step and Procedures (What, Why and How)	Responsible (Who)
November	Identification of priority investment servicing costs	CDO in consultation with other Extension Workers.
December	Presentation and discussion of work plan in STPC	CDO
January	Presentation and discussion of work plan in – Executive Committee	SAS/TC
February	Incorporation into LLG Work Plan and Budget for approval.	SAS/TC

3.2.3 Guidelines for Implementation of Investment Service Activities

According to the Work Plan, the respective LLGs will implement investment servicing activities using experts from the Districts City or Municipalities. The technical staff from the Districts, Cities /Municipalities will implement activities by making requisitions to the SAS/TC. The key departments to use the investment service costs include the User Department, Engineering, Environment, CDO and Planner.

3.2.4 Guidelines for Reporting on Investment Service Activities

Reporting procedures will follow the normal procedures of the LLG. The User Department will provide an activity report using a standard reporting template, which will then inform the PBS quarterly reporting system

3.3 Guidelines for Support to Parish Activities

3.3.1 Use of the DDEG for Parish Model

a) Positive List

The Parish may use the DDEG for four main type of activities outlined in the table below.

- i. Development planning – including consultation on Parish priorities to inform the formulation of LLG Development Plans,
- ii. Data collection as guided by the LLG
- iii. Community mobilisation as guided by the LLG
- iv. Monitoring and reporting on all programs and projects at Parish Level

b) Negative List

LLGs are encouraged to use other LG resources to:

- i. Provide rental accommodation for Parish Offices
- ii. Equipping the office of the Parish Chief

3.2.2 Guidelines for Annual Planning and Budgeting for Parish Activities

Budgeting for eligible parish activities shall comply with the LG budgeting guidelines issued by Ministry of Finance, Planning and Economic Development. The main steps are outlined in the table below.

Date (When)	Step and Description of Procedures (What, Why & How)	Responsible (Who)
September	Present the parish IPFs to TPC and Sub-county / Town council / Division - the Council and TPC - Inform them of the available resource envelope	SAS / Town Clerk
September	Identification of activities to be conducted in the parishes using DDEG	TPC
October	Presentation to the Budget Conference	TPC
November	Submit to District/City / Municipal Planner to Incorporate in the BFP	SAS / Town Clerk
March/April	Incorporate in the Annual Work Plan and Budget	TPC

3.2.3 Guidelines for Implementation of Activities at the Parish level

Date (When)	Step (What, Why and How)	Who
February	Sub County/ Town Council / Division to prepare work plan	SAS / TC
Quarterly	Implementation	Parish Chief and other LLG staff

Quarterly	Payment/facilitation for activity implementation	SAS/TC
Quarterly	Supervision/monitoring of activity implementation	SAS/TC

3.2.4 Guidelines for Reporting

Reporting will follow the structures at the LLG. The Parish Chief will provide an activity report using a standard reporting template, which will then inform the LLG PBS quarterly reporting system

Date (When)	Step	Who
Monthly	Activity reports:	Parish Chief and other LLG staff
Quarterly	Quarterly reports:	SAS
July	Annual reports:	SAS

4 GRIEVANCES REDRESS MANAGEMENT UNDER DDEG

Given the nature of services to be delivered under DDEG, dissatisfaction among different players is inevitable. Therefore, grievances arising out of DDEG implementation will follow the normal grievances address mechanism in Government as outlined below:

The purpose of the grievance redress mechanism is to:

- a) Provide affected people with avenues for making a complaint or resolving any dispute that may arise during implementation of infrastructure or other investments funded using the DDEG or other grant(s)
- b) Ensure that appropriate and mutually acceptable corrective actions are identified and implemented to address complaints;
- c) Verify that complainants are satisfied with outcomes of corrective actions;
- d) Avoid the need to resort to judicial (legal court) proceedings unless it is warranted.

There are several types of grievance (highlighted in the table below), and several stakeholders who may be the source of grievance - these may include:

- a) Members of the beneficiary community for the project/investment; their families;
- b) Neighbours or those affected in any way by the intervention (Project Affected Persons);
- c) Employees of the contractors or suppliers.
- d) Members of the surrounding community.
- e) Other people.

List of avenues for different types of Grievances

Wherever possible, the first port of call for Grievances should be at the CAO / Town Clerk level, but other avenues must also be available to those with grievance and there must be appropriate referral processes. The main avenues and their purpose are set out below:

Grievance redress channel

Avenue	Type of Grievance
Project site level	
Beneficiary/those affected	<ul style="list-style-type: none"> • Quality of supplies delivered by suppliers etc • Lack of responsiveness of contractors/ supplier(s) to agreed actions • Other issues relating to behaviour of LG/LLG staff etc
LG LEVEL	
LG Councilors	<ul style="list-style-type: none"> • Prioritisation of investments not in line with guidelines • Violence against and abuse of community members by contractor/supplier or teammates, etc
LG User Department	<ul style="list-style-type: none"> • Quality of works or parts delivered by contractors/suppliers • Corruption and misuse of funds • Other issues relating to behavior of User department staff, etc
District Land Board	<ul style="list-style-type: none"> • Complaints about land associated with infrastructure
NATIONAL INSTITUTIONS	
Police	<ul style="list-style-type: none"> • Violence against and abuse of community members by contract staff, contracted labour (including defilement, rape, child labour etc)
Uganda Child Helpline	<ul style="list-style-type: none"> • Emotional, physical or sex abuse, etc

Avenue	Type of Grievance
Uganda Budget Hotline	<ul style="list-style-type: none"> Quality of works delivered contractors/ suppliers Missing and misuse of funds
IGG Hotline	<ul style="list-style-type: none"> Corruption and misuse of funds
MoLG	<ul style="list-style-type: none"> Unsatisfactory action against grievances taken because of channelling grievances via avenues above.
Respective MDAs	<ul style="list-style-type: none"> Various sector specific issues
Contractors/Suppliers	<ul style="list-style-type: none"> Issues regarding contract management prior, during or after completion e.g contracts, interim and final certification of works, payment etc

Process for a grievance to proceed at the LG level

The implementation of infrastructure projects will require establishing a simple Grievance Redress Committee (GRC) at each institution with the involvement of the LC I, Project Affected Persons, relevant staff of the institutions and the implementing agency, MoLG, and other appropriate actors.

The general steps of a grievance redress process are as follows:

1. **Receipt of complaints** - Is the first step when a verbal or written complaint from a complainant is made, received, and recorded in a complaints log by the GRC within 5 working days of receipt of the complaint.
2. **Determining and implementing the redress action** - If in his/her view, a grievance can be solved at this stage, the GRC will determine a corrective action in consultation with the aggrieved person. Grievances will be resolved and the status reported back to complainants within 5 working days. If more time is required this will be communicated clearly and in advance to the aggrieved person.
3. **Verifying the redress action** - The proposed corrective action and timeframe in which it is to be implemented will be discussed with the complainant within 5 days of receipt of the grievance. Consent to proceed with corrective action will be sought from the complainant and witnessed by the area's local council chairperson (LC Chairman).
4. **Amicable mediation and settlement** - Agreed corrective action will be undertaken by the project or its contractor within the agreed timeframe. The date of the completed action will be recorded in the grievance log.
5. **Dissatisfaction and alternative actions** - To verify satisfaction, the aggrieved person will be asked to return and resume the grievance process, if not satisfied with the corrective action.

In the event that there is no resolution to the grievance, then: (a) The GRC at the given level of LG and the aggrieved Projected Affected Person(s) shall refer the matter to the relevant District Authorities; (b) An Appeal to Court - Ugandan laws allow any aggrieved person the right to access courts of law. If the complainant remains dissatisfied with the District's Decision, the complainant has the option to pursue appropriate recourse via a judicial process in Uganda. Courts of law will be a "last resort" option, in view of the above mechanism.

5 ADDRESSING VULNERABILITY AND RISKS UNDER DDEG – A SYNOPSIS

Vulnerability is the extent to which changes can hurt or harm a person or system. Vulnerability is related to the characteristics and circumstances of a community or system, which make it more susceptible to hazard and cause loss. Risk is a situation involving exposure to danger.

Whereas there are many aspects of vulnerability arising from physical, social, economic, and environmental factors, LGs may not have the capacity to address all of them given the resources available and the confines of their mandates.

These guidelines support LGs in addressing epidemiological vulnerability and social and environmental vulnerability and risks. The nature of the vulnerabilities and risks that can be addressed using the DDEG grant are as below:

Vulnerability Factor	Nature and description of vulnerability	Redress within the ambit of the LGs using DDEG resources
Physical	<ul style="list-style-type: none"> Structural damage of physical infrastructure e.g. schools, health facilities, roads etc 	<ul style="list-style-type: none"> Rehabilitation of infrastructure is eligible as part of the investment menu and at the discretion of LGs
Economic	<ul style="list-style-type: none"> Capital costs of repair of damaged buildings and infrastructure essential for local service delivery. The uninsured informal sector, vulnerable rural livelihoods, dependence on single industries, globalisation of business and supply chains, etc. 	<ul style="list-style-type: none"> Capital costs are eligible as part of the investment menu for infrastructure projects
Social	<ul style="list-style-type: none"> Poverty and inequality, marginalisation, social exclusion and discrimination by gender, social status, disability, and age (amongst other factors) psychological factors, etc Epidemiological response e.g. the current COVID-19 Pandemic 	<ul style="list-style-type: none"> Current inequities in grant allocations consider poverty rates and further efforts being made for more equitable DDEG allocation across LGs. Use the guidelines on social and environment safeguards issued by MoGLSD & MWE respectively.
	<ul style="list-style-type: none"> Threats to Health and safety due to infrastructure development activities 	<ul style="list-style-type: none"> It has been emphasized that social management plans should be incorporated into the designs, BoQs, bidding and contractual documents for infrastructure constructed using DDEG resources.
Environmental	<ul style="list-style-type: none"> Environment and climate change aspects e.g. poor environmental management, overconsumption of natural resources, decline of risk regulating ecosystem services, climate change, land slides etc. 	<p>a Environment management plans should be incorporated into the designs, BoQs, bidding and contractual documents for infrastructure constructed using DDEG resources.</p> <p>b To mitigate social and environmental risks, LGs are required to carry out Environmental screening and proposed mitigation measures for identified risks by the LG Environment Officer involving:</p> <p>c Project site selection-involving checking if the generic designs for the</p>

Vulnerability Factor	Nature and description of vulnerability	Redress within the ambit of the LGs using DDEG resources
		<p>d various infrastructure investments must be customised to suit site conditions</p> <p>e planning and screening (including screening for climate change)</p> <p>f Preparation and implementation of Environmental and Social Management Plans</p> <p>g Waste management in an environmentally safe manner</p> <p>h Scope for proper drainage of wastewater</p> <p>i Scope for protection of beneficiaries and catchment area from pollution</p> <p>j Scope for management of borrow pits, if applicable</p> <p>k Feasibility for post construction sites management e.g. re-vegetate eco-systems</p> <p>l Investment servicing costs allow for environment and social safeguards implementation monitoring.</p> <p>DDEG formula allocates additional funding to local governments with populations vulnerable to environmental risk hazards (drought, landslide, flood)</p>
Epidemiological vulnerability	<ul style="list-style-type: none"> Epidemiological risks are related to the incidence, distribution, and possible control of diseases and other factors relating to health. 	<ul style="list-style-type: none"> The DDEG investment menu provides eligibility for provision of infrastructure supportive of health infrastructure that contributes to redress of such risks DDEG formula allocates additional funding to local governments with high population densities, vulnerable to epidemiological risks
COVID 19	<ul style="list-style-type: none"> COVID-19 represents one of such significant global emergencies and that will have long term implications for health and livelihoods among in population. Therefore, decisive LG action will contribute to the control and scaling back of the pandemic. 	<ul style="list-style-type: none"> To this end, investments supportive of the requisite health infrastructure e.g. equipping Health Facilities with Beds and Mattresses; renovation of HCIII e.g. Maternity Ward, OPD sections etc; renovation of Staff Houses for Health Workers and provision of regular safe water supply and technologically appropriate hand washing facilities to Health facilities to help in observance of COVID 19 SOPs are eligible under the DDEG grant.