SEATINI

Strengthening Africa in World Trade

Local Government Revenue Mobilisation, Allocation and Utilisation

BEST PRACTICE TRAINING MANUAL

December 2017

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Abbreviations

BFP	Budget Framework Paper
CAO	Chief Administrative Officer
CFO	Chief Finance Officer
CSOs	Civil Society Organisations
DDPs	District Development Plan
DEC	District Executive Committee
DLG	District Local Government
ERC	Enumeration and Registration Committee
FY	Financial Year
GAPP	Governance, Accountability, Participation, and Performance
GoU	Government of Uganda
HLG	Higher Local Government
HoDs	Heads of Department
HoIA	Head of Internal Audit
IGC	International Growth Centre
LC	Local Council
LG	Local Government
LGA	Local Government Act
LGFARs	Local Government Financial and Accounting Regulations
LGHT	Local Government Hotel Tax
LGPAC	Local Government Public Accounts Committee
LGRA	Local Government (Rating) Act 2003
LGs	Local Governments
LLG	Lower Local Government
LRM	Local Revenue Mobilisation
LRR	Locally Raised Revenue
LST	Local Service Tax
MEC	Municipal Executive Committee
MoFPED	Ministry of Finance Planning and Economic Development
MTIC	Ministry of Trade Industry and Cooperatives
O&M	Operations and Maintenance
PAYE	Pay as You Earn
PFM	Public Financial Management
S/C	Sub County
SDS	Strengthening Decentralisation for Sustainability
SEATINI	Southern and Eastern African Trade Information and Negotiations Institute
SEC	Sub County Executive Committee
UNDP	United Nations Development Programme
URBS	Uganda Registration Services Bureau
USAID	United States Agency for International Development
VAT	Value Added Tax
WHT	Withholding Tax

Introduction

Local revenue (LR) is important because it provides financing over which local governments (LGs) have the most discretion. Therefore, local revenue is important for the success and long-term sustainability of service delivery in local governments. The Local Government Act, 1997 (as amended) empowers LGs to levy, charge and collect fees and taxes, including rates, rents, royalties, stamp duties, personal graduated tax, Local Service Tax (LST) and Local Government Hotel Tax (LGHT), registration and licensing fees and taxes.

However, locally raised revenues collected by LGs have declined considerably over the past ten years, in large part due to the abolition of the main local revenue sources such as the graduated tax. In addition, due to limited capacity of local governments to identify, collect and allocate locally raised revenues. Moreover the existing legal and policy frameworks for creating an enabling environment for effective mobilization of locally raised revenues at the local levels remain weak. As such local governments have over the years remained dependent on conditional and other grants from the central government and donors with minimal resource flexibility to fulfil their mandates of delivering key social and economic services to the citizens.

To address this challenge, SEATINI -Uganda in partnership with Kitgum Women Peace Initiative (KIWEPI) with support from USAID and UKAID through the Governance, Accountability, Participation, and Performance (GAPP) Programme are enhancing the capacity of targeted leaders to identify and collect equitable and sustainable local revenue. It is upon this background that the SEATINI Uganda developed this best practice manual.

Objectives of the Manual

The objective of the manual is to enhance the capacity of local government leaders (technical and political) to mobilise local revenues in equitable and sustainable manner at all levels.

Specifically the manual will enhance your understanding of:

a) The context and essence of decentralization and local revenue mobilisation
b) The legal framework for local revenue mobilisation and revenue sharing
c) Local Revenue Mobilization and Management in Local Governments
d) Effective mobilisation of citizens on local revenue generation

Structure and Duration of the Training

The training will be structured in three (3) modules, and sessions covering a range of topics and it is planned to last for four (4) days. For each session, the objectives of the session are stated and the descriptions of the content and activities involved are also provided. In particular, the sessions will cover the following topics:

- Decentralisation, Taxation and Development
- Local Revenue Mobilization and Management
- Local Revenue, Purpose, and Sources
- Legal Framework for LR Mobilisation and Revenue Sharing Framework
- Local Revenue Management Process
- Key Stakeholders in LRM
- Challenges and Remedies to Local Revenue Generation
- Accountability and Transparency
- Community Mobilisation and Sensitization

Overview of Training Methods

Training methods provide means for participants to know the specific training content that has been outlines and to facilitate the learning process. There a variety of training methods available to you the facilitator. Although the list is not exhaustive, here below we suggest those methods that are suggest for use in this manual. The methods include1:

a. Case Study

This is a training technique where learners/participants are given information about a situation and are directed to make decisions or find a solution to a problem concerning the situation. The cases presented should be as close to reality as possible. This technique is useful in giving participants a chance to practice a method of tackling difficult problems before they are personally involved in a "real" situation that may be difficult, confusing and frightening. The case studies can be used in several ways:

- As a whole group activity: Participants read the case study individually and then discuss the questions as a group.
- In small groups: In groups of four or five participants, each group reviews the case study, discusses the questions, and then shares their ideas with the rest of the group.
- As a role play: Working in pairs or small groups, participants assume the roles as described in the case study

b. Group Discussion

This is where participants discuss issues being trained on in groups. This training technique enables learning to be derived from the participants rather than the facilitators. Group Discussions as a training method enhance problem-solving skills which are critical for formation and moulding of attitudes and clarification of personal values. Group discussions also stimulate interest and help participants to learn from each other.

c. Role – Playing

This is where the participants are presented with a situation which they are expected to explore by acting out the roles of those represented in this situation.

1 Adapted from Ministry of Public Service (2006)

The players should be carefully selected and should be properly prepared for their roles. The audience should be equally prepared for the role play by debriefing them on how they are to behave during the presentation. The players should behave naturally in the course of the acting.

d. Demonstration

Demonstration is a presentation of a method for doing something. By actual performance, the facilitator shows the learners what to do and how to do it. With his/her associated explanations, the facilitator indicates why, when, where and how something is done. The technique is mainly used for showing correct/incorrect actions, procedures, practices etc., teaching a specific skill or technique, modelling a step- by - step approach and giving participants a yardstick to aim at.

e. Lecture/ Exposition

A lecture is a straight talk or exposition possibly using visual or other aids, but without active group participation. A lecture is very appropriate where the facilitator knows more on the subject than the participants and where the size of the group is large.

f. Question and answer

Encouraging discussions through questioning between the facilitator and participants and those among the participants is useful experience because the learner takes a more active role in the discussions and is able to determine the content of what is discussed, hence utilizing more of his or her senses. The questions will help the facilitator to determine what the participants already know about a topic so that she or he can focus on what they don't know, and therefore need to learn.

g. Brainstorming

This is where participants suggest ideas on given issues, which are later discussed. The facilitator normally engages the participants in a brainstorming session by asking them a general question.

h. Coaching

This is a one-to-one process which focuses on the practical improvement of specific skills.

Note: When implementing the local revenue mobilisation training program, trainers / facilitators should consider the following suggestions:

- Apply appropriate training techniques based on the participants' training needs and level of understanding.
- Involve participants to share their experiences and expertise in regards to successful local revenue mobilisation.

Analysis of Participants

The knowledge of the audience is very important in training. Matters of style, level of complexity, type of visual aids etc. can be answered by analysing the participants. The following are some of the considerations to think about in analysis participants:

- Education background
- Work experience
- Age range
- Sex / gender considerations
- Size of the group
- Cultural and social considerations

How to Conduct a Successful Training[2]

- Be proficient and know your subject matter (knowledge on local revenue generation). Read widely beyond the information provided in the training manual.
- Go over the training programme until you feel confident that you can conduct the training.
- Where possible share your views with co-facilitators or other people conversant with the subject matter.
- Ensure that all the training materials are in place and ready to be used.
- Be prepared to handle any training related problems as they arise in the course of the training.
- Have a positive attitude about the training, the participants and other co-facilitators.
- Rely on your strong points during the training and give the training your best shot.

Professional and Mental Preparation[3]

As a facilitator you should be comfortable with the training manual and be flexible to apply it to your local environment. The training manual is only supposed to guide you and to be used for quick reference, but you should have the liberty to apply it according to the situation on the ground. In order for you to have the necessary confidence as a facilitator to deliver the training and respond to the queries from the participants, you must ask yourself the following questions:

- Am I comfortable with my assignment?
- Have I accepted the assignment under some pressure and I'm not sure of my own ability to deliver?
- Am I adequately prepared for my presentations?
- Have I done enough reading beyond what is presented in this manual?
- Do I have appropriate local examples for each session?
- Renew your notes, update them and add new examples.
- Plan to make your presentations exciting and enjoyable for the participants.

2 Adapted from SEATINI et al (2012)
3 Ibid

Training Materials

- Flip Chart or large sheets of blank paper or blackboard
- Marker Pens, preferably of different colours or chalk
- Masking Tapes
- Handouts/Reference Notes
- Pieces of plain cards (can be manila cards), preferably of different colours and sizes
- Projector (where possible)

Getting Started

At the beginning of the training course, welcome the participants to the training workshop. Introduce yourself and then lead the participants to introduce themselves (i.e. their names, institutional affiliation and their position and roles in the institution they work for etc.), reflect on why they are there and identify their expectations and fears.

Explain workshop objectives, logistics and rules of conduct. The latter should include such issues as respect for each participant's opinion, switching off cell phones, time management and order. Provide each participant with a copy of the workshop programme, review the programme and ask for questions and comments about the workshop programme and purpose. You can allocate **30 minutes** for introductory session.

Module 1:

Decentralization and Local Revenue Mobilization in Uganda

Session 1.1: Decentralisation, Taxation and Development

Objectives of the session

At the end of this session, participants should be able to:

- Know the historical perspectives and objectives of decentralisation in Uganda
- Identify and describe different types of decentralisation
- Enumerate the benefits and challenges of decentralisation in Uganda to date
- Understand the intergovernmental fiscal relations

Duration: **1 ½ hours**

Step by Step Process

Step 1: Plenary - **5 minutes**

- The facilitator introduces the session and its objectives.

Step 2: Brainstorming - **45 minutes**

- The facilitator asks participants to give their responses on the questions in Activity 1.1, while allowing all participants to contribute to the discussion.
- During the discussion, the facilitator records some of the key responses on a flip chart.

Activity 1.1

a) What is Decentralisation and why is it important?

b) What are some of the challenges of decentralisation in Uganda and how they be overcome?

Step 3: Lecture - **40 minutes**

- The facilitator gives a lecture on the context and essence of decentralization; and importance of taxation on development giving examples and allowing participants to ask questions/ clarifications.

Facilitators Notes

A. What is Decentralisation?

After decades of social-economic stagnation as a result of civil conflicts, the general consensus in Uganda was that decentralization is an essential element of deepening local governance. Government of Uganda has implemented decentralization policies since 1993 with the transformation of the hitherto of the Resistance Councils of the National Resistance Movement into Local Councils. In 1997 The Local Government Act was enacted by Parliament to give effect to the decentralization and devolution of function, powers, and services from the centre to the local governments.

Box 1.1: Definition of Decentralization

Rondinelli (1981) defines decentralization as the transfer of authority to plan, make decisions and manage public functions from a higher level of government to any individual, organization or agency at a lower level.

Smith (1985:1), decentralization means 'reversing the concentration of administration at a single centre and conferring powers on local government'

Decentralization has been considered by many as one of the most important strategies in public sector reform. Decentralization is considered as a strategy that can:

- bring service delivery closer to the citizens
- involve the citizens in matters that affect them
- improve the responsiveness of government to public demands
- improve the efficiency and quality of public services
- empower lower government units to feel more involved and in control
- allows citizens to elect their leaders who are directly accountable to them, thus increasing participatory democracy
- allows citizens to participate in planning, implementation and monitoring and evaluation of the development activities in their localities

Decentralized governance if carefully planned, effectively implemented and appropriately managed, can lead to a significant improvement in the welfare of people at the local level, the cumulative effect of which can lead to enhanced human development (UNDP,1997).

B. Forms of Decentralization[4]

There are four forms of decentralization:

a) Political Decentralization or Devolution

This involves the transfer of specified responsibilities and resources from the central government to local government units, or to a community, usually represented by their own lay or elected officials.

Devolution is the transfer from central government to autonomous units of local government with corporate status (units with a statutory or constitutional basis for power that is distinct from central government).

b) Administrative Decentralization or De-concentration

This refers to the transfer of state responsibilities and resources from the central government ministries and agencies in the nation's capital to its peripheral institutions in the districts within the same administrative system (field administration). In other words, it is an internal form of delegation of responsibilities among officials of the same organization, and involves the strengthening of field administrative organizations within the public services of a country. The arrangement is administrative in nature. It does not confer discretionary powers on those units, which are not corporate bodies.

De-concentration is the transfer from central agencies operating from the capital cities to field offices of these agencies.

Delegation is the transfer of service responsibility from central government agencies to specialized organizations with some degree of operating autonomy (semi-autonomous corporations or sub national units of government).

C. Economic Decentralization

This refers to efforts to open up an economy to competitive forces, as opposed to dominance by state institutions (state capitalism). It would include privatization, deregulation, and a range of economic reforms. Under economic decentralization, market-oriented policies are pursued, and the private sector is regarded as an engine of growth.

Privatization is the transfer of responsibility for producing goods or services to private voluntary organizations or private enterprises.

D. Fiscal Decentralization

This process involves the transfer of financial resources from central government to local government units, taking account of the responsibilities allocated to these institutions. Fiscal decentralization involves surrendering of revenue to local

4 Adapted from GAPP (2017)

government units by the central government, the mobilization and management of resources by local government units, and revenue sharing. Fiscal decentralization involves three alternatives: Devolution, Decentralization, and Delegation. It's important to note that there is always a mix of the three alternatives even in the most devolved systems.

E. Intergovernmental Fiscal Relations (IGFR) [5]

The Intergovernmental Fiscal Relations (IGFR) defines the framework of fiscal operations which support the implementation of functions allocated to each level of government.

There are three systems of governance that impact on how intergovernmental fiscal relations are structured:

a) Unitary systems

A unitary system is one in which the central government has the constitutionally bestowed authority (or, in some cases, Absolute Monarchy or Theocracy) to determine not only what political powers are assigned to its constituent units (sub national governments including, of course, municipalities); but also, whether to create, abolish, and/or change the boundaries of sub-national jurisdictions. Power is vested in the central sovereign state, however, there may be various types of sub-national governments such as a municipality, but they are not sovereign, rather, just creatures of the "State". Examples of unitary systems include: Africa (Burkina Faso, Uganda); East Asia and the Pacific (Thailand, Japan and South Korea).

b) Federal systems

Under a federal system arrangements public sector decisions are made by different types or tiers of governments that are independent of one another. Examples of Federal systems include: Africa (Ethiopia, Nigeria and South Sudan); East Asia and the Pacific (Australia, Malaysia, and the Federated States of Micronesia); Europe (Austria, Belgium, and Germany); Latin America (Brazil, Mexico, and Saint Kitts & Nevis); Middle East and North Africa (Iraq and the United Arab Emirates); and South Asia (India, Pakistan and Nepal).

c) Confederation systems

In a confederation, there is typically a weak central government whereby through a treaty-based system of states the national State serves as the agent of the member units and usually without significant independent spending and taxing powers. Examples include Switzerland as Confederation Helvetia, 1815-1848; and today's best example that of Bosnia & Herzegovina.

E. Intergovernmental Transfers

This addresses the financial aspects of the intergovernmental relations that strongly influence the nature, the scope and depth of decentralization.

The financial aspects are often measured by:

5 Adapted from GAPP (2017)

- The distribution of revenues and/or expenditures across the various levels of government.
- The assignment of public service delivery functions across the said government tiers.
- The own-source revenues in sub-national government tiers, meaning the revenues they are assigned to collect/obtain independently and use of their own discretion (without prescription by a higher tier entity).

The Intergovernmental transfers are classified into two:

a) General purpose transfers:

   The transfers have no conditions attached and are mostly mandated by the law. LGs have the freedom to exercise policy discretion with the usage of this type of transfers. Block grants are one form of general purpose transfers.

b) Specific-Purpose transfers

   Specific-purpose or conditional or earmarked transfers refer to financing intended to provide incentives for governments to undertake specific programs or activities. These grants may be regular or mandatory in nature, or discretionary, or ad hoc.

F. Legal framework for Intergovernmental Fiscal Relations (IGFR) in Uganda

Article 176 of the Constitution of the Republic of Uganda gives provisions for the Local government system. Particularly, 176 (2) provides for the principles that shall apply to the local government system; inter alia: (a) functions, powers and responsibilities are devolved and transferred from the Government to local government units; (b) decentralisation shall be a principle applying to all levels of local government; and (e) appropriate measures shall be taken to enable local government units to plan, initiate and execute policies.

The second schedule of the Local Government Act Cap 243 elaborates on the functions to be performed by each level of government. Functions assigned to Central Government relate primarily to policy formulation, guidance and monitoring while local governments take responsibility for delivering decentralized services.

Article 193 of the Constitution of the Republic of Uganda provides for intergovernmental transfers (grants) to local governments. Grants to local government that are paid out of the Consolidated Fund include: unconditional grant; conditional grant and equalisation grant.

a) *Conditional grants:* shall consist of monies given to local governments to finance programmes agreed upon between the Government and the local governments and shall be expended only for the purposes for which it was made and in accordance with the conditions agreed upon. These constitute over 90% of the intergovernmental transfers.
b) *Unconditional grants:* is the minimum grant that shall be paid to local governments to run decentralised services and shall be calculated in the manner

specified in the Seventh Schedule to this Constitution.

c) *Equalization grant:* is the money to be paid to local governments for giving subsidies or making special provisions for the least developed districts and shall be based on the degree to which a local government unit is lagging behind the national average standard for a particular service.

Article 193 (5) of the Constitution states that, "district councils shall be obliged to indicate how conditional and equalisation grants obtained from the Government are to be passed onto the lower levels of local government."

G. Challenges of Intergovernmental Fiscal Relations (IGFR) in Uganda

Central Government transfers are the most dominant source of revenue for local governments accounting for over 95% of total local government financing. This overwhelming dominance has had major implications on local government service delivery. Therefore, how these grants are structured and delivered becomes critical to the efficiency of local government financing and operations of local government budgets, as well as effectiveness in supporting local services delivery (LGFC, 20126).

A study conducted by LGFC in 20127 identified the following challenges to the intergovernmental fiscal relations:

a) The existing legal and institutional mechanisms have not been adequate to protect and ensure appropriate growth of Central Government grants reducing the amount of funding available to local services over time;

b) The organisation of LG financing has limited the resources at the discretion of LGs and which LGs can put to the management of services thus creating gaps in the supervision and monitoring of services delivery and in the maintenance of service delivery infrastructure;

c) Whereas functional responsibilities between central and local government are outlined in the LGA, overtime grey areas or areas of overlap have emerged that will require further review;

d) The rules governing the grant mechanisms are not clear leading to arbitrary procedures in their creation, allocation criteria and management with adverse impacts on equity and on their effectiveness to finance local services; and

e) There are significant levels of financing from the national budget for local government services but which do not flow through or comply with the rules of the grant system. This is undermining transparency and equity in allocation of resources across LGs and weakening local accountability.

6 LGFC (2012), Review of Local Government Financing, Management and Accountability for Decentralized Service Delivery

7 LGFC (2012), Review of Local Government Financing, Management and Accountability for Decentralized Service Delivery

Module 2:

Local Revenue Mobilization and Management

Session 2.1: Local Revenue, Purpose, and Sources

Objectives of the session

At the end of this session, participants would be able to understand:

- Local Revenue and its purposes
- Various sources of LRs for LGs as per the LG Act 1997 (as amended)

Duration: **2 hours**

Step by Step Process

Step 1: Plenary - **5 minutes**

- The facilitator introduces the session, objectives and activities

Step 2: Group Work – **1 hour**

- In groups, participants discuss the questions under Activity 2.1
- Each group reports in a plenary
- The facilitator allows participants to input or comment or ask questions on each presentation or at the end of all presentations.

Activity 2.1

a) What is Local Revenue?
b) What are the well-known local revenue sources in your LG?
c) What is the major use of local revenue to your LG?

Step 3: Lecture – 50 minutes

- The facilitator gives a lecture on local revenue; its purpose, and sources giving examples and allowing participants to ask questions/ clarifications

Facilitators Notes

A. Understanding Local Revenue

Revenue is income collected and received by a Local Government (LG). Revenue refers to a sum of payments received by a LG from individual residents and organizations and transfers by the central government for the purpose of financing service delivery and devolved expenditure functions. The locally raised revenues (LRRs) are expected to be received from within the jurisdiction of the LG. (SDS & USAID, 20168).

B. Purpose for Levying Local Revenues[9]

Local governments levy taxes or charge fees for multiple purposes besides purely revenue generation, which include the following:

a) *Service provision:* LRRs are a discretionary source of financing and therefore a critical success factor in providing sustainable service delivery and more especially the operations and Maintenance (O&M) costs. This includes all sources, though a more specific example is parking fees and market dues, which are purposely raised for maintaining the parking sites and market facilities, respectively.

b) *Consumption/production of products/services or changing behaviour:* These charges may include permits for sale and consumption of spirits, entertainment permits, grazing of animals in urban areas. Such charges may be higher than other usual charges.

c) *Regulatory purposes:* such cases may include business licenses and permits. The fee is usually considerably low but when it is high, it often attributed to trying to make the business owner move to the right location/street or choose another type of business.

d) *Redistributing wealth/income or to cross subsidize services for lower income persons:* Fees for collection of garbage would be higher in richer locations than in low income areas, other examples will include Local Service Tax (LST), and

8 SDS & USAID (2016)
9 Adapted from LFGC (2003) and SDS & USAID (2016)

Local Government Hotel Tax(LGHT), and property rates. It is known that these can only be paid by those with high incomes and thus taxing those raises revenue, which is later redistributed by providing services to the general population.

e) LRR is important because the operations and functions of the LLG Council largely depend on the availability of revenue. Generally LRRs finance activities such as: Finance discretionary activities like community roads, bridges, water services; finance administration costs (especially councillors' emoluments & employee costs); and Routine maintenance and administrative costs

f) Promotes accountability to the community resulting into improved quality of services

g) Reduces pressure on central governments & reliance on donations

h) Locally generated revenues promote ownership and sustainability of programmes and services, a basic tenet of decentralisation.

i) Participants can add more.

C. Sources of LRs for LGs

The locally raised revenues (LRRs) are expected to be received from within the jurisdiction of the LG. Locally raised revenues are categorized under Tax revenues, Non Tax revenues and Other Revenues.

Tax Revenue is comprised of:

a) Local Service Tax (LST). LST is levied by LGs on the wealth and income of the following categories of people: Persons in gainful employment; self-employed and practicing professionals; self-employed artisans; businessmen and businesswomen; and commercial farmers10.

b) Local Government Hotel Tax (LGHT). LGHT is levied on hotel and lodge accommodation per room per night and the tax is paid per room occupied.

Non-Tax Revenue is comprised of:

a) Property Related Charges. These are charged by Local Governments in consultation with the Ministry of Lands and Urban Development and they include Land Premium, Processing of Applications Fees, Consent to Transfer Fees/ Charge, Valuation Fees, Conveyance Fee, Building Plans Approval Fee, Building Inspection Fee, Survey fees and Land Inspection Fees.

b) Business/ Trading licence; this is a regulatory fee for a business to operate in the locality. The rate is based on the type of business and locality in which it is found.

c) Royalties; Royalty fees are paid in lieu of government/private projects based on exploitation of natural resources within the confines of the Local Governments. The organizations with direct link to such activities include, inter alia, Hydropower generation, Uganda Wildlife Authority, National Parks, Development for Minerals and Mining, National Forestry Authority.

10 Presently commercial farmers LST schedule is not yet approved.

d) Fees and fines on licences and permits in respect of any services rendered or regulatory power exercised by the local council. Such as fees from forest products; veterinary fees, registration of births; registration of marriages and deaths; land transaction charges); cess on produce; loading fees i.e. on sand, marram, stones; fines; and other charges

e) Rents from lease of property owned by the local council

f) Fees and fines imposed by courts administered by the local council

g) Donations, contributions and endearments

h) Charges or profits arising from any trade, services or undertaking carried on by the local council

i) Parking fees

j) Advertising fees,

k) User charges where applicable

l) Agency fees [LGA, 80 (3)]

m) Interest on investments

n) Charcoal burning licences

o) Any other revenues which may be prescribed by the local government and approved by the Minister.

Summary of locally raised revenues and purpose is contained in Appendix 2.

Session 2.2: Legal Framework for Local Revenue Mobilisation and Revenue Sharing Framework

Objectives of the session

At the end of this session, participants would be able to:

- Appreciate the legal framework for local revenue mobilisation at LG levels.
- Appreciate the legal procedures for sharing revenue collections among various levels of LGs.

Duration: **1 ¼ Hours**

Step by Step Process

Step 1: Plenary - **5 minutes**

- The facilitator introduces the session and its objectives

Step 2: Lecture – **1 Hour**

- The facilitator gives a lecture on legal provision on LR mobilisation and revenue sharing framework giving examples and allowing participants to ask questions/ clarifications.
- The facilitator should use some energisers to break the monotony of the lecture.

Facilitators Notes

A. Legal Provisions of LR Mobilisation[11]

The Constitution of the Republic of Uganda, under Article 176 (2) (d) states that "there shall be established for each local government unit a sound financial base with reliable sources of revenue".

The mandate to levy, charge, and collect appropriate fees and taxes is derived from Article 191(1) and (2) of the Constitution which empowers LGs to levy, charge, collect and appropriate fees and taxes such as rents, rates, royalties, stamp duties cess, fees on registration and licensing and any other fees and taxes that Parliament may prescribe.

Article 196 (a) of the Constitution requires each LG to draw up and maintain a comprehensive list of all its internal revenue sources and to maintain data on its total revenue potential. In addition, Section 77 (1) of the Constitution empowers LGs to formulate, approve and execute their budgets and plans and to collect revenue and spend it.

11 Adapted from SEATINI & KIWEPI (2014)

Article 194 (4) (d) of the Constitution states that. "the Local Government Finance Commission shall advise the local governments on appropriate tax levels to be levied."

According to Article 152 of the Constitution of the Republic of Uganda, no tax shall be imposed except under the authority of an Act of Parliament. Therefore, Parliament passed the enabling law in the form of the LG Act (Chap 243). Section 80 (1) of the LGA (Cap 243) empowers LGs to levy, charge and collect fees and taxes, including rates, rents, royalties, stamp duties, personal graduated tax, and registration and licensing fees and the fees and taxes that are specified in the Fifth Schedule (especially parts III and IV) which contains the Local Governments Revenue Regulations.

Each source is explained in details under a specific Act and Statutory Instrument that includes, among others:

a) Local Government Act (Cap 243) (fifth schedule), for collection of local service tax, LG hotel tax, and other revenues.

b) The LG (Rating) Act (Cap 242) (as amended), enables LGs to collect property rates.

c) The Physical Planning Act (2010), enables collection of land-based charges like ground rent, lease offer fees, inspection fees and others related, and ground rent premium, and property rates.

d) The Trade Licensing Act (Cap 101) enables the collection of regulatory fee for a business to operate in the locality.

e) Mining Act (Cap 148) (Section 98) which sets out how tax revenue from minerals is shared among government, LGs and owners, i.e. Central Government (80 percent), HLG (10 percent), LLG (17 per cent) and individual land owner (3 percent).

f) Forests Act (Cap 146) (Sections 39-64) allows LGs to collect levies from forest products, licenses for cutting from outside the forest reserve, selling seedlings and seedling production, fees from timber, charcoal burning and selling, and transportation of charcoal, etc.

g) Water Act 1997 (Cap 152) (Section 87) gives power to the Minister to allow LGs collect water conservation fees.

h) Uganda Wild Life Act, 1996 (Cap 200) (Section 69 (4)) requires payment of 20 percent of the park entry fees collected from a wildlife-protected area to the LG of the area surrounding the wildlife protected area from which the fees were collected.

i) Electricity Act, 1999 (Cap 145) (Sections 75 (7), (8) and (9)) require the holder of a license for hydropower generation to pay, to the district LG in which his/her generating station (dam or reservoir) is situated, a royalty agreed upon by the licensee and the district LG, in consultation with Energy Regulatory Authority (ERA).

j) Traffic and Road Safety Act (Chap 361) (Section 139), for collection of parking fees.

k) Market Act (Cap 94), for collection of market dues.

l) Public Finance Management Act (2015) (Section 75) for sharing of revenues from royalties from oil and gas.

m) Registration of Persons Act (2015) for registration fees for births, deaths, marriages.

B. Collection of Local Revenues

Section 85 of the LGA, states that (1) "in the city and municipal councils, revenue is to be collected by division councils"; (1b) "the city or municipal council may, with the concurrence of a division in its area of jurisdiction, collect revenue on behalf of the division." (2) "in rural areas, revenue shall be collected by the sub county councils; (4) "a district council may, with the concurrence of a sub county, collect revenue on behalf of the sub county council." The town councils directly collect their revenues.

The Local Government Act (LGA), Chap 243 Section 80 (2) requires each LG to draw up a comprehensive list of all its local revenue sources from which it expects to collect revenue during the financial year and to maintain data on total potential collectable revenues. In addition Regulation 33 (1) of the LGFARs (2007), revenue registers shall be used to show details of revenue due, revenue collected and all arrears, including a record of steps taken to collect all arrears.

According to Regulation 31 of the LGFARs (2007), the authority for revenue collection is given to the council every year through the approved estimates. On approval of the complete estimates by the local government council, the council may collect the revenue. Therefore, council must budget for its revenues every year.

Under Regulation 32 of the LGFARs, the head of finance is responsible for ensuring that revenue collectors carry out their duties properly, and to ensure that all revenue due to the council is promptly collected in the approved manner and banked intact.

C. Policy and regulatory considerations

The LGs can propose taxes, levies and fees with guidance from the MoLG and other Ministries/ Agencies like Ministry of Trade and Cooperatives. Table 1 shows important criteria to consider when deciding on especially new revenue sources.

Table 1: Basic Tax Policy Considerations

S/N	Process	Possible Activities
	Adequacy and Productivity	• A revenue source should have a potential of yielding substantial revenues, especially if for a specified purpose. Small revenue sources are expensive in terms of expenditure on collection and effort.
	User Friendliness	• Assessment methods used must be understandable to both the taxpayer and the revenue administrators, e.g. is the property tax assessment based on area occupied or type of materials used? Complicated revenue instruments lead to disputes, delays, and high collection costs in terms of time and resources.

S/N	Process	Possible Activities
	Yield Growth Elasticity	• Revenue should increase automatically with the base so that frequent and large increases in tariffs is discouraged
	Social Equity	• Equity means fairness. Taxes should be based on ability to pay by each taxpayer. • Those who pay directly for services should be served appropriately • Policies on business registration, management and tax should promote gender equality. • Have gender responsive registers where segregate data is available in the tax payers • Segregate data on percentage contribution of local revenue by gender
	Administrative Capacity and Costs	• The costs, effort and time involved in administering a particular revenue source should not be more than the actual revenues collected. • Direct Cost of collection and administration, between 0% -5 if the tax collection system has to categorize as efficient.
	Taxpayer Convenience	• Places, seasons and periods in which tax is collected should be convenient to the taxpayer. A taxpayer should not move long distances to pay at a sub-county if it is possible to open out- posts, e-payments
	Certainty, Predictability	• The nature, base and amount must be known to the taxpayer without doubt. • Uncertainty defeats the prospect of self-assessment, discourages further investment and reduces work effort.
	Political Acceptability	• Some revenue sources are very unpopular especially if direct affecting the poor, taxation of land and animals
	Economic Impact and Ability to Pay	• Taxes, charges or fees should not negatively affect the propensity of taxpayers to work, save, consume or invest and meet good living conditions

Source: SDS & USAID (2016), Local Revenue Enhancement Participant Handbook

D. Local Revenue Sharing

Part V (19, 20 & 21) of the fifth schedule of LGA further details how revenues collected by city/municipal councils are to be shared with villages/cells and wards/parishes, and how those collected by sub-counties are to be shared with village, parish and county councils in form of grants. Local revenue sharing arrangements are described below:

i) District Councils:

a) Each sub-county retains sixty five percent (65%) of all the revenue it collects in its area of jurisdiction. (It can retain any higher percentage as the district may approve). The remaining percentage is passed over to the district.

b) The 65% retained by the sub-county (which now is 100%) plus what it receives from the district is in turn shared between the Sub-county and the administrative units as follows:

- 5% is remitted to the county council in which the sub-county is located.
- 5% is distributed among the parishes of the sub-county.
- 25% is distributed among all the villages within the sub-county.
- 65% is used by the sub-county itself.

iii) City and Municipal Councils:

a) A city or a municipal division retains fifty percent (50%) of all the revenue it collects in its area of jurisdiction and remits fifty percent (50%) to the city or municipal Council headquarters.

b) The 50% percent retained by each division (which is now 100%) plus what it receives from the city or municipal Council is in turn shared between the division and its village and parish/ward Councils as follows:

- 25% is distributed among its village Councils;
- 10% is distributed among its parish/ward Councils.
- 65% is used by the division itself.

For purposes of addressing inequalities in revenue bases among the divisions, a city or municipal council distributes as grants at least 30% of its total revenue collected to the divisions within its area of jurisdiction. There is a formula provided in the LG Act 1997 for distribution of the grants at the lower levels or local levels.

iii) Town Councils:

Each town council collects and keeps a hundred percent (100%) of the revenue for its activities.

The funds are shared between the town councils and its parishes/wards and villages as follows:

- 25% amongst its villages;
- 10% amongst its parishes/wards.
- 65% is used by the town council.

Non-remittance of the Revenue Collected

a) Where a city or municipal fails to remit funds due to a division council for two consecutive months, the division council may retain the amount due to it (city or municipal).

b) Where a division fails to remit 50 percent of its revenue, the city or municipal council shall take appropriate measures to make full recovery of the revenue due to its which may include but not limited to withholding any monies that may be due to the division from the central government or any other source (Article 85 (1a) of the LGA). In the same way, where the city or municipal council remit the 50 percent, the division council shall retain revenue sue to the city or municipal council to make full recovery of the revenue due to it.

c) Where a sub county fails to remit 35 percent or any lower percentage approved by the district council, the district council shall take appropriate measures to make full recovery of the revenue due to it (Article 85 (3) of the LGA). In the same way, when the district council fails to remit the 65 percent, the sub county shall retain a percentage higher than 65 percent to make full recovery of the revenue due to it which is withheld by the district council.

Other issues on Revenue Sharing

a) For purposes of a healthy cash flow, distribution of funds among Councils and Administrative Units should be done on a quarterly basis.

b) There are incidences when on prior agreement, districts, cities or municipalities collect revenue on behalf of the Sub-county (ies) or division(s). Where this is done, the district or municipality remits the 65% or 50% to the relevant Sub-county (ies) or division(s).

c) The Chief Executive at the sub-county and division council must ensure that laws and rules, in particular the formula for distribution of the funds as provided in the LG Act (fifth schedule) is followed accordingly.

d) In some cases, some LLGs have not received their share, especially where the HLG has collected some local revenues. In many cases, this issue has continued to happen most especially where the LLG refuses to remit the share to the villages. To a large extent, such scenarios have increased taxpayer distrust in the way revenues are handled and subsequently lowered the morale of taxpayers to pay.

Session 2.3: Local Revenue Management Process

Objectives of the session

At the end of this session, participants should be able to:

- Understand the local revenue mobilization and management processes
- Elaborate the key stages (activities) in local revenue mobilization and management.
- Effectively undertake local revenue mobilization

Duration: **4 Hours**

Step by Step Process

Step 1: Plenary - **5 minutes**

- The facilitator introduces the session, objectives and activities

Step 2: Lecture - **20 minutes**

- The facilitator gives a lecture on Local Revenue Mobilization Model; giving examples and allowing participants to ask questions.

Step 2: Brainstorming - **20 minutes**

- The facilitator asks participants to answer questions in Activity 2.2.

Activity 2.2

a) What are the Local Revenue mobilization and management processes in your LG?

b) What are the key stages (activities) of local revenue mobilization and management?

Step 4: Lecture - 30 minutes

- The facilitator gives another lecture on the Local Revenue Management Process; giving examples and allowing participants to ask questions.

Step 5: Role Play - 2 hours

- The facilitator divides participants into two groups; for LG Officials and another for Traders (Tax Payers).

- Follow the role play guidelines in Box 2.1.
- Give each group time to prepare.
- Each Group does it part in the role play
- Change roles of each participant (if time allows).

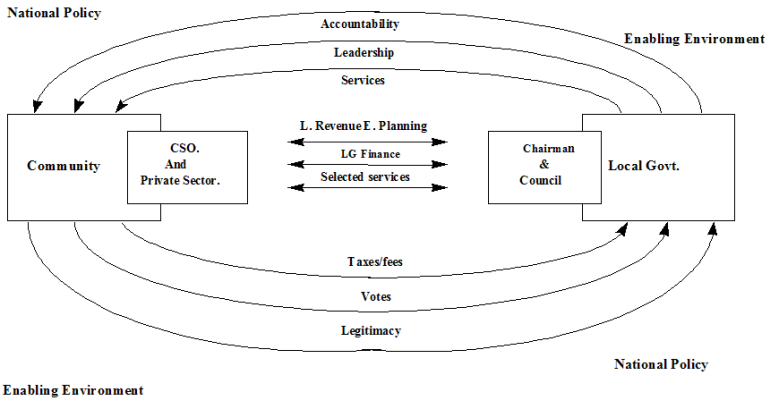
Box 2.1: Role Play Guidelines

1. The LG officials:
    - Develop a tax payers register/ form to collect information on tax payers.
    - Form Enumeration and Registration Committee.
    - Undertake enumeration and registration of tax payers. Each committee should enumerate at least two tax payers.
    - Compile the tax payers register. The register should be signed by the Chairperson of the committee. Challenges/mistakes met during the process should be documented.
    - Form an Assessment committee
    - The committees carry out the Assessment of tax payers.
    - Produce a list of tax payers and the amounts they are supposed to pay.
    - Form an Internal Audit Committee
    - The assessment committee should submit the assessment committee report to the Internal Audit Committee.
    - Internal auditors analysed the assessment report vs the enumeration and registration report/ register.
    - Publicise the assessment results through notices boards and other means. Give ample time to the tax payers to respond.
    - Produce and distribute the demand notes. Chief Finance Officers are selected make demand notes (two copies-one for LG). The demand notes are signed off by the Town Clerk/CAO. Town agents/parish chiefs deliver the invoices.
2. Tax Payers:
    - Choose two business names
    - Provide detailed information as required by the Enumeration and Registration Committee
    - Those who are not satisfied with the assessment results can appeal to the Appeal Tribunal Committee.
3. Appeals Tribunal
    - Form an Appeal Tribunal Committee
    - At least two tax payers can appeal against the assessment results
    - Listens to the appeals from the tax payers and give their verdict.
4. Internal Auditors
    - Provides an independent audit report of the process

Facilitators Notes

A. Local Revenue Mobilization Model[12]

Figure 1: Local Revenue Mobilisation Model

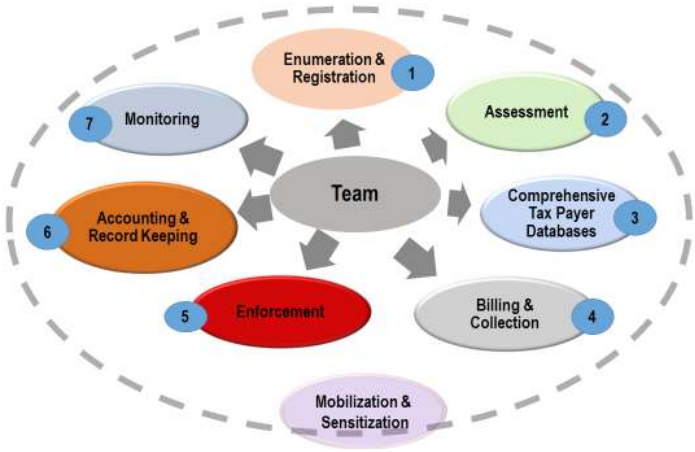


Source: GAPP (2017a)

B. The Local Revenue Administration Cycle and Process[13]

In order to ensure effective and efficient revenue mobilization, there are some generic processes and activities that are expected to be undertaken by all stakeholders in revenue mobilization. Figure 2 shows a schedule of activities undertaken during the process of revenue mobilization. These activities may vary depending on the type of revenue and stage in its development.

Figure 2: The Local Revenue Management Process



Source: GAPP (2017a)

12 Adapted from GAPP (2017a)
13 Adapted from SDS & USAID (2016) and GAPP (2017a)

1. Registration and Enumeration

- Registration and Enumeration involves revenue mapping, identification and listing of tax payers
- Registration and Enumeration is done by the Enumeration and Registration Committee (ERC): The committee is appointed by the Sub County Chief, Assistant Town Clerk and Town Clerk for a Sub County, Division or Municipal Division and Town Council respectively. It's composed of Parish Chief or Town Agent (as the Chairperson), LCI Chair Person (of the village under enumeration), LC1 Chairperson and the LC III Secretary for Finance. Other members of the committee are indicated in *Table 2.* The role of the ERC is to plan and carry out a general registration of possible taxpayers in the LG using the forms designed as in *Appendix 4* for LST and *Appendix 5* for LGHT.

Table 2: Enumeration and Registration Committee (ERC)

Sub County	Division	Town Council
Parish Chief	Town Agent	Town Agent
Representative of the Parish Development Committee	Representative of the Ward Development Committee	Representative of the Ward Development Committee
A representative of the LC2 Executive	A representative of the LC2 Executive	A representative of the LC2 Executive
A representative of the Sub County Chief	A representative of the Assistant Town Clerk	A representative of the Town Clerk
An LC1 Chairperson of the village under enumeration	An LC1 Chairperson of the village under enumeration	An LC1 Chairperson of the village under enumeration

Source: LGFC (201414)

- Enumerators should be trained on the objectives and purpose of the enumeration exercise.
- Enumerators should be paid their daily allowances promptly.
- Enumerators should follow a programme for the exercise to ensure systematic coverage
- The enumeration exercise should be done within the prescribed time to enable the taxpayer to plan ahead for the payment.
- Registration and enumeration may happen at the same time to ensure cost effectiveness.

14 LFGC (2014)

2. *Assessment*

- Tax Assessment involves determining the tax/ revenue payable.
- Assessment is done by the Assessment Committee (AC): Members of the committee are indicated in *Table 3*.

Table 3: Assessment Committee (AC)

Sub County	Division	Town Council
Sub County Chief	Assistant Town Clerk	Town Clerk
Sub - Accountant	Sub - Accountant	Town Treasurer
Agricultural Extension Officer	Agricultural Extension Officer	Agricultural Extension Officer
Community Development Officers	Community Development Officers	Community Development Officers
District representative	Municipal/City Council representative	District representative

Source: LGFC (2014)

- The Assessment Committee members should be trained to enable assessment of the taxpayer in time.
- The Assessment Committee members should be paid a daily allowance to motivate them.
- A pre-assessment meeting with Sub-county Chiefs and LCIII Chairpersons is held at the district to inform and share knowledge.
- Assessment forms should contain details of taxpayers e.g. name of the individual or business of income, type of business, amount of total income, location and the like.
- The Assessment Committee extracts information from the assessment forms and subject their earnings to given schedules to determine charges/ dues/ taxes accruing to each of them. In case of LST, the LG can then, using the address of the location of the employer plan to meet the employer and to confirm level of monthly earnings and determine amount to be paid as a tax and agree on the mode of payment.
- After assessment, the AC issues a certificate of assessment to the prospective taxpayer indicating among others the tax liability. The certificate should be produced before the tax/ revenue collector at the time of paying the tax/ revenue.
- An assessment result meeting may be convened to inform taxpayers
- The assessment forms should be displayed at open public places for the taxpayers to view and note.

– Some taxes, fees or charges are payable every financial year and the assessment on the taxpayer's income should likewise be carried out annually. Others are payable on a daily or monthly basis and assessment is done on spot daily or monthly (examples are market dues). For such revenues, the procedure does not normally involve the issuance of assessment certificate because the rate is fixed and well known by the stakeholders.
– Any issues arising from the displayed assessment list is handled by the Appeals Tribunal Committee (ATC).

Appeal Tribunal Committee (ATC). There should be a tax assessment appeals tribunal in every Sub County or urban council which shall be constituted in the manner prescribed by the Minister by Statutory instrument. Members of the ATC are indicated in Table 4.

Table 4: Appeal Tribunal Committee (ATC)

District	Municipal Council	Town Council
Chief Administrative Officer	Town Clerk	Town Clerk
Chief Finance Officer	Chief Finance Officer	Town Treasurer
Revenue Officer / Tax Officer	Revenue Officer / Tax Officer	Sub Accountant
Commercial Officer	Commercial Officer	Community Development Officers
District Community Development Officer	Community Development Officer	District representative

Source: LGFC (2014)

Regulation 7 of the Local Government Revenue Regulation of the Fifth Schedule of the LGs Act provides for channels through which a prospective taxpayer can appeal against a tax liability. Therefore the role of the ATC is to take care of issues raised by the categories of the aggrieved tax payers named below. The categories of persons considered aggrieved are those:

– assessed to pay a tax they are not liable to;
– assessed to pay a tax rate higher than the standard rate;
– denied exemption from payment of a tax;
– whose exemption from tax payment is unduly revoked.

A person filing a case against a tax assessed is given a chance to explain to the tribunal the basis for his/her appeal before a proper decision is made. However, should the claimant later refuse or neglect to give full information to support his/her appeal on appearance before the tribunal sitting to hear the case, he/she commits an offence and is fined on conviction. Where the aggrieved person is not agreeable to the decision made by the tribunal, he/she may appeal to the higher office of the Minister responsible for the LGs.

3. Tax payer databases

- Develop and update the tax register and taxpayer databases at district/ urban headquarters, sub-county/divisions, parishes/wards and villages/ cells.
- Maintain computerized up-to-date taxpayer databases. This improves accuracy, monitoring and control of tax records and reduces leakage of revenues collected.
- Allocate every taxpayer a life -long Tax Identification Number (TIN), probably linked to URA TIN

Box 2.2: Benefits of an automated tax payer database

- Receipt related fraud can be effectively checked by automating all aspects of the cash collection process. This implies that there is a correlation between fraud control and fault tolerance because each aspect of the revenue collection that is not automated is a potential area in which fraud can occur by bypassing programmed checks and balances in the automated revenue collection system.
- Leakages that occur because of untimely collection, fraud and under-collection could be reduced by streamlining and automating the revenue collection process. Penalties may be automatically applied to late payments. Daily reporting of cash receipts and due payments to be collected should be automatically generated by the system.
- The process of revenue collection can be tightly controlled to avoid fraud, evasion and under-collection. Daily reconciliations will have to be made for each collection officer. The system should be able to automatically remind the collection officer when payments are due and
- Monitor the level of bad and doubtful payments presented by the collection officer, alerting supervisors to possible problems.
- Fraud control can be enforced by ensuring the collection device ceases to operate if reconciliation is not performed for a specified time. Further collection will be stopped and supervisors will be immediately alerted to recover the collection device and monies owed.

Source: SEATINI & KIWEPI (2014)

4. Billing and Collection

- Revenue shall be collected by a qualified and competent officer who is in an established post, and is so authorized in writing by the Chief Executive, on written recommendation of the Head of Finance.
- The Council shall raise a demand note or an assessment form to each individual Revenue payer as per Council's approved rates
- The demand notices should be delivered to the respective tax payers, preferably by hand, at the beginning of the financial year.

- The demand note, or assessment form, should be pre-printed, pre-numbered, and prepared in triplicate. The original copy of the notice should go to the taxpayer, the duplicate to the assessment office, and the third copy remains in the book for accounting and accountability purposes.
- A sample of the demand note/ certificate of assessment is shows in *Appendix 6.*
- Before receiving any monies, the Revenue Collector shall check against records of approved rates and shall ask the payer to produce a copy of the Council's demand note, or certificate of assessment so as to determine the particulars and amounts of revenue receivable.
- Billing and collection should be done by different people – segregation of duties.
- Receipts / Tickets should be available at the beginning of the financial year
- Tax collection centres should be established close to the tax paying community.
- Effective collection may involve:
- Privatising the collection of market dues, revenues from taxi parks, trade licenses and other fees and charges. Additional procedures to improve on managing privatised sources:
    - Appropriately promoting competitive bidding against a sitting tenderer.
    - Executing bank guarantees; requiring tenderers to provide bank guarantees to reduce incidences of defaulting in payments as per contract
    - Ensuring that tenderers pay upfront; requirement for tenderers to make two months advance payments directly to the LG collection account. This practice ensures that companies with sound cash flow background are engaged and it minimises on defaults.
    - Requiring bidders to submit photographs. The photographs identify proprietors of companies behind the bids and are used to enforce adherence to contracts. Using photographs, proprietors with tainted history are identified and eliminated and prevented from coming back under new company names.
    - Evidence of tax payment (at least 3 years) to pre-qualify for tender awards as evidence that the intending contractor has consistently paid their taxes
- Swapping Parish Chiefs and Town Agents during tax collection. This practice minimises influence peddling and corruption and the Chiefs act as checks and balances against each other.
- A peer-to-peer tax collection process i.e. youth collecting from other youth; women collecting from women

5. Enforcement

- Enforcement involves follow up defaulters, prosecution and penalizing processes.
- A taskforce made up of chiefs, enforcement officers and LCs can be used to collect revenue
- Uniform road blocks can be used throughout sub-counties at the same time to limit the defaulters' ability to escape from one sub-county to another.
- The enforcement of taxes, levies and feeds can be contracted out.
- Publishing tax defaulters' names in newspapers; especially prominent defaulters
- Target opinion leaders who default and arrest them to instil in their followers that no one is above the law
- All councillors pay LST to set a good example of compliance by leaders

6. Accounting and record keeping

- Ensure proper records keeping and reconciliation of billed amounts and collected amounts.
- Develop tools for billing and collection; document evidence of billing.
- Undertake impromptu audit checks on the collection of money from sales of plots, licenses and permits, etc. to verify amounts collected against receipts issued.
- Emphasize the use of financial institutions such as banks or other means such as use of mobile money when paying taxes, levies and licenses.

7. Monitoring

- HLG should undertake regular monitoring and supervision visits by teams of Finance Officers and Auditors to sub counties.
- Strengthen finance, revenue and audit departments through provision of reliable transport, regular supply of fuel and regular payment of allowances.
- The HLG council should audit LLGs frequently to ensure that the collected revenue is truly posted in the books of accounts.
- Regular monthly meetings between sub-county Chiefs and Parish Chiefs to establish strategies for collection of taxes, levies and fees tax in the ensuing month.
- LGs should have similar programmes for enumeration, assessment and increase manpower in some sub-counties for collection of taxes.

8. Mobilization and Sensitization

- Community sensitization helps the community to appreciate the benefits of paying taxes and also makes the tax collection exercise a lot easier.
- Form and support revenue mobilisation taskforces: Where special teams comprising of at least one member of the executive and relevant heads of

departments are named and assigned specific tasks of facilitating revenue collection and mobilisation.

- Hold public meetings and barazas, awareness seminars to sensitize communities on their obligation to pay taxes.
- Running tax education programmes on radios and TVs to inform taxpayers about tax assessment, deadlines for payment of licences
- Community sensitization should generally involve directly linking taxes collected to service delivered.
- Engage customer friendly tax collectors, who must explain the importance of taxes to service delivery in a user friendly manner.
- Mobilization and Sensitization should be a continuous activity through the LRM processes.

Session 2.4: Key Stakeholders in LRM

Objectives of the session

By the end of this session, the participants should be able to:

- identify the roles and responsibilities of the various stakeholders in LRM
- Identify any challenges encountered and possible remedies for by key stakeholders in LRM

Duration: **1 ¼ Hour**

Step by Step Process

Step 1: Plenary - **5 minutes**

- The facilitator introduces the session, objectives and activities

Step 2: Group Work – **35 Minutes**

- In groups, participants discuss the questions under Activity 2.3:
- Each group reports in a plenary
- The facilitator should allow other participants to input or comment or ask questions on each presentation or at the end of all presentations.

Step 3: Lecture – **30 Minutes**

- The facilitator gives a lecture on various stakeholders in local revenue mobilisation their roles and responsibilities; challenges they face and remedies; giving examples and allowing participants to ask questions/ clarifications.

Activity 2.3

a) Who are the key stakeholders in local revenue mobilisation?
b) What are major challenges these stakeholders face and how can they be overcome?
c) What are the various categories of people we have in our community that should be brought on board in mobilization and management of local revenue?
d) How best can we have them involved in local revenue mobilization and management?

Facilitators Notes

A. Key Stakeholders in LRM[15]

The key stakeholders in the local revenue mobilisation include: Office of the CAO, Town Clerk, District Head of Finance, Senior Assistant Secretaries (SAS)/ Town Clerk, Sub Accountant, Parish Chiefs/ Revenue collectors and Cashiers, Executive Committee of Council, LGPAC, OAG, MoLG, and the Tax Payers.

a) The Chief Administrative Officer (CAO)

The roles of the CAOs relate to their role as Accounting Officers of the district key among which is:

- Responsibility for the implementation of all revenue enhancement decisions taken by the council
- Ensuring the appointment of qualified and competent Head of Finance (HoF) and Head of Internal Audit (HoIA) and other staff relevant to revenue administration process.
- Presenting revenue policy advice to the District Council
- Ensuring that collection targets are being achieved
- Guiding District Council of revenue legislation

b) District Head of Finance

The HoF is the chief receiver of district revenues. Functions specific to revenue are:

- Ensuring the revenue budget is in place in the expected time
- Providing policy support and ensuring that all billed revenues are collected
- Supervising all revenue staff and instituting measures against fraud and embezzlement
- Timely provision of receipts and relevant record books and ensuring that revenues are collected in approved manner
- Collecting the percentage of revenue due to the council from the LLGs
- Remitting to the LLGs the relevant percentage of revenue collected by the HLG on behalf of the LLGs

c) Senior Assistant Secretaries (SAS)/ Town Clerk

The SAS is appointed by the District Service Commission (DSC) and may work as an Accounting Officer on delegation by the Chief Administrative Officer, (CAO). The roles of the Sub-county Chief/Town Clerk in their capacity as the accounting officers include but are not limited to:

- Responsibility for the implementation of all revenue enhancement decisions taken by the council
- Responsibility for enforcement
- Support and participation in local publicity initiatives in order to mobilize revenue

15 Adapted from SDS & USAID (2016)

- Ensuring that collection targets are being achieved
- Giving guidance to the Council in the application of revenue legislation.

d) Sub Accountant at the Sub County

The roles of the Sub Accountant are similar to the HoF at the district level, except that the HoF is at policy level management. Key roles of the sub accountant are;

- Coordinating the preparation of revenue estimates for consideration and approval by the LLG Council
- Supervising all officers entrusted with the receipt of Council revenue
- Ensuring that proper records are kept for revenue collections
- Safe-keeping of all revenue collected and receipting media.

e) Parish Chiefs/ Town Agents and Cashiers

Key functions and roles are to;

- Receive revenues and issue receipts where relevant
- Ensure that all billed revenues are collected and banked
- Maintain relevant records and reconciliations with private collectors
- Prepare periodic returns of revenue collected and reconciliation of receipts received and issued
- Prepare periodic returns of revenue collected.

f) Executive Committee of Council

Key functions and roles are to;

- Initiate and formulate relevant policies on revenue for approval by full council
- Oversee the implementation of revenue collection policies
- Receive and solve problems or disputes (if any) on revenue forwarded by parishes, wards and Villages
- Receive regular revenue enhancement reports from the Sub-county Chief/ Town Clerk and Council organs
- Participate in the publicity and sensitization of taxpayers in order to mobilize revenue.

g) Local government Public Accounts Committee (LGPAC)

- This committee examines the quarterly reports of the Auditor General, HoIA and any reports of commissions of inquiry and makes recommendations to council for consideration. It may recommend disciplinary action such as dismissal, investigation interdiction, and arrest of officers suspected of embezzlement, corruption and/or abuse of public office.

h) Office of the Auditor General (OAG)

- Audits the accounts of every local government council and administrative unit. The Auditor General gives the report of the audited accounts to

Parliament; the Minister responsible for finance; the local government public accounts committee; the Local Government Finance Commission; the Inspector General of Government; and the resident district commissioner, among others.

i) MoLG Inspection unit and other agencies

- Inspect books of accounts, records, stores and any other documents of any LG.

j) The Tax Payer

The following are expectation from the taxpaying community:

- Compliance with the relevant policies on revenue enhancement as initiated by the executive committee of council
- Participatory initiatives in local publicity for revenue mobilization
- Cooperation with tax assessment committees by providing accurate relevant data
- Encouragement of fellow tax payers (advocacy) to meet their respective tax obligations
- Ensuring prompt payment of taxes due and payable to the local council
- Reporting tax defaulters and those who evade taxes in their areas of residence, to relevant local councils.

B. Best Practices on roles and responsibilities of stakeholders in revenue mobilization[16]

Good practices on roles and responsibilities of stakeholders in revenue mobilization include:

- Participatory assessment and tax education
- Regular sensitization and education of political leaders and employees of council, involving community leaders in such sensitization meetings
- Motivation of collectors of revenue and cashiers to reach certain targets
- Increasing service visibility and proximity
- Participatory initiatives in local publicity for revenue mobilization
- Taxpayer and client charter
- Tax payer convenience such as using mobile phone payments
- Encouragement of fellow tax payers (advocacy) to meet their respective tax obligations
- Reporting tax defaulters and those who evade taxes in their areas of residence, to relevant local councils.

16 Adapted from SDS & USAID (2016), Local Revenue Enhancement Participant Handbook

Session 2.5: Challenges and Remedies to Local Revenue Generation

Objectives of the session

At the end of this session, participants would be able to:

- Elaborate on the challenges of LR generation in their respective LGs
- Understand some of the opportunities to increase locally raised revenues.

Duration: **1 ½ hours**

Step by Step Process

Step 1: Plenary - **5 minutes**

- The facilitator introduces the session, objectives and activities

Step 2: Group Work – **40 minutes**

- In groups, participants discuss the questions under Activity 2.4. Participants may be divided in groups based on their mandates: i.e. technical staff and politicians.
- Each group reports in a plenary
- The facilitator should allow other participants to input or comment or ask questions on each presentation or at the end of all presentations.

Step 3: Lecture – **45 minutes**

- The facilitator gives a lecture on challenges of local revenue mobilisation and how they can be overcome giving examples and allowing participants to ask questions/ clarifications.

Activity 2.4

a) What are some of the challenges of generating LR in your LG?
b) How can your LG overcome some of the challenges in revenue collection?
c) Identify revenue sources that may be collected from within your LG, which are not being collected?

Facilitators Notes

A. Challenges of Local Revenue generation in Uganda

i) Tax Administration and Management Constraints;

- **Corruption and Embezzlement;** One of the major problems obstructing innovative practices is corruption, embezzlement, collusion and fraud between the collectors and taxpayers. Tenderers bribe officials in order to get tenders; officials in districts are the owners of the businesses that are bidding for work in the LGs to mention but a few. Some revenue collectors, especially Town Agents and Parish Chiefs take advantage of poor supervision and monitoring to siphon some of the money.
- **Inadequate tax registers and data banks;** There is poor records keeping and lack of adequate data in most LGs, which undermines the existence of reliable information on taxpayers and tax bases. The lack of adequate data and slow assessment and enumeration results in delays in receipt of tax revenues.
- **Insufficient financial support for investments in local revenue generation.** Most LGs don't provide sufficient funding for enumeration, assessment, appeals, mobilisation, setting reserve prices of each revenue source, and sensitisation of communities.
- **Insufficient staff and poorly skilled revenue staff;** some cannot set adequate reserve prices for local revenue sources; poor staff attitude and low morale. Some parishes do not have parish chiefs and even those with chiefs delay the assessment. Worse still, some of parish chiefs executing the collection of revenues have not been duly appointed as revenue collectors as provided in Local Government Financial and Accounting Regulations (LGFARs).
- **Central Government (CG) defaulting to pay taxes on its properties**; In most LGs, the CG does not pay on time what they owe the LGs when it comes to property tax yet they own a good number of buildings.
- **Inadequate supervision and monitoring of LLGs by HLGs on revenue generation.** Senior District technical staff and the political wing (Finance committee) rarely go out to monitor and crosscheck on the activities of the revenue collectors. If it's done, it's hurriedly done on quarterly basis. Consequently, most sub counties under declare or fail to declare how much revenue they collect.
- **Lack of capacity to enforce compliance.** The capacities to punish defaulters and to recover revenues are low resulting into huge arrears. Although they are required by law to take legal action on tax defaulters, they have failed to do so.
- **High cost of property valuation.** The valuation process of property tax is lengthy and costly. This has resulted into most LGs avoiding the exercise and therefore losing revenues from this source.

- **Poor working relations.** In some cases, the poor working relationship between the various levels of local government and between the technocrats and politicians undermine teamwork spirit and divert focus away from local revenue enhancement activities. Some politicians, especially at LLGs are not supportive of local revenue generation efforts. They fear to annoy their voters.
- **Leaders not leading by good examples;** MPs, councillors not paying and campaigning against payment of some taxes.

ii) *Poor attitudes of citizens towards paying taxes.* There is growing resistance by citizens towards paying taxes. This is partly attributable to the fact that LGs have done very minimal community sensitisation on local revenue generation. Sensitisation is only done when LGs are introducing new taxes or levies, and mainly with the business community not the entire community. In addition, poor accountability by the LGs to the people and lack of transparency on how revenues are spent. The poor citizens' attitude towards taxation is also attributable on the fact that citizens do not see the value of paying taxes amidst poor service delivery in their communities.

iii) *Low Tax Base:* The LGs are faced with a problem of a narrow tax base and low taxable capacity due to the fact that most of the households are largely subsistence farmers with no formal business and enterprises that can be taxed. In addition, local governments are not fully equipped to support a local economic development process.

iv) *Changes in business activities*. For instance, the current trend of Auction markets, which are not gazetted since they keep changing locations in un-gazetted places. This has made collecting taxes from such vendors very difficult. In addition, some sub-county officials take advantage of difficulties in estimating revenues from such markets to under-declare the amount of revenue they collect.

v) *Adverse Political Pronouncements:* Local revenue generation efforts are sometimes undermined by the CG and some political heads that have made countless pronouncements that undermine the efforts by LGs to boost their revenue performances a case in point is the abolition of G/tax, and bicycle licenses.

vi) *Legal Constraints:* Some examples include:

- The LG Rating Act (2005) does not provide for effective mobilisation of property rates; the exemption of owner-occupied residential houses significantly reduces the amount of revenue that can be collected from property rates.
- The current legislation does not enable the host LGs central forest reserves to share anything directly from such resources. LGs are not directly benefiting or sharing on any revenues generated from lumbering or other activities done in these forests. Some national forest reserves are all hosted by LGs although functionally, they are managed by National Forest Authority (NFA). Some of these are in National Parks while some are just protected within a LG.

– Inadequate provision for LGs to collect revenues from outputs of estates (such as sugar factories) and industrial establishments found in LGs.

vii) Additional challenges per revenue source are presented in *Appendix 3.*

B. Possible Remedies to the Challenges of LR generation[17]

a) Tax Governance: Laws, Policies and Institutional Environment

- Develop and implement the revenue enhancement plan for the LG.
- Simplification of the Business Licensing Procedures. Shortening the number of days one needs to acquire a trading licence. Encouraging voluntary compliance which can increase and the amounts of money collected.
- Capacity building: Training enumerators at the sub-counties on property assessment, valuation and facilitating them with stationary and allowances. Conducting feasibility studies to determine viability of new markets, sand quarries (hills), livestock and occupation fees.
- Local governments through ULGA should work with LGFC to discuss and channel joint views on amending all laws and regulations that hinder effective local revenue mobilisation.
- Conducting Exchange visits: Exchange visits accord opportunities to learn practices obtaining in other LGs. A number of issues are discussed and observed during exchange visits including how to improve tax administration, accountability, sensitisation and education, etc.

b) Tax Administration

- Use of reliable and easily updateable registers. The database for all the eligible tax payers helps in efficient identification, assessment and collection of revenues.
- Strengthen collaboration between LGs and URA on taxation (i.e. embrace the Taxpayer Register Expansion Project -TREP).
- Concerted improvement in determining taxable values: This involves yearly reviews of imputation values, which are used to determine tax liabilities of each taxpayer. The reviews involve the analysis of socioeconomic factors and taking over management of tendered sources to revise reserve prices.
- Ensure timely assessment of the various revenue sources like trading licenses and operational permits to enable tax payers prepare and honour their obligations.
- Effective enforcement: such as use of established professional law firm, debt collectors, prosecutors and auctioneers as appropriate to recover unpaid revenues.

c) Tax Management: Accountability, Tax Education and Sensitisation

- Improve monitoring of enumeration, assessment and collection local revenues.

17 Adapted from LFGC (2003)

- Prompt remittance of revenue shares to respective councils: Promptly remit the 65% to sub counties, 25% share to villages and the 5% to parishes and counties, as they are collected.
- Linking Tax payments to provision of facilities: Returning revenues collected from markets to the improvement of the market facilities such as toilets, fences and roads to markets. Erecting signposts indicating what taxes have been used for.

Box 2.3: Utilisation of local Revenue by Pader Town Council

In Pader TC, local revenue has been utilized to install solar-powered street lights on the street and also to contribute to the construction of a new council block. This led to increased compliance by the business people on their tax obligations. Consequently, LR increased from the projected UGX 147 million to UGX 187 million during FY 2015/16.

Source: SEATINI & OXFAM (2017)

- Taxpayer sensitization: Running tax education programmes on radios and TVs to inform taxpayers about tax assessment, deadlines for payment of licences. In addition sensitise the public on the importance of tax payment and services rendered by the council. Technical staff and politicians should work together to mobilise and sensitise taxpayers.

d) Incentive Systems
   - Provide incentives rather than sanctions to encourage improvements in local revenue generation. Some incentives target taxpayers, others target individual tax collectors while others are given to a council as a tax collector or mobiliser. The can include:
   - Rewarding the first ten prompt taxpayers as a means of motivating others to also pay in time.
   - Awarding prizes to the best performing parish chief in the district.
   - Rewarding of i.e. 2% to the collectors as a means to strengthening morale and to encourage good work habits for local councillors and collectors.

e) Investment Opportunities
   - Improvement the investment climate in the district through:
   - Deliberate marketing of districts tourist potential through the media (i.e. social media, website, radios, TVs etc.)
   - Direct lobbying of investors
   - Encourage income generating activities
   - Offer of attractive land at a reasonable price; establishment of industrial land; negotiate with land owners for investors
   - Design web-sites for LGs to attract investors

f) Additional proposals for improving collection per revenue source are presented in Appendix 3.

C. Revenue Enhancement from "New Sources [18]

Local Governments are collecting about 42.5% of the projected revenue potential due to various reported challenges which means that there is a need to explore ways and means of increasing collection (LGFC, 2012). Successful LRM initiatives must be applied concurrently with processes that can substantially improve efficiency, participation, transparency, accountability, and a direct link between revenues and service provision.

The LRM framework is best considered through the following three approaches:

- Revenue administration reforms: Revenue policy, assessment, data management, collection, monitoring, reporting, and accountability, enforcement
- Expenditure rationalization: Efficient expenditure management including separation of service provision from service delivery, waste reduction initiatives, participatory budgeting, accountability, efficient procurement processes, oversight functions, and expenditure tracking systems.
- Identification of alternate revenue sources: Especially for those sources within the existing legal framework, ('low hanging fruits") and exploring collaborative arrangements based on new legal.

Box 2.4: Local Revenue Reforms of Kampala Capital City Authority (KCCA)

The Directorate of Revenue Collection (DRC) was established in 2011 and soon filled with experienced staff, many from various Government agencies, including, but not limited to, the MoFPED, and URA. The staff compensation was subsequently enhanced to ensure staff stability and motivation. As a result the level of professionalism in most fronts of revenue administration and collection substantially increased; many of the DRC's capacities and procedures today are comparable to capacities and procedures of revenue administrations in developed countries.

Soon after establishment, the DRC team started analysing each of the revenue sources to find out the underlying reasons and impediments to revenue increase. Some of reasons included: unreliable databases, poor technology, and lack of clear procedures. A number of key revenue collection reform measures were implemented. For instance, improving databases, spreading the tax base; improving collection procedures - introduction of easy-to-use payment instruments the eCitie program; and timely and good communication with tax-payers.

These reforms resulted in an exemplary increase of over 100% of local revenues from UGX 41bn to UGX 85bn between 2011/12 and 2014/15 fiscal year.

18 Adapted from LFGC (2003)

The KCCA achievements shows that local revenues can be substantially increased by improving the administration without changes in the national legislation; which are often difficult, impossible, or unnecessary and are often used by LGs as an excuse rather than the real reason for the lack of their actions and results.

The KCCA also provides a good example for the other fundamental advise, namely to focus on a short list of large revenue sources and on the large tax-payers and large defaults.

Source: Kopanyi M (2015), Local revenue reform of KCCA. IGC working paper

LGs need to examine existing sources from which they are not collecting revenue despite the provisions in the legal framework (see Table 5). New sources will require by-laws and ordinances, which often take a long time before to get approved. Alternate sources may be identified from revenue instruments already included under the law and extend them to emerging industry of Tourism.

Table 5: Alternative Local Revenue Sources

Revenue Source	Proposed Changes and Rates
Property tax	• Change the tax base from annual net rental value to capital value of land and improvements (improved capital value). • Tax undeveloped urban land; taxing it at a percentage of the sale value of the land. • Tax all urban properties including owner occupied residential property, which is currently exempted. • Allow districts in rural areas to levy a property tax on industrial or residential building as well as commercial buildings. • An exemption could be applied to low value properties.
Local Service Tax	• Include commercial farmers, and those in gainful employment such as Boba Boda riders, and Tax Drivers
Rural land tax	• Tax large holdings of rural land or all rural land at a low rate. For example, rural holdings of 5 or 10 acres or more, irrespective of the quality of the land or what it is used for. • Exempt small land holdings on equity or cost of assessment grounds.
Business licenses	• Broaden coverage of business activities to include services, professions and manufacturing (use model of KCCA). • Rationalize license fee structure to better approximate relative sales volume. Introduce three or four fee brackets for each major category taking account of the size of premises, the location of premises and the number of employees.

Revenue Source	Proposed Changes and Rates
Market Fees	• Replace market fees with user fees earmarked for the maintenance and improvement of market infrastructure.
Agricultural Cess	• Re-introduce Cess on agricultural production or livestock, collected at the time of sale or time of transport from the district.
Surcharge on vehicles fees	• Local fee on motor vehicles to be paid by vehicle owners.
Excise on petroleum products	• Increase specific excise on petroleum products or introduce new LGU tax on petroleum.
Cattle or livestock Tax	• Levied on all farmers who own livestock. • Average of Ugshs 2,000 per cow per year. Bands to apply. • Exemptions to apply.
Agro-forestry, mining, and fisheries	• Boat licensing: Boat registration fees; Fish loading fees; Registration of fish mongers; Health clearance of fish mongers; Management of fish landing sites • Timber license: Timber harvesting; Timber movement permit; Registration/clearance from the District Forestry Officer; Clearance fees from LC structures • Mining licensing: Registration and permit to operate in the district; Fee levied as LLG development fee • Oil extraction license: Registration and permit to operate in the district; Fee levied as LG development fee
Power Generation	• Licensing: Registration and permit to operate in the district; Share of revenue generated from sale of power

Source: Sarzin Zara (2007) and SDS & USAID (2016)

Session 2.6: Accountability and Transparency

Objectives of the session

- At the end of this session, participants would be able to appreciate the need for accountability and transparency in LR mobilisation and utilisation.

Duration: **1 ½ Hour**

Step by Step Process

Step 1: Plenary - **5 minutes**

- The facilitator introduces the session, objectives and activities

Step 2: Group Work – **45 minutes**

- Participants are provided with books (copies) of district / municipality / sub county/ town council final accounts.
- In groups, participants discuss the questions under Activity 2.5:
- Each group reports in a plenary
- The facilitator should allow other participants to input or comment or ask questions on each presentation or at the end of all presentations.
- The facilitator asks participants

Step 3: Lecture – **40 minutes**

- The facilitator gives a lecture on accountability and transparency, challenges and remedies; giving examples and allowing participants to ask questions/ clarifications

Activity 2.5

a) What is your general comment on the final accounts?
b) Do you find the information provided on LR as being consistent? If not, what is the danger?
c) Can the Chairperson of the district / district / municipality / sub county/ town council comfortably account for all LR collected?
d) Do you believe the LG is into service delivery and production? – examine budget allocation to service delivery and production versus administration.
e) What areas of improvements are needed to be undertaken by the LG to improve accountability of LRs?

Facilitators Notes

A. Accountability and Transparency[19]

Accountability and transparency is a necessary condition for good governance. However, communities can only hold both elected and LGs technical staff accountable if they are well informed. This can only happen when there is democratisation of information and communities have access to information on a timely manner. There are three aspects of accountability: vertical, downward, and horizontal accountability.

Vertical accountability deals with accountability from LGs to the central government. The general role of the CG, through its various agencies, is to guide, inspect, monitor, and ensure compliance with legal provisions under the jurisdiction of each agency. Mechanisms for upward reporting include: financial and physical progress reports (general and sectoral); routine inspections conducted by ministries, departments, and agencies; annual local-government performance assessments; external audits; and reports to the LG Public Accounts Committee (LGPAC).

Horizontal accountability deals with accountability between elected local leaders and technical staff who execute the government programmes. The elected leaders are mandated to monitor the performance of the technical staff in the LGs. The legal framework provides clear division of roles. LG councils are supposed to set policies and overseeing that the technical staff members implement them. Elected leaders possess authority sufficient for them to hold the technical staff accountable.

Downward accountability at LG levels occurs mainly through the electoral process during which citizens choose their LG council members and hold the councils accountable to them. This is one of the most difficult aspects of accountability. There are various measures beyond elections to enhance downward accountability. First, citizens are officially encouraged to demand services from LGs. Second, the LG should periodically provide information through display of financial allocations and performance on their notice boards for the public to access. Third, at community level, there are parish development committees that are supposed to hold public service providers accountable. Finally, the elected councillors at various levels are supposed to monitor service delivery and ensure accountability.

Some of accountability challenges at LGs include:

- Poor financial reporting
- Delayed or non-remission of shared revenues as stipulated in the LG Act;
- Non accountability of revenues to taxpayers/communities about usage of taxes.
- Most elected leaders (especially councillors) lack the requisite capacity to perform their duties.
- LG councils lack financial resources to effectively monitor local revenue generation.
- High levels of illiteracy, lack of requisite skills, lack of incentives (i.e. allowances, transport) negative affects the performance of parish development committees.

19 Adapted from LGFC (2003)

- Most citizens are not aware information regarding local revenues, not know how to use it, feel insufficiently empowered to use it, or feel nervous about the consequences of using it.
- Low civic competence; many citizens do not sufficiently understand their rights and responsibilities.

The lack of accountability and transparency in the operations of all LGs hinders effective revenue mobilisation and generation, leading to distrust by the tax paying community and poor service delivery. It's a fundamental principle that all LGs must improve accountability and transparency at all levels to ensure that all funds collected as local revenue are protected from misuse. It is important that distrust by the communities over tax usage is overcome. A frequent, clear, and appropriate communication system between all the different actors, from the taxpayer upwards, is vital if local revenue collections are to be improved.

B. Ensuring accountability and transparency in LR mobilisation[20]

- LG finance personnel should effectively adhere to the Financial and Accounting Regulations. If these are adhered to carefully and according to their spirit, many aspects of control, accountability and transparency will automatically follow.
- Strengthening finance, revenue and audit departments to enable them undertake regular monitoring and supervision of local revenue collection.
- The HLG council should audit LLGs frequently to ensure that the collected revenue is truly posted in the books of accounts.
- LG councils should demand regular updates (quarterly basis) on local revenue collections and utilisation.
- LGs should ensure proper recording of local revenues by source and category their budgets and final accounts for easy determination of the contribution by each revenue source.
- Spending LR at source should be avoided; local revenue collected should be banked first and a requisition made requesting for facilitation.
- Prompt remittance of revenue shares to respective councils: Promptly remit the 65% to sub counties, 25% share to villages and the 5% to parishes and counties, as they are collected.
- Linking Tax payments to provision of facilities: Returning revenues collected from markets to the improvement of the market facilities such as toilets, fences and roads to markets. Erecting signposts indicating what taxes have been used for.
- Provide accurate information on local revenue generation in the LG budgets and to the general public
- LG officials should go to the people to keep them informed of developments and show the tax paying community where the taxes they have paid have been used
- Details of all taxpayers regarding their assessments and payment details should be publicised to inform the community.
- Others – Participants can add more

20 Adapted from LGFC (2003)

Module 3:

Community Mobilization and Sensitization

Session 3.1: Communication

Objectives of the session

At the end of this session, participants would be able to:

- Communicate effectively during community mobilisation on local revenue generation;
- Effectively sensitize communities towards LR generation.

Duration: **2 Hours**

Step by Step Process

Step 1: Plenary – **5 minutes**

- The facilitator introduces the session, objectives and activities

Step 2: Game – **20 minutes**

- Start the session with a game – Box 3.1
- **In plenary:** Discuss the learning points from the game.
  - The reason behind this game is our general nature to follow what we see. We remember very little of what we hear. As such visual media is most appropriate for mass communication. Only lectures or meetings cannot bring a change in behaviour. For effective communication it is necessary to use picture or visual materials or examples.

Box 3.1: Game on Communication

Instruction for conducting the Game

i. Invite the participants to stand in circle in such a way so that all can see you.

ii. Touch different parts of your body like nose, forehead, ear, eye, neck, chin, knee, hand, leg, etc. and ask them to tell the name of the that part you touched.

All will do what you do.

i. Now tell them to follow what you say; name a part and touch that part. Continue it for a while.

i. Suddenly you do something different. For example, pronounce 'ear' but touch your 'nose'.

You will find they will touch nose instead of ear seeing what you do, not hearing what you say.

Source: UNESCO Dhaka (...), Training Manual on Community Participation and Social Mobilization in Basic Education

Step 3: Plenary – **30 minutes**

- The facilitator gives a lecture on communication for adoption; giving examples and allowing participants to ask questions/ clarifications

Step 4: Group work – **20 Minutes**

- In groups, participants discuss the questions under Activity 3.1
- Each group reports in a plenary
- The facilitator summarizes the common themes on a flip chart / board

Step 5: Lecture – **30 Minutes**

- The facilitator gives a short lecture on community sensitization, challenges of sensitization and how they can be overcome; giving examples and allowing participants to ask questions/ clarifications.

Activity 3.1

a) What is sensitisation and what is its purpose?
b) What are the yardsticks for effective sensitisation?
c) What the challenges of community sensitization and how can they be overcome?
d) What ways you can interest citizens to pay taxes?

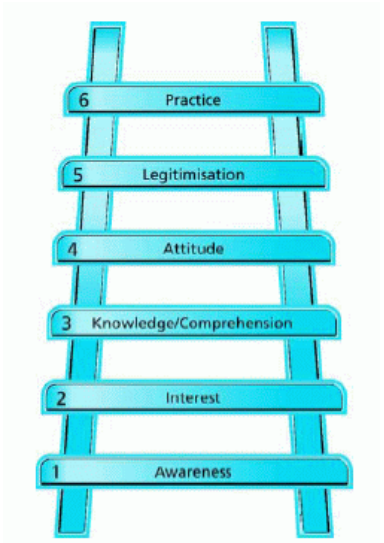
Facilitators Notes

A. Communication for Adoption[21]

Communication objectives directly address issues such as awareness, knowledge, attitude, practice, behaviour and participation. Each of these represents a communication level, which needs to be dealt with separately. If for instance your objective is to induce change in behaviour of tax payers, first you need to make the tax payers aware of the importance of taxes towards the improvement of their lives. You then make sure that the knowledge and the attitude necessary for the change to take place are present. It is only when all these prerequisites are met that you can hope to achieve your communication objectives.

In most instances change can be considered to be an innovation. Hence it can be dealt with as an adoption of innovation. The Adoption Ladder process, as depicted in the Figure 3, shows the sequence of adoption and the various communication levels.

Figure 3: The Adoption Ladder process



We need to communicate in order to change a given practice in this case from noncompliance to paying of taxes promptly. In order to achieve this, the following steps must be critically followed.

a) **Awareness**: Ensure that the people know why taxes were introduced. They need to get the bigger picture of the principle of taxation to interest them to be part of the community development and better livelihoods. Use one of them; it's a method that speaks faster and closer to the taxpayers. The message is delivered in a simple and clearer way. What do they listen to most on Radio? Use that

21 Adapted from Food and Agriculture Organization FAO, SADC Centre of Communication for Development. http://www.comminit.com/global/content/adoption-ladder

b) **Interest;** to have a change in practice, the tax payer must be interested in paying tax. Many times the stick approach is used in taxation. But the more you interest a tax payer like having no bank charges, having a special teller in the bank that will handle them in time, they will be motivated to pay taxes promptly.

c) **Knowledge / Comprehension:** it's very important that every tax payer knows the kind of taxes to be paid, how they are calculated and where they are paid. Such knowledge shall yield compliance since most of the tax payers shall beforehand be able to save a specific amount for tax that doesn't deviate much from the assessed value. Never use jargons here; people will never understand you and this breaks the cycle of change in practice.

d) **Attitude:** this is mainly to the tax collectors, tax is derived from activities of human beings hence that attitude presented to the tax payers can either make or break the LRM process. An open door policy, friendly and people centred attitude can win more tax payers and accelerate adoption of better LRM by most citizens.

e) **Legitimisation:** This aspect is related to the overall legislation and policy currently in use. Most often times this comes first in tax communication but for any communication for change methodology the moment you put the legal mandate at the fore front of the any communication campaign, the more the people get ready to defy, prevent or circumvent any legal provision. This comes at the very last because change in practice should be facilitated by the prevailing societal pressures other than the law.

f) **Practice:** this is the final stage of the ladder. We expect when all the lower steps are followed, then all shall reach at the top; change in practice. Further actions might be needed to ensure its sustainability.

B. Community mobilisation and sensitisation[22]

Sensitising the community on the need to pay taxes and contribute to local development is an aspect of local revenue generation and mobilisation that needs to be emphasised. Effective sensitisation has been reported to reduce the negative attitude of taxpayers towards paying taxes in several LGs, especially where it is related to service delivery. At the same time, LG officials need to be sensitised about the needs of the community in order that potential taxpayers have the opportunity to respond and ask questions of LG officials: the process needs to be one of dialogue.

What is sensitisation and what is its purpose?

Sensitisation is a process of creating awareness of specific issues to specific people (potential stakeholders), with regard to the existence of the issue and the need to support it. In this context, sensitisation involves creating awareness of taxes that apply to the communities and explaining the different types of taxes and their related processes for instance the administration processes in property tax, or the relationship between taxes and service delivery.

What should sensitisation involve?

22 Adapted from LGFC (2003)

The sensitisation should involve explaining taxes in simple terms: who should pay, how they are paid (by application form, payment into the bank, to a tax enforcement officer, etc.), and when they should be paid. The sensitisation programme should cover topics such as the purpose of taxes and how they are used in development and service delivery.

How should the sensitisation be conducted?

Sensitisation may be done through general LC meetings, seminars, budget conferences, workshops, structured courses, radio programmes, call-in talk shows, and the print media (posters, brochures in local languages , leaflets etc.). Brochures and posters may be distributed at information centres such as public notice boards, LG offices and markets.

Box 3.2: Ways of community sensitization

- Public meetings and rallies
- Community meetings
- Local and national radio / TV broadcasts
- Newspaper articles
- social networks (WhatsApp, Facebook, twitter etc.)
- Leaflets and posters
- Drama and street theatre
- Newsletters
- Training, presentations and workshops
- Seminars.

Who is involved in the sensitisation process?

Sensitisation should involve LG staff, particularly those involved in tax processes such as parish chiefs, LC executives, opinion leaders, politicians, contractors, and the community. The involvement of politicians is also important; especially those who may need to retract negative statements made about taxation while campaigning.

Who is to be sensitised?

Primarily, the general public, but this will depend on the type of taxes that are being targeted. In the case of property tax, the focus will be on owners of buildings in gazetted urban areas; for trade licenses, the proprietors of businesses should be targeted; and for markets and other revenue, contractors, vendors and the general public should be targeted. To overcome the apathy amongst LG officials towards taxpayers, LG officials should be adequately sensitised, especially as to how taxes affect the poor, before they are able to sensitise communities.

When should sensitisation be conducted?

To begin with, sensitization needs to be conducted all year round in order to fill the existing gap in knowledge among the communities and stakeholders. However, it's critical to conduct sensitisation at the beginning of the financial year and then throughout the year. As a general rule, sensitisation should be conducted before the due date for payment of the tax.

What are the yardsticks for effective sensitisation?

The impact of sensitisation can be measured by:

- Changes in the attitude of taxpayers,
- Increases in local revenue,
- Increases in the number of people using the appeals tribunals, and
- The nature of questions asked by participants during seminars and radio talk shows.

N.B: A LG may also conduct a survey in order to monitor the programme's effectiveness.

C. Constraints that hinder effective sensitisation

Some of the constraints that might hinder the effectiveness of sensitisation include:

- The unavailability of funds;

Box 3.3: Working with limited budget

- Evaluate the type of financial resources you have and the resources you need.
- Develop a budget ensure that activities can be completed with available resources.
- Encourage partners to donate financial support.
- Prioritize activities based on funding that is available or will be available in the future.

- The apathy of taxpayers towards taxes;
- The political climate may not be conducive to sensitisation programmes, especially during election campaigns;
- The negative attitudes of LG officials towards the taxpayer's inability to pay taxes;
- The lack of understanding of the laws and LG responsibilities by LG officials;
- LG officials attitude towards donor funding and government transfers , which may lead to low interest in the sensitisation programmes;
- Non-functional Tax Assessment Appeals Tribunals;
- Illiterate public that may not be able to read publications.

- Others – Participant can add more

D. Best Practices in Community Sensitisation23

1. Form a Sensitisation Committee (SC)

- The committee should include representatives (politicians and opinion leaders) from the different parishes or wards for purposes of fair representation and identification with the programme
- Members of the numeration and tax assessment committee should also be part of the committee to avoid over-stretching LG personnel.
- The SC should be trained in customer care and communication skills and the use of people-friendly approaches to taxpayers e.g. the participatory approaches;
- The SC should also be trained on how to demonstrate accountability for all funds collected.

2. Develop a sensitisation programme

- The programme should take into account: the needs of the community; the needs of the LG, the agricultural seasons; activities that take place in the LG (to determine timing and methods of sensitisation); revenue collection levels in different areas (to assist in determining the methods of sensitisation to be used); the general attitude towards taxes and service delivery
- The programme should take into account the different taxes collected in the jurisdiction of the LG, the literacy levels of the community, and the major languages spoken in the community
- The programme should identify previous projects developed using contributions from local taxes e.g. projects constructed with funds from co-funding programmes and other similar projects in order to relate taxes to development/service delivery
- The sensitisation programme should be evaluated using the yardsticks for effective sensitisation (see sub-section above)

3. Sensitisation methods

- Determine sensitisation methods based on the type of taxes that the communities are to be sensitised about, and the local capacity (funds and technical ability) of the LG
- Ensure that clear, simple and understandable communication tools are used
- Identify facilities required to conduct sensitisation effectively
- Where brochures are used, include pictures and illustrations where possible that facilitate better understanding of the information
- Use media, churches, mosques and public notices to disseminate information on taxes, fees, levies to the public

23 Adapted from LGFC (2003)

- Radio talk shows should be developed in the local languages spoken within the LG, explaining taxes and rates, who is responsible for paying the tax, answering the common questions asked and detailing the benefits of paying tax, such as service delivery and development.
- Seminars and workshops could be structured in the same way as the brochures although they would need to be more detailed. The presenter should have technical knowledge about the tax, should use terms that can be understood, and should give the participants the opportunity to ask questions.

4. Service delivery

- During the commissioning of projects, outputs should be clearly publicised in the form of photographs of the projects completed, in order to create the link between taxes and service delivery
- During the initiation of projects, local leaders should be involved to allow ownership of the project by the community
- Devise mechanisms for receiving feedback from tax payers, e.g. suggestion boxes, community meetings (barazas).

5. Monitoring and evaluating

- Conduct the monitoring exercise by:
- Reviewing revenue records
- Taking note of issues raised during radio talk shows
- Seminars and suggestion boxes
- Reviewing records of the Appeals Tribunals
- It is important to develop indicators to evaluate the impact. Such as: changes in the attitude of taxpayers , increases in local revenue, increases in the number of people using the appeals tribunals, and the nature of
- questions asked by participants during seminars and radio talk shows.

Box 3.4: Best Practices of Effective Sensitisation of Taxpayers

- Use of mass media (radios and newspapers)
- Public notices, brochures in English and the local vernacular and newsletters
- Sensitisation using workshops and seminars
- Sensitisation Committee team carries out regular sensitisation workshops/ seminars
- Tax tribunals are in place to hear appeals
- Publicising tax defaulters in newspapers, especially prominent defaulters
- Training of revenue collectors, chiefs and LCs on tax administration
- Encouraging the taxpayer to form groups for income generating purposes
- Use of megaphones on vehicles to mobilise taxpayers
- Relate revenues to development projects like schools, feeder roads and bore-holes
- Inform the community about issues affecting them e.g. appearance of CAO or other LG official before the DPAC
- The revenue sharing amounts to the lower local councils are posted on the notice boards
- LCs and council officials are used to sensitise the community on the importance of paying taxes and the services that have been funded by their taxes during rallies and meetings

Source: LGFC (2003), Inventory of Best Practices in Revenue Enhancement, Guidelines

Session 3.2: Developing Key Messages on LR mobilisation and sensitization

Objectives of the session

- At the end of this session, participants would be able to develop and deliver messages on local revenue mobilisation

Duration: **1 Hour**

Step by Step Process

Step 1: Plenary – **5 minutes**

- The facilitator introduces the session, objectives and activities.

Step 2: Lecture – **20 minutes**

- The facilitator gives a short lecture on developing and delivering messages on revenue mobilisation and awareness raising

Step 3: Group work – **30 minutes**

- In groups, participants develop messages on revenue mobilisation and awareness raising and record them on flip charts.
- The flip charts are pinned on a wall, and each group presents its messages.
- In a plenary participants comment or provide suggestions on messages.

Facilitators Notes

A. Developing and Delivering Messages[24]

What is a message?

A "message" is a concise and persuasive statement that captures what you want to achieve, why and how. Since the underlying purpose of a message is to create action, your message should also include the specific action you would like the audience to take. The kind of messages you use depends much on who you are targeting and the approach you are taking. It's sometimes easiest to think of a 'primary' or 'core' message and then have 'supporting messages', the tone, length and style of which will depend on the audience[25].

24 Adapted from Ritu R. Sharma ( ), An Introduction to Advocacy: Training Guide
25 Christian Aid and SOMO (2011)

Five Key Elements of Messages

Content is only one part of a message. Other non-verbal factors such as who delivers the message, where a meeting takes place or the timing of the message can be as, or more, important than the content alone. In addition, sometimes what is not said delivers a louder message than what is said.

a) *Content/Ideas:* What ideas do you want to convey? What arguments will you use to persuade the tax payers?

b) *Language:* What words will you choose to get your message across clearly and effectively? Are there words you should or should not use?

c) *Source/Messenger:* Who will the tax payers respond to and find credible?

d) *Format:* Which way(s) will you deliver your message for maximum impact? e.g., a meeting, brochure, radio, TV talk shows?

e) *Time and Place:* When is the best time to deliver the message? Is there a place to deliver your message that will enhance its credibility or give it more impact?

Box 3.5: Elements of Message Content

- *What* you want to achieve
- *Why* to want to achieve it (the positive result of taking action and/or the negative consequence of inaction)
- *How* you propose to achieve it
- *What* action you want the tax payers to take.

Successful messages often incorporate words, phrases or ideas that have positive connotations or that have particular significance to a target group (tax payers). Slogans are particularly useful for public mobilization and use in the media. Thus, you need messages that are passionate, eye-catching and that will get people to pay taxes.

Box 3.6: Examples of slogans on taxation

- 'Pay taxes to make a difference'
- "I Pay My Taxes: Do you?"
- 'Taxation for improved service delivery!'

F. Delivery of Messages[26]

Once you have chosen the content, language, and brand for the main and supporting messages, you need to decide how to deliver the message. All messages must

26 Adopted from PACT Tanzania (---), Engaging Communities and Civil Society Organizations in Public Expenditure Tracking: A Training Manual, MCA-BONGA program

have a messenger. A messenger speaks on behalf of the Sensitisation Committee. In certain situations, some messengers are more effective than others. The following messengers are usually useful:

- *Tax payers:* Members of the tax payer associations are excellent messengers because they can provide personal stories and first-hand information on the importance of taxes.
- *CSOs:* CSOs can support the tax mobilisation and awareness campaigns.
- *Celebrity:* Celebrities are excellent messengers when you want to broaden the appeal of you message or appeal to different sectors of society.

Module 4:

Cross Cutting Issues in LR Mobilization

Session 4.1: Cross Cutting Issues in LR Mobilisation

Objectives of the session

- At the end of this session, participants would be able to understand and appreciate relationship among gender, population and environment and local revenue mobilisation

Duration: **1 ¼ Hours**

Step by Step Process

Step 1: Plenary – **5 minutes**

- The facilitator introduces the session, objectives and activities.

Step 2: Brainstorming – **30 minutes**

- The facilitator asks participants to give their responses on the questions in Activity 4.1, while allowing all participants to contribute to the discussion.
- During the discussion, the facilitator records some of the key responses on a flip chart.

Activity 4.1

a) What do you understands by gender? Why should we consider gender issues in LR mobilisation?

b) Why is population and youth critical in LR mobilisation?

c) What is environment and how it important in LR mobilisation?

Step 2: Lecture – 30 minutes

- The facilitator gives a short lecture on developing and delivering messages on revenue mobilisation and awareness raising

Facilitators Notes

A. Gender

Gender refers to culturally and socially constructed roles, responsibilities, privileges, relations and expectations of women, men, boys and girls. Because these are socially constructed, they can change over time and differ from one place to another.

Men and Women have been socialized to behave in a certain way, and to perform different roles in society. Focusing on gender forces us to look consciously at the roles and responsibilities of women and men, and the way they related to each other.

Gender is not:

- Another word for women.
- Another word for sexual difference
- Biologically determined.

Difference between Gender and Sex

- Sex is the biological characteristics which distinguish human beings as female or male.
- The sets of biological characteristics are not mutually exclusive as there are individuals who possess both, but these characteristics tend to differentiate humans as males and females. It is what we are born with, and does not change over time, nor differs from place to place.
- Whereas sex is determined by genetic and anatomical characteristics, gender is an acquired identity that is learned, changes over time, and varies widely within and across cultures.

Gender relations

- Gender is relational and refers not simply to women or men but to the relationship between them.
- Gender relations are used to describe the ideology that gender differences between men and women are shaped by the exercise of power by men over women.

- Gender relations are not only about power relations between men and women, but also about power relations between women and between men where gender makes a difference (example, between mother and daughter, father and son, and middle aged daughter in law and elderly mother in law).
- Changing these power relations demands not only the empowerment of women vis-à-vis men in the household, but also empowerment of marginalized women vis-à-vis the more powerful within the household and outside.

Gender-responsive taxation

A gender-responsive tax regime is one that acknowledges the gender patterns in society and allocates tax rates that ensure gender equality (just/ fair treatment of women and men).

In looking at the gendered impact of tax policies, the focus is usually on four areas: paid employment; unpaid work; consumption expenditure; and property rights. Since women enter and exit the labour force more often than men; earn less; more likely to work in part time or temporary jobs; and are mainly in agriculture. They also are less likely to own property such as land or housing. This implies that they are likely to bear a smaller share of the income or property tax burden. Women also do most of the unpaid household and care work, and tend to spend a higher proportion of their income on basic needs such as food, education and health care. It is therefore important to analyse how the tax impact on these commodity prices will affect women's and men's expenditure patterns and household welfare (Grown Caren & Valodia Imraan, 2010).

Tax policies are often evaluated on three criteria: equity, efficiency and ease of administration. Tax equity reflects the principle that those who earn more should pay a proportionately larger portion of their income in taxes. However, most of the taxes levied by local governments in Uganda affect women more than women. A study by Bahiigwa G. et al in 200427, found that larger quantities or sizes of products (bags, sacks, and larger animals) attracted lower tax rates than smaller quantities (tins and small stock). For instance, the effective tax rate on a chicken was 10 times the rate on a head of cattle.

To ensure gender equity in LR mobilisation it's important to consider the following:

- Develop and maintain sex-disaggregated tax payer databases to help in uncovering the impacts of different types of taxes and potential tax reforms on males and females.
- Provide specific provisions that treat men and women differently, i.e. the tax threshold for men can be set higher than that for women.
- Promote the achievement of substantive gender equality and the transformation of unequal gender norms and roles, through provision of tax exemptions for women and financially dependent adults.
- Involve more women in LR mobilisation processes (enumeration, assessment, collection and enforcement).
- Ensure that the LR enhancement plans are gender sensitive.

27 Bahiigwa G. et al (2004)

B. Population and Youth

Uganda's population has continued to grow rapidly over time. Uganda's population was estimated at 34.6 million persons in 2014. The annual population growth rate of 3.0 percent (UBOS, 2016[1]), implies that Uganda's population increases by more than one million people every year. Uganda's population pyramid is broad based, that is, a young age structure. The major proportion Uganda's population is young (under 18 years) constituting more than half (56.7 percent in 2014) of the population. One in every five persons of the population falls under the primary school going age group (6-12 years).

The youth (18-30 years) constitute 18.4 percent of Uganda's population. While specific statistics on youth unemployment are not available, anecdotal evidence suggests that youth unemployment and underemployment is very high in Uganda. According to the State of Uganda Population Report 2014, unemployment for Ugandan Youth stood at more than 65 per cent and the rate of underemployment is high. In addition, statistics from the Ministry of Gender, Labour and Social Development (MGLSD) indicate that an estimated 380,000 youth per annum are released into the job market to compete for a mere 90,000 jobs available. As such, about 25% of them are absorbed and the remaining 75%, remain either unemployed or underemployed28 (Uganda Youth Network, 2010). It should be noted that different sources provide different statistics on unemployment among youth in Uganda. Most young people are engaged in low paid, informal or seasonal work.

Uganda's young population coupled with high levels of youth unemployment, has negative impact on the ability of local governments to mobilise local revenues. Therefore, engagement of the youth should be central in the efforts of LGs to mobilise local revenues.

LGs need to consider the following:

- Develop and maintain age-disaggregated tax payer databases to help in uncovering the impacts of different types of taxes and potential tax reforms on youth.
- Sensitize youth on the importance of paying taxes.
- Provide specific provisions that treat youth differently, i.e. the tax threshold for youth can be set lower than that for adults.
- Support the youth to establish business enterprises and supporting them to be sustainable through allocating funds to youth activities. This will increase youth employment and eventually amount of local revenues collected.
- Involve more youth in LR mobilisation processes (enumeration, assessment, collection and enforcement).
- Improve the investment climate in the district through direct lobbying of investors (both domestic and foreign) to provide employment to the youth.

28 Underemployment refers to the underutilization of a person's skills, knowledge, experience and availability to work.

C. Environment and natural resources

The environment and natural resources (including soils, water, biodiversity, mineral deposits, and climate) are the direct and indirect sources of livelihoods for more than 95 percent of the Ugandan population, and the mainstay of Uganda's economy or, in other words, the primary asset base. Agriculture is the mainstay of Uganda's economy and is a source of employment for more than 72 percent of the population (UNDP, NEMA & UNEP, 2009).

Environment and natural resources are under threat from both natural and man-made drivers of change including; poverty, rapid population growth, unplanned urbanization, expansion of informal settlements, industrialization and the impacts of climate change and variability among others. In addition, the ENR sub-sector faces a number of challenges that include: limited prospects of long-term investments in both physical ecosystems protection and institutional capacity development; low level of awareness and appreciation of the critical linkages between environment and development; increasing demand for natural resources; limited strategic data and information for planning; and continue institutional policy reforms that have made long term planning challenging (Republic of Uganda, 2015).

Given the importance of environment and natural resources in contributing to employment and social-economic wellbeing of people, there is need to ensure that environmental issues are taken into consideration in all LR mobilisation strategies. Conserving natural resources is a basic requirement for sustainable development and improving the quality of human life. Individuals and society are closely interlinked with the environment and natural resources.

Therefore, LGs need to consider the following:

- Incorporate environmental and natural resource protection concerns into LR mobilisation endeavours – such as minimizing charcoal burning through issues strict permits
- Allocate part of the locally generated revenues into environmental conservation such as planting trees, ecosystem restorations, public sensitization, and enforcement of environment standards, among others.
- Enforce compliance with environmental and natural resources legislation and standards at all levels.
- Increase public awareness on ENR opportunities, green economy and sustainable consumption and production practices.

Closing Session

Objectives of the session

- At the end of this session, participants would have developed action plans; documented key lessons learnt and evaluated the training.

Duration: **1 Hour**

Step by Step Process

Step 1: Group Work - **20 minutes**

- In groups, participants discuss and develop action plans: next steps after the training using some template (See example in Table 6)

Table 6: Action Plan – Example

Activities to enhance LRM	Period (when they are going to be done?)	Responsible Person	Required Resources (Material and Funds)	Comments

Step 2: Plenary – **20 minutes**

- The facilitator asks each participant to air out the key lessons learnt and how they are going to do things differently. Participants can form a circle and use a ball; in which one person starts and throws the ball to another person and so on.

Step 3: Evaluation – **15 minutes**

- Each participant is a given a post-training assessment from which she or he fills attached in Appendix 7).
- Each participant evaluates the training through filling in the evaluation form (attached in Appendix 8).

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Appendix 1:

STRUCTURE OF THE TRAINING PROGRAM ON LOCAL REVENUE MOBILISATION

Dates: ----------

Venue: ----------

8:30am	9:00 am	10:30 am	11:00 am	1:00 pm	2:00 pm	3:30 pm	4:00 – 5:00 pm
Day 1							
Arrival & registration	• Participants Introductions • Official Opening • Participants expectations and fears • Training Objectives and workshop agenda	Health Break	Session 1.1: Decentralisation, Taxation and Development Session 1.2: Local Revenue, Purpose, and Sources	Lunch	Session 2.1: Legal Framework for LR Mobilisation and Revenue Sharing Framework	Health Break	Session 2.1: Legal Framework -continued
Day 2							

Recap of Day 1: What was learnt, what was not clear etc.	Session 2.2: Local Revenue Management Process		Session 2.2: Local Revenue Management Process -continued		Session 2.2: Local Revenue Management Process -continued		Session 2.3: Key Stakeholders in LRM
Day 3							
Recap of Day 3	Session 2.4: Challenges and Remedies to Local Revenue Mobilisation		Session 2.5: Utilisation of Local Revenue and Accountability		Session 3.1: Community mobilisation and sensitisation		Session 3.2: Developing Messages
Day 4							
Recap of Day 3	4.1 Cross Cutting Issues in LR Mobilization		• Developing & Presentation of Action Plans (**Next Steps?)** • Lessons Learnt • Workshop Evaluation • Closing remarks		Departure		

Appendix 2:

SUMMARY OF LOCALLY RAISED REVENUES AND PURPOSE

Locally raised revenues	Purpose
Market Dues	These are charged on goods that are taken to the market for sale. It is a form of indirect charge/ levy that is only paid by those who sell tradable products (including agricultural produce) in the market. The fee varies from district to district. This fee is mainly for maintaining the market facilities.
Loading fee	This is levied on the goods purchased before they are loaded on the trucks/ containers to be transported outside the LG.
Parking fees	These are charged on vehicles, especially those for public transport that are taken to the Taxi/Lorry/Bus parks. It is a form of indirect charge/ levy that is only paid by those who are using the parks. The fee varies from district to district. This fee is mainly for maintaining the parking facilities and organised transport in the locality.
Cess on produce and animals	Usually charged on the buyer who purchases agricultural produce leaving the region/district in large quantities. It has been recently abolished, in May 2014.
Permits: Livestock movement; forest products; Beer brewing/ liquor	**Livestock movement** permit: Charged by veterinary officers of the LGs on behalf of the central government for movement of livestock; Forest products; Beer brewing/ liquor
Trading/ Business License;	It is a regulatory levy that is paid by an individual before commencing business. The business owners have to meet the standards that are required by a given market including health to protect people's lives.
Penalty/ surcharge fee	This is charged in the vicinity of the market on that individual who has decided to operate outside the allowable confines of the market; it generally depends on the regulations that have been adopted by the council.
Royalties	Levied on government or private projects based on exploitation of natural endowments within the confines of the LGs.

Local Service Tax	Levied annually on the earnings of individuals who are in gainful employment, self-employed, practicing professionals, self-employed artisans, businessmen and businesswomen. It is paid to the district, city, municipality, sub-county, division or town council where the tax payer resides.
Hotel Tax	It is a tax paid by hotels, guest houses, and lodges charged per room occupant per night. It is paid to the host LG.
Property Tax	Property taxes are levied by the LGs and the tax base is the rate able value of the property (which takes into account the nature of the property concerned and value of improvements). The tax rates are determined by the local authorities but a maximum of 12% is prescribed by law.

Appendix 3:

PERFORMANCE, ISSUES FOR AND RECOMMENDATIONS FOR IMPROVING LR SOURCES

The contents in this sub-section are extracted from the SEATINI & OXFAM research (2013), 'Tax Policy Paper: Revenue Mobilisation at Local Government Level for Sustained Service Delivery – Challenges, Opportunities and Proposals' and studies by the LGFC (2013), 'Understudy on Local Revenue issues in Local Governments.'

1. Local Service tax

Challenges in the collection of LST

a) The LG Act (Chap243) does not provide for effective mobilisation of LST , i.e. the tax base is narrow and the threshold is still high, e.g. for persons in gainful employment group – one getting a monthly salary between UGX 100,000 to UGX 200,000 pays only UGX 5,000 a year. This leaves out the many employees getting below UGX 100,000 a month and in addition the rate of UGX 5,000 is too small and uneconomic to collect since a big number of prospective taxpayers like commercial farmers, boda boda, etc. have been exempted from paying LST.

b) LGs do not have registers on any of these LST categories. Lack of data on the employees in the private sector has made assessing private sector employees difficult. Some employers in the private sector connive with the employees to evade or avoid paying LST;

c) The remittance of LST deducted by MFPED at source is very slow and irregular, to the extent that some LGs receive the remittance after say, two months; some say they do not receive it. The way it is remitted is also very costly to the LGs as each entry is charged separately by the banks for bank charges;

d) There are few staff at the lower LG to implement the LST provision. Some parishes do not have parish chiefs and even those with chiefs delay the assessment;

e) Lack of understanding of the provision for the collection of LST. Few understand the categories and areas of exemption;

f) There is poor book keeping on the part of business community and artisans, making it difficult to assess these categories;

g) Lack of awareness among the taxpayers on the benefits of paying LST and generally taxes to government. Some taxpayers do not want to know.

h) The mobile nature of urban LGs makes it difficult to maintain LST Registers.

i) Proposals for Improving the Collection of LST

j) Registration of LST taxpayers and Creation of Database for revenue collection.

k) Sensitisation of taxpayers and revenue administrators

l) Charge operational permits on boda bodas; charge a flat fee for all businesses.

m) Assess subsistence farmers with a view of paying something as a contribution to development of the community say, a certain amount of fees on the agricultural produce.

n) Strengthen enforcement of local revenue collection.

o) Streamline the remittances from MFPED for LST deductions from government employees.

p) Reduce the LST threshold for the salaried from Ugshs 100,000= to Ugshs 50,000=; adjust the legal provisions.

2. LG Hotel Tax

Challenges in the collection of LGHT

a) Insufficient data and records from the Hotel Management;

b) Unwillingness of the Hotel Management to remit the deducted tax. Some hotel business operators do not remit the money to LGs;

c) Lack of awareness on the payment of hotel tax;

d) Lack of clarity on the definition of a hotel;

e) Buses that move at night have reduced the number of guests sleeping in lodges.

f) No harsh penalties for evasion. No effective enforcement at all.

g) Proposals for Improving the Collection of LGHT

h) Joint Tax awareness campaign for the hotel owners in collaboration with District Security Organisations like RDCs, ISOs and Police;

i) Linking up with hotel owners; establish coordination desks with DISO/GISO'S OFFICE;

j) Review the process and modalities of remittance of the LGHT from monthly to weekly or daily;

k) Make it compulsory for hotel owners to have pre-printed receipt books clearly indicating LGHT;

l) Encourage hotel owners to keep proper books of accounts;

m) Undertake regular Monitoring- preferably on a weekly or monthly basis.

n) The hotel owner should have a specified amount of money levied on him/her per year after establishing the average no. of visitors, per annum.

3. *Market dues*

Constraints in the collection of Market dues

a) Unrealistic and poorly set reserve prices (estimation of LG take) are normally made by the technical teams to guide the tendering process. Private revenue collectors sometimes offer higher bids that are not realistic and thus overcasting the revenue budget;

b) Most markets are not gazetted and are located on land that does not belong to the councils. There are also illegal markets operating alongside gazetted markets especially in the urban councils. This has reduced the number of market vendors in the gazetted markets;

c) Conflict of interest by both technical and political leaders in the management of markets;

d) High rate of default on the part of private revenue collectors;

e) Lack of data on market activities;

f) Political interference in the collection of market dues;

g) Weak enforcement of the collection of market dues;

h) Vendors have taken the ownership of some markets thus denying competition from other contenders. This makes the collection diverge a lot from the reserve prices. Some vendors associations that collect money on behalf of the LGs are uncooperative;

i) Lack of harmonised charging rate for urban and pre-urban markets;

j) Presence of multiple but illegal markets such as auction markets;

k) A lot of produce doesn't reach the designated markets; it is bought in gardens and on the way to the markets.

Proposals for Improving the Collection of Market dues

a) Collect and regularly update data from the existing markets to build up the database.

b) Improve on enforcement of collection.

c) Organise sensitisation programmes through seminars and radio talk shows.

d) Develop markets and provide adequate infrastructure.

e) Harmonise the charging rates between pre-urban and urban.

f) Gazette all markets.

g) Involve police and positive political intervention in the enforcement.

h) Regularly conduct market surveys to establish reserve prices/ revenue potentials.

4. *Business licenses*

A business license is a major source of local revenue, especially in urban LGs. District LGs collect on average, 50% of the budgeted amounts and urban LGs collect under 40% of the budgeted amounts.

Constraints in the collection of Business licenses

a) The charging policies of the Ministry of Trade, Cooperatives and Industries and that of the LGs are conflicting, thus making administration of license complicated;

b) Insufficient data on businesses and therefore, no database. Lack of relevant Data Collection Equipment and Gargets;

c) Unwillingness of the business community to pay licenses.

d) Weak enforcement mechanisms for license collection, especially after removal of local administrative police.

e) Poor assessment and enumeration methods.

Proposals for Improving the Collection of Business licenses

a) The Ministry of Trade, Cooperatives and Industries should in consultation with key stakeholders, revise the rates payable for businesses; rating should not follow Zones but ability to pay principle.

b) Proper collection enforcement.

c) Creation of reliable database by the LGs. Prepare proper and adequate tax registers; prepare proper enumeration and assessment for each market and set their reserve prices.

d) Facilitate the Tax Committees with appropriate Tax Collection equipment.

5. Parking Fees

Parking fees are collected from Taxi, Bus, lorry parks and general street parking. The urban LGs are fairly collecting from these parks as compared to districts.

Constraints in the collection of parking fees

a) The collection is largely done by an association with minimum competition at the award of a contract, there is no requisite understanding of how to manage the parks and there is presence of unrealistic tender values. Associations are not very cooperative.

b) Inappropriate infrastructure at gazetted parks – some are not fenced and/or gazetted; in addition, some Parks are very small.

   – Some LGs do not have funds to maintain the Parks and Roads.

   – Political interference in running of parks.

c) Failure to control illegal parking outside gazetted parks.

d) Protests over any attempts to raise parking fees.

e) Weak enforcement of parking fees.

Proposals to improve the Performance of parking fees

a) Gazette Parking areas in urban areas as given in Regulations 139, 140 and 141 of the Traffic and Safety Act 1998 which indicates that the LG should identify particular places for the parking of such public vehicles and submit the list to the responsible Minister for approval and gazetting.

b) Make by-laws to regulate parking.

c) Expand the Parks; Tarmac Parks; install and maintain security lights in Parks and provide relevant infrastructure.

d) Mobilise Association members to be cooperative.

e) Design a clear policy guideline on management of taxi parks in relation with other laws e.g. PPDA Act.

f) Tendering of the sources.

g) A survey should be carried out to arrive at a realistic reserve price. The LGs should collect comprehensive data from the parks for different vehicles.

6. Cess on Produce

This is tax on produce such as coffee, tea, maize, cocoa, tobacco, sunflower, palm oil etc. Almost all the LGs are not collecting Cess from the available agricultural produce and there is no data on the level of production of this produce. However, they only collect loading and offloading fees from this produce.

Proposals for Improving the Collection of Cess on produce

a) In consultation with key stakeholders, make guidelines for the collection of Cess.

b) Enforce collection of Cess on all vehicles transporting produce from the respective district.

c) Prepare Ordinances to the collection of Cess on agricultural produce and ensure councils pass resolutions for the collection of cess.

7. Property rates

Property rates are collected from rented residential properties, industrial properties, commercial properties and central government properties located in the LG for ministries which are not decentralised and Central Government Agencies. The collection still remains poor with over 50% of what is expected to be collected not being realised.

Constraints in the collection of Property rates

a) The Local Government (Rating) 2005, as amended, does not provide for effective mobilization of property rates since it exempts owner occupied residential buildings.

b) Unwillingness of the property owners to pay property rates.

c) Too many properties are exempted; owner-occupied properties do not pay the rates.

d) Valuation rolls are not updated, many were made in 2005/06; some property attributes like names of owners; street names etc., are either missing or wrong on the current valuation rolls.

e) Lack of sensitisation of the property owners on the payment of property rates.

f) Very weak collection enforcement provisions and mechanisms.

g) Insufficient staff to handle the process. Many LGs lack staff surveyor and physical planner.

h) Poor communication with the District Land Board.

i) Stifled issuing of Freehold Titles.

j) Lack of Control in assessment of Land Fees.

k) Some property owners stay far away from their properties.

Proposals to improve the Performance of property rates

a) CG should financially support LGs in the valuation of properties in the LGs.

b) Enhance stronger enforcement mechanisms.

c) Sensitise the property owners on payment of property rates.

8. Royalty fees

A Royalty is a fee shared from the revenues generated from an exploitation of a natural endowment/ resource; and it is usually shared in defined levels among the central government, host LG and/or owner of the land. Such monies are disbursed to those LGs which host exploitation of natural resources like minerals, hydro-electric power generation and protected areas/ national parks. Few of the LGs are benefiting from the collection of royalties.

Constraints in the collection of Royalty fees

a) The relevant legislative provisions in place but have several inadequacies which could not enable the host LGs (with natural resources being exploited) to effectively access their rightful share of royalties.

b) Exploitation of some natural resources like water does not attract royalties under the current law, even mineral water for drinking.

c) There is lack of and insufficient data on the sources of royalties for host LGs.

d) Political interference both at central and local levels in the process of LGs trying to access their rightful share of royalties.

e) Lack of transparency in determining the rates for the royalties and lack of a mechanism through which LGs can track and determine their share of royalties.

f) Insufficient knowledge and skills to generate more revenues from forest products by LGs.

g) Mismatch between the legal provisions on forest products and that of the LG Act (CHAP243), especially on setting fees and charges. This cannot allow the LGs to reap as per the going market prices.

Proposals to improve the collection of loyalties

a) The government should revisit the law provisions to make them very clear, relevant and enabling enough for LGs to operationalise royalty fees.

b) CG should liaise with LGs to establish a forum for the host LGs to get them fully involved and be enabled to share their views; and where possible, interface

with exploiting organisations/ firms. It is through such forum that LGs can understand their rights, obligations and share experiences/ best practices from each other on the general process.

c) Due to rampant interference of local politicians in the process of accessing royalties by LGs, CG should accord an independent institution to link and coordinate the operations of the stakeholder institutions and host LGs to harmonise their operations and advise on how to link the generated revenues to sustain the natural resources and design strategies for improvement.

d) Government should put a system in place to ensure the sufficient and accurate data on all sources for royalties is collected, regularly updated and easily retrievable for use by LGs and other stakeholders.

e) A specific rate should be decided upon through a consultative approach rather than fixing amounts of money as royalties from any sector/ institution to the benefiting LGs. And the rate for royalties agreed upon should be reviewed periodically say every 5 or 10 years.

f) Operating companies/ institutions should provide monthly reports on how much is being paid as royalties to the host LG.

g) New areas like oil and natural gas mining should be studied in the near future and be brought on board to benefit the host LGs in terms royalties.

9. Ground Rent

This is charged on someone occupying and using LG's Land. Most LGs are not collecting ground rent as expected.

Constraints in the collection of Ground rent

a) No proper register for LG land.

b) District Land Boards are turning leased land into freehold without consulting with the urban LG councils.

c) There is a misinterpretation of the constitution that land belongs to people.

d) It is not easy to enforce.

e) Proposal for improving collection of Ground rent

f) Sensitisation of property owners. Mobilise land owners over the tax.

g) Establish a land registry.

h) Ensure that urban land is planned and plots demarcated.

i) Encourage issuance of lease hold instead of freehold.

j) Make bylaws to ensure recovery of unpaid revenues.

k) Property related charges

These include; land premium, processing fee, transfer fee, valuation fee, conveyance fee, inspection fee, approval fee and survey fee etc. Most LGs are not collecting effectively.

Challenges in the collection of property related charges

a) Ignorance of the implementers and the property developers; some implementers, especially the new urban councils have never heard of these charges.
b) Some Low Income Earners illegally construct houses without plans.
c) Connivance of politicians with people who build illegal houses. Many developers construct at night or on weekends.
d) Lack of housing records in some LGs.
e) Enforcement of building on plans is difficult, especially in rural areas.
f) Apart from building plan approval fees, other taxes are not backed by any law.
g) Some property owners transfer land without informing the LG.
h) Land survey services were privatised so, LGs cannot charge for such.

Proposals for improving the collection of property related charges

a) Implementers, especially the new urban councils should be provided with technical support.
b) LGs need to make bylaws to facilitate collection of these revenues.
c) Plots of land should be planned, surveyed and demarcated.
d) Land registry should be strengthened to monitor transfers.
e) Area land committees should be revitalised and funded to handle work which relates to generation of such monies.

10. Other revenue sources

Other revenue sources in the LGs include; approval of loan application forms, permits (on Charcoal, animals, hire of hall, hire of administration gardens and development fees[29] (some LGs charge 2-3% on any contract award). Most LGs perform well in the collection of these sources. This is because there are various and numerous sources in this category.

Constraints in the collection of other revenue sources

a) Veterinary fees collected by the department is not shared with the LGs;
b) Most of the revenues collected from activities related to forestry are not remitted to the LGs.
c) There is political interference.
d) There are numerous assessment and enumeration problems.
e) Lack of tax registers.
f) High Mobility of tax payers, especially in towns.

Proposal for improving the collection of other revenue sources

a) A thorough study of other potential revenue sources needs to be undertaken

29 However, there is no legal provision to support this levy. Thus, some LGs have been forced to scrap it. However, it's one of the major source of revenue for most LGs.

and imputation values generated.

Appendix 4:

THE SAMPLE OF THE GENERAL ENUMERATION AND REGISTRATION FORM (GERF) FORM FOR LST

N	Name of Employee/ Business Entity	Nature of job/ venture	LST Class	Name, Location and address of Employer	Narrative of earning source details	Gross Monthly income	Net monthly income
01	Martin Odama	Dental Practitioner	SEP	Ms Odama Dental Services Ltd. Plot 1024 Rubaga Division.	Receipt of 4 patients per day and each pays 10,000. Working days are from Monday to Friday.	800,000/	400,000/
02	James Atibu	Welder	PGES	The Manager Susco Engineering Works Ltd.	Susco Engineering Works deals in Building the bodies and Welding Heavy Trucks. Artibu being employed and earning a monthly salary is classified under PGES instead of SEA	400,000/	350,000/

N	Name of Employee/ Business Entity	Nature of job/ venture	LST Class	Name, Location and address of Employer	Narrative of earning source details	Gross Monthly income	Net monthly income
03	Joshephine Apolot	'Kitenge' sales dealer	BM&WN	Self- employed	Purchase of 'Kitenge ' roles from DRC Congo for sale in Uganda making a net profit of 40,000/ per week.	160,000/	145,000/
05	Puis Nyang	Plumber	SEA	Self- employed	He is not a salary earner. Walks places looking for plumbing works which after finding one (average pay of 850,000) may take an average of two weeks before landing on another.	170,000/	156,000/

KEY:

SEP = Self Employed Professional

BM&BW = Businessmen and Businesswomen

GE = Government Employee

SEA = Self Employed Artisans

PGES = People in Gainful Employment and earning a Monthly Salary

Appendix 5:

SAMPLE OF THE ENUMERATION AND REGISTRATION OF HOTELS, LODGES AND GUEST HOUSES (ERHL&GH) FORM

No	Name of Hotel/Lodge/ Guest House	Location (LLG Name)	Total Number of Beds	Average No. of beds occupied in peak days	Average No. of beds occupied in low days	Other Paid Facilities	Charge per Bed/ Night	Estimated Amount as LST
01	Afronika Bar &Lodgings	Kiira TC	120	90	10	Swimming, Pool Game, Meal	30,000/	
02								

Schedule for Local Government Hotel Tax

No.	Hotel Category	Rate of local government hotel tax per room occupied
1	Five and four star hotel	US $ 2 per room or its equivalent in shillings.
2	Three and two star hotel and other hotels charging above UgShs. 50,000/= per room.	Shs. 2,000/= per room
3	Hotels, lodges and guest houses charging shs. 10,000/= up to shs.50,000/= per room.	Shs. 1,000/= per room
4	Hotel, lodges and guest houses charging less than shs. 10,000/= per room.	Shs. 500/= per room

Appendix 6:

GENERAL DEMAND NOTE/ CERTIFICATE OF ASSESSMENT

Name of LG: ----------

DEMAND NOTE/CERTIFICATE OF ASSESSMENT

DATE…….....…….

Assessment Number…….....……..

Period…….From……..To…….....…….

Name of Assesse…….....…….

Address of the Assesse…….....……

Purpose …….....……

Revenue Code…….....……

Arrears brought forward…….....……

Amount Assessed…….....……..

Adjustments made to Account……...……

Less: Paid……..

Balance carried forward/due…….

Signature of Assessor……Date……

Official Stamp

Signature of Revenue payer…….....……

Note: The duplicate copy should be sent to the Collector, by the Assessor.

Total

*Delete as appropriate ==========

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Appendix 7:

PRE AND POST TRAINING ASSESSMENT FORM

Select the most accurate answer:

1. Local Revenue can be defined as:

a) Taxes/ rates/ fees/ rents collected by the local government.

b) Income collected and received by the local government.

c) Transfers by the central government to the local government to finance service delivery.

d) None of the above

2. The process of revenue mobilisation is as follows;

a) Enumeration and registration, Compiling a comprehensive revenue database, Tax Assessment, billing and collection, sensitization and mobilisation, enforcement, accounting and record keeping, monitoring

b) Enumeration and registration, Tax Assessment, Compiling a comprehensive revenue database, billing and collection, sensitization and mobilisation, enforcement, accounting and record keeping, monitoring

c) Enumeration and registration, Tax Assessment, compiling a comprehensive revenue database, billing and collection, enforcement, sensitization and mobilisation.

d) Enumeration and registration, Tax Assessment, billing and collection, sensitization and mobilisation, compiling a comprehensive revenue database, enforcement, accounting and record keeping, monitoring

3. Who are the key stakeholders in local revenue mobilisation?

a) Local government, CSOs, Appeals Tribunal, Private Sector

b) Local Governments, Tax Payers, Appeals tribunal, Auditors

c) Private sector, Tax Payers, Auditors, Local Government

d) Local government, Auditors, Local Government Finance commission, Appeals Tribunal

4. Which of these statements is false?

a) Enumerators are trained annually to build capacity

b) Enumerators follow a programme for the exercise to ensure systematic coverage

c) The enumeration and assessment exercise is done within the prescribed time to enable the taxpayer to plan ahead for the payment

d) Enumeration and assessment of tax payers can be done co-currently.

e) An enumeration Committee should be guided by CFO and Planner of the LG during the process

5. The Following comprise the assessment committee at the Sub county;

a) Sub County Chief, Agricultural Extension Officer, Assistant Town Clerk, Community Development Officers, Sub - Accountant

b) Assistant Town Clerk, Sub - Accountant , Agricultural Extension Officer , Community Development Officers , Municipal/City Council representative

c) Sub County Chief, District representative, Agricultural Extension Officer, Community Development Officers, Sub - Accountant

d) Town Clerk, Town Treasurer, Agricultural Extension Officer, District representative, Community Development Officers

6. The Role of the Appeals Tribunal Committee is to take care of issues raised by the categories of the aggrieved tax payers named below. The categories of persons considered aggrieved are those:

a) Assessed to pay a tax they are not liable to.

b) Assessed to pay a tax rate higher than the standard rate.

c) Denied exemption from payment of a tax.

d) Whose exemption from tax payment is unduly revoked.

e) a and b

f) All the above

7. The Demand notes should be delivered to the respective tax payers, preferably by hand.

a) Beginning of the year

b) Middle of year

c) End of the year

d) None of the above

8. Ensuring accountability and transparency in LR mobilisation entails.

a) LG finance personnel should effectively adhere to the Financial and Accounting Regulations. If these are adhered to carefully and according to their spirit, many aspects of control, accountability and transparency will automatically follow.

b) Strengthening finance, revenue and audit departments to enable them undertake regular monitoring and supervision of local revenue collection.

c) The HLG council should audit LLGs frequently to ensure that the collected revenue is truly posted in the books of accounts.

d) LG councils should demand regular updates (quarterly basis) on local revenue collections and utilisation.

e) Details of all taxpayers regarding their assessments and payment details should be publicised to inform the community.

Tick the correct one

a) 1

b) 1and 2

c) 1, 2, 3

d) All the above

9. Enforcement involves;

a) Following up defaulters, prosecution and penalizing processes.

b) Ensuring proper record keeping and reconciliation of billed amounts and collected amounts.

c) A taskforce made up of chiefs, enforcement officers and LCs can used to collect revenue.

d) A and C

10. Sensitization of tax payers should be conducted;

a) At the beginning of the financial year

b) All year round

c) Before the due date for tax payment

d) All the above

Appendix 8:

EVALUATION FORM

Training on Local Revenue Mobilisation

District: ---------- Sub County / Town Council: ----------

Venue: ---------- Date: ----------

Instructions

Fill in this evaluation form by ticking the box that most closely represents your feelings about the following aspects of the training.

Item Under Review	Excellent	Very Good	Good	Satisfactory	Fair	Poor	Very Poor
Facilitators knowledge of subject matter							
Clarity of facilitators							
Time Management							
Length of sessions (duration)							
Time management during sessions							
Availability of training materials/ handouts							
Simplicity of training materials / handouts							
Relevance of issues covered to participants							
Venue of the training							
Administration of the programme							
Logistics provided							
Fulfilling your expectations							

Other (Please state)							

Other Remarks (Recommendation)

……
……
……
……
……
……
……

THANK YOU

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