

CSOs Push for Urgent Revenue Reforms and Bridging the Funding Gaps.



CSOs making contributions towards legislative discussions on the Ministerial Policy Statement FY 2026/27 at Parliament before the committee on Public Service and Local Government on Tuesday, 24th March 2026. Photo:(CSBAG)

"Civil society organizations have urged the Parliamentary Committee on Public Service and Local Government to take the lead in pushing for absorption of funds and full operationalization of LGRMIS. They believe this intervention is urgently needed to strengthen revenue collection and address persistent financing gaps in local governments."

Civil Society Organizations (CSOs) under the umbrella of the Civil Society Budget Advocacy Group (CSBAG) have issued a series of proactive recommendations to transform local government operations.

In a joint presentation to the Parliamentary Committee on Public Service and Local Government on Tuesday, March 24, 2026, representatives from the Advocates Coalition for Development and Environment (ACODE) and AHF Uganda Cares, the CSOs called for decisive

action to resolve systemic challenges in revenue management, compliance, and accountability.

Low absorption of funds and budget execution remain a challenge. The Ministry of Local Government registered low expenditure performance in FY2024/25, with a revised total budget of **UGX 302.2Billion** that saw only **UGX 132Billion** of total expenditure translating into an overall absorption rate of **45.3%**

To tackle persistent delays in the remittance of locally collected revenues, which continue to hamper service delivery at the lowest levels, the CSOs are calling on the government to expedite the nationwide rollout and full operationalization of the Local Government Revenue Management Information Systems (LGRMIS). Jonas Mbabazi from ACODE emphasized that scaling up this digital platform is a critical step toward ensuring the consistent utilization and integration of all local revenue sources.

"A fully functional LGRMIS will not only enhance transparency but also eliminate the delays that starve lower governments of the resources needed for essential services," Mbabazi told the committee, chaired by Deputy Chairperson Hon. Pius Wakabi.

A key recommendation put forward by the CSOs is for the government to strengthen local government absorption capacity alongside robust compliance inspection and monitoring. While the Ministerial Policy Statement outlines a requirement of **UGX 8.8 billion** for comprehensive compliance activities across all **176** Local Governments, only **UGX 1.72 billion** has been allocated—a critical funding gap of **UGX 6.34 billion**. The CSOs argue that bridging this gap is non-negotiable, as adequate financing is the prerequisite for maintaining effective oversight over local government operations and ensuring that funds are utilized for their intended purposes.

Beyond fiscal management, the CSOs urged the Ministry of Local Government to strengthen the design and implementation of the Parish Development Model (PDM) and Local Economic Development (LED) interventions. The call is for a deliberate refocusing of these programs on value chain development, shifting from a broad-based approach to one that targets specific, high-impact economic activities.

This strategic pivot, the groups noted, is essential to unlocking the full economic potential of communities and ensuring sustainable job creation.

In addition, the Regional Development Programme has been expanded to a nationwide scope, however only Karamoja has a fully developed plan which limits the ability of the programme to effectively address regional disparities which are different across regions.

A major structural concern raised by the CSOs is the non-functionality of District Public Accounts Committees (DPACs), which has created significant gaps in the local accountability framework. Citing the PFM Reforms Strategy (July 2025 – June 2030), the groups noted that while **96%** of the **146** Local Governments assessed have a substantive Senior Auditor in place, performance indicators remain alarmingly low.

The rate of DPACs reviewing internal audit reports from previous financial years stands at only **48%**, and the production of all quarterly internal audit reports for the fiscal year is a mere **39%**. As an alternative, the CSOs have proposed a proactive, funded solution: the allocation of a fixed percentage of local revenue to ensure DPACs are fully operational. This dedicated financing, they argue, is essential to empower these committees to perform their oversight functions effectively and enforce accountability at the local level.

Climate financing was also flagged as a major concern. CSOs noted that most local governments lack dedicated climate budget lines, predictable financing, and the technical capacity to integrate climate adaptation into their development plans.

A Call for Strategic Investment in Decentralization

As Parliament deliberates on the FY2026/27 National Budget, CSBAG members acknowledge the government's continued commitment to decentralization and local service delivery.

However, they caution that without addressing the constraints in budget execution and financing, the core functions and institutional capacities of Local Governments will remain compromised. To turn policy commitments into tangible results, the CSOs urge Parliament to prioritize the full rollout of the LGRMIS, bridge the UGX 6.34 billion funding gap for compliance and monitoring activities, refocus PDM and LED interventions on value chain development, and allocate a dedicated portion of local revenue to revitalize District Public Accounts Committees.

These targeted investments, the groups concluded, are essential to ensuring that decentralization delivers meaningful improvements in service delivery for Ugandans at the local level.