

**Analysis of the Gaps in Fiscal and Administrative Decentralised Service Delivery in Urban Areas of Wakiso District.**

**Case Study: Nansana Municipality**

**A Postgraduate Dissertation Presented to Department of Good Governance and Peace Studies in Partial Fulfillment of the Requirement for the Award of the Degree Masters of Arts in Local Governance and Human Rights.**



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## **Dedication**

This research report would not be possible without the support of my wife; Barbara Bwanika and of course my mother; Jane Nabbosa Lwanga and Dr. and Mrs. Paul Kawanga Ssemogerere.

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## List of Acronyms

GDP	Gross Domestic Production
IMF	International Monetary Fund
KCCA	Kampala Capital City Authority
MFPEd	Ministry of Finance Planning and Economic Development
MOLG	Ministry of Local Government
NRM	National Resistance Movement
NWSC	National Water Sewerage Corporation
OECD	Organization for Economic Cooperation and Development
SPSS	Statistical Package for Social Sciences
UAAU	Urban Authorities Association of Uganda
ULGA	Uganda Local Governments Association
UNDP	United Nations Development Program

## **Abstract**

All urban local governments in Uganda are subjected to the same general legal framework of the Local Government Act CAP243 of 1997 (as amended) and also operate under the same national decentralization policy which was introduced in 1993. However, this research was derived from the fact that despite the presence of all these frameworks and Local Government structures in place, urban service delivery has failed to yield tangible results worth realizing urban sustainable development.

The main objective of this research therefore, was to critically analyse the gaps in the existing fiscal and administrative decentralization which are viewed as part of the problem in realizing effective and efficient service delivery in urban areas by using Nansana Municipality found in the Central District of Wakiso as a case study. The specific objective were to examine the suitability of the available fiscal and administrative decentralisation structures, to analyse the nature of support provided by the central government towards urban councils, to establish the challenges facing fiscal and administrative decentralisation and therefore determine the best scientific and practical solutions of improving the fiscal and administrative decentralized delivery of services.

The research was preferred to be undertaken by using a case study design in order to attain a detailed analysis by focusing on a particular problem of the specific urban area. The population of key respondents was scientifically identified from various key stakeholders in the area of study and the procedure was a combination of both random and purposive sampling techniques. The population size was a critical representative of the entire population characteristics who were ably probed to respond to both structured interviews and questionnaires.

The findings of this study therefore are adduced to the fact that there are critical gaps which need to be addressed in order to realize the effective and efficient delivery of services in urban decentralised areas but the further critical analysis of the study between the existing literature and the new findings of this study drive to the need to combine both an improvement in the existing decentralisation policy and also apply the European principle of subsidiarity. It is therefore recommended that there is need for further analyses and interpretation of both the findings in this specific study with the existing literature specifically focusing on the principle of subsidiarity which are of paramount importance if we are to realize urban sustainable development in Uganda.

# CHAPTER ONE

## GENERAL INTRODUCTION

### **1.0 Introduction**

The idea of the need for conducting this study is derived from the fact that, well as decentralization as a form of governance in Uganda has facilitated a commendable degree of progress in terms of democratization, devolution of power and people's participation in decision making, it has so far failed to address an important component of the rapid urbanization. The escalating numbers of urban populations and migrations of people to urban centers seeking refuge from poverty-stricken rural areas and declining agricultural productivity or coming in search of employment and improved security of income and housing tenure is now accompanied with an increase in amount of pressure for delivery of urban services and needs. This implies that managers of decentralized units must take necessary steps to unpack these challenges by setting up appropriate measures to transform service delivery.

Studies have shown more of the challenges of decentralization in general than paying attention to the analysis of its implementation in terms of the forms and types (Neven, 2002; Smoke, 2003). This has only created problems in urban Wakiso area such as high demand for housing and other urban related services, which seem to be inadequate yet decentralization was meant to address this service gap. The World Health Organization (2009) and Cohen and Peterson (2014, p.19), point to the fact that, successfully decentralization will depend on the analysis of the application of all forms of decentralization but this study pointed specifically to fiscal and administrative aspects of it. Since they are at the core to ensuring success of the decentralization, an analysis of the gaps in the existing decentralization structure more specifically in the fiscal and administrative decentralized delivery of services becomes important to establish. Thus, the research sought to establish these gaps in context of Nansana Municipality in Wakiso District. This was with the conviction that the analysis findings and recommendations will significantly contribute to policy makers and planners' efforts in improving on the existing structure of decentralization in order to cater for realistic and sustainable urban development in Uganda.

This chapter constitutes the study background, the statement of the problem, the study objectives, the study justification, research questions, and the scope of the study as well as definitions of key terms used in the study.

## **1.1 Background to the Study**

Decentralization is a complex and somewhat elusive phenomenon. Many countries around the world have been attempting for several reasons and with varying degrees of intention and success create or strengthen sub-national governments in recent years. Africa is no exception to either the decentralization trend or the reality of its complexity and diversity (Smoke, 2003). Since the end of the 1980's, decentralization has emerged as one of the most important trends in development policy, especially in Africa. This was accompanied by the famous Structural Adjustment Policies championed by the World Bank at a time when many African countries were also battling for Indented states from colonialists. Believed to be effective way to governance (World Bank, 2000; OECD, 2002), decentralization entails the transfer of part of the powers of the central government to regional or local authorities. It denotes a process or situation of transfer of authority and responsibility for public functions from the central government to intermediate and local governments or quasi-independent government organizations and/or the private sector (Neven, 2002), is a complex multifaceted concept. However, the renewed interest in this type of structure of the governance - decentralization, comes from the recognition that less centralized decision-making would make national public institutions more effective and that it would make local governments and civil societies more competent in the management of their own affairs.

Behind this thinking of decentralization is the theory of subsidiarity. This theory or principles underpins the fact that management of sub national or decentralized unit would contribute immensely to public service delivery (Holtmann 2000; Neven, 2002).

Decentralization, became a revolutionary megatrend in the 1980s and a global governance reform recommended by the World Bank and IMF as a latest fashion in development administration and it became a global trend of devolving responsibilities to regional or local governments. It can be observed that the term "decentralization" embraces a variety of concepts which must be carefully analyzed in any particular country before determining if projects or programs should support reorganization of financial, administrative, or service delivery systems (The World Bank group, 2002). This is why the study sought to analyze the gaps in fiscal and administrative decentralization so that services are effectively delivered.

Different forms and types of decentralization should be distinguished because they have different characteristics, policy implications, and conditions for success. However, important to note here is that this study is not about the debate about the definition and classification of decentralization in form of forms, types, etc. but rather a focus on the analysis of the gaps in two of the forms indicated in the literature. After all, most of these are linked to the notions of decentralized governance and local governance (UNDP, 1997, 1999; Rondinelli, and Nellis, 1986; Cohen, and Peterson, 1999). UNDP (1999) and Cohen, and Peterson (1999), identify six major forms of decentralization which they also refer to as ‘classification systems’ and ‘approaches’ which include; Forms According to Historical Origins, Territorial and Functional Decentralization, Problem and Valued-Centered Forms, Service Delivery Forms, Single Country Experience Form, and Objectives Based Forms. Whereas, Neven (2002) and World Bank look at the four major types of decentralization; political, administrative, fiscal, and market decentralization. The focus of this study will be on administrative and fiscal decentralization.

Administrative decentralization seeks to redistribute authority, responsibility, and financial resources for providing public services among different levels of government. It is the transfer of responsibility for planning, financing, and management of certain public functions from the central government and its agencies to field units of government agencies, subordinate units or levels of government, semi-autonomous public authorities or corporations, or area-wide regional or functional authorities (Neven 2002; UNDP, 1997, 1999). The three major forms of administrative decentralization are; **deconcentration, delegation, and devolution.**

**Deconcentration** is used most frequently in unitary states. It redistributes decision making authority and financial management among different levels of the central government. It merely shifts responsibilities from central government officials in the capital city to those working in regions, provinces, or districts.

**Delegation** is a more extensive form of decentralization. Through delegation central governments transfer responsibility for decision-making and administration of public functions to semi-autonomous organizations not wholly controlled by the central government, but ultimately account for it.

**Devolution** is when government devolves functions, they transfer authority for decision-making, finance, and management to quasi-autonomous units of local government with corporate status.

Devolution usually transfers responsibilities for services to Municipalities that elect their own Mayors and Councils, raise their own revenues, and have independent authority to make investment decisions. In a devolved system, local governments have clear and legally recognized geographical boundaries over which they exercise authority and within which they perform public functions. It is this type of administrative decentralization that underlies most political decentralization.

On the other hand, **fiscal decentralization entails** financial responsibility. This is a core component of decentralization. Adequate revenue is a prerequisite, if local governments and private organizations are to carry out decentralized functions effectively (Neven, 2002; WHO,). “Adequate level of revenues –either raised locally or transferred from the central government– as well as the authority to make decisions about expenditures” (ibid,2002 p.3) is crucial to success of decentralization. It can be clearly noted here that the link between administrative and fiscal decentralization is important to analyze if services are to be effective. Fiscal decentralization can take many forms, including;

- a) self-financing or cost recovery through user charges, b) co-financing or co-production arrangements through which the users participate in providing services and infrastructure through monetary or labor contributions; c) expansion of local revenues through property or sales taxes, or indirect charges; d) intergovernmental transfers that shift general revenues from taxes collected by the central government to local governments for general or specific uses; and e) authorization of municipal borrowing and the mobilization of either national or local government resources through loan guarantees.

It can be observed here that many developing countries local governments or administrative units possess the legal authority to impose taxes. For instance, Uganda’s Local Government Act of 1997 provides for powers of financial management of revenue collection, budgeting, accounting, and reporting. However, the tax base is so weak and the dependence on central government subsidies is so ingrained that no attempt is made to exercise that authority. This is a big challenge that administration is important to ensure effective use of available resources. The two forms considered from this study go hand in hand and analysis of gaps in each becomes important for successful execution of decentralization policy.

Since Independence, Uganda has experienced both decentralized and extremely centralized forms of governance. Whereas the 1962 Constitution provided for devolution of significant functions and powers to local authorities, the 1967 Constitution, on the contrary, re-centralized

all decision-making powers. The 1962 Constitution had provided for a local government system that combined federalism with semi-federalisms and unitarianism. It had through the Local Administration Ordinance of 1962, granted significant powers to local councils with respect to their composition, collection of taxes, land administration, local roads, rural water supplies, agricultural extensions, primary and junior secondary education, among others.

It also granted a federal status to the Kingdom of Buganda and Semi-federal status to the Kingdom of Ankole, Bunyoro, Toro, and Busoga. It also provided for councils to be established in the districts of Acholi, Bugishu, Bukedi, Karamoja, Kigezi, Lango, Madi, Sebei, Teso, and West Nile.

The policy and concept of decentralization in Uganda transferred to local governments powers of Planning, that is; Developing development plans; Financial Management of revenue collection, budgeting, accounting and reporting; Administrative powers of recruiting and management of staff; the Political power to elect their local leaders; the Legislative powers of making bye-laws and ordinances; and the Judicial local administration of justice through local council courts. The main sources of revenue of local governments in the fiscal aspect include: Grants from central government; Locally Raised Revenues from property rates; Fees and fines, Licenses and Permits; Interest on investments; Rents from lease of property; Donations, Contributions and Endowments; Charges or profits arising from any trade, services or undertaking carried on by the council; Annual bicycle licenses; Parking fees; Local Service Tax and Local Hotel Tax.

Under the current Local Government Act CAP 243 as amended, all urban Local Councils (Municipalities, Town Councils) are autonomous in terms of revenue generation, distribution, and management leaving the mother District with only supervisory role. It is important to note that these autonomous urban councils have representatives in the district councils of which their allowances for monitoring activities in the urban areas they represent for effective delivery of service, is catered for from the district coffers.

The main challenges of the Central Government Transfers on the fiscal aspect, are; inadequate funds and irregularly released and sometimes late releases and later returned to the consolidated fund which affects the budget; Much of these central government funds are conditional tailored on specific items in the budget like salaries and wages which cannot permit local governments to cater for their desirable identified priorities. The challenges of Locally Raised Revenues are;



narrow/ small tax base mainly focusing on direct tax from vendors; Double or more taxation policy caused by the Central government and implemented by Uganda Revenue Authority which results into conflicts between taxpayers and local authorities; Lack of competent Human Resource Officers in the field of identification and data collection of viable revenue sources and lack of law enforcement mechanisms to realize compliance; and Political interferences and pronouncements. These are challenges that can be effectively managed if proper administration and financial decision are made. This calls for thorough analysis of the gaps in fiscal and administrative decentralization in order to ensure effectiveness in service delivery.

According to the Local Government Act Cap 243 (1997), as amended, the local government structures in Uganda are separated between rural and urban where a village is the lowest administrative unit in rural areas yet in urban set up it is referred to as a cell (LC1). A parish is the next level up from the village. A parish is made up of a number of villages in a rural set up yet in urban it is known as a ward made up of a number of cells. After the parish comes the sub-county made up of a number of parishes in rural areas yet in urban it is referred to as a town council composed of a number of wards. A county is made up of several sub-counties yet in major towns, the equivalent of a county is a Municipality which is made up of Divisions. A district, therefore, as the highest Local Government tier is made up of several Counties and Municipalities in the area. At present Uganda has 112 Districts, but the number keeps growing. When President Museveni captured power 30 years ago, after a guerrilla war, Uganda had around 32 districts. The government says it creates districts to take services nearer to the people but critics continue to argue that the only thing more districts bring is poverty.

According to the World Bank Report released in 2015, Uganda's urban population will increase from six million in 2013 to over 20 million in 2040. Policymakers, therefore, need to act now to ensure that this rapid urbanization is managed well, especial in terms of management and financial administration of government sectors so that it can contribute to Uganda's sustainable and inclusive growth. This study thus becomes an urgent need to ensure effective policy processes in Uganda's decentralized units. Policy makers at national and municipal levels have an important role to play in ensuring that urbanization is sustainable and inclusive, by ensuring that land and property and other rights are conducive for increasing economic density of cities.

In the Central region of Uganda, Wakiso is the most urbanized district. Wakiso's location in the Central region of the country gives it comparative advantage of trade over other districts because of the road connection and proximity to the Capital City Kampala. But this comes with a demand for a wide variety of goods and services. Wakiso is undoubtedly a fast-growing district with a population of 2,007,700 people and a growth rate of 6.6% (Galabuzi, 2014). Being a neighbor to Kampala Capital City has boosted this growth and urbanization since the district is the gateway to and from the city to other parts of Uganda and neighboring countries thus, on one hand, creating different development opportunities for the people in the district. However, with these opportunities comes the challenge that requires Wakiso to effectively keep systematically grow and develop with the greater Kampala Metropolitan region as the district fights to set up its strategies (Nakatudde, 2014).

Wakiso as a district (LCV), is currently made up of four Municipalities (LCIVs) of Entebbe, Makindye Ssabagabo, Kira, and Nansana. These Municipalities are made up of Urban Divisions (LCIIIs) of Entebbe (A), Entebbe (B), Ndejje, Bunamwaya, Masajja, Namugongo, Kira, Bweyogerere, and Busukuma, Gombe Nabweru and Nansana respectively. With seven rural sub-counties also referred to as (LCIIIs) of Namayumba, Masuuliita, Kakiri, Kasanje, Bussi, Mende, Wakiso Mumyuka and eight gazetted urban Town Councils of Wakiso, Kakiri, Masuuliita, Namayumba, Katabi, Kyengera, Kajjansi, and Kaasangati.

Nansana once miserable and struggling as a Sub-County was raised to an urban Town Council in 2007 and until recently after eight years that it was again elevated to a Municipality effectively June 2015. Located approximately 13 KM (8 Miles from Kampala Capital City), with its political and administrative headquarters on Hoima Road, North West of Kampala, Uganda's Capital and largest City. From Nansana village, it became a parish, trading center and eventually a Town Council in 2007. The growth of Nansana was partly due to general increase in population size and settlements, favorable government policies, service delivery and economic progress on the positive side. Yet urbanization of Nansana impacted negatively on the side of garbage collection, management, and disposal, clean water and sanitation, construction of drain channels, environmental degradation, solid waste accumulation, population, destruction of natural vegetation etc. The growth in infrastructure and real estate development goes on without a comprehensive physical master plan forcing urban development to supersede planning. This, as a result, has made Nansana to be an urban but modern slum area. Despite its elevation in a name

of a Municipality and the presence of decentralization administrative structures, there is no sign of real strategic and systematic growth worth a name of an urban council.

In 2002, the national population census put Nansana's population at 62,044. In 2010, the Uganda Bureau of Statistics (UBOS) estimated the town's population at 86,200. In 2011, UBOS estimated the mid-year population at 89,000. In 2014, the National Population Census put the population at 365,124.

Urban Councils including Nansana Municipality in Wakiso as other Districts in Uganda, still operate under the same fiscal and administrative decentralization structures and legal framework of the Local Government Act CAP 243 (1997) as amended. The availability of these decentralization structures would be seen positively on the output side of effective and efficient service delivery which is not the case, and that implies that there are gaps which critically need to be investigated in the existing fiscal and administrative decentralized delivery of service in the urban areas by using Nansana Municipality found in Wakiso district as a case study. The lack of physical planning, systematic improved infrastructure, clean water and sanitation, organized trade, garbage collection management and disposal, public transport system, leisure parks and other related urban needs point to the fact that there is a big problem which needs urgent intervention by policy makers and implementers.

It is against that background that the researcher investigated the gaps in the existing fiscal and administrative decentralized delivery of services in urban areas using Nansana Municipality found in Wakiso as a case study in order to identify the causes of the problem and finally make recommendations and more practical solutions to assist policy makers and implementers to improve on the delivery of services.

## **1.2 Problem Statement**

Although effective and efficient fiscal and administrative decentralization policy would be of paramount importance in realization of properly urbanized delivery of services in Uganda, however, the allocation of resources from the central government and the locally raised revenues from Local governments have remained inadequate and irregularly distributed (Nakatudde, 2014). This questions the envisioned redistribution of authority, responsibility and financial resources for providing public services among different levels of government (Holtmann 2000).

In addition, the biggest portion of resources remitted from central government has remained conditional coupled with the complication of the existing urban local government structures which are legally designed to be autonomous and therefore, do not remit funds to the upper district local government for proper urban planning and management.

Nansana Municipality found in Wakiso district, like many other urban councils in Uganda therefore, is only urbanizing in terms of population growth, unsystematic infrastructure development without a comprehensive physical plan, lack of sufficient public health and sanitation facilities, lack of trade order and public transport systems including other urban-related services and needs despite the presence of a decentralized local government structure (*ibid*). Nansana was raised to an urban Town Council in 2007 and after eight years in 2015 was again elevated to a Municipality. Its population was 62,044 in 2002 and by 2014, according to the National Population Census, the population was found to be 365,124. Despite its elevation in a name of a Municipality, there is no sign of real strategic and systematic growth worth a name of an urban council when taken in context of Local Government Act CAP 243 (1997) provisions. If for instance, you compare Nansana to Entebbe Municipality also found in Wakiso district but was developed during the colonial time before the introduction of decentralization policy, you realize that there are glaring gaps in the delivery of services and a sharp contrast between the two, hence the need for conducting a study in order to identify and comprehensively analyze these gaps and make comprehensive recommendations to policy makers and implementers to achieve and realize tangible sustainable urban development.

The World Bank group (2002) further suggests that the term "decentralization" embraces a variety of concepts which must be carefully analyzed in any particular country before determining if projects or programs should support reorganization of financial, administrative or service delivery systems if success is to be attained in the decentralization. This study, therefore, does the same by investigating and critically analyzing the gaps in fiscal and administrative forms of decentralization with a case of Nansana Municipality in Wakiso District.

### **1.3 Objectives of the study**

#### **1.3.1 General Objective**

The main objective of this research is to analyze the gaps in the existing fiscal and administrative decentralization structure in urban areas of Wakiso District using a case study of Nansana

Municipality.

### **1.3.2 Specific Objectives**

1. To examine the suitability of the existing fiscal and Administrative decentralization structure in Nansana Municipality.
2. To analyze the nature of support provided by the central government in relation to fiscal and administrative decentralization towards Nansana Municipality
3. To establish the challenges facing fiscal and administrative decentralized service delivery in Nansana Municipality
4. To determine the best practical solutions of improving fiscal and administrative decentralized delivery of services in Nansana Municipality.

### **1.4 Research Questions**

1. Is the existing fiscal and administrative decentralization structure suitable in developing Nansana Municipality?
2. What is the nature of support provided by the central government in relation to fiscal and administrative decentralization towards Nansana Municipality?
3. What are the challenges facing fiscal and administrative decentralized service delivery in Nansana Municipality?
4. What are the best practical solutions of improving fiscal and administrative delivery of service in Nansana Municipality?

### **1.5 Scope of the Study**

The geographical scope of the study was Nansana Municipality. Nansana Municipality is currently made up of four urban Division Councils of Nabweru, Busukuma, Gombe, and Nansana. The National Population Census carried out in 2014 put the total population of the entire municipality at 365,124 where Nabweru Division has 106,265, Busukuma 37,730, Gombe 76,639 and Nansana Division with a population of 144,490.

The Municipality headquarter is currently located in Nansana Division approximately 13km (8miles) from Kampala Capital City on Hoima Road by road northwest of Kampala. This

Headquarter houses both the political and administrative (Technical staff). It is, however, important to note that, each division has its political (both legislative Councilors and Executive) and Technical (Administration) branches within their localities. Busukuma Division is at the far North East, Gombe in North and Nabweru in the East of the Municipality. The area coverage of the entire Municipality is 295.3q km with Nabweru 27.05sq km, Busukuma 110.79sq km, Gombe 143.88sq km and Nansana Division 13.58sq km. It has a total of 29 wards and 128 cells (zones/villages) respectively.

The study sought to establish the gaps in the existing fiscal and administrative decentralized policies in relation to provision of effective and efficient service delivery. The study identified the factors undermining the current fiscal and administrative decentralization policy, it critically analyzed the role of the central government in the rampant urbanization to determine the best practical scientific solutions of improving service delivery in Nansana Municipality.

The study covered a period of ten years from 2007 when Nansana Sub-county was raised to an urban Town Council until 2017 when it is currently gazetted as a municipality. This period of ten years is deemed to be representative enough to enable the researcher to identify and critically examine and assess the various challenges facing urbanization in relation to fiscal and administrative decentralized service delivery of the area. This period also clearly span time when Nansana was gazzated as an urban unit thus making it appropriate to examine the gaps in fiscal and administrative decentralization policy implementation.

## **1.6 Significance of the Study**

Although decentralization is supposed to contribute to improved service delivery, foster participatory planning and heighten a sense of local ownership and improved accountability, fiscal decisions in response to urban local development demand maximum welfare of urban local residents which is not the case in Nansana Municipality. Local residents have not maximized economic growth for sustainable development and there are no linkages to other global opportunities.

Successful decentralization requires that the respective roles of national and local authorities should be clearly defined, effective institutions for planning and decision-making developed at all levels, a higher budgetary allocation for pro-poor public spending and that the different actors

at those levels are involved actively, freely and meaningfully which is not the case in Nansana Municipality.

We have not yet attained a level where fiscal and administrative decentralized services of urban local governments are fully autonomous and accountable with sufficient capacities and control over their processes and affairs.

Cities and urban local authorities are supposed to be catalysts for change and drivers of development. It is therefore important to conduct a study and identify the critical gaps in the existing fiscal and administrative decentralization policy in order to find amicable and practical solutions for multi-level governance approach to deliver development to citizens and make sure that poor and marginalized groups in these areas are also included in economic growth policies.

Project aid which bypasses local government systems has fragmented urban local government structures, undermined institutional growth and weakened community-local government linkages.

Increased political freedom and power at the local level has also affected the revenue base of urban local governments through inefficiency and corruption. All these and other factors yet to be researched, as a result, have let created urban authorities to remain in name calling only with no proper structural/physical planning, infrastructure development and the lack of potential urban local governance in realizing sustainable development. This has led urban areas to develop into modern slums hence the need to conduct a study on the inter-governmental fiscal and administrative relations and urban local service delivery support modalities.

By conducting this study, the analyses of the existing gaps in fiscal and administrative decentralization policy and by making scientific and practical recommendation for improvement will assist all key stakeholders including but not limited to the central government, the Ministry of Local Government, KCCA, Local Government in Wakiso district and more specifically (Nansana Municipality), the communities in and around the area, politicians, technocrats and other local governments in Uganda.

The central government will use the key findings and recommendations to improve on the existing local government policy and legal framework in order to address all the problems facing urban authorities in Uganda. It will also offer opportunities for better planning and improving on

the capital city of Kampala since Nansana Municipality like other areas in Wakiso district is the gateway to Kampala.

The recommendations will assist all urban local governments in Wakiso improve on their activities in order to enhance the required delivery of urban services effectively and efficiently.

The communities will, therefore, enjoy the benefits of improved urban services and this will ease the tension and pressure exerted on both the technical and political leaders from the area.

The findings of this research will assist in improving the local government policy in relation to urbanization through the Ministry of Local Government and the Ministry of Finance, Planning and Economic Development.

The study may attempt to influence donors and development agencies in support of multilevel governance approach to deal with future urban development challenges.

Organizations like Uganda Local Government Association (ULGA), Urban Authorities Association of Uganda (UAAU) and other NGOs whose aim is specifically tailored to improve the ability of local governments to function efficiently and effectively will use the findings of this study to engage other National and international stakeholders to apply the scientific findings and recommendations.

The findings may also be used to improve on the legal framework of local governments in Uganda. (The Local Government Act CAP 243).

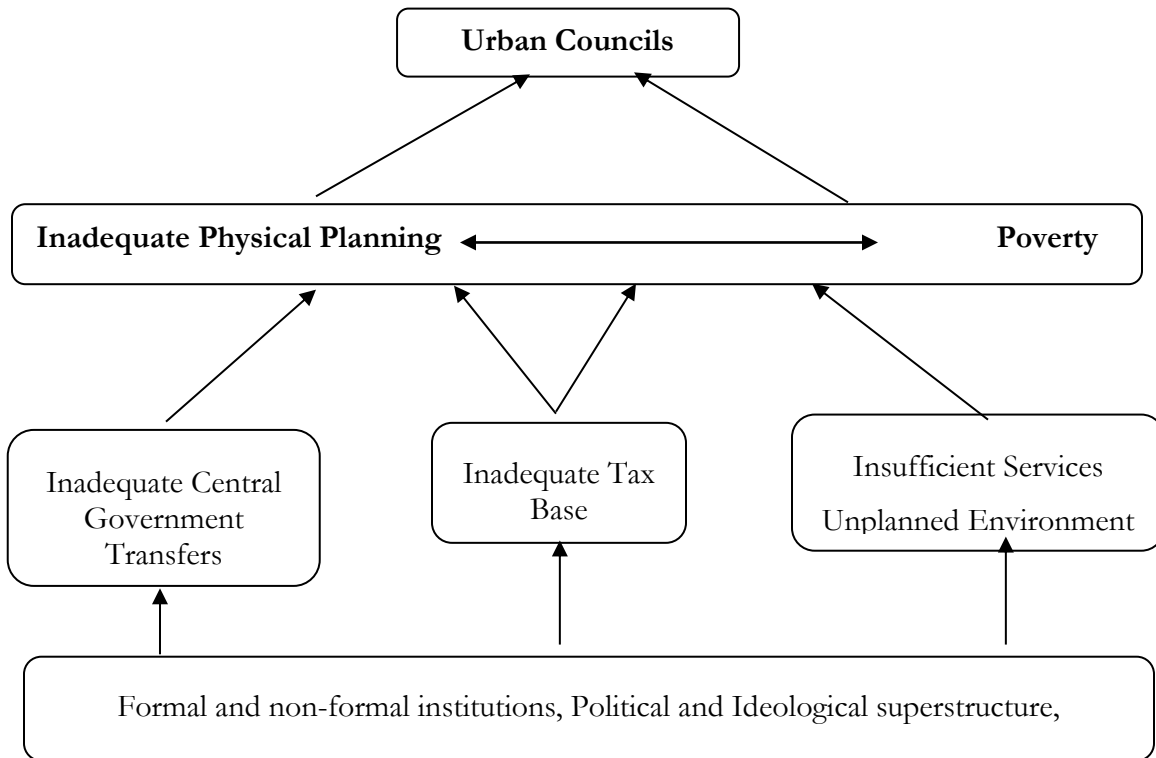
## **1.7 Justification of the study**

This study is warranted on the grounds that it examines the gaps in fiscal and administrative decentralized service delivery in urban areas that have continuously hampered effective and efficient service delivery to the local people and communities in a given setting. It is essential to identify the challenges and issues that have continuously limited effective service delivery. Decentralized service delivery in Uganda forms a critical part of development and therefore making the topic of the study particularly relevant.

## **1.8 Conceptual Framework**

**Figure 1 Conceptual Framework showing causes of unsystematic urban development**





**Source: Researcher**

The above conceptual framework shows that a number of stakeholders both formal and informal led by the National State Agencies of Ministry of Local Government and the Ministry of Finance, Planning and Economic Development are mandated through urban local councils to ensure structural economic growth of the urban municipality. It is, however, clear from the flow of arrows that there are inadequate central government funds, inadequate tax base hence insufficient service delivery.

Likewise, through those shortcomings, urban council areas experience inadequate physical/infrastructural planning which bleeds abject poverty among the population therein. It is also through lack of enforcement mechanisms that all the urban areas experience a growth of modern slums.

**1.9 Definition of Key Terms**

Decentralization is actual transfer of real power and resources from the center to local governments. The concept of decentralization, presupposes a process or a system of administration in which political, financial and decision making powers are transferred from the center to the lower administrative units (local governments). Under the arrangement, the local

governments are given powers and authority to manage their own affairs within a framework of unitary state (Nsibambi 1998:6). The autonomy and amount of powers, resources and functions that are devolved to local governments to manage their own affairs are determinant of the nature/form of decentralization. The forms of decentralization include devolution, deconcentration, delegation and privatization. The first three forms describe a process whereby the central government shifts responsibility to a greater or lesser degree to lower units or local governments. Local government(s) is that part of a government which is most accessible to the average citizen that closely touches him and presents the most opportunities for the public service.

It is within the governance context that the three major forms of decentralization are commonly known to be political, fiscal, and administrative decentralization, Decentralization embraces a variety of concepts which must be carefully analyzed in any particular country before projects or programs should support reorganization of financial, administrative, or service delivery system (Litvack, 2001).

Political decentralization aims to give citizens or their elected representatives more power in public decision making. It is often associated with pluralistic politics and representative government, but it can also support democratization of giving citizen, or their representatives more influence in the formation and implementation of policies.

Administrative decentralization seeks to redistribute authority, responsibility and financial resources for providing public services among different levels of government. It transfers responsibility for the planning, financing and management of public functions from the central government and its agencies to field units of the government agencies, subordinate units or levels of government, semi- autonomous public authorities or corporations, regional or functional authorities.

Fiscal decentralization is a component of financial responsibility to local government to carry out decentralized functions effectively. This involves adequate level of revenues either locally raised or transferred from central government as well as the authority to make decisions about expenditures. Fiscal decentralization can take many forms, including, self-financing through user charges, co-financing through which the users participate in providing services and infrastructure through monetary or labor contributions, expansion of local revenues through property or sales

taxes, inter-governmental transfers that shift general revenues from taxes collected by the central government to local government resources through loan guarantees.

Urbanization is an increase in a population in Cities and towns as compared to those in rural areas. This began during the industrial revolution when workers moved towards manufacturing hubs in cities to obtain jobs in factories as agricultural jobs became less common. It is therefore, the gradual increase in the proportion of people living in urban areas.

It is also the process by which towns and cities are formed and become larger as more people begin living and working in central areas.

The United Nations has predicted that by 2050 about 64% of the developing world and 86% of the developed world will be urbanized. That is equivalent to approximately 3 billion urbanites by 2015, much of which will occur in Africa and Asia.

Urbanization is relevant to a range of disciplines, including geography, sociology, urban planning and public health. This, urbanization creates enormous social, economic and environmental changes, which provide an opportunity for sustainability with the “potential to use resources more efficiently, to create more sustainable land use and to protect the biodiversity of natural ecosystems”.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

The literature concerning fiscal and administrative decentralized service delivery for urban areas is limited in scope. It focuses primarily on operational problems of decentralization. Decentralization as currently conceptualized and pursued by several African governments including Uganda focuses on the promulgation and implementation of revised rules and responsibilities for administrative and political personnel, and on establishing the framework for some sort of local governance. In itself, it is incomplete, as it must be sustained and refined over time, to deal with many problems including the rampant urbanization and develop a locally sustainable process if urban local governance is to be effective.

#### **2.1 Theoretical Review**

The study is guided by the theory of Subsidiarity.

This theory or principle underpins the fact that management of sub national or decentralized unit would contribute immensely to public service delivery (Holtmann 2000; Neven, 2002).

The emergence of the Principle of Subsidiarity in the European Union States in the early 1950s which succeeded in raising the question of what level of government should do what in an enlarged Europe was consequently transferred to developing countries at the dawn of independence. The general aim of the principle of subsidiarity is to guarantee a degree of independence for a lower authority in relation to central government, it, therefore, involves the sharing of powers between several levels of authority, and it is a principle which forms the institutional basis for federal states. It is an organizing principle that matters ought to be handled by the smallest, lowest or least centralized competent authority. Political decisions should be taken at a local level if possible, rather than by the central authority. Important to note here is the fact that there is shared responsibility in context of decentralization. Certain roles remain a principal to the central authorities while other can be shared with local authority. Even then, the modern form of public administration; the New Public Management speaks to values of decentralization in context of shared responsibility in public services - that is, its roles as a public function (Neven, 2002). The new public management theory asserts the need for provision of

Public Services like roads and transport, socio-economic transformation, enhancing the states roles, public-private partnership, competitiveness and efficiency, performance-based and taking care of the weaker section of society, husbandry and midwifery (Homburg, Pollit, and van Thiel, 2007). Therefore, it becomes important to ascertain what ought to be shared in decentralized local governance and its implication to forms of decentralization adopted. Also, whether it does exhibit the subsidiarity and proportionality principles in the form adopted. Therefore, the ideas of liberty and decentralization were carried to their logical conclusions during the 19th and 20th Centuries by anti-state political activists calling themselves "anarchists", "libertarians," and even decentralists. A move toward autonomy in terms of participation in deciding what befits a society. This is important to this study because it becomes crucial to ask to what extent these autonomy has translated to the service delivery envisioned and what could be best ways to address the challenges therein.

## **2.2 Analysis of Fiscal and Administrative Decentralization**

Uganda's decentralization programme was among the most radical in Africa, celebrated by the Scholars and donors alike after its inception in the mid-1990s. Since then, however, awareness of the problems and contradictions underpinning the system has grown steadily (Ojambo, 2012). Accordingly, an in-depth analysis of how political relations between the central government and local authorities constrain the ability of local governments to function properly, it is argued that normally, decentralization should aspire to foster development policies and strategies suited to local social and economic conditions (*ibid*).

The reform of economic system in developing countries during the 1980s focused largely on increasing the role of the market and improving the environment in which it operates. For some years there was a pre-occupation with the private sector in promoting development. In recent years, there have been widespread attempts both to redefined the role of the public sector in developing countries and to improve its performance (World Bank, 2000). An increasingly important component of these reforms was the introduction of policies to decentralize the functions of government.

During the 1990s, fiscal decentralization and local government reforms have become the most widespread trends in development. Many of these wide-ranging and costly efforts, however, have made only modest progress towards meeting their stated goals (Smoke, 2003). However,

this is not the case as far as urbanized fiscal and administrative decentralized service delivery is concerned in Nansana Municipality.

The Ugandan decentralization system of Governance has often been applauded outside the country as a comprehensive and well-developed initiative and a success story. This is because the system has given the impression that it has attempted to augment the consolidation of elite powers by directly involving local communities in local planning and improved poverty-focused investments (Reinner, 2011).

Even when the conditions and actions seem to have been met, local governance has encountered problems in many parts of the world. Local Councils are unable to agree on policies to resolve key problems, the public remains seemingly inattentive to local affairs, local administrative personnel seem disconnected from the public leadership, or local institutions are unable or unwilling to raise funds locally. Even when many elements of decentralization are present improved governance does not always emerge (Clarke, 2001).

Uganda's ambitious decentralization programme has always been analyzed in terms of a "Dual-Mode" system of local governance. Under a "Technocratic mode", conditional funding from the center is earmarked for particular programmes but with little local participation. In contrast, the "Patronage mode" is an elaborate system for local "bottom-up" planning, but with limited resources, which are largely consumed in administrative costs and political emoluments (Frances; James, 2003).

Along with the spoils of a committee system controlling contracts and appointments, these resources provide the means for building political alliances and loyalty. In the absence of a culture of transparency and civic engagement to assure downward accountability, it remains to be seen whether decentralization can promote both efficient service delivery and local empowerment simultaneously.

The challenges of inappropriate decentralization in Uganda are that it has tended to breed or reinforce local elites which concur with what some critics say about the system that it has resulted into creating an evenly centralized technocratic mode on the one side and a system of local patronage on the other. Other challenges, in the long run, are that it could trigger social-political fragmentation along ethnic lines, marginalization of less dynamic regions, weakening of national cohesion and precipitation of internal conflicts (Reinner, 2011).

The capacity of urban local authorities to design strategies, deliver and manage services, increase transparency and accountability, and successfully engage with other tiers of governments, civil society, and private sector is still lacking. Given this uneven performance, there has been extensive debate about fiscal and administrative decentralization in general but with very scanty literature in its relation to urban development. Some of this literature predates the recent emphasis on decentralization, and much of the rest focuses primarily on major urban areas on non-fiscal aspects of decentralization (Manor, 1998; Blair, 2000).

### **2.3 Factors Undermining Effective and Efficient Fiscal and Administrative Decentralization**

Since the rise to power of the Movement government under the leadership of Yoweri Museveni in 1986, Uganda has largely been show-cased as an emerging democracy on the continent. Among other things, Museveni's regime has been acclaimed for the restoration of periodic national elections, the making of the constitution and the overall promotion of democratic governance, most especially through the adoption of a decentralized system with a commendable institutional and legal framework.

Decentralization is believed to promote service delivery at the local level, accountability for government resources by local leaders, and the involvement of masses in local planning and the implementation of government programmes. It is now more than 20 years since decentralization was adopted as a system of government in Uganda but the quality of service delivery and the accountability for government resources at the local level remains just as deplorable as the extent to which the masses are involved in the planning and implementation of government programmes in their localities (Ojambo, 2012).

There is a structural factor of local government in Uganda where it takes different forms depending on whether the administrative area in question is rural or urban. Other than Kampala City, which of recent, has acquired a special administrative structure and legal framework under KCCA Act, the local government system is comprised of a five-tier structure where, in rural areas, the Village Council (LC1) forms the lowest level, followed by the Parish Council (LC2), then the Sub County (LC3), the County (LC4), and at the top the district Council (LC5). On the other hand, in the urban areas of the district, the structure begins with the cell (LC1), then the

ward (LC2), the Municipal or Town Division (LC3), the Municipality (LC4) and the District Council (LC5)/Mayor).

It is important to note that according to the Local Government Act CAP 243 as amended, the title of the Municipality head is a Mayor and even that of the City District head is also a Mayor.

The Capacity of local authorities to design strategies, deliver and manage services, increase transparency and accountability, and successfully engage with other tiers of governments, civil society, and private sector is still lacking (Guloba, 2007).

The economic and social turbulence factor particularly as a result of scarcity and poverty, as well as government ineffectiveness, the economic context can be almost instantaneously turned upside down by a currency crisis, collapse in commodity price, or structural adjustment program against which there are no local-level defenses.

Social turbulence, often in ethnic, religious or other conflicts, can also be a serious problem, itself accentuated by scarcity and economic turbulence. Particularly as a result of these factors, local governments are chronically and severely short of resources, key personnel, institutional “experience”, and the ability to sustain effective programs (African Development Bank 2001).

Severe asymmetries in wealth and power, and the powerful informal political and economic structures of patron – clientage that grow from them. These often exist outside the formal state structure, but none-the-less dominate decision making, effectively closing nominally “open” political processes. It must be assumed that any formal institutional arrangement has an accompanying “shadow” process that strongly affects what it does. These often reflect neo patrimonial relationship that strongly affects what institutions at all levels actually do.

Operational problems of fiscal and administrative decentralization are caused by the politics of decentralization; ineffective local participation; ineffective decision making by local legislative bodies; inadequate resources for local services and projects; inadequate local authority over policy implementation and personnel; an stable and unsupportive macro policy context; shortfalls in national legislative and policy changes needed for decentralization to operate; and informal and neo-patrimonial political and economic structures among “big men” that are more powerful than formal political institutions and impede accountability while they close nominally open political processes (Wunsch, 2004).



In other words, the literature available on decentralization as currently conceptualized and pursued by several African governments, focuses majorly on the promulgation and implementation of revised rules and responsibilities for administrative and political personnel, and on establishing the framework for some sort of local governance, but in itself, it is incomplete, in as far as urbanized fiscal and administrative decentralized service delivery is concerned, as it must be sustained and refined over time; to deal with the many problems, and develop a locally urbanized sustainable development process if urban local governance is to be effective.

#### **2.4 The Role of Central Government in Relation to Fiscal and Administrative Decentralization**

Uganda's experience with decentralization is as highly acclaimed as it is criticized. Though regarded by some commentators as one of the most ambitious forms of devolution of power among the developing countries, it is also greatly criticized for its failure to deliver on its promises.

According to Steiner, the scale and scope of the transfer of powers and responsibilities to the local level in Uganda's decentralization reform is exceptional among developing countries on their part, James and Francis have described it as "one of the most far-reaching local government reform programmes in the developing world".

Mitchinson, in the same vein, contends that Uganda's decentralization programme "is one of the most radical devolution initiatives of any country at this time".

But the quest for the fruits of decentralization appears to be only increasing. As Tumushabe *et al* (2013) have lamentably observed:

Almost two decades later, the quality of public service delivery is less than desirable; district local governments with no financial resources of their own have become mere agents of the center while the accountability mechanisms for good governance and public service delivery are either non-existent or malfunctional.

Other commentators view Uganda's decentralization programme as more of a political gimmick than a genuine effort to promote democracy and good governance. The creation of the district did not follow any established parameters; neither was the process informed by administrative

necessity or economic rationale. Instead, the president announced their creation via presidential decrees, often to reward politicians threatening to withdraw support for the NRM, or punish those who had.

The Principal objectives of decentralization have historically included the promotion of accountability, transparency, efficiency in governance and service delivery and the empowerment of the masses from grass root levels through the promotion of the participation of individuals and communities in their governance.

Decentralization is therefore, generally viewed as an effective mechanism of extending and deepening the democratization process to the grassroots in order to promote peoples-based development in the context of a high regard for human rights.

Uganda's scenario presents a near-perfect fundamental contradiction between form and content. The great promise of improved accountability, efficiency in governance and the empowerment of the masses remain elusive in the country, notwithstanding the apparent commitment to the implementation of the decentralization programme, at least at the formal level of the institutional and legal framework. According to a study commissioned by the World Bank, Uganda is ranked second to South Africa in almost all aspects of decentralization in Africa. Ironically, though, the same country is ranked among the most corrupt in the world with deplorable service delivery system.

It is now over two decades since Uganda adopted decentralization,

According to Ndegwa's (2010) Stocktaking analysis of Uganda's performance in the different aspects of decentralization, the country appears to be in the best category on the continent. The indicators of which include the role of local administrative staff in the formulation of the development agenda and the delivery of services, the existence of a clear legal framework demarcating the roles of local and central government, and the institutionalization of the principle of subsidiary, where actual service delivery is delegated to and performed by localities and civil servants responsible to local authorities.

Uganda also performed quite well in terms of its Fiscal decentralization, which was assessed on the basis of the amount of the Fiscal transfers made from the central government to the localities as well as the proportion of public expenditure controlled by the localities.

It is indeed ironic, and quite baffling, that a country that seems to have even exceeded its expectations in the decentralization process should also be among the worst performers in terms of accountability and service delivery in its governance system.

While it is certainly difficult to make a claim to having a perfect explanation for the current rather contradictory situation obtaining in the country, a look into the historical background to the adoption of decentralization could possibly offer some insight. Unlike the experience in other countries where the adoption of decentralization has been externally driven, Uganda's adoption of a system of devolution of power was partly and largely necessitated by considerations of political expediency. The days when security was a major concern for the NRM regime are long gone. Concerns about resources be they fiscal or human, may still apply but they no longer pose a threat to the government. The effect of this has been the reversal of the commitment to the system of local government by the central government, which now appears to espouse a desire to run the government more from the center than through local governments, many of which are now proving problematic in the new multiparty political dispensation.

The introduction of multiparty politics in Uganda in 2005 engendered a new threat to the NRM government. Unlike the prior "enemy", who could be effectively checked through the Resistance Council System, the multiparty system created a different type of "enemy" in the form of the opposition has spread out and taken root in most of the districts, a fact that has shaken the trust once enjoyed between district-when their councils were predominantly NRM supporters and the NRM government at the center. In fact, the discomfort between the NRM government and the local government system started to manifest itself in the early 1990s when opposition groups started to agitate for the restoration of multiparty politics.

As Oloka Onyango (2014.)Aptly notes:

"The claim that RCs were a system of "popular" selection based on the "individual merit" of the candidates who stood for office was severely undermined by the fact that the state (which was controlled by the NRM), intervened heavily in support of some candidates, while it actively de-campaigned, intimidated and blackmailed others. The peak of hypocrisy was reached when President Museveni declared "We have won" following the 1993 elections for the Constituent Assembly which were originally supposed to be run on a "no party" basis. Who was the "we" in such a situation?"

With the restoration of multiparty politics and the steadily waning popularity of the opposition, whose members dominate local councils in some districts, the NRM now finds itself at war for its own survival with the very system it created to bolster its political hegemony.

With Council members from different political parties comprising the local government councils at all levels, the NRM government finds itself in an unusual position where it can no longer effectively ensure control over local politics. In effect, the councils no longer enjoy the trust they once wielded from government, and as a result, it is hardly surprising that the forces of decentralization have intensified over time. As the central government strives to ensure stricter control over the affairs of local government, especially through fiscal and political interference, the concept of decentralization is steadily losing meaning and giving way to the re-concentration of power in the central government.

The politicization of decentralization process has greatly undermined its performance. From only 38 districts in 1986 when NRM rose to power, Uganda now boasts with over 112 districts, as Onyango (2014) rightly observes: The strategy of district proliferation has been adopted by President Museveni as a means of dispensing patronage, and ultimately of splintering challenges to central government hegemony and control.

By using the creation of districts as a reward for political support, the government has been steadily increasing its expenditure portfolio without necessarily balancing it with increased GDP, which has naturally affected the local governments' ability to improve on service delivery due to their limited funding. The local government system envisages a financial partnership with the central government in the sense that while the central government remains duty-bound to fund national programmes through the local government, the local government too was expected to raise local revenue for funding its budget. With limited funding and no reliable source of local revenue, the local governments have been reduced to mere agents of the center.

It is important to note that the government has been notorious in undermining the fiscal autonomy of local governments. For instance, originally the major source of revenue for local governments was graduated tax, which, for clearly political reasons, was abolished just before the 2006 elections. This created increased dependence of local governments on the central government, with the obvious effect of undermining the local governments' capacity to plan and perform effectively.

As Stainer (2014) observes:

The principal problem with regard to local finance is that collection of local taxes and fees is extremely low. Reasons for this are manifold and include the politicization of local taxes. The problem of low tax collection is far from being resolved. Instead of improving local government' capacity to collect taxes and fees, the central government recently abolished graduated personal tax”.

The lack of awareness of the masses and the incompetence of the local administrative staff and local politicians are yet other factors that have continued to undermine the performance of the local government system in Uganda. The claim that decentralization promotes people's participation in the way they are governed is premised on the assumption that people understand their roles in decentralized programme. One of the challenges evident in Uganda decentralized programme is, however, that the government appears to operate under the illusion that people know their roles in the decentralized system, an assumption which is absurdly wrong, especially in a country where the illiteracy level is still quite high. Under the said illusion, districts have been created all over the country without conducting civic education to empower the mass for the purpose of meaningfully getting involved in local administration. The effect of this rather sporadic, radical approach to decentralization which entails a total shift in a manner in which governance is conducted, has led to a clear lack of consistency and compliance with the requirements under the decentralization legal framework.

As Steiner (2014)”observes, “People have not fully understood what their rights and duties are”. The lack of awareness among the masses has rendered the notion of decentralization more of a myth than a reality since the envisaged people's participation in their governance remains too sketchy and almost meaningless. This is compounded moreover by the general lack of competent staff in local government. “Both politicians and civil servants are often inadequately trained

Government inefficiency has combined with the old problem of corruption to exacerbate matters Government usually delays sending grants to local governments. By the time money is received, the time for some of the planned activities would have passed.

In such situations, the local governments have to choose between fabricating records to justify the expenditure of the money or sending the unutilized funds back to central government. While

the latter would seem the right option to take, the reality is different: Sending money back to the central government is usually construed as a failure on the part of affected local government and could easily adversely affect future funding. The effect of this government inefficiency has not only been the undermining of the service delivery by local governments but also the promotion of corruption.

All that said and done, the available literature mostly concentrates and focuses on the fiscal and administrative decentralization in general terms without specifically focusing on the rampant urban growth despite the presence of structures and legal framework for urban council, that becomes the primary objective which drives the researcher to make a thorough study directly concerning fiscal and administrative decentralized delivery of service using Nansana as a case study in order to acquire more scientific causes of the problem of the unsystematic urban growth and therefore recommend practical solutions to this problem.

## **2.5 Practical Solutions of Improving Fiscal and Administrative Decentralized Service Delivery**

With regard to governance, decentralization is often thought to “bring government closer to the people.” Furthermore, when there are problems of cooperation on the national level among factions- which might be ethnically, regionally, religiously, or historically based – devolution that leads to local jurisdictions along factional lines might be expected to remove obstacles to government decision-making, and public acceptability of government decision, and in general facilitate collective action, and legitimacy of decision making that are sometimes found among more homogeneous groups (Meagher, 1999). Under the right circumstances, for instance, where government actions are transparent and civil society is permitted to operate freely, devolution should increase the accountability of government officials and discourage most forms of corruption. The advocates of decentralization, moreover, argue that decentralizing the delivery and in some cases, the financing of local public goods improves the allocation of resources, cost recovery, and accountability, and reduces corruption in service delivery.

### 2.5.1 Allocative Efficiency

The most common theoretical argument for decentralization is that it improves the efficiency of resource allocation. Decentralised levels of government have their *raison d'être* in the provision of goods and services whose consumption is limited to their own jurisdictions. By tailoring outputs of such goods and services to the particular preferences and circumstances of their consistencies, decentralized provision increases economic welfare above that which results from the more uniform levels of such services that are likely under national provision. The basic point here is simply that the efficient level of output of a “local” public good (i.e., that for which the sum of residents’ marginal benefits equals marginal cost) is likely to vary across jurisdictions as a result of both differences in preferences and cost differentials (Dates, 1999, 1121 – 22).

One pillar of this argument is that because sub-national governments are closer to the people than the central government, they are considered to have better information about the preferences of local populations than the central government. (Hayek, 1995; Musgrave, 1959).

Hence, they are argued to provide better information to respond to the variations in demands for goods and services.

Second, sub-national governments are also considered to be most responsive to the variations in demands for and cost of providing public goods.

Decentralization is thought to increase the likelihood that governments respond to the demand of the local population by promoting competition among sub-national governments (Tiebout, 1956).

Competition among sub-national governments is said to allow for a variety of local public goods to be produced, and individuals are said to reveal their preferences for those goods by moving to those jurisdictions that satisfy their tastes – that is, by “voting with their feet”. This is seen to pressure sub-national governments to pay attention to the preferences of their constituents and tailor the service delivery accordingly, whilst risking the loss of tax revenues (Dates, 1996; Qian and Weingast, 1997).

This “voting with feet” is thus argued to enhance the efficiency of resource allocation by increasing the likelihood that governments satisfy the wishes of citizens. Where geographic mobility is constrained, as in many developing and transition countries, alternative service providers such as private firms and NGOs are potentially important in providing exit options.

### **2.5.2 Accountability**

Decentralization is also argued to promote accountability and reduce corruption in the government (Ostrom, Schroeder and Wynne, 1993).

Since sub-national governments are closer to the people, citizens are considered to be more aware of sub-national government's actions than they are of actions of the central government. Also, the resulting competition between sub-national providers of public goods is seen to impose discipline on sub-national governments, as citizens averse to corruption may exit to alternative jurisdiction or providers.

Corruption represents a breakdown of cooperative behavior, in which the few collude to the detriment of all. Devolving functions to smaller units that are closer to the population should, in theory, increase consensus and legitimacy concerning the choice of public services. This, in turn, can be expected to foster cooperation, vigilance, as well as acceptance of adherence to rules of public sector integrity ("rule – obedience"). This would be especially true where the financing of public services is devolved via the assignment of tax instruments or the collection of user fees. In plural or socially fractionalized nations, the question then arises whether jurisdiction can be so designed so as to maximize social (e.g. ethnolinguistic) homogeneity and social capital, and therefore the propensity to cooperate at the local level (Meagher, 1999).

### **2.5.3 Cost Recovery**

Making services more demand responsive through decentralization is argued to have the added benefit that it increases households' willingness to pay for services (Briscoe and Garn, 1995; Litrack and Seddon, 1999). Households are argued to be more willing to pay for and maintain services that match their demand. This is the flip side of the allocate efficiency coin.

Moreover, a relatively close match between supply and local demand, if coupled with transparency and with local cost-sharing or cost recovery, can provide the incentives and information base for effective local monitoring. The latter is a necessary ingredient in an overall anti-corruption strategy, and in particular, helps to shrink the information asymmetries and leakages that can undercut both locative efficiency and cost recovery.

There has been little empirical research on developing countries with regard to the argument that decentralization promotes demand responsiveness of government services. The existing research



tends to focus on the effect of decentralization on expenditure allocation or on the impact of public services provided and tends not to address whether the resource allocation is tailored to local demand.

The developing – country evidence on the impact of decentralization on accountability and corruption is scanty. One study suggests that corruption is greater in decentralization than in centralized countries (Treisman, 1998). On the other hand, there are case studies of governance improvements arising from local efforts in decentralization in relation to urbanization.

Overall, these studies, evidence and theoretical work suggest that the performance of decentralized service delivery depends on the design of decentralization and institutional arrangements that govern its implementation.

Thus, the urgent need for a research specifically to address the literature gaps in the fiscal and administrative decentralized service delivery taking Nansana Municipality as a case study in order for scientific solutions and recommendations to assist policy makers and implementers.

The research may also suggest the best practice and emphasize the importance of understanding under which sets of arrangements fiscal and administrative decentralization works for effective and efficient service delivery in Nansana Municipality.

## **2.6 Summary of Literature Reviews**

The question of decentralized service delivery in Uganda has become a contentious issue, therefore, as many refugee's flock to Uganda; certainly, there will be constraints on land use. Many studies have been conducted to highlight the role of fiscal and administrative decentralized service delivery however, the allocation of resources from the central government and the locally raised revenues from Local governments have remained inadequate and irregularly distributed (Nakatudde, 2014). In addition, the biggest portion of resources remitted from central government has remained conditional coupled with the complication of the existing urban local government structures which are legally designed to be autonomous and therefore, do not remit funds to the upper district local government for proper urban planning and management.

This questions the envisioned redistribution of authority, responsibility and financial resources for providing public services among different levels of government (Holtmann 2000) therefore,

this study seeks to identify the gaps in fiscal and decentralized service delivery research gaps with a specific focus on Nansana Municipality in Uganda.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

The role of methodology in conducting a study is to outline the intended suitable approaches to be used in the research. In this chapter, the researcher intends to describe the type of research to be undertaken in terms of suitable research design, population study, sample selection and size, data collection methods and instruments (tools), the procedure and analysis of data to be used in order to achieve the desired objectives of the study. Phenomenon

#### **3.1 Research Design**

The study utilized a case study design. Bryman and Bell (2008) describe a case study design as a detailed analysis usually focusing on a particular problem of an individual, group, or organization. Yin (2011) provides that a case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context especially when the boundaries between phenomenon and context are not clearly evident.

This is why this study looked at the phenomena of decentralization specifically fiscal and administrative forms and examined the boundaries and gaps within the two. In this particular study, the researcher employed qualitative research approach, which was used to account for specific attitudes, values, social and psychological phenomenon in the intended population of study (Creswell, 2014). Qualitative research enabled the researcher to get engaged in the study population by getting the individual detailed responses to the problems from the population with relevant interest in the study (Bryman, 2012). These responses were very vital in this research because they provided the real technical data the researcher was looking for. The responses were critically interpreted so as to obtain meaning out of them.

#### **3.2 Area of the Study**

Nansana Municipality is one of the four Municipalities in Wakiso District located on Hoima Road, approximately 10 kilometers from the capital city of Kampala. It is bordering with Lubaga Municipality of Kampala separated by the Northern by-pass in its South East, then Wakiso Mumyuka sub-county in the South, Wakiso Town Council in the East and Luweero District in the North. The researcher chose to use Nansana Municipality as a case study due to its proximity

to the Capital City of Kampala and high population density coupled with unstructured/unplanned development.

### 3.3 Population of the Study

According to Bryman and Bell (2008), a study population is a group of individuals or objects from which a sample is to be taken for desired measurement to be conducted. Kombo and Tromp (2006) describe a study population as a group of individuals, items or objects from which a sample is to be taken for desired measurement to be conducted as a way of inferring on the larger population from the small selected sample.

The researcher utilized a population of key respondents representing various stakeholders in the four divisions of the entire municipality of Nansana. The respondents were categorized as political leaders in the municipality, technocrats in charge of program implementation as well as the constituents of Nansana municipality from four divisions of Nansana, Busukuma, Gombe and Nabweru in Wakiso district. The study population comprised of a total of seventy-two (72) respondents in total.

**Table 3.1: Classification of Study Population**

<b>Population Group</b>	<b>Description</b>	<b>Number</b>
Political Leaders	Division Mayors, Chairperson, Councilors,	13
Municipality Technocrats	Town clerks, Municipal planners and Engineers, Municipal Treasurers and their respective assistants	20
Constituents of the Municipality	Market Vendors, Social Workers, youth, security personnel, elderly members of society, service providers,	36
Central Government Stakeholders	Permanent Secretary Ministry of Local Government, Commissioner Urban M.O.LG, Permanent Secretary MFPE	03
<b>Total</b>		<b>72</b>

**Source: Researcher**

This representativeness will reflect the characteristics of the entire population in the area. There are also three technocrats from the central government who are very critical in this study and will be selected non-randomly to respond in the interview and those are; the Permanent Secretary

Ministry of Local Government, the Permanent Secretary Ministry of Finance, Planning and Economic Development and the Commissioner for urban in the Ministry of Local Government.

### 3.4 Sampling procedure

According to Trochim (2006), sampling is a process of selecting elements from a population of interest so that judgments' may be drawn about the whole population from a study of the sample.

The researcher employed a combination of simple random sampling and purposive sampling techniques.

#### 3.4.1 Sample Size

Kombo and Tromp (2006) describe a sample as a proportion or subset of a larger group or population or segment of the population that is used for research. The table below shows the sample size of the study

**Table 3.2 Sample Size, Techniques, and Data Collection Methods**

<b>Category of Population</b>	<b>Sample Size</b>	<b>Sample Technique</b>	<b>Data Collection Method</b>
Mayor of Municipality	1	Purposive	Questionnaire
Division Chairperson	4	Purposive	Questionnaire
Town Clerk of Municipality	1	Purposive	Questionnaire
Town Clerks of Divisions	4	Purposive	Questionnaire
Municipal Economic Planner	1	Purposive	Questionnaire
Division CDOs	4	Purposive	Questionnaire
Municipal Engineer	1	Purposive	Questionnaire
Division Engineers	4	Purposive	Questionnaire
Municipal Treasurer	1	Purposive	Questionnaire
Division Treasurers	4	Purposive	Questionnaire
Municipal Councillors	4	Simple Random	Interview
Division Councillors	4	Simple Random	Interview
Development Partners	4	Purposive	Questionnaire
NGOs in the area	4	Purposive	Questionnaire

Market vendors	4	Simple Random	Interview
Service Providers/Tenderers	4	Simple Random	Interview
Area Security Personnel	4	Simple Random	Questionnaire
Female Youth	4	Simple Random	Interview
Male Youth	4	Simple Random	Interview
Adult women in the area	4	Simple Random	Interview
Adult men in the area	4	Simple Random	Interview
Permanent Secretary Ministry of Local Government	1	Purposive	Questionnaire
Commissioner Urban M.O.LG	1	Purposive	Questionnaire
Permanent Secretary Ministry of Finance	1	Purposive	Questionnaire
<b>Total Sample Size</b>	<b>72</b>		

### 3.4.2 Sampling Techniques

Trochim (2006) contends that there are two main types of sampling procedures; Non-probability sampling and Probability sampling. He describes Non-probability sampling as a process of selecting a study sample size using random selection techniques so that each unit of the population has a known chance of being selected. He further describes probability sampling as one where the sample is selected using random selection techniques. The study utilized probability and non-probability sampling procedures whilst employing a combination of Simple random sampling and purposive sampling techniques respectively.

#### Simple Random Sampling

Trochim (2006) notes that implies the selection of units from the sampling frame where each unit in the population has an equal chance of being included in the sample. The constituents of the municipality were randomly sampled to participate in the study.

#### Purposive Sampling

This technique involves identifying and selecting individuals that are knowledgeable about or experienced with a phenomenon of interest. The Political leaders and municipality technocrats were selected purposively based on their direct involvement in the affairs of the municipality,

### **3.5 Data collection instruments**

The researcher employed the following data collection methods and instruments to gather data from the study sample. These included; semi-structured interviews, questionnaires and document reviews.

#### **3.5.1 Semi-Structured Interviews**

The semi-structured interviews were employed to enable the researcher to ask broad questions on key areas of the study in various languages because the population of interest is composed of illiterates and intellectuals. Informal interviews augured well for a multiplicity of social class and languages for effective communication. Therefore, the researcher utilized an interview guide to help him conduct the informal interview. The interview guide was subjected to the political leaders and technocrats in the municipality.

#### **3.5.2 Questionnaire**

According to Denscombe (2009), a questionnaire is used when there is need for large standardized data. Answers are straightforward without demanding expert knowledge and respondents are able to read and write formatted versions of the questionnaire.

Questionnaires augur well for respondents who are very busy in their offices during daytime. The questionnaire had both close ended and open-ended questions. Open-ended questions were used in order to get as many personal views of respondents as possible. Close-ended questions were used to get the number of respondents that will ascribe to the same views as expected in the responses.

The questionnaire was administered to the constituents of the municipality owing to their vast numbers and numerous roles in the community.

#### **3.5.3 Document Review**

Documents are materials which contain some information about the research topics the research wishes to study. These documents are divided mainly into two categories; primary and

secondary. Although literature specifically on the subject of fiscal and administrative urbanized decentralized service delivery is limited, some reports, for instance, those compiled by development agencies, NGOs, World Bank, Ministry of Local government and other partners which the researcher analyzed in order to obtain vital information. Information on how the aspect of urbanization has been handled in Nansana Municipality, the challenges that are being faced and how the Ministry of Local Government, and the Ministry of Finance, Planning and Economic Development with their implementing partners and all stakeholders will try to address these problems in order to ensure effective and efficient service delivery.

### **3.6 Data Quality Control**

In order to improve on the quality of data which was collected the researcher had to pre-test the questionnaire on some members of the communities and research participants in neighboring Kampala city. The reason for pre-testing the questionnaire on this group was that city dwellers are also facing similar problems, features, and characteristics by origin and socio-economic status as those in the population of the study in Nansana Municipality. Moreover, it is believed that many Kampala City dwellers are residents of Wakiso District where Nansana Municipality is found.

The pre-testing of the questionnaire enabled the researcher to establish whether the participants could be able to interpret the questions easily and correctly and whether the questionnaire instructions were clear and could be correctly interpreted. The researcher had to contact the respondents first before delivering the questionnaire in order to lobby for their full cooperation.

The collected raw data from the field by the researcher was reviewed to ensure that relevant related responses are grouped together and accordingly be analyzed. All the data texts and materials collected from the field and the individual responses to the interview guide were collected and analyzed by the researcher in order to generate an in-depth analysis. The data collected after the study was then edited and processed into a qualitative meaning text (report) corresponding to the objectives of the study.



### **3.7 Data Analysis**

According to Worth, (2008) Data analysis is the process of inspecting, transforming and modeling data with the goal of highlighting useful information, suggesting conclusions and supporting decision-making.

The researcher used Microsoft Excel to enter data collected from the questionnaires and utilized the statistical package for social sciences (SPSS) to analyze quantitative data. Qualitative data was analyzed through using content analysis techniques.

### **3.8 Ethical Considerations**

In preparation for collection of data, the researcher obtained permission to conduct research from the university, the Local authorities in the municipality as well as the different constituent's groups. The researcher also has the responsibility of treating the information from respondents with confidentiality.

The researcher also sought the informed consent of all the participants before data was gathered. The researcher verbally asked the respondents for permission to collect information from them.

### **3.9 Limitation of the study**

The study had a number of limitations varying from sampling, mistrust, financial and time constraints.

Sampling as a technique of selecting participants in the study was an inherent weaknesses. Selection of a representative sample was not an easy task because it implied reducing the size of the population which led to the reduction in the number of potential respondents. This, in turn, affected the generalization of the findings on the whole population of interest. The researcher identified a representative sample so as to make the generalization of the findings as highly representative as possible.

There was also an anticipated problem of mistrust by the study population among each other and towards the research assistants which happened from the new people in the area. This may arose primarily because the population tended to suspect that the government was spying on them. To dispel these fears, the researcher disclosed the real purpose of the research to the participants in order to enable them to make an informed decision about participating or not.

The researcher also had to assure participants that all information given to him will be kept highly confidential and where necessary the researcher will use pseudonyms to protect the identity of the participants.

Financial and time limitation also affected the study. There was too much work to be done amidst limited financial and time resources.

Lastly, there was an inherent limitation in using documents as a source of data for this study. The credibility of some documents was not certain as often times the contents depend on the target audience and on who is responsible for collecting data and writing the documents (author). In order to avoid bias in the documents, the researcher subjected them to a critical evaluation and analysis in order to arrive at their objectivity.

## CHAPTER FOUR

### PRESENTATION ANALYSIS AND DISCUSSION OF FINDINGS

#### 4.0 Introduction

This chapter presents the researchers findings and relevant discussions related to the study. It entails the Data presentation, analysis, and discussion of findings pertaining the objectives of the study as well as a conclusion.

##### 4.1.1 Questionnaire Response Rate

A survey questionnaire containing both open and close-ended questions was employed as the main research tool while key informant interviews were also utilized to solicit data from the respondents and responses were obtained as follows:

**Table 4.1** *Questionnaire response rate by Division in Nansana Municipality*

<b>Division</b>	<b>Questionnaires Distributed</b>	<b>Questionnaires Returned</b>	<b>Response Rate (%)</b>
Busukuma	9	7	77.8
Nabweru	9	9	100
Gombe	9	9	100
Nansana	9	8	88.9
<b>Total</b>	<b>36</b>	<b>33</b>	<b>91.7</b>

**Source: Primary Data, 2017.**

From the Table 4.1 above, it was revealed that 36 questionnaires were distributed by the researcher of which thirty-three (33) were returned giving a response rate of 91.7%. According to Mugenda and Mugenda (2005), if questionnaires above 70 percent are returned, the research can be relied upon. The response rate of 91.7 % was considered therefore considered scientifically acceptable.

#### 4.1.2 Demographics of Respondents

The demographic information of the respondents obtained comprised of their age, gender, marital Education Level, length of stay in the area as well as their occupation.

##### 4.1.2.1 Gender of Respondents

The researcher sought to establish the gender of respondents in a bid to obtain information from a gender-responsive group.

**Table 4.2 Gender of Respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	17	51.5	51.5	51.5
Female	16	48.5	48.5	100.0
<b>Total</b>	<b>33</b>	<b>100.0</b>	<b>100.0</b>	

Source; Source: Primary Data, 2017.

Results in Table 4.2 above reveals that 51.5% of the respondents were male while 48.5% of the respondents were female. The findings, therefore, imply that statistically more male respondents participated in the study. This could be attributed to the fact that majority of the males are businessmen or traders within the municipality while their female counterparts are often housewives staying at home.

##### 4.1.2.2 Age of Respondents

The researcher established the age groups of respondents in a bid to establish their knowledge levels on the study.

**Table 4.3 Age group of Respondents**

Age Group	Frequency	Percent	Valid Percent	Cumulative Percent
18-25	5	15.2	15.6	15.6
26-35	9	27.3	28.1	43.8
36 and Above	18	54.5	56.3	100.0
<b>Total</b>	<b>32</b>	<b>97.0</b>	<b>100.0</b>	
System	1	3.0		
<b>Total</b>	<b>33</b>	<b>100.0</b>		

### Source: Primary Data, 2017

The findings from Table 4.3 above revealed that 15.2% of the respondents were aged between 18 and 25 years, 27.3% were aged between 26 and 35 while 54.5% were aged 36 and above. 3% of the respondents declined to note their age. This implies that the majority of the respondents are aged 36 and above. This showed that the study included respondents with distinct years therefore with varying thought capacities thus raising different views in relation to the study. Therefore, it can be concluded that the respondents had the mental capacity to familiarize and interpret the contents of the research tools.

#### 4.1.2.3 Education of Respondents

The researcher sought to establish the education level of respondents in a bid to establish their knowledge levels on the study.

**Table 2 4.4 Education of Respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Ordinary Secondary Level	8	24.2	26.7	26.7
Advanced Secondary Level	9	27.3	30.0	56.7
Degree	8	24.2	26.7	83.3
None	5	15.2	16.7	100.0
<b>Total</b>	<b>30</b>	<b>90.9</b>	<b>100.0</b>	
Missing	3	9.1		
<b>Total</b>	<b>33</b>	<b>100.0</b>		

### Source: Primary Data, 2017

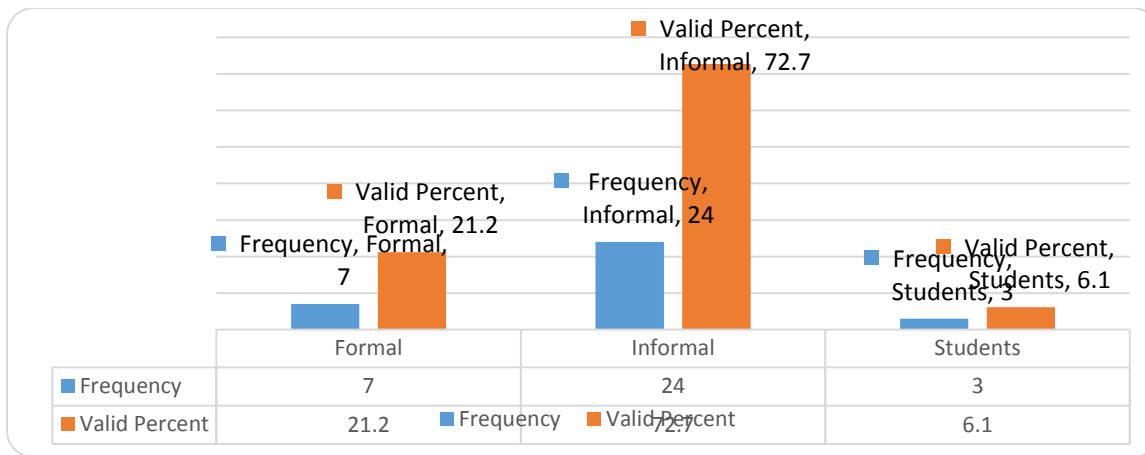
From Table 4.4 above, the findings revealed that the majority of respondents; 27.3% had attained advanced secondary level education while 24.2% had attained a university degree. 9.1% of the respondent did not indicate their level of education. This implies that majority of the respondents had some form of knowledge about decentralized service delivery in the municipality. It can be concluded, therefore, that educational attainment of the respondents is an important indicator of

their knowledge and attitude about the study topic and therefore topic interpretation and questionnaires response was a relatively routine task.

#### 4.1.2.4 Occupation of Respondents

The researcher sought to establish the occupations of respondents in a bid to establish their level of exposure and or awareness of the study.

**Figure 4.1 2 Nature of Occupation of Respondents**



**Source: Primary Data, 2017**

From the figure 4.1 above, it can be revealed that majority of the respondents; 72.7% were engaged in informal employment while 21.2% were engaged in formal employment while 6.1 percent were students. Further discussions revealed that majority of the respondents engaged in informal employment were either market vendors, traders/businessmen while majority of those engaged in formal employment were social/ development workers and sales personnel. It can, therefore, be concluded that information was gathered from a diverse group of people who have directly or indirectly experienced the effects of decentralization in the municipality and therefore were in position to provide information basing on experiences from the different sectors from which they hail.

#### 4.1.2.5 Length of Stay in Nansana Municipality

The researcher sought to establish the length of time stayed by the respondents in the study area. This was done to obtain information from respondents who were knowledgeable of their municipality and its surroundings.

**Table 3.5 Length of Stay in Nansana Municipality**

<b>Years</b>	<b>Count</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
1-5	7	21.2	21.9	21.9
6-10	8	24.2	25.0	46.9
11-15	5	15.2	15.6	62.5
16-20	9	27.3	28.1	90.6
21 and Above	3	9.1	9.4	100.0
<b>Total</b>	<b>32</b>	<b>97.0</b>	<b>100.0</b>	
Missing	1	3.0		
<b>Total</b>	<b>33</b>	<b>100.0</b>		

**Source: Primary Data, 2017.**

The findings from Table 4.5 above reveal that the majority of respondents;27.3% have stayed in the municipality between 16-20 years, 24.2% stayed for 6-10 years, 21.2% had stayed for 1-5 years, 15.2% had stayed for 11-15 years while the minority; 9.2% had stayed for more than 21 years. The findings, therefore, suggested that majority of the respondents had stayed for a significant amount of time in the municipality and were in position to knowledgeably provide information for the study.

#### **4.2 Suitability of the existing fiscal and Administrative decentralization structures**

The study sought to establish the suitability of the existing fiscal and administrative decentralized structures towards service delivery in Nansana Municipality. The relevance of services and contribution of the decentralized structures of the central government, local councils, community structures, civil Society and development partners towards service delivery in the municipality were determined;

##### **4.2.1 Relevance of services provided**

The relevance of services provided by the decentralized fiscal and administrative structures of Nansana municipality were assessed in a bid to establish whether they were indeed addressing the needs of the constituents in the municipality.

**4Table 5 4.6 Relevance of services provided to the needs of the constituents**

	<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Relevant	15	45.5	50.0	50.0
Irrelevant	11	33.3	36.7	86.7
Not sure	4	12.1	13.3	100.0
<b>Total</b>	<b>30</b>	<b>90.9</b>	<b>100.0</b>	
System	3	9.1		
<b>Total</b>	<b>33</b>	<b>100.0</b>		

**Source: Primary Data, 2017.**

From the Table 4.6 above, it was revealed that 45.5% of the respondents were in agreement that the services provided by the decentralized fiscal and administrative of Nansana municipality were indeed relevant towards addressing their needs. 33.3% stated that the services were irrelevant while 12.1% were not sure. It should be noted that 9.1% of the respondent did not indicate their rating. The majority of the respondents agreed that the services provided are relevant to the needs of the constituents. Discussions from interviews revealed that services like health care provision at local health centers, construction of roads are beneficial to individual and household health while roads ease transportation within the municipality.

The findings can, therefore, be interpreted to imply that the services provided by the municipality are indeed relevant to the needs and have ultimately improved the quality of life of the constituents of the municipality.

On the other hand, despite the fact that the services provided by the decentralized fiscal and administrative of Nansana municipality were relevant to the needs of the community, the nature of service delivery was heavily criticized on the grounds of segregate selection and allocation where services are delivered to a selected few instead of the wider community. A social worker from a Non-governmental Organization in the municipality stated that;

Services delivered by government are not relevant because they are delivered to few individuals where majority do not access them even though they are in needy situations, chairmen and leaders practice nepotism and favoritism when they are distributing materials. If they are well distributed it can be effective service delivery. *Interview with a Female Market Vendor in Busukuma Division conducted on 14<sup>th</sup> August 2017*



The findings above can be interpreted to imply that such malpractice within the municipality continues to threaten and undermine the viability and value of service delivery by the decentralized fiscal and administrative structures to the intended target groups; the constituents of the municipality.

#### **4.2.2 Contribution of Decentralized Fiscal and Administrative Structures to Service delivery**

The contribution and value of the decentralized structures of the central government, local councils, community structures, civil society and development partners towards service delivery in the municipality were assessed and the findings revealed as below;

**Councils:** It was revealed that the councils play a major role within the decentralized fiscal and administrative structure of Nansana municipality. Participants noted that councils form part and play a major role in the policy-making structures of the municipality. It was revealed that municipalities and divisions in Uganda have the power to create bylaws. The chairperson of Gombe Division in Nansana Municipality in an interview conducted stated: *“Councilors make and formulate policies together with bylaws which are focused at service delivery”*.

A councilor from Mwererwe ward in Gombe Division stated that *“As the council, by-laws and laws are made on the basic issues that affect our communities, these basically include education, transport, revenue or taxation, and water”*.

It is important to note that holding power to suggest, develop and amend bylaws within a vicinity or specified area serves the potential to directly influence service delivery. Furthermore, participants noted that the contribution of the councils towards service delivery goes beyond policymaking. The role of the councils also entails physical monitoring, playing an oversight role and reporting on the nature and progress of service delivery in the municipality. Monitoring of activities enhances the opportunities and potential for accountability for public funds meant for service delivery, therefore, the quality of services offered by the municipality is ultimately enhanced.

It was established that councils play an advocacy role. It was revealed that they lobby for support from potential external sources of funding for instance from development partners and Non-Governmental Organizations in a bid to supplement service delivery in the municipality. The

findings, therefore, can be interpreted to imply that the councils' in Nansana Municipality hold a position of immense value and contribution towards service delivery.

**Civil Society and Development Partners:** The value of civil society and development partners in the decentralized fiscal and administrative structure of Nansana Municipality should not be undermined. Participants noted that the civil society majorly supports the municipality and local government through the provision of essential services, for instance, health care, agriculture, and education.

The civil society and development partners like some NGOs support communities with services for instance in the education, Save the Children; an international NGO has done a lot to improve service delivery in the education sector within the municipality through its scholarship programmes. *Interview with a counselor from Gombe Division, conducted on 13<sup>th</sup> August 2017*

The above findings can, therefore, be interpreted to imply that civil society and development partners plays a valuable role in supporting service delivery in Nansana Municipality.

**Community Structures:** Community structures play a valuable and critical role towards ensuring effective service delivery in Nansana Municipality. Participants revealed that the community constantly seeks accountability from its leaders for the resources allocated towards service delivery. A participant from Nansana Municipality noted that *“The community always asks for accountability from the technical staff and this has helped in improving service delivery and creating a link between the division and community members.”*

It was also observed that the community members themselves carry out observational monitoring of the quality of services provided especially roads, the situation in health care centers as well as government-funded education institutions. The above findings could, therefore, be interpreted to imply that community structures are a valuable in enhancing service delivery in Nansana Municipality.

### **4.3 Nature of support provided by the central government**

The study sought to examine the nature of support provided by the central government to the municipality of Nansana in Wakiso district. From the discussions and interviews held with some of the participants in the municipality, the following observations were noted as the support provided by the central government;

Majority of the participants noted that the central government has primarily supported Nansana Municipality through provision of funding in the form of government transfers and grants for numerous projects of the Municipality. However, it is pertinent to note that provision of funding forms part of the mandate of the central government of Uganda and the management and administration of that particular mandate is charged to the Ministry of Finance, Planning and Economic Development (MFPED). Municipalities submit plans and financial budgets annually through their respective district local governments and corresponding ministries which are reviewed and budgetary allocations prepared.

One of the councilors from Nansana Municipality noted that *“the Central government funds some of the projects, lobbies for services and funds from other countries, monitors and oversees its projects, evaluation”*. The town clerk of Nansana Municipality reveals that;

...the central government is their main source of funding at the municipality which forms about ninety (90) percent of their annual resource base. Locally generated revenue supports the other part of the municipalities' financial budget annually. *An interview conducted on 15<sup>th</sup> August 2017 in Nansana Municipality.*

The findings can, therefore, be interpreted to imply that the central government of Uganda has primarily supported Nansana municipality in Wakiso district through the provision of funding and allocation of resources for its projects.

Participants also noted that the central government has contributed to the municipality through the development of new and existing infrastructure in the municipality not limited to construction of government-aided primary and secondary schools, and provision of basic amenities like water through National water and sewerage (NSWC) corporation, provision of electricity throughout the municipality through UMEME, construction of roads by the Uganda National Roads authority; a parastatal mandated to construct and maintain roads in Uganda.

One of the respondents from Nabweru division of Nansana municipality noted that the government has continued to support universal primary and universal secondary education in the municipality through construction of schools by the ministry of education and sports.

The findings can, therefore, be interpreted to imply that the government has supported Nansana municipality through the development of existing and new infrastructure.

#### **4.4 Challenges facing administrative and Fiscal decentralization**

In Nansana Municipality, administrative and fiscal results are evident in selected locations and it is therefore easy to perceive that something is being done in the municipality by administrative structures. However, the constituents and political leaders of the municipality expressed numerous challenges faced by administrative and fiscal decentralization.

##### **4.4.1 Challenges faced by fiscal and Administrative structures**

A major issue identified by one of the political leaders in the municipality; a councilor was established to be the poor communication structure. He noted that: *“Poor communication from administration is a major challenge, sometimes they carry out meetings without informing us and thus making difficult for us to know what is going on in the community”*. The findings can, therefore, be interpreted to imply that such a breakdown in communication structures has the potential to derail effective communication between fellow leaders and the community at large by creating a gap in information and dissemination. Major problems stem in situations where incorrect or little information is available and decision making is selective.

Furthermore, another challenge faced by majority of the administrative units including local councils was the issue of nonpayment and or evasion of taxes by the local constituents. Discussions with one of the tenderers in the municipality suggested that high taxation was not the issue, the negative attitudes/perceptions of community people towards paying local revenues was. She argued that the negativity from taxpayers with complaints that they are overcharged per week yet they do not understand what taxes they are supposed to pay and why. She further noted that majority of the constituents of Nansana municipality have not yet appreciated the role of paying taxes as they lack deep understanding of taxation.

Another widely identified problem being faced by majority of the administrative units in the municipality was the inadequate finances allocated for their activities by the central government. Discussions from interviews with the division Mayor revealed that little finance hampers the divisions activities. He noted that *“I face the problem of little finance from the central government which creates delays in service delivery.”*

The findings above can be interpreted to imply that limited or inadequate finances offered for the activities of the municipality often hamper the effectiveness, efficiency and more importantly, the timeliness of service delivery to the community where and when most needed.

Furthermore, another challenge reported was the unclear or conflicting roles and or responsibilities of the major national institutions within the municipality. It was revealed that the municipality, district, and central government often conflict in certain areas. In one of the discussions with one of the division chairpersons, he stated that:

The District, Municipality, and the central government conflict since they operate in the same areas and we at the division end up being affected since such stakeholders operate within our localities. The technical staff and the political staff clash in most cases since the latter seems to drive government agendas and the former looks at promoting the mandate of the people and the failure of the political staff to interpret technical documents affect service delivery since most of the councils are not that much educated to that level. *Interview with the Chairperson of Gombe Division conducted on the 14<sup>th</sup> of August 2017.*

The above findings can be interpreted to imply that due to the fact that such conflicts and misunderstandings exist within the institutional organs in the municipality; it is possible that service delivery is greatly affected.

Another major challenge observed in the community was the staff gap at division level. It was revealed that the municipality is inadequately staffed in some departments which has affected service delivery. A town clerk from Busukuma division noted that;

...the division has no town agents, production officer, and the engineer because the same one for the municipality is the same one for the division which makes it lag behind in some activities and there are few staff in health centers. Interview with the Town Clerk of Busukuma Division conducted on the 14<sup>th</sup> August 2017.

The above findings can, therefore, be interpreted to imply that such human resource gaps bear a direct implication on the quantity and quality of service delivery in Nansana Municipality.

#### **4.4.2 Challenges faced by the Constituents of Nansana Municipality**

Observably, key issues in service delivery by the administrative units often arose with the constituents who were not satisfied with the quality of service delivery. A major problem seemed to be the poor access and limited availability of water for domestic utilization which leads to inadequate access to clean and safe water. Limited access to safe and clean water for domestic purposes has potential to cause sanitation and health issues. One constituent; a social worker with a Non-Governmental Organization narrated that:

Water shortage is the major challenge and people are ever crying due to failure to access natural sources of water, no boreholes that exist which attributes to

increase in water-borne diseases' *Interview with an NGO social worker in Nansana Municipality on 16/08/2017*

Due to the absence of natural sources of water to supplement the National Water and Sewerage corporation piped water grid, several problems have arisen within the municipality. Relatedly, a young man from Busukuma division noted that *"natural sources of water provides water that is unsafe for human life and their animals which forces people to move long distances looking for clean water which is costly in case they use a "Bodaboda" or bicycle riders.'*

Another recurrent issue raised by some of the constituents in Nansana Municipality was the high level of insecurity in the area. It was revealed that the area has for a long period of time now been facing insecurity mirrored by rampant theft of property, riots, clashes with police forces. Discussions with one of the traders/ businessmen revealed that a lot of thieves break into their shops and occasionally waylay them on their way home to rob them of their personal belongings. He argues that despite pleas to the local government and police in the area, security especially in the night remains an unaddressed issue. A female vendor in the market laments that a lot of theft has been occurring in the market.

In line with this, discussions held with a security officer who has been in Nansana for over 8 years argues that identified problems like poor security are a result of inadequate funding to the security and law enforcement organs in the municipality.

It was also revealed that major gaps in health services delivery were a major challenge faced by the constituents of Nansana municipality. The gaps in health care and service delivery have created limited access to affordable health care and subsequently affected the people of the municipality. In discussions with one constituent, she noted the following;

Inadequate health facilities; 'I have seen Namulonge government Health center trying to provide medication to people but it faces a lot of challenges as the center has no drugs, inadequate staff, and absence of staff accommodation. I was a victim myself because health workers stay away from health center premises which make them report late at work. One day, I had gone for medication but the nurse arrived at 9 am and on reporting found that she had forgotten the key for the center and ran back home to pick it. I also left without accessing medication and had to go to private drug shops where the charges were much for a local that needs help. *Interview with a local constituent of Nansana Municipality 14<sup>th</sup>/8/2017*

Another respondent supported the views above by noting that there are few health centers and that lack enough machines and they are always referred to pharmacies to buy medicine. Such

gaps in service delivery have been linked to the inadequacies in funding by the central government towards health and the poor implementation mechanisms of the local government in and as a result have continuously affected the local constituents of Nansana municipality.

The findings can, therefore, be interpreted to imply that numerous gaps in service delivery still exist in Nansana Municipality. It is therefore important for the central government, in collaboration with the fiscal and administrative structures at the municipality to devise strategies to address the existing service delivery gaps.

Another widely experienced problem in the municipality was the issue of high taxation by the local government. Discussions revealed that the majority of the respondents stated that the local council in the municipality levies high tax on small business.

High market dues and charges by tenders are a major problem, we are made to pay taxes every week and what brings in questions is why those taxes are unequal where some pay 2000, in other markets, they pay 100 shillings and elsewhere 500 shillings which is unfair. *Interview with a female Market vendor in Busukuma Division conducted on the 14<sup>th</sup> August 2017.*

It can, therefore, be concluded that high taxation in the municipality by the local tax authorities has continuously contributed to the diminishing returns of traders and investments and has bred numerous instances of tax avoidance and evasion by the constituents.

Furthermore, it was revealed that the poor quality of infrastructure provided by the local government in the municipality was a major problem that has overtime caused many difficulties for the constituents of the municipality. The poor quality of roads was most identified as the major infrastructural challenge in the area.

Poor and untarmacked feeder roads are a major challenge in the area. It is only the highway which is tarmacked while rural roads are poor and impassable during rainy season, which hinders agriculturalists from accessing market in time for their produce. *Interview with a male security officer in Busukuma Division conducted on the 14<sup>th</sup> August 2017.*

The above findings can, therefore, be interpreted to imply that the poor road network in the municipality has continuously hampered business activities and limited the access of the constituents to essential services within the municipality.

Participants identified unemployment was as one of the major challenges being faced by majority of the constituents in the municipality. It was revealed that majority of the youth especially university graduates find a great challenge of accessing jobs and employment and as such have been rendered idle and disorderly. It was argued that this has caused numerous challenges in the municipality with many youth resorting to illegal means of making a living including theft and robbery

#### **4.5 Practical solutions of improving fiscal and administrative decentralized service delivery**

In this study, possible solutions and recommendations of improving fiscal and administrative decentralized service delivery was sought from various stakeholders including political, administrative personnel and technocrats in the municipality, as well as the constituents of the municipality. Two primary solutions or recommendations for improving fiscal and administrative service delivery were identified:

It was established that there is need to increase sensitization efforts of the local constituents of the municipality about the various development and service delivery approaches that are used by the division and sensitization on advocacy strategies for services and participating in decision-making processes that affect service delivery. It was revealed that majority of the constituents require sensitization on matters of taxation and its structures; a subject that has caused contention over time, and the importance of local revenue generation to the division.

Important to note is that, under the current local government Act CAP243 as amended, all urban local councils including Municipalities and town councils are autonomous in terms of revenue generation, distribution and overall management for which they are in charge of facilitation for their own activities pertinent to service delivery.

From the findings, it can, therefore, be said that increasing sensitization on crucial matter such as taxation, advocacy and the importance of local constituent involvement in decision-making processes has the potential to improve decision making structures as well as tax and revenue collection to enhance the overall nature of service delivery in Nansana Municipality.

Participants identified the need to increase the adequacy, availability and equitable allocation of resources or funds to the municipality by the central government in a bid to address the gaps in service delivery that have majorly been as a result of inadequate amount of resources available.



A community development officer from Gombe division stated that *“Increasing funds allocated to the division, it is clear that Gombe division is the biggest division in Nansana municipality with 53 villages, to attend to them, the division merges them together for easy service delivery.”*

From the findings, it can, therefore, be said that majority of the respondents interviewed pointed out the inadequacy of resources or funds and therefore it can be established that increasing the amount of funding to Nansana Municipality by the central government will go a long way in improving the nature of service delivery.

Furthermore, participants suggested that in addition to increasing the availability and adequacy of resources or funds to the municipality, equity in sectoral allocation and financial budgeting of the resources should be stringently observed by both the central government and the municipality whilst as opposed to allocating huge portions of the resources to specific sectors. Participants also suggested that on the issue of resource allocation, the municipality has to be consulted by the central government because they have intimate knowledge of their municipality demographics.

The above suggestions are in line with the arguments of Hayek (1995) who asserts that sub-national governments are closer to the people than the central government and they are considered to be better positioned and have better information about the preferences of local populations.

Participants also suggested that financial accountability of the decentralized structures of the central government in Nansana Municipality. Owing to high levels of lack of transparency, corruption and mismanagement of funds allocated for service provision/delivery in the municipality, the quality of service delivery has been severely hampered and undermined therefore stringent financial accountability policies coupled with the enforcement of stringent consequences for offenders will go a long way in minimizing financial losses and improving the overall quality of service delivery.

These suggestions are in line with the arguments of Ostrom, Schroeder, and Wynne, (1993) that decentralization is promote accountability and reduce corruption in the government. They suggest that since sub-national governments are closer to the people, citizens are considered to be more aware of their actions than they are of actions of the central governments therefore

active stakeholder monitoring of service delivery act as checks and balances for financial accountability.

Furthermore, participants suggested that the central government of Uganda should ensure that more stable and favorable policies are developed and implemented in the municipality. A political counselor from Busukuma division noted that the unpredictability of the central government mirrored by rapid changes in policy especially on taxation structures where amendments are made without consultation of the municipality and the central government dictates policy. He argued that development of stable policies ensures stability in service delivery.

#### **4.6 Conclusion**

In conclusion, therefore, this chapter has presented the analysis and findings of the research. Preliminary conclusions drawn from the chapter illustrate that despite the relevant nature of services provided by the municipality, numerous gaps still exist in service delivery that ought to be addressed to improve service delivery in the municipality.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS**

#### **5.0 Introduction**

This chapter entails the conclusions, given major findings from the study. It summarizes the entire study. It brings out the key gaps in fiscal and administrative decentralized service delivery in urban areas. Recommendations of the study as well as suggestions for further research.

#### **5.1 Summary of Findings**

The study sought out to analyze the gaps in fiscal and administrative decentralized service delivery in the urban areas of Wakiso district and the findings were summarized below;

##### **5.1.1 Suitability of the existing Fiscal and Administrative Decentralization Structures**

It was revealed that the services provided by the fiscal and administrative decentralized fiscal structures in Nansana municipality were deemed to be relevant towards the needs of the community. The majority of participants; 45.5% were in agreement to the fact. However, it was also noted that a significant portion; 33.3% of the participants reported that the services provided were irrelevant to their needs on the grounds of segregate selection and allocation of resources and services to specific sectors and or people in the community.

##### **5.1.2 Nature of support provided by the central government**

From the findings of the study, it was established that the primary nature of support provided to the municipality was noticeably and expectedly through the provision of resources and funds through the annual budget structures as is their mandate executed by the ministry of finance planning and economic development. Local revenues generated formed the other part of the municipalities funding base. In addition, the central government goes beyond resource provision and allocation to develop new and existing infrastructure like roads, hospitals, and healthcare centers as well as educational institutions in the region.

##### **5.1.3 Challenges facing administrative and Fiscal decentralization**

It was also established that the fiscal and administrative decentralized structures of Nansana

municipality face numerous challenges in execution of their roles towards service delivery as well as challenges faced by the constituents themselves pertaining service delivery. It was established that the major challenge being faced is the poor communication between departments, non-payment and or evasion of taxes by many local constituents. The limited nature of finances and resources provided by the central government to the municipality has also proven to limit effective provision of services to the constituents of Nansana Municipality.

Another major challenge identified was the often conflicting roles of different government organs especially local government, division, and the municipality. It was noted that responsibilities and mandates are not clearly distinguished and as such always breed conflicts within the municipality of Nansana. It was also established that a large capacity and staffing gap exists in the municipality. It was revealed that the municipality is inadequately staffed in some departments which has directly affected service delivery in the municipality.

Major challenges faced by the constituents of Nansana municipality pertaining service delivery were established to be the high levels of insecurity, absence of basic social amenities like water points coupled with discernible gaps in health care delivery mirrored by understaffed centers and lack of adequate and quality medicines to cater for the needs of the constituents. High taxation by the local government levied on small business often diminished their returns.

### **5.1.2 Contribution of Decentralized Fiscal and Administrative Structures to Service delivery**

It was also established that the decentralized fiscal and administrative structures or units, for instance, the local councils, community representatives, civil society and development partners were undeniably valuable and their contribution towards improving access and the overall quality of service delivery in the municipality. Primarily, it was established that these decentralized structures are engaged in local policymaking, activity monitoring and reporting, advocacy and lobbying for services and the provision of essential services, for instance, health care, agriculture, and education.

## **5.2 Conclusions of the Study**

The purpose of this study was to assess the gaps in fiscal and administrative decentralized service delivery in Urban areas of Wakiso district and the following conclusions were drawn from the findings;

From the findings of the study, it can be concluded that the services provided by the fiscal and decentralized structures of Nansana Municipality are relevant and well suited towards addressing the various needs of its constituents. Similarly, it can be concluded that despite the services being relevant in nature, they are directed to a selected few rather than the entire population of the municipality.

From the findings of the study, it can be concluded that the Central government of Uganda, through the Ministry of Finance, Planning, and Economic Development (MFPED) are the primary source of support to the municipality through the provision of resources and funds through the annual budget structures as is their mandate. It was also evident that local revenues generated formed the other portion of the municipalities funding base.

From the findings of the study, it can be concluded that Nansana Municipality often faces numerous fiscal and administrative challenges. It is evident that the roles, responsibilities, and mandates of decentralized structures of the government and the central government often conflict and misunderstandings arise amongst the different structures. Similarly, the inadequacy of finances and support from the central government coupled with numerous instances of tax evasion by the constituents have continuously affected effective and efficient service delivery in the municipality.

From the findings of the study, it can be concluded that the decentralized fiscal and administrative structures, for instance, the local councils, community representatives, civil society and development partners were undeniably valuable and their contribution towards improving access to, and the overall quality of service delivery in the municipality. It was evident that they are engaged in local policymaking, activity monitoring and reporting, advocacy and lobbying for services and the provision of essential services in different sectors, for instance, health care, agriculture and education.

### **5.3 Recommendations**

The success of service delivery in Municipalities relies upon the strategies that the fiscal and administrative decentralized government structures choose to adopt. The conclusions of this study imply the need for the municipality to adopt strategies or develop policies that best lead to them achieving their goals and objectives towards service delivery.

It is evident from the study that the fiscal and administrative structures of Nansana Municipality, in collaboration with the local constituents must devise, and adopt strategies to identify and enhance to equitable allocation of resources to all the sectors in need of support. This will improve the relevance of services provided and improve the quality of service delivery in the municipality.

It is also evident that the central government through the Ministry of Finance, Planning and Economic Development (MFPED) devise strategies allocating sufficient or additional funding to supplement the observably inadequate resource allocation in a bid to boost the adequacy and quality of service delivery in the municipality.

From the study, it is evident that the decentralized structures of the central government at the municipality must engage tax authorities to facilitate tax education workshops and or trainings for the local constituents of the municipality. This will ultimately increase their levels of tax awareness and knowledge to stimulate stable and informed tax and revenue collections within the divisions of the municipality.

The different decentralized structures in Nansana municipality must ensure that they develop a good working relationship with other government and non-governmental structures to guarantee their support and ensure that funding is reliable, adequate and available in time throughout a fiscal year to support service delivery in the municipalities.

Nansana Municipality leaders and officials should also engage in capacity building and development of their own staff and of local implementing partners and to increase their expertise, knowledge, and build stronger relationships between the public and private partnerships which has a discernible effect on increasing technical capacities relevant to service delivery.

#### **5.4 Suggestions for Further Research**

The study found that the biggest threat to effective service delivery in decentralized fiscal and administrative structures is the inadequacy and unreliability of funding allocation of resources from the central government. For effective performance of service delivery to take root, it is pertinent that both human and financial resources are reliably available and adequate throughout a fiscal year. Financing strategies are clearly considered to be a major strategy, and part of any organization or institution in service delivery, therefore, a study conducted further to link financing strategies to effective service delivery in decentralized urban local government structures.

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## **APPENDICES**

### **Appendix 1 Interview Guide for Political Leaders in the Municipality**

1. Respondent category/status ..... Education level.....
2. Sex..... Age .....Division.....
3. For how long have you been in this municipality?
4. What was your occupation before you became a leader?
5. Who is responsible for the provision of services in the municipality?
6. What is the contribution of the community in service delivery?
7. What is the contribution of the council in service delivery?
8. What is the contribution of the central government in Service delivery?
9. Mention the problems/challenges you face in executing your duties in line with financing and administration
10. Suggest ways of solving each of the above-mentioned problems
11. Mention ways in which ministry of Local government and its implementing partners contribute to the delivery of services in the municipality

**Appendix 2 Interview Guide for Technocrats from the Ministry Of Local Government/  
Ministry of Finance, Planning and Economic Development.**

1. How do you determine to elevate Local Governments into Urban Council?
2. What role do you play in elevating these urban councils?
3. Mention the problems you have encountered in promoting the delivery of Services in these urban councils?
4. Are the communities in these urban areas comfortable with services provided?
5. If yes give reasons if no give reasons
6. What is the contribution of Government in the urban delivery of services?
7. Mention ways if any, you would suggest to assist in the improvement of effective and efficient service delivery

### Appendix 3 **Interview Guide for Technocrats in the Municipality**

1. Respondent category/status.....Education level.....
2. Division..... Sex ..... Age.....
3. For how long have you have been serving in Nansana Municipality?
4. What role do you play in the delivery of services?
5. Mention the problems you have encountered in promoting effective and efficient service delivery.
6. What are the main sources of funding in this endeavor?
7. Are the communities satisfied/comfortable with your services?
8. If yes give reasons and if no also give reasons
9. Mention/ Suggest ways of improving service delivery in the Municipality

#### Appendix 4 Questionnaire for Use by Several Categories of Respondents

Dear Respondents, please complete this questionnaire and information given here shall be kept confidential and used for academic purposes only.

1. Respondent Category..... Education level.....
2. Occupation ..... Nationality.....
3. Age: 18-25  26-35  36 and above
4. Sex .....
5. How long have you been in Nansana Municipality?  
1-5yrs  6-10yrs  11-15yrs  16-20yrs  21 and above
6. What problems do people face in your community?
  - a. ....
  - b. ....
  - c. ....
  - d. ....
  - e. ....
  - f. ....
7. Are the services delivered relevant to the needs of the population in the Municipality?  
(a)Relevant  (b) Not relevant  (c) Not sure  (Please tick)
8. How can the various stakeholders in the Municipality contribute to the effective and efficient service delivery?
  - a. Councils
  - b. Communities
  - c. Central Government
  - d. Civil Society/NGO
  - e. Development partners
  - f. Others