



REPUBLIC OF UGANDA

LWENGO DISTRICT LOCAL GOVERNMENT

REVENUE MANAGEMENT & ENHANCEMENT PLAN

FOR

FINANCIAL YEAR

2022/2023

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Foreword

Local revenue plays an important role in the service delivery efforts in local governments. Some of the key areas include but not limited to;

- Financing development projects.
- Paying salaries and wages for employees of the council e.g. Compound cleaners & Security guards.
- Paying councilor's emoluments.
- Financing daily office and administrative costs and
- Financing Operations and Maintenance costs

Lwengo district is richly endowed with natural resources and though it has low capacity to exploit the available opportunities. It's very difficult for the district to mobilize adequate revenues for services delivery from the people since their capacity to pay taxes is very limited. The revenue collection performance in the district has not been impressive. The share of locally raised revenue to the overall district budgets has always been oscillating between 1.5% to 5%. For this fiscal year of 2022/2023, the district expects to raise at least 3% of the total budget from locally generated revenue.

The purpose of this Revenue Enhancement Plan is to identify new revenue sources and design strategies to increase revenue base and improve on revenue management so as to effectively and efficiently deliver services to the local population in a more sustainable manner. The plan has the following specific objectives:

- To identify and explore more effective and efficient sources of local revenue for the district.
- To protect taxpayers from over exploitation and abuse through tax education and awareness.
- To identify practical strategies for increased revenue collection and management in the district
- To improve people's perceptions about fairness in local revenue registration, enumeration and assessment process.
- To empower citizens to participate in service planning, implementation and monitoring as well as demand for accountability from local governments for improved service delivery.

It should be noted that Local Revenue mobilization is a systematic process that involves five key mile stones which include:

- Enumeration and Registration of all potential revenue sources in the district
- Assessment of the potential taxpayers and development of Revenue Register
- Billing and Collections
- Sensitization and tax education
- Enforcement
- Monitoring, Supervision and Reporting

In order to achieve the desired results by this plan;

- Efforts must be put in place to align and adequately facilitate all the key processes in revenue mobilization; and
- All key stakeholders in the mobilization of the locally generated revenues should be involved.

This will require commitment from technical staff and also the political will of the politicians so as to enhance the mobilization, collections and management of local revenue.

Over the years local revenue mobilization and management has had Challenges/Constraints as summarized below;

- Limited funds. Revenue mobilization requires adequate resources in terms of human capital, finance and logistics.
- Lack of transport for coordination and monitoring of local revenue administration.
- Political pronouncements and continuous policy changes have hindered collection of boda-boda registration, loading and parking fees and have also reduced fair competition.
- Capacity gaps/inadequate skills of revenue collectors and mobilizers.
- Lack of coordinated effort amongst stakeholders involved in revenue mobilization.
- Limited sensitization and awareness efforts.
- Inadequate revenue data at both parish and sub-county levels on potential revenue sources.
- Lack of equipment (computers) at LLGs to facilitate computerization of Revenue Registers.
- Poverty amongst the population (general public), hence low revenue yield.
- Low revenue base.
- Negative attitude of the residents towards agriculture production (which is the backbone of Uganda's economy).
- Undeveloped properties/ plots hence difficulty to serve demand notices, and collect rental fees.

In order to address the above challenges, the following Implementation Strategies have been earmarked

- Rational allocation and use of the available resources (financial, logistical, human, material).
- Training of sub-county staff and revenue collectors on the computerized Local Revenue Data Management application software to improve on accuracy of revenue data and records.
- Joint development of revenue database (Revenue Registers) per parish.
- Setting of collection targets for all revenue collectors against which performance will be measured.
- Enact Local revenue ordinances to strengthen mobilization, collections and management.
- Explore other sources of revenue like LST from businessmen/women, artisans & professionals; property taxes on commercial and rental buildings so as to widen the revenue base (this will need political and technocrats will).

- Formation of committees for markets and physical planning to strengthen mobilization and collections.
- Establishment of industrial parks under LED (attract developers; and Public-Private-Partnerships).
- Enact Production Ordinance to enable able bodied citizens to actively participate in agriculture production.
- Sensitization and tax education through radio talk shows, Baraza, community meetings.
- Intensified monitoring and supervision of revenue mobilization and collections.
- Awards of prizes for best performers and sanctions for poor performers in revenue collections.

This Local Revenue Management and Enhancement plan has been prepared to achieve the district vision which is “**Progressive people, Just society & Sustainable Economy**” and its goal which is to **"To improve service delivery for Socio-economic development from 45% to 70% by 2040"**

The plan has been developed through an extensive consultation and dialogue with a cross section of stakeholders and interest groups at various levels including the communities in the sub-counties which was attended by a number of stakeholders including development partners. Information was also solicited from cross section of persons.

Therefore, to ensure that the population benefits from the underlying principles of decentralisation and to realize the aspirations of the District, it should be able to finance its activities out of locally generated resources. Finally, I would like to encourage all the development partners and the people of Lwengo District to support the implementation of this Local Revenue Management and Enhancement Plan in order to realize the above stated vision.

For God and My Country

Sign:

Kitatta Ibrahim Al-Malik
District Chairperson - Lwengo

Acknowledgement

Lwengo District Revenue Enhancement Plan has been prepared under the legislative provision of the Local Governments Act Section 35 (CAP 243) which mandates Local Governments to prepare and submit comprehensive Revenue Enhancement plan for effective management of revenue sources to improve on service delivery to the entire population of the Lwengo District. This Revenue enhancement plan was developed through a participatory process involving key stakeholders at various levels including the communities in the various sub-counties. At district level, planning and budget conference was organized to consult stakeholders.

In special way, a lot of appreciation is extended to the District Council of Lwengo District Local Government for supporting the preparation of this plan and owning the plan and mandating its implementation by the management and administration.

In the same spirit, a lot of thanks goes to the management and administration staff of HLG especially those key Departmental heads who were directly involved in preparation of this enhancement plan besides their tight schedule. May the almighty reward them abundantly for work well done.

Over the last few years, local revenue performance in Lwengo District has been poor; this calls for collective efforts from all the stakeholders to improve on the performance. I would like to thank the team involved in the successful preparation of this plan and, in particular, to acknowledge the contributions made by staff in Finance department, heads of departments directly involved in revenue generation and sub county chiefs in Lwengo. We will continue to disseminate and collect views for inclusion.

Finally, I appeal for teamwork to achieve the objectives, it is therefore my wish that those who will participate in implementation of this Revenue Enhancement Plan to embrace it through hard work, commitment and dedication at all levels to improve on effective service delivery to achieve the Vision and Mission of the district by 2040.

Sign:.....

Ntulume George

Chief Administrative Officer- Lwengo

Executive Summary

The local revenue enhancement plan is a tool, which guides local Governments in mobilization and management of her resources. In preparation of the local Revenue Enhancement plan for FY 2022-2023, close consultations were made with several stakeholders who directly implement policies of local revenue generation.

In the Plan, a general background of the District including the District profile, the legal basis that mandates local governments to prepare and approve Annual Local Revenue enhancement plans and demographic trends have been analyzed.

The Plan has also outlined the Goal and objectives the District expects to achieve over a period of 12 months.

In order to lay a strong foundation for the plan, a situation analysis detailing the current Potentials, Opportunities, Challenges and Constraints (POCC) relating to revenue management has been undertaken. The Plan has also put down a detailed revenue enhancement process that when followed can yield the expected results.

Basing on the situation analysis, the plan has clearly examined the current status of Local revenue sources. It has outlined the current sources from which local revenue is being collected, a review of local revenue performance in the past four (04) years and explained trends in local revenue performance. The plan also outlined revenue projections in the medium term and the assumption made in the revenue projections undertaken.

The plan has enlisted the possible revenue enhancement strategies, giving the overall enhancement strategies and the revenue source specific strategies that can enable the achievement of the stated goal and objectives and the costs of revenue enhancement strategies have been computed.

The Local Revenue Management Action Plans including work plans and schedules are explained. This guides execution of the plan and assigns specific responsibility to persons to undertake with clear time frames and expected outcomes.

Finally, the plan has put in place implementation, coordination and monitoring mechanism that will help to achieve the overall motive of the plan and this is to run continuously throughout the implementation period

Sign
Ntulume George
Chief Administrative Officer- Lwengo

CHAPTER 1

1.1 Introduction

1.2 Background

1.3 Location and size

Lwengo was gazetted as a district in 2010 from mother Masaka district. Lwengo district is made up of one county (Bukoto south, Bukoto mid west & Bukoto west), six sub-counties, four Town councils, 44 parishes and 445 villages.

Lwengo District is located in Central Uganda. It borders Rakai in the South, Masaka in the North and Lyantonde in the west. The District headquarters are in Lwengo Town council, a distance of about 1 km from Masaka-Mbarara road.

The district covers a total area of 1028 sq.km.

1.4 Legal framework

The 1995 Constitution of the Republic of Uganda adopted decentralization as the form of governance. Under this a lot of roles and responsibilities have been devolved to LGs. Some of the functions devolved include planning and budgeting for own development programmes. Section 35 of the LGs Act Cap 243 requires LGs to prepare and approve development plans to guide development process in their own areas of jurisdiction. Section 80(3) of the LGs Act Cap 243 empowers LGs to levy, charge, collect and appropriate local revenues.

Under this form of governance key government services and responsibilities were devolved to local governments. The government recognized that along with these responsibilities, there must be devolution of resources required to carry out these responsibilities. Despite these commitments, 80% of the national budget remains at the central government and 20% of the funds are being devolved to LGs. The share of own revenue contribution to the overall district budget continue to oscillate between 1.2% to 2% over the years.

There have also been noted poor revenue performance for the last four Financial years. For instance in FY 2017/2018 the percentage achievement was 44%, in FY 2018/2019, 56%, in FY 2019/2020, 29% and in the FY 2020/2021 it was 37%.

These poor local revenue collection performance have affected council's performance in the areas of;

- Financing development projects
- Paying salaries and wages for employees of the council e.g. Support staff
- Paying councilor's emolument and financing maintenance and operations costs
- Financing daily office and administrative costs
- Financing Operations and maintenance of community facilities

Therefore, this Local Revenue Management & Enhancement Plan is in response to the above mandates and responsibilities devolved to LGs and its aimed at addressing the challenges

encountered in revenue mobilization in order to increase own revenue sources for improved service delivery.

1.5 Goal and Objectives

1.5.1: Goal

"To generate sufficient local revenue to finance Lwengo District Local Government operational and development activities so as to contribute to improved service delivery for socio-economic development from 45% to 70% by 2040"

1.5.2: Objectives

The plan has the following specific objectives:

- To widen by identifying and explore more effective and efficient sources of local revenue for the district.
- To protect taxpayers from over exploitation and abuse through tax education and awareness.
- To identify practical strategies for increased revenue collection and management in the district
- To improve people's perceptions about fairness in local revenue registration, enumeration and assessment processes.
- To ensure sustainable growth in local revenue over a long period of time.
- To ensure a 5% local revenue growth rate
- Increase local revenue contribution of Lwengo District Local Government budget share to 3 %.

1.6 POCC Analysis for each Local Revenue item

Table 1: LRM POCC Analysis for each revenue source

Revenue type	Potential	Opportunities	Challenges	Constraints
LST	<ul style="list-style-type: none"> -Youth groups in productive employment. -Existing private institutions (private schools, health centres, hotels) 	<ul style="list-style-type: none"> -Supportive and willing NGOs/CBOs and private contractors to participate in the district development process. -Existence of youth in productive activities hence potential of paying LST 	<ul style="list-style-type: none"> -Under declaration of staff pay by private businesses. -Difficulties in determination of businesses in the chargeable brackets. -Difficulties in sustaining youth in productive activities. -Poor enforcement Poor database and lack of reliable data. 	<ul style="list-style-type: none"> -Insufficient funding especially for training of the youth on group dynamics, and sustainability of their economic activities.
Property related Duties/Fees	<ul style="list-style-type: none"> -Fast growing business centres and settlements. 	<ul style="list-style-type: none"> -The Political will and support embracing local revenue initiatives. -Availability of local FM station(Lwengo FM) for creating awareness about the tax. 	<ul style="list-style-type: none"> -Long process of acquiring land for development. -Poor sensitisation and mobilisation of the potential tax payers. -Inadequate data on property. 	<ul style="list-style-type: none"> -Insufficient financing to facilitate valuation of property.
Business Licenses and Permits	<ul style="list-style-type: none"> -Existence of business activities. -Fast growing business centres and settlements. 	<ul style="list-style-type: none"> -Many start-ups under Parish Development Model (PDM) -Political commitment enabling laws. 	<ul style="list-style-type: none"> -Negative attitude by some tax payers who always evade taxes. -Low enumeration and Assessment 	<ul style="list-style-type: none"> -Covid-19 pandemic that negatively affected most economic activities.
Markets/Gate charges	<ul style="list-style-type: none"> Adequate land and good climate that is conducive for agricultural production. 	<ul style="list-style-type: none"> -Increase in population has provided ready market. -Increased incomes as a result employment opportunity. -Increased business opportunities for the energetic youth. 	<ul style="list-style-type: none"> -Weak system for setting reserve prices -Encroachment on market land by neighbouring community. 	<ul style="list-style-type: none"> -Conflicting market days with markets in the neighbouring Districts. -Lack of funding for construction of standard markets. Market land not surveyed due to lack of resources(funds)

CHAPTER 2: STATUS OF CURRENT REVENUE SOURCES

2.1 Introduction

This chapter covers the current local revenue sources, review of past performance, challenges, medium term revenue projections and assumptions.

2.2 Current sources of local revenue

Currently the district is collecting the following local revenue;

- Advertisement/Bill boards
- Agency fees
- Animal & Crop Husbandry related levies
- Application fees
- Business licenses
- Group registration
- Inspection fees
- Land fees
- Local Hotel Tax
- Local Service Tax
- Market/Gate charges
- Miscellaneous receipts/income
- Miscellaneous receipts and unidentified taxes
- Other fees and charges
- Other fines and penalties-from other government units
- Other fines and penalties-private
- Other licenses
- Parking fees
- Property related Duties/Fees
- Registration (e.g. Births, Deaths, Marriages, etc) fees
- Sale of non-produced Government properties/assets

2.3 Review of past performance

It has been noted that over the years, the performance of Local revenue has not been stable as the District has been recording declining percentage tax collections as shown in the table below;

Table 2: Local Revenue Performance for the last four Financial Years

Financial Year	Budgeted	Actual collection	% Achievement
2020/21	858,443,000	316,574,839	37

2019/20	743,754,161	214,643,070	29
2018/19	366,933,000	206,541,097	56
2017/18	423,967,000	186,998,695	44

Some of the reasons for the decline in locally raised revenue that should be highlighted include but not limited to;

- Poor management and administration of revenues
- Political pronouncements and abolition of graduated tax.
- Covid-19 pandemic that affected most economic activities
- Limited funds. Revenue mobilization requires adequate resources in terms of human capital, finance and logistics.
- Capacity gaps/inadequate skills of revenue collectors and mobilizers
- Lack of coordinated effort amongst stakeholders involved in revenue mobilization
- Limited sensitization and awareness efforts
- Inadequate revenue data at both parish and sub-county levels on potential revenue sources
- Lack of equipment (computers) at LLGs to facilitate computerization of Revenue Registers
- Poverty amongst the population (general public), hence low revenue yield
- Low revenue base
- Negative attitude of the residents towards agriculture production (which is the backbone of Uganda's economy)

2.4 Projection of revenues medium term

Table 2: Projection of local Revenues 2022/2023 to 2026/2027

Item	Planned 2022/2023	Projected 2023/2024	Projected 2024/2025	Projected 2025/2026	Projected 2026/2027
Local service Tax	163,589,000	171,768,450	180,356,873	189,374,717	198,843,453
Business Licenses	84,035,000	88,236,750	92,648,875	97,281,319	102,145,385
Markets/Gate charges	152,729,000	160,365,450	168,383,723	176,802,909	185,643,055
Property Related fees	50,500,000	53,025,000	55,676,250	58,460,063	61,383,066
Other fees & charges	33,764,000	35,452,200	37,224,810	39,086,051	41,040,354
Group Registration	10,579,000	11,107,950	11,663,348	12,246,515	12,858,841
Local hotel tax	5,200,000	5,460,000	5,733,000	6,019,650	6,320,633
Parking fees	3,200,000	3,360,000	3,528,000	3,704,400	3,889,620
Agency fees	5,000,000	5,250,000	5,512,500	5,788,125	6,077,531
Animal and crop Husbandry	17,404,000	18,274,200	19,187,910	20,147,306	21,154,671
Inspection fees	9,024,000	9,475,200	9,948,960	10,446,408	10,968,728
Land Fees	20,000,000	21,000,000	22,050,000	23,152,500	24,310,125
Advertisements/bill boards	2,430,000	2,551,500	2,679,075	2,813,029	2,953,680
Miscellaneous Receipts	56,462,000	59,285,100	62,249,355	65,361,823	68,629,914
Other Fines and penalties	1,325,000	1,391,250	1,460,813	1,533,853	1,610,546
Other licenses	32,014,000	33,614,700	35,295,435	37,060,207	38,913,217
Registration(e.g Births, Deaths, Marriages) fees	1,696,000	1,780,800	1,869,840	1,963,332	2,061,499
Sale of non-produced Govt properties/assets	15,001,000	15,751,050	16,538,603	17,365,533	18,233,810
Application fees	38,000,000	39,900,000	41,895,000	43,989,750	46,189,238
TOTAL	701,952,000	737,049,600	773,902,080	812,597,184	853,227,043

2.5 Assumptions for Revenue Projection

A 5% increment was made on each revenue source basing on the following assumptions;

Revenue Source	Assumptions
Local Service Tax (LST)	<ul style="list-style-type: none"> a) The entity has data base related to LST. Implementation is now easier and hence increased revenue collection. b) More youths are assumed to attain the age of 18 and engage in productive activities and as such LST invoices will be issued. c) Availability of development partners who will provide gainful employment.
Local Hotel Tax	<ul style="list-style-type: none"> a) The entity has data base related to number of lodges & hotels operating in the district. Implementation is now easier and hence increased revenue collection. b) Increased sensitization and mobilization of tax payers on the benefits of paying taxes.
Business licences	<ul style="list-style-type: none"> a) Available data base related to Business licenses. b) Increased enforcement with help of parish chiefs & Town Agents. c) Increased sensitization and mobilization of tax payers on the benefits of paying taxes.
Markets/Gate charges	<ul style="list-style-type: none"> a) Available data base related to markets. b) Increased enforcement with help of parish chiefs & Town Agents. c) Strict contract agreements with service providers. d) Increased sensitization and mobilization of tax payers on the benefits of paying taxes.
Property related Duties/Fees	<ul style="list-style-type: none"> a) Available data base related to Properties. b) Increased enforcement with help of parish chiefs, Town Agents and other stakeholders. c) Increased sensitization and mobilization of tax payers on the benefits of paying taxes.
Agency fees	Increased participation of the bidders through attractive terms and conditions of bidding.
Animal and crop Husbandry	Increased enforcement with help of Veterinary Officers, parish chiefs, Town Agents and other stakeholders.
Inspection fees	<ul style="list-style-type: none"> a) Increased sensitization and mobilization of tax payers on the benefits of paying taxes. b) Increased enforcement with help of Health Inspectors, Physical Planners, Engineers, parish chiefs, Town Agents and other stakeholders.
Land Fees	<ul style="list-style-type: none"> a) Increased sensitization and mobilization of tax payers on the benefits of paying taxes. b) Surveying of land, acquiring lease offers.
Other Fines and penalties	There will be many defaulters on; paying taxes, sinking pit latrines, and many others.
Registration (e.g. Births, Deaths, Marriages) fees	There will be many clients applying for birth, death and marriage certificates.

CHAPTER 3: REVENUE ENHANCEMENT STRATEGIES

3.1 Introduction

This chapter covers general and revenue source specific strategies that can enable the achievement of the stated goal and objectives. Local Revenue mobilization is a systematic process that involves six key mile stones i.e. Enumeration and Registration of all potential revenue sources in the district, Assessment of the potential taxpayers and development of Revenue Register, Billing and Collections, Sensitization and tax education, Enforcement, Monitoring, Supervision and Reporting

3.2 General Strategies

These will include among others;

1. Reviving functionality of the Revenue Desk for the District and at the Sub-county level. Its role should be to review performance for the previous month and to lay strategies for the following month of operation.
2. Directing contractors who contract works within the District to charge local service tax from their employees and remit it to the District, CBO, teachers in Private schools to pay Local Service Tax.
3. Introduction of boda-boda registration fee.
4. Introduction of business registration fee.
5. Advising District Health Inspectors to examine health fitness of food handlers at least twice a year.
6. Introducing hides and skins license.
7. Advising sub-county authorities to put more emphasis on collection of fees for birth and death registration.
8. Identification and assessment of venues and centres for gazetting into markets, trading centres, roadside markets, community tourism sites and public convenience sites.
9. Regular inspection for revenue collections to avoid misuse by revenue collectors.
10. Implementation of the LED strategy where the community is given capacity to generate income.
11. Sourcing for funding from Ministry of Local Government for valuing properties of Katovu Town and Kinoni Town Councils.
12. Reviving issues of cattle traders' license.
13. Outsourcing collections from forestry products and advising District Environment Officer to put patrols.

14. Conducting regular monitoring of constructions within the District by Finance Officer Revenue and CAO's office purposely to enhance collections from building fees.
15. Conducting annual Agricultural Trade shows.
16. Introduction of electronic registers and reporting by Sub-counties by use of the registers developed.

3.3 Revenue Specific Strategies

The overall goal is to increase revenue growth by over 5% annually through expanded registration and valuation of property.

Table 3: Revenue Enhancement Plan for Tax Revenues (Local Service Tax, Local Hotel Tax, Property tax)

Process	Objective	Activity	By When	By Whom	Challenges
Mobilization and sensitization	Increased number of compliant tax payers by 85% by the end of the FY Reduction of tax evaders by 20% by the end of FY 2022/2023	Conduct monthly radio talk shows. Quarterly community sensitization meetings in all LLGs	Monthly Quarterly	CFO/RO/DEC RO/SFO	Low awareness on roles and responsibilities by the tax payers Negative attitude by some tax payers who evade taxes.
Enumeration and mapping	100% Updated register of taxable property owners and non-formal employment sector by the end of the FY	Mapping and update of all sources of revenue and update of Sub County registers. Formation and facilitation of revenue enhancement task force	Q1	Revenue Officers and Sub Accountants	Limited revenue base and non-functionality of LRE committee members
Develop Revenue registers	75% taxable persons / entities registered by Sept 2022	Facilitate and support LLGs in Enumeration, assessment and Training in computerized revenue register management	Q2	Revenue Officer	Inadequate data
Assessment, and billing	85% of all the collectable taxes assessed and billed by the end of the second quarter 2022/2023	Meeting with LLG staff in preparation of revenue and expenditure estimates.	Q2	CAO, CFO Revenue Officer	Lack of timely billing

		Enumeration, Assessment and valuation of properties			
Collection and enforcement	Reduce revenue leakage by 50% by the end of the FY Increased collection efficiency and compliance by 75% by end of FY 2022/2023	Capacity building for Revenue and enforcement officers. Quarterly meetings with sub county revenue enhancement on revenue collection. Provide automated data base and motorcycles	Q1 Q3	CFO/SFO Revenue Officer	Weak Collection systems and controls. Poor compliance and Laxity of enforcement agencies.
Monitoring and supervision	Zero negative audit queries	Carry out monthly support supervision and follow up visits to all LLGs. Monitor and evaluate local revenue performance.	Monthly Quarterly	Revenue Officer CFO, Revenue Officer	Low collection effectiveness ratios

Table 4: Local Revenue Enhancement Plan for Business Licenses and Permits

Process	Objective	Activity	By When	By Whom	Challenges
Mobilization and sensitization	Increased number of compliant tax payers by 85% by the end of the FY Reduction of tax evaders by 20% by the end of FY 2022/2023	Conduct monthly radio talk shows. Quarterly community sensitization meetings in all LLGs	Monthly Quarterly	Revenue Officer Forestry Officer Political wing Secretary for Finance.	Low awareness on roles and responsibilities by the tax payers Negative attitude by some tax payers who evade taxes.
Enumeration and mapping	Increase enumeration and assessment by 50% by the end of 2022	Facilitate and support LLG staff to provide a hands on guidance in revenue enumeration, registration & assessment process.	Q1	Revenue Officer Revenue Officer Sub Accountants	Low enumeration and Assessment

		Mapping and update of all sources of revenue and update of Sub County registers			
Develop Revenue registers	70% Updated registers for better billing by the end of the year.	Training in computerized revenue register management	Q2	Revenue Officer	Inadequate data
Assessment, valuation and billing	95% staff of LLGs are aware of their roles and responsibilities 70% valuation and billing efficiency by 2022	Meeting with LLG staff in preparation of demand notes/Invoices	Q2	Revenue Officer	Low awareness on roles and responsibilities especially the staff of the LLGs
Collection and enforcement	Increase revenue coverage by 20%	Procure and distribute receipts and other accounting stationeries to all LLGs for timely revenue collection. Service and repair of M/ vehicle/ cycle	Quarterly	CFO/SFO Revenue Officer	Laxity on the part of enforcement agencies to compel people to pay Low staff capacity to tap into these resources
Monitoring and supervision	Increase number of field surveys and supervision by 25% by the end of the FY. Collection efficiency increased by 20% by the end of the FY	Carry out Quarterly support supervision and follow up visits to all LLGs to monitor and evaluate local revenue performance	Quarterly	CFO/SFO Revenue officer Chairperson revenue enhancement committee	Low collection effectiveness

Table 5: Local Revenue Enhancement Plan for Markets and other User fees

Process	Objective	Activity	By When	By Whom	Challenges
Mobilization and sensitization	50% of tax payers are aware of their roles and responsibilities in paying taxes by 2022	Conduct monthly radio talk shows. Quarterly community sensitization meetings in all LLGs	Monthly Quarterly	Revenue Officer Forestry Officer Political wing Secretary for Finance.	Low awareness on roles and responsibilities by the tax payers Negative attitude by some tax payers who evade taxes.
Enumeration and mapping	100% of the markets have been enumerated by 2022	Mapping and update of all markets data and update of Sub County registers	Q1	Revenue Officer Revenue Officer Sub Accountants	Lack of proper market assessment to determine a fair value of the tender.
Develop Revenue registers	100% market Registers updated by 2022	Training in computerized revenue register management	Q2	Revenue Officer Sub Accountants	Reserve prices not fairly determined.
Assessment, valuation and billing	100% markets assessed by 2022	Meeting with LLG staff in preparation of demand notes/Invoices	Q2	Revenue Officer	Lack of proper market assessment to determine a fair value of the tender.
Collection and enforcement	Increased collection efficiency to 95% by end of FY.	Procure and distribute receipts and other accounting stationeries to all LLGs for timely revenue collection. Service and repair of M/ vehicle/ cycle	Quarterly	CFO/SFO Revenue Officer	Laxity on the part of enforcement agencies and Weak systems
Monitoring and supervision	Increase number of field surveys and supervision by 25% by the end of the FY. Collection efficiency increased by 20% by the end of the FY	Carry out Quarterly support supervision and follow up visits to all LLGs to monitor and evaluate local revenue performance	Quarterly	CFO/SFO Revenue officer Chairperson revenue enhancement committee	Low collection effectiveness

Table 6 Local Revenue Enhancement Plan for Other Revenues

Process	Objective	Activity	By When	By Whom	Challenges
Mobilization and sensitization	85% of tax payers are aware of the laws relating to taxes by 2023.	Conduct monthly radio talk shows to educate and sensitize the public.	Monthly	Revenue Officer Political wing Secretary for Finance.	Negative attitude by some tax payers who always evade taxes.
Enumeration and mapping	3 new sources of revenue are identified and collected by 2023.	Mapping and update of all sources of revenue and update of Sub County registers	Q1	Revenue Officer Revenue Officer Sub Accountants	Limited revenue base and non-functionality of LRE committees.
Develop Revenue registers	50% of the revenues are updated in the registers by 2022.	Training in computerized revenue register management	Q2	CFO Revenue Officer Sub Accountants	Low enumeration and Assessment
Assessment, valuation and billing	85% of the taxable revenues valued and assessed by 2022.	Meeting with LLG staff in preparation of revenue and expenditure estimates Facilitate and support enumeration and assessment.	Q2	Revenue Officer	Conflicting legislation on the management of some sources , especially the upcoming collection of Park Fees by URA
Collection and enforcement	Increase collection from other sources by 25% by 2022.	Procure and distribute receipts and other accounting stationeries to all LLGs for timely revenue collection. Service and repair of M/ vehicle/ cycle	Quarterly	CFO/SFO Revenue Officer	Low tax collection
Monitoring and supervision	Increase collection efficiency by 85% by 2023.	Carry out Quarterly support supervision and follow up visits to all LLGs to monitor and evaluate local revenue performance	Quarterly	CFO/SFO Revenue officer Chairperson revenue enhancement committee	Low collection effectiveness

3.4 Costs of Local Revenue Enhancement Strategies

Table 7: Summary of Local Revenue Enhancement Strategies costs

Process	Amount in Shillings
Mobilization and sensitization	10,000,000
Enumeration and mapping	5,000,000
Development of Revenue registers	3,000,000
Assessment, valuation and billing	5,000,000
Collection and enforcement	4,000,000
Monitoring and supervision	5,000,000
Total	32,000,000

CHAPTER 4: MONITORING AND EVALUATION MECHANISM

4.1 Introduction

This chapter gives the Monitoring and Evaluation frame work for the Local Revenue Management and Enhancement Plan.

4.2 Monitoring and Evaluation Matrix for process indicators

Table 9: Monitoring and Evaluation Matrix for process indicators

Revenue Process	Activity	Monitoring indicators	Baseline 2022	Achievements 2022/2023		Means of verification
				planned	Actual	
Mobilization and sensitization	Conduct monthly radio talk shows to educate and sensitize the public on roles and responsibilities of different stakeholders in tax collection and best practices on local FM stations.	No of radio talk shows held.	12	12		CD recordings
	Conduct quarterly community sensitization meetings in all LLGs on revenue mobilization and awareness campaign	No of meetings held.	04	04		Attendance lists. Minutes.
Enumeration and mapping	Mentoring LLGs staff to provide a hands on guidance in revenue enumeration, registration & assessment process	No of mentoring sessions.	01	01		Attendance lists. Minutes. Complete and accurate tax payers registers.
Develop Revenue registers	Training in computerized revenue register management	No trainings sessions.	01	01		Complete and accurate tax payers registers
Assessment, valuation and billing	Meeting with LLGs staff in preparation of revenue estimates.	No tax payers enumerated. No of tax payers assessed and billed.	01	01		Enumeration and assessment reports. Billing sheets. Revenue budget estimates.
Collection and enforcement	Procure and distribute receipts and other accountable stationery to all LLGs for timely revenue collection. Mounting check points in some key strategic locations to improve revenue collection. Conduct quarterly revenue and compliance inspection especially targeting the forest products and minerals.	No of accountable stationery procured and distributed.	01	01		Stores ledgers Stores issues vouchers
		No of checkpoints mounted.	09	09		Incentive payments sheets to the revenue collectors Sign posts erected
		No of compliance inspections conducted	04	04		Inspection reports % increase of actual revenue collected

Monitoring and Supervision	Carry out monthly support supervision and follow up visits to all the LLGs to monitor and evaluate local revenue collection and budget performance.	No of monthly supervision visits	12	12		Supervision reports Performance improvement plans
	Quarterly coordination of local revenue enhancement activities in the district and LLGs.	No of coordination meetings	04	04		Coordination meeting minutes and follow up reports
	Conduct quarterly District Local Revenue Enhancement Committee review meetings to assess performance and design strategies for improvements.	No of review meetings	04	04		Review meeting minutes and follow up reports

4.3 Conclusion

In conclusion, the proposals given above are intended to help the district planning team to draw a comprehensive plan in the enhancement of Local revenue in the District. The identified plans are medium term plans. They may be influenced by external factors such as competition and economic factors like inflation among others.