

**MINISTRY OF LOCAL GOVERNMENT
DEVELOPMENT INITIATIVE FOR NORTHERN UGANDA / UNITED NATIONS CAPITAL
DEVELOPMENT FUND (DINU/UNCDF) PROJECT**

1.0 Introduction

1.1 Background

The Development Initiative for Northern Uganda (DINU) is a flagship Programme of the European Union, under the 11th European Development Fund (EDF). The DINU Programme Objective is to **“Consolidate Stability in Northern Uganda, Eradicate Poverty and Under-Nutrition and Strengthen the Foundations of Sustainable and Inclusive Socio-Economic Development”**.

There are 3 components of the DINU Programme, these are:

- i) Food Security and Agriculture
- ii) Transport Infrastructure
- iii) Good Governance

The Ministry of Local Government is in partnership with United Nations Capital Development Fund (UNCDF) is implementing the Governance component of the DINU, whose objective is **“To strengthen capacity, gender-responsive good governance and the rule of law at the level of local government authorities and empower communities to participate in improved local service delivery”**.

The other Partners implementing the Governance component include Local Government Finance Commission (LGFC), Uganda Local Governments Association (ULGA) and the Urban Authorities Association of Uganda (UAAU).

UNCDF is also partnering with Ministry of Works and Transport for the Transport infrastructure component, and, Private Sector Foundation (PSF-U) together with the Uganda Development Bank (UDB) for the Food Security and Nutrition component.

Project duration

The DINU/UNCDF Project commenced on 21st December 2017 and will end on 30th June 2022.

Geographical Coverage

The DINU/UNCDF Project covers 38 Districts of Northern Uganda, of which the following 18 are of special focus for interventions spearheaded by the Ministry of Local Government:

Table 1: DINU/UNCDF District Coverage

Sub-Region	Districts covered (2 new districts)
Karamoja (4LGs)	Abim, Amudat, Moroto, and Napak
Acholi (4 LGs)	Agago, Lamwo, Omoro and Pader
Lango (3 LGs)	Amolatar, Kole and Otuke
Teso (2 LGs)	Amuria and Kapelebyong (new LG)
West Nile (5 LGs)	Adjumani, Moyo, Obongi (new LG), Yumbe and Zombo

Direct Governance Component beneficiaries

The direct beneficiaries include:

- Local Government officials (both technical and political), and
- Members of the community from the 18 participating districts.

DINU/UNCDF Funding Modalities

The support under the Project is extended in three forms:

a) Direct disbursement of Grants to the Districts

Local Government Excellence Fund (LGEF): with nine (9) participating Districts of Amudat, Amuria (and Kapelebyong), Otuke, Omoro, Yumbe, Napak, Kole, Agago and Zombo. The total Budget allocation for the LGEF is Euros 2,700,000.

The objective of the LGEF is to provide financial incentives for improved performance of the beneficiary Local Governments as a catalyst to promote effective and efficient public service delivery, and, improved business environment through provision of economic infrastructure.

Other Grants (not directly managed under MoLG) include:

- i) District Roads Rehabilitation Fund (DRRF): with four (4) participating Local Governments of Amudat, Abim, Adjumani and Moyo (Obongi). Ministry of Works and Transport (MoWT) is the technical lead entity.
 - ii) Local Revenue Enhancement Grant (LREG) to all the 18 core Districts above. The Local Government Finance Commission is the lead technical Entity for this implementation of the LREG.
 - iii) Support to Agricultural Revitalization and Transformation (START) Funding Facility aims at providing seed capital to incubation projects along agricultural value chain thus contributing towards increasing local production of diversified food. DINU-START is structured as a blended finance facility providing a customized mix of Business Development Services, project development and finance structuring services, and financial products in the form of concessional and zero interest loans, Technical Assistance grants and partial Credit Guarantees.
- b) A set of capacity building interventions intended to improve Public Financial Management and Accountability, Assets Management, Participatory Planning, Local Revenue administration, Local Economic Development Planning, Local Government Performance Assessment, Gender Equity Planning and Budgeting and Advocacy for Local Governments.