



REPUBLIC OF UGANDA

LWENGO DISTRICT LOCAL GOVERNMENT

REVENUE MANAGEMENT & ENHANCEMENT PLAN

FOR

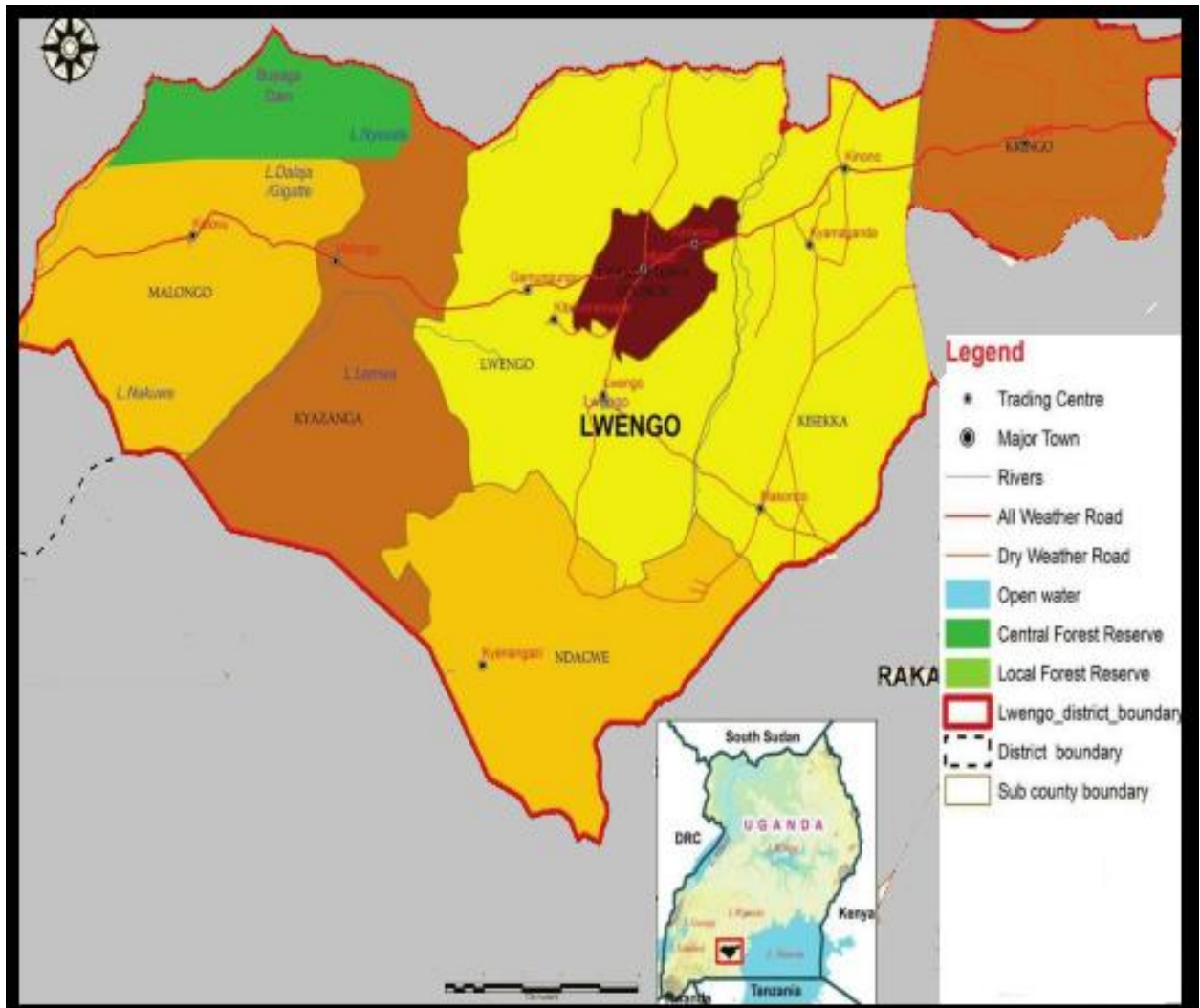
FINANCIAL YEAR

2026/2027

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MAP SHOWING LOCATION OF LWENGO DISTRICT



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 2026/2027, 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).
- Full implementation of digitalized revenue management system
- Continuous capacity building to Parish Chiefs, Town Agents and revenue officers in revenue management and mobilization.
- 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 Executive Committee and 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 Heads of Departments and Senior Officers who have been involved in preparation of this enhancement plan. May the almighty God reward you abundantly for the 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, the Sub county Chiefs and Town Clerks of Lwengo. We will continue to disseminate and seek views for improvement of revenue collection.

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:.....

Katusabe Beatrice
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 2026/2027, 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

Katusabe Beatrace

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 which is divided into three areas i.e (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, Ssembabule in the East, Masaka in the North and Lyantonde in the west. The District headquarters are in Lwengo Town council, a distance of about 1.5 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 continues 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 2021/2022 the percentage achievement was 46%, in FY 2022/2023, 64%, in FY 2023/2024, 83% and in the FY 2024/2025 it was 77%.

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) & Emyooga. -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
- Animal & Crop Husbandry related levies
- Registration fees for businesses and documents
- Business licenses
- Inspection fees
- Land fees
- Local Hotel Tax
- Local Service Tax
- Market/Gate charges
- Miscellaneous receipts/income
- Other fees and charges
- Other fines and penalties
- Other licenses
- Parking fees
- Property related Duties/Fees

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 fluctuating 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 |
|-----------------------|-----------------|--------------------------|----------------------|
| 2024/25 | 960,471,234 | 737,850,180 | 77 |
| 2023/24 | 960,471,234 | 794,701,951 | 83 |
| 2022/23 | 858,571,844 | 540,097,173 | 63 |
| 2021/22 | 701,952,305 | 326,383,620 | 46 |

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)

Despite the above challenges local revenue performance has a steady increase over the years as shown in the table above.

2.4 Projection of revenues medium term

Table 2: Projection of Local Revenues 2026/2027 to 2030/2031

| Item | Projected 2026/2027 | Planned 2027/2028 | Projected 2028/2029 | Projected 2029/2030 | Projected 2030/2031 |
|--|------------------------|----------------------|------------------------|------------------------|------------------------|
| Local Service Tax | 220,998,750 | 232,048,688 | 243,651,122 | 255,833,678 | 268,625,362 |
| Market and Gate charges | 145,092,569 | 152,347,197 | 159,964,557 | 167,962,785 | 176,360,924 |
| Miscellaneous receipts/Income | 99,606,020 | 104,586,321 | 109,815,637 | 115,306,419 | 121,071,740 |
| Business Licenses | 118,017,496 | 123,918,371 | 130,114,289 | 136,620,004 | 143,451,004 |
| Land fees | 113,400,000 | 119,070,000 | 125,023,500 | 131,274,675 | 137,838,409 |
| Animal and Crop Husbandry related fees | 19,190,120 | 20,149,626 | 21,157,107 | 22,214,963 | 23,325,711 |
| Inspection fees | 13,444,200 | 14,116,410 | 14,822,231 | 15,563,342 | 16,341,509 |
| Other fees & Charges | 38,207,516 | 40,117,892 | 42,123,786 | 44,229,976 | 46,441,474 |
| Registration fees for documents & businesses | 12,849,900 | 13,492,395 | 14,167,015 | 14,875,365 | 15,619,134 |
| Other licenses | 47,656,875 | 50,039,719 | 52,541,705 | 55,168,790 | 57,927,229 |
| Advertising/ Billboards | 4,410,000 | 4,630,500 | 4,862,025 | 5,105,126 | 5,360,383 |
| Other fees: E.g Street parking fees | 4,200,000 | 4,410,000 | 4,630,500 | 4,862,025 | 5,105,126 |
| Property related duties/fees | 201,106,554 | 211,161,882 | 221,719,976 | 232,805,975 | 244,446,273 |
| Local Hotel Tax | 10,580,000 | 11,109,000 | 11,664,450 | 12,247,673 | 12,860,056 |
| Other Fines and penalties | 1,785,000 | 1,874,250 | 1,967,963 | 2,066,361 | 2,169,679 |
| Application fees | 7,455,000 | 7,827,750 | 8,219,138 | 8,630,094 | 9,061,599 |
| Ground rate | 42,000,000 | 44,100,000 | 46,305,000 | 48,620,250 | 51,051,263 |
| TOTAL | 1,100,000,000 | 1,155,000,000 | 1,212,750,000 | 1,273,387,500 | 1,337,056,875 |

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 Rentable Property. 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. |
| 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 fees for documents & businesses | 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 LLGs authorities to put more emphasis on collection of fees for birth and death registration.
8. Identification and assessment of venues and centers for gazetting into markets, trading centers, 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. Reviving issues of cattle traders' license.
12. Outsourcing collections from forestry products and advising District Environment Officer to put patrols.
13. Conducting regular monitoring of constructions within the District by Finance Officer Revenue and CAO's office purposely to enhance collections from building fees.

14. Conducting annual Agricultural Trade shows.

15. Enforcing the use of Integrated Revenue Administration System (IRAS) on all revenue collections in the District.

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 2026/2027 | 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 Local revenue enhancement (LRE) committee members |
| Develop Revenue registers | 85% taxable persons / entities registered by June 2027 | Facilitate and support LLGs in Enumeration, assessment and Training in IRAS management | Q2 | Revenue Officer | Inadequate data |
| Assessment, valuation and billing | 95% of all the collectable taxes assessed and billed by the end of the third quarter 2026/2027 | Meeting with LLG staff in preparation of revenue and expenditure estimates. Enumeration, Assessment and valuation of properties | Q1 | CAO, CFO Revenue Officer | Lack of timely billing |
| Collection and enforcement | Reduce revenue leakage by 80% | Capacity building for Revenue and | Q1 | CFO/SFO | Weak Collection |

| | | | | | |
|----------------------------|--|---|--------------------------|---|---|
| | by the end of the FY Increased collection efficiency and compliance by 85% by end of FY 2026/2027 | enforcement officers. Quarterly meetings with sub county revenue enhancement on revenue collection. Provide automated data base and motorcycles | Q3 | Revenue Officer | 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 2026/2027 | 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 2026 | Facilitate and support LLG staff to provide a hands on guidance in revenue enumeration, registration & assessment process. Mapping and update of all sources of revenue and update of Sub County registers | Q1 | Revenue Officer Revenue Officer Sub Accountants | Low enumeration and Assessment |

| | | | | | |
|-----------------------------------|---|--|-----------|--|--|
| Develop Revenue registers | 90% Updated registers for better billing by the end of the year 2027 | Training in computerized revenue register management | Q2 | Revenue Officer | Inadequate data |
| Assessment, valuation and billing | 100% staff of LLGs are aware of their roles and responsibilities 70% valuation and billing efficiency by 2027 | 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 40% | 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 50% by the end of the FY. Collection efficiency increased by 50% 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 | Conduct monthly radio talk shows. | Monthly | Revenue Officer Forestry Officer | Low awareness on roles and responsibilities |

| | | | | | |
|-----------------------------------|---|--|-----------|---|--|
| | responsibilities in paying taxes by 2027 | Quarterly community sensitization meetings in all LLGs | Quarterly | Political wing Secretary for Finance. | by the tax payers Negative attitude by some tax payers who evade taxes. |
| Enumeration and mapping | 100% of the markets have been enumerated by 2027 | 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 2027 | Training in computerized revenue register management | Q2 | Revenue Officer Sub Accountants | Reserve prices not fairly determined. |
| Assessment, valuation and billing | 100% markets assessed by 2027 | 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 | Conduct monthly radio talk shows to educate and | Monthly | Revenue Officer Political wing | Negative attitude by some tax payers who |

| | | | | | |
|-----------------------------------|--|---|-----------|---|--|
| | laws relating to taxes by 2027. | sensitize the public. | | Secretary for Finance. | always evade taxes. |
| Enumeration and mapping | 3 new sources of revenue are identified and collected by 2031. | 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 2027. | 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 are valued and assessed by 2027. | 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 2031. | 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 95% by 2027. | 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 | 40,000,000 |
| Enumeration and mapping | 25,000,000 |
| Assessment, valuation and billing | 15,000,000 |
| Collection and enforcement | 15,000,000 |
| Monitoring and supervision | 15,000,000 |
| Total | 110,000,000 |

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 2026 | Achievements 2026-2031 | | 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. Quarterly coordination of local revenue enhancement activities in the district and LLGs. Conduct quarterly District Local Revenue Enhancement Committee review meetings to assess performance and design strategies for improvements. | No of monthly supervision visits | 12 | 12 | | Supervision reports Performance improvement plans |
| | | No of coordination meetings | 04 | 04 | | Coordination meeting minutes and follow up reports |
| | | 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.