

# “Pressing the Right Buttons”

## *Jennifer Musisi for New City Leadership*

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*“2011/12 was fast becoming the most tumultuous year in Kampala, with riots following every change in the city, but the team was resolute, and the public soon realized that.”*

- Jennifer Musisi, executive director of the Kampala Capital City Authority, 2011-2018

### Musisi’s Dilemma

It had been quite a first year in office for Jennifer Musisi. In April 2011, she took up her post as first-ever executive director of the Kampala Capital City Authority (KCCA), replacing the old Kampala City Council (KCC) that administered Uganda’s capital. She had immediately plunged into one conflict after another—against corrupt officials, politicians and contractors; against large, unruly forces like transit drivers and street vendors—that led to her fending off threats of strikes and even violence. She had also, literally, begun cleaning up the city by filling potholes, hauling off more trash than ever before, installing streetlights, and improving roads. But getting down to work always went hand-in-hand with strife. As the new year turned, barely eight months into the job, she had two lawsuits against her awaiting a court ruling—one from her own KCCA colleague, the Lord Mayor of Kampala, Erias Lukwago.

That first year, Musisi and her tight-knit management team were working between fifteen and twenty hours a day; it could seem as if all they had time for was the day-to-day. But longer-term thinking was necessary, and always came back to revenues. Old-fashioned tax records and practices based on paper, cash, and private collection agents weren’t just a hindrance; they ensured that income from taxes and fees was much lower than it should have been, and certainly too low to run a modern city and provide services. Early in 2012, toward the beginning of Musisi’s second year, would be the chance to regroup and plan for the future. She believed her revenue needs could be met with a tool that would fight the other battles as well. Her previous employer, the Uganda Revenue Authority (URA), where she headed legal and board affairs, had devised an electronic revenue management system for national taxes; she needed to do something similar for Kampala. A digital assessment and billing platform—an app on a mobile phone—was both an anti-corruption measure and a device that any Kampalan could use to pay taxes or fees quickly, conveniently, and free from the intimidation of cartels and private collection agents. It wasn’t something she could yet afford, much less implement, but it was a goal, and she had brought over some URA staff with technical expertise to the KCCA when she started the new job.

Musisi had no illusions about how difficult the job would be. The KCCA was a brand-new body, organized differently from its predecessor, KCC. Appointed by Ugandan President Yoweri Museveni to run a governing authority with many elected politicians, succeeding a city council of all elected politicians (and many of the same ones), she would have to act in traditionally political spaces even though she had no political identity or base herself. Furthermore, most of the politicians were from opposition parties, not members of the president’s National Resistance Movement (NRM). “How can that even begin to work?” Musisi recalled, much later. “Because I am appointed by government, and this new law is taking power from the politicians . . . and you’re supposed to run the city together harmoniously, and everybody’s happy and giving each other hugs on achieving government targets. There’s no way on earth.”<sup>1</sup>

Having established her authority over a difficult first year, Musisi seemed to have cleared a path toward increasing revenues; how far, how fast, and how forcefully to move would now guide her choices going forward. “I had to make a decision,” Musisi said, “whether to succumb to the pressures and the forces that are shutting me down in doing my work, or to lift my vision and energy above that and still be able to get some gains for the city. That was the challenge.”

## The First Year

On April 19, 2011, her first day as executive director, Musisi and her assistant entered City Hall to an unsettling scene. The venerable home of city government since British colonial rule, City Hall was not just dirty, dark, and smelling of food and other odors, with no running water in toilets, it was a bazaar. Vendors sold snacks out of fridges or extracted charges for use of the photocopier, and all kinds of middlemen were seeking or brokering deals in the corridors or under the shade of trees in the courtyard. Musisi’s own office was filthy, and the only clean bathroom she could use was at the nearby Serena Hotel.<sup>2</sup>

The scene at City Hall offended not just Musisi’s sense of order, but her grasp of Kampala’s potential to become a great African capital and the beautiful “city of Seven Hills” it once was. Now Kampala sprawled, low-slung, with many pockets of unused land over a much larger area down to Lake Victoria and its endangered wetlands. The city was packed, especially during the day, when its 1.6 million residents more than doubled with working people from outer slums and the countryside. (See Appendix 1 for background on Kampala’s geography, economy, and politics in 2010.)

One month before taking office, Musisi had outlined a “Vision For Kampala City” which promised “to transform Kampala City from its current state of filth and chaos into a modern, clean, and orderly city that Ugandans will be proud of.” It continued: “We live and work in Kampala, our children go to school here, we have investments here. I am tired of hearing young people including our own children looking forward to leaving this filthy City to go to other clean and organized cities, tired of hearing Kampala compared to other neighboring cities with disdain and foreigners expressing disgust . . .”<sup>3</sup>

But none of these ambitions could be met without a major increase in revenues.

## *Kampala’s CEO*

Trained as a lawyer and public administrator, Jennifer Musisi had been the top legal officer at the Uganda Revenue Authority (URA), and before that, at Makerere University, where she had studied. President Museveni, who had known her since she was a young graduate, turned out to be the guiding hand behind her move from Makerere to URA thirteen years earlier to transform what was itself a corrupt and dysfunctional institution. Based on that success, he asked Musisi to “help me rescue Kampala,”<sup>4</sup> as he put it, by taking on the new role at the KCCA at just the point when she was planning to retire and enter the private sector, including running the bakery (a family tradition) she had opened years ago. The idea of a new corporate administrative body, the KCCA, taking over from the old, depleted Kampala City Council, had been mooted in the capital for at least a decade; Musisi’s involvement had been limited to following the debate in the news. Now the president was asking her to delay retirement to be the independent, incorruptible, reforming leader he needed to transform the city—a mission Musisi shared. From his perspective, it couldn’t hurt that service improvements in Kampala, the capital, might translate into votes in future elections for NRM and himself, the man who appointed her.

Museveni had been president since 1986. His NRM party controlled Parliament, but not Kampala, an opposition stronghold where anti-Museveni or anti-NRM politicians were prominent, especially on the governing KCC. But once Parliament passed the Kampala Capital City Act in December 2010, replacing KCC with the new KCCA in March (following a 2005 amendment to the Constitution permitting changes to the capital’s governance), a new era would begin.

A large number of elected councilors would continue to serve on the KCCA, including a new official, Erias Lukwago, an opposition Member of Parliament who was elected Lord Mayor that March. But for the first time, the political arm was to be kept separate from the technical or administrative arm, and most of the Act’s language appeared to give primacy to the latter. This was no longer local government, but a quasi-corporate entity run by central government, under a federal minister of Kampala with an executive director, Musisi, both reporting to the president.

At times Musisi would wonder if the job was worth taking and if she could actually improve the city in the ways it needed. Ascertaining her authority reassured her; as a lawyer, Musisi paid closer attention to the language of the Act than most officials, especially the twenty-three items (listed from “a” to “w”) under the ED’s control. Of those items, “b” was the principal one, maintaining that as ED, she would be sole accounting officer for all city finances—basically, Kampala’s CEO. Until then, there had been several accounting officers for multiple municipal budgets; now the ED had to approve all of it. The elected officials on the KCCA could make proposals and pass ordinances, but these were only “recommendations” in actuality.”<sup>5</sup>

It was an unusual job and Musisi accepted in unusual fashion. She told the president yes “on the spot” without talking to anyone, even her husband. She had conviction that this was the job and now was the time. Only in her next meeting with President Museveni did she nail down her conditions. She confirmed that she would have his support, by which she meant, “a budget to pay our workers well and to do the things we need to do”; the freedom to hire and fire staff; and his guarantee that there

would be no “political interference from you, your family, your members of parliament or anybody because it was political interference that destroyed . . . systems in the city in the first place.”

Museveni’s wife was in the room, and the president called her over. “Look at the conditions that Jennifer is putting on me,” he said, somewhat jovially.<sup>6</sup> Still, he agreed, and they shook on it.

### *A Transition Team*

Musisi’s transition team of ten colleagues began meeting privately in December, long before any official announcement. On March 25, 2011, three weeks before formally assuming her role, Musisi met with the team at her home and ran through a plan of action for the first months. The seven-page confidential planning document began with a bullet-point diagnosis of the problems they would face winding down KCC:<sup>7</sup>

#### 1.1 Institutional Assessment

- Running on manual systems
- A lot of intrigue
- Staff unwillingness to change to transparent systems
- City infrastructure in sorry state
- Poor contracts management
- High degree of technical incompetence – greatest number of staff without required academic qualifications.

Recent Commissions of Inquiry into improper land sales and leases seemed to support these conclusions about KCC, especially about corruption, and stressed the importance of putting decision-making in the hands of technical people free of political interference. The transition team (totaling twenty-three by mid-April when the KCCA kicked off) were, they believed, such technical people: mainly educated, trained professionals with years of corporate or agency experience (some, like Musisi, from URA), reform-minded and detail-oriented, not party members of either NRM or the opposition. Musisi and her team considered themselves apolitical, which did not mean they would be seen that way by others in the city or Parliament.

In three weeks, they aimed to hit the ground running. With the extinction of KCC, the staff could expect to lose their jobs; they could re-apply, and, if judged qualified and motivated by the mission, be appointed in the new body. Musisi did not expect this to go over well, and she was right: “Hundreds of people lost their jobs and were naturally incensed,” she recalled; “they threatened to sue KCCA, to burn the building, destroy records—some records were actually destroyed—or refuse to hand them over.”<sup>8</sup>

Restructuring, then, would mean not just recruiting, but, Musisi expected, “building information and databases from scratch.” She announced, “We are not patching up the old KCC. We are creating a new institution in which people and systems are going to be transformed to deliver high-quality

professional services.”<sup>9</sup> Musisi’s team expected to work long hours each day without even being sure when they would be paid. (Musisi’s first paycheck did not arrive until nine months in.) But she reminded them that they were liberated people. Or at least she felt that way. She herself had not applied or sought to be head of the KCCA: “I kept telling my team the moment that a public servant is free from the fear of losing their job, then they’re ready to do their job.”

Incorruptibility, Musisi often declared, in public and in private, had to be the KCCA’s hallmark, in contrast to KCC’s corruption. No more “heavy brown envelopes passed around meetings,” no more “ghost suppliers” who supplied nothing, no more loiterers in City Hall who “wanted a chat.”<sup>10</sup> She expected good salaries for her technical team and especially the many elected politicians who served on the new KCCA, because good pay was the best protection against corruption. Otherwise the politicians were “going to be selling my files,” Musisi said later in a newspaper interview, “as they used to do under KCC.”<sup>i</sup>

All this created unease not just in City Hall but across Kampala. The threat of violence permeated the transition; in her first week, one man, responsible for city property, killed himself the evening after Musisi asked for an inventory. Others quit almost immediately, including an auditor whose house was shot at by intruders.<sup>11</sup> Musisi herself traveled with two security men. As a sign of the tensions just on the KCCA, a deputy mayor deprived of control of his budget threatened to beat up Musisi; later in her first year, a grenade would be found under her car.

The March 25 transition meeting at Musisi’s house concluded with an understanding that public relations or “change management” skills would be critical. The planning document called for an internal and external communication strategy, and a “plan for an engagement that will facilitate harmonizing of [the] ED’s and Lord Mayor’s Agendas.”<sup>12</sup>

This may have been the hardest element, and also the least successful, for the KCCA: For the next seven years, until her resignation in late 2018, Executive Director Musisi and Lord Mayor Lukwago would fight bitterly over who possessed the authority to set the agenda and establish strategic priorities for Kampala. Months into the new era, Lukwago was quoted in a newspaper saying, “KCCA is governed politically and is headed by the Lord Mayor, not the Executive Director,”<sup>13</sup> and it was the kind of thing he said often.

### *Tackling the Revenue Crisis*

“I need money,” Musisi told Parliament whenever she could.

Nothing Musisi wished to accomplish in Kampala could be done without significantly improved tax and fee collections. Insufficient revenues to fund city services was a problem across Africa, where the principal source of a capital’s budget was always central government transfers (in Uganda, 86 percent). In most cities, property tax provided the bulk of revenues, but in Africa, a 2013 UN report said, “of all

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<sup>i</sup> Edris Kiggundu, “Musisi not about to be silenced,” *The Observer*, July 22, 2012. In an interview with case authors, Musisi clarified: “We are taking away all their access to decisions on contracts, on land, on procurements and contractors, on staff. So we need to enable them to work by giving them a decent salary.”

national and local taxes, tax on urban property has been least efficiently exploited and the potential revenue lost has been very large.”<sup>14</sup>

In Uganda, the greatest blow had come from President Museveni himself when he bowed to pressure in 2006—an election year—and banned taxation of owner-occupied property (53 percent of the total), a decision that left city finances reeling. That, and a building register predating the recent construction boom that had brought new hotels, malls, and other commerce to Kampala, meant billions of shillings’ worth of property was going untaxed.

As city administrators, KCC had not been idle. They had tried to fight UTODA, the cartel with a stranglehold on Kampala transit, and to improve property tax collections—despite the president’s intervention—by increasing efforts to count and reevaluate Kampala properties. But KCC was also breathtakingly corrupt, especially as custodians of city property, large parcels of which had been disposed of or leased in secret glad-handing deals. (A government-backed newspaper put the figure at 475 properties over ten years.)<sup>15</sup>

Musisi was determined to do things differently. Kampala had been locked into bad contracts and collection practices. Nearly all collections were in the hands of private agents—Multiplex for street parking, UTODA for road user fees, and Jokas for property taxes. The agents were entitled to a 10 percent commission on their takings, but they almost never remitted projected sums to the city, and some, like UTODA, were known to extort non-official fees for which there were no receipts. Contracts were often just one or two pages, and since they contained clauses allowing the managers to divert receipts into repair and maintenance (of the taxi park, of the market), contractors could pay tiny sums to KCC claiming it had all gone to repair or improvements—even when no work was done.<sup>ii</sup> Making matters worse, sometimes agents and contractors used city staff and vehicles as if they owned them.

Furthermore, everything was in cash, between drivers or property owners and the collection agents, and from the agents (whatever they decided to give) to the city, sometimes in sacks that ended up in City Hall. For Musisi, two answers were obvious—there would be no more cash transactions or outside collections. All city fees and taxes would be paid to the KCCA directly into official bank accounts. Property tax reform would take more time, but she could focus on transit, the single largest source of revenue available to her.

Four days before Musisi took office in April 2011, the UTODA cartel, with the connivance of outgoing KCC officials, had its management of Kampala’s taxi operations extended through October 2014. They were obliged to return UGX 392 million (\$140,000) per month to the city but Musisi wrote to the president’s office to assert that no contract had been signed. She outlined how UTODA regularly fell short of the contracted sums: it was UGX 1.489 billion (\$532,000) in arrears to the national URA and

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<sup>ii</sup> Mihaly Kopanyi and Riel Franszen, “Property Taxation in Kampala, Uganda: An Analytic Case Study of a Successful Reform,” ATI Working Paper, 2017, cites (p 27) “contracts that were very short, very poor quality, with virtually no protection of KCC’s interest, no assurance of recovery of revenue the collector failed to pay KCC, and no incentive to collect in a timely manner.”

had failed to keep the taxi parks clean, and free of “peddlers and hawkers.”<sup>iii</sup> She was giving notice of the battle to come.

Musisi often said—including in public—that the law was her weapon: “If I want to do something, I’ll look at the law and make the law work for me.” On May 3, just two weeks in office, she determined, based on the terms of the Public Procurements and Disposal of Assets Act, that UTODA’s contract was illegal and could be cancelled. UTODA promptly sued, and a judgment was expected in January 2012.

### *UTODA and the Problem of Transit*

Kampala’s transit system, relied on by over 80 percent of Kampalans each day, should have been the most lucrative source of revenue. In 2010, over 10,000 fourteen-seat minibuses (a doubling since 2000), known as *matatus*, plied the city’s streets, along with an estimated 100,000 *boda-bodas*—motorbike riders carrying single passengers or small goods. But KCC had not managed to make regulation or taxation of the *boda-bodas* stick since 2004, when President Museveni halted efforts to collect a UGX 10,000 (\$3.57) monthly fee from riders. And the *matatus* were in the hands of the shadowy group, UTODA. Since 1993, UTODA held a contract with KCC, rolling over each year and initially meant to provide the city UGX 230 million (\$82,143) in monthly revenue, though usually the sums were much smaller.

KCC Taxi Park revenues <sup>16</sup> (in billions of Ugandan shillings)							
2004-05		2005-06		2006-07		2007-08	
estimated	actual	estimated	actual	estimated	actual	estimated	actual
5.64	3.55	4.47	3.83	4.33	3.05	5.12	3.99

In the absence of a real public transport system, the *matatus* ran on irregular routes and schedules and UTODA’s control of the city streets was nearly absolute. They could be violent in keeping *matatu* drivers (who paid owners a daily fee for use of the vehicles) under their thumb. Every driver had to be a member and pay a fee entering or exiting one of the two city-owned taxi parks that UTODA had a license to manage. Officially, UTODA could collect UGX 20,000 (\$7.14) monthly per taxi plus UGX 4,500 (\$1.61) for use of the taxi parks.<sup>17</sup> In reality, they did what they wanted. At the terminals, touts guided passengers onto *matatus*; passengers paid drivers and touts paid UTODA a fee. It was all in cash, and often the fees (e.g., “welfare fees” or “loading fees”) were pure extortion. UTODA had enforcers in the taxi parks to strong-arm drivers or threaten damage to vehicles if they did not pay up.

Politically, UTODA was connected. As a source of transport capable of mobilizing thousands of voters for government rallies, they had politicians and police and officials—including KCC leaders—on their bribery lists. “One of us saw a list of their monthly payments payout and it had everybody on there,” Musisi recalled.

Lukwago, the populist Lord Mayor from the political opposition, was initially an ally in the struggle against UTODA; the beleaguered drivers were his constituency. In July, Musisi applied more pressure,

<sup>iii</sup> Musisi letter to President Museveni’s principal private secretary, June 16, 2011. Exchange rates are calculated at the August 1, 2011 rate of 1 USD = UGX 2,800.

announcing a taxi census. While UTODA said there were only 7,000 minibus taxis in the city, Lukwago said there were 14,000. He also announced, in a figure that went around the press, that UTODA took in UGX 4 billion (\$1.4 million) every month but paid the city just 290 million (\$103,571).<sup>18</sup> The real sums were unknowable.

For Musisi, everything about UTODA’s stranglehold on transit—on Kampala—was offensive and demanded upending. But more than that, she said, “we were looking at all the revenue sources and how to improve them.” With the KCCA unable to touch property taxes for owner-occupied property, transit was the obvious target. And going by the law, UTODA was not in compliance. “They were supposed to maintain the terminals which they never did,” she said, “and no one followed up.” A visit to brief President Museveni proved heartening. “You’re a lawyer,” he told Musisi, “if you’ve looked at the contract and see a problem, then go ahead and do what you need to do.”<sup>iv</sup>

### *Resistance Grows*

Musisi’s first months in office were producing a flurry of activity throughout Kampala, often with a hard edge. Confrontation with UTODA had started immediately. Arrests for littering began in June. In July, the KCCA announced a long-anticipated street-vending ban to take force in September. Vendors had three months to quit or take up one of 8,000 spaces in sixty-nine markets across Kampala, or in six new markets that, with donor funding, would be constructed in suburbs.<sup>19</sup>

While ostensibly a matter of cleanliness and public order, it was clear that these were revenue measures, too. After transit, trading licenses (paid by shopkeepers with physical premises) were the second principal source of city revenues and among the fastest growing. But the shops were undercut by an endless stream of street vendors who set up stands and displayed (cheaper, sometimes counterfeit) goods right outside their doors, blocking pedestrians, forcing people into jammed city traffic, and creating more garbage. In July, the Kampala shopkeepers’ association, KACITA, threatened to stop paying their taxes and fees, and if the situation did not improve they would strike in September. Musisi was sympathetic and firm in her conviction that protecting taxpayers—in this case the shopkeepers—was paramount.

But the street vendors—often considered criminals and pickpockets, and certainly among the poorest people coming into Kampala daily to work—had a champion in Lord Mayor Lukwago. Opposed to a ban, Lukwago agitated for more time before evictions, saying the KCCA had not properly reviewed the decision.<sup>20</sup> Even more directly undermining Musisi and his own body, he advised traders and others not to pay their city taxes. He also threatened to take Musisi to court.

Lukwago was proving himself a constant, and serious obstacle to Musisi’s mission of improving the city. Nevertheless, she kept her focus, turning her attention to the KCCA’s irregular finances and conducting what her strategy director Patrick Musoke called a “line-by-line review” of contracts and spending, exposing, and pursuing corrupt staff. An outside investigative unit was authorized to look into self-

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<sup>iv</sup> Musisi 2/27/2019 interview. According to Musisi, a subsequent visit to Museveni by *matatu* drivers who showed evidence of their brutalization by UTODA prompted the president to instruct her, “These are my people. I’m handing them to you, work with them. They’re suffering. Just try and help them.”



dealing; in the first months, three officials, including a procurement officer and an education director, were arrested or jailed.<sup>21</sup> In the act of reducing fuel spending from UGX 800 million per month to UGX 300 million (\$285,714 to \$107,143), the KCCA had two engineers charged in court, suspected of misusing or stealing fuel and funds. In late July, a two-month audit of the KCCA finances turned up 151 city bank accounts—only twenty-three of which were previously declared—with credit balances totaling UGX 58 billion (\$20.7 million). Musisi would reduce the number to six.

Perhaps the most impressive signal that Musisi meant business was reclaiming two city-owned houses (one was formerly the Town Clerk’s residence) that had been “sold” by KCC; one to a former mayor, and the other to a powerful army general in intelligence. Both men contested their eviction, alternately taunting or threatening Musisi. In the case of the ex-mayor, a three-day standoff ensued with eighty police and security agents before he departed on June 27. By August, the general deserted the other home.

Musisi had also begun visibly improving the city. Almost immediately, night cleaning teams began work, filling potholes, installing streetlights, and removing garbage. She or her deputy, Judith Tumusiime, a PhD in public health and waste management expert, often checked in on the work at night. In April 2011, eleven tonnes of garbage had been collected and delivered to the landfill, and by the end of July collection had totaled 17.7 tonnes, a 60 percent increase. And even in the first difficult year, revenues were up, as Musisi announced totals of UGX 39.5 billion, or \$14.1 million (projections were UGX 44.427 billion, or \$15.9 million) for the fiscal year ending in June 2012, a 25 percent improvement.<sup>v</sup>

It was not much more money for the services she wanted to provide, but it was something, and she would have to decide how to use it. Schools and health clinics were in desperate need of facility improvement as well as new equipment and furniture. But education and health spending were mainly a government responsibility, and the required sums were huge. City beautification and cleanliness might seem the easiest, most noticeable, and relatively cheapest option, and that particular work was more or less how she had begun at the KCCA. Her ambitions for Kampala were larger. Much like her familiar language about transforming Kampala “from its current state of filth and disorder into a modern city,” she called upon “all concerned to be patient, supportive and focused as we strive to turn around the city into one that everyone desires to work, visit and reside in.”<sup>22</sup>

Meanwhile, threats against Musisi and the KCCA staff had escalated; five months into the job, Musisi would inform a Parliamentary Committee of “a number of attempts to kill her, including a failed plot to poison her at the office.”<sup>23</sup> The threats were never from poor people, Musisi noted later, but “the people who feel protected.”

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<sup>v</sup> “2011 Brief to Members of Parliament,” by Jennifer S. Musisi. (An official KCCA ministerial statement for 2011-12 gives slightly different figures for the FY ending June 2012: collections of UGX 41.9 billion, or 37 percent above the UGX 30 billion collected in FY 2011. *Source*: KCCA ministerial 2011-12, p. 23, “improved performance attributed to KCCA takeover of collection in taxi operations, markets and property rates.”)

## The Second Year

It took nearly a year for Musisi and her team to catch their breath, after the “most frantic year” that was 2011. With a small increase in revenues, and time to think and plan, enforcement could now be matched with reform, and for the KCCA that meant an electronic platform for paying taxes and fees that ticked all the boxes: it removed private agents; it eliminated cash transactions and reduced corruption; and, thanks to its accessibility, it increased revenues and performance, or what everyone on the KCCA called “compliance.” That included the KCCA staff, too. In her interviews, Musisi often provided a telephone number for members of the public to report corruption, such as attempts to solicit bribes.

### *Creating a Culture of Compliance*

Musisi believed everyone in Kampala, even the poorest, should be some sort of taxpayer and offered a stake in the city’s future they were building together. The problem she faced was that no one outside the KCCA, rich or poor, seemed to accept this spirit of shared sacrifice and purpose. President Museveni’s 2006 abolition of property taxes for owner-occupied properties was not just a blow to municipal revenues throughout Uganda, it severed the link between property and community or services. It was not the poor who created the most waste in Kampala, Musisi said, but “the wealthiest people living in high end parts of the city, with huge mansions and swimming pools and generating tons and tons of garbage and every member of the family has two cars. [They] are wearing down the city because they are using services.”

In a culture with some polygamous marriage, Musisi said a rich man could have “six mansions and tell you all of them are his private, personal residences under the waiver because ‘I live there at some point because I have my wives and children in those homes.’”

The KCCA revenue directorate’s “80:20” collection strategy meant concentrating on sectors that yielded 80 percent of revenues: transit, business licenses, and property taxes. But Musisi’s goal was really a 100 percent strategy. “We needed to build a culture of compliance,” she explained. “It doesn’t matter if you’re rich, even if you’re poor, you have to make a contribution to the city. So, you still bring in those little amounts of money and make a contribution to be fair to everybody. We could have focused on the 80 percent but there’re several million individuals making up the 20 percent who, because they are small businesses, eventually evolve and grow into bigger businesses.”

Musisi believed that if you visibly enforced compliance for the big taxpayers like hotels and private companies, you were showing everybody they had to comply. The system had to be fair, and it had to make sense. A manual system—where documents were easily lost, it was difficult to know what payment was due, and was furthermore inconvenient to pay—was a huge obstacle to compliance. Making working people wait in long bank lines and pay transaction fees was good only as a first step. Ultimately, the key reform had to include payment by mobile phone.

## *A Platform Called e-Citie*

Musisi hoped the signature improvement would be a digital platform for all city taxes and fees. Similar to what URA had created for the country, e-Tax, her creation for Kampala would be e-Citie.<sup>vi</sup> It would have functionality to generate reports, pull up arrears, send reminders to taxpayers and be accessible by SMS. In 2012, after the first year’s upheaval on the streets with *matatu* drivers and vendors and an uptick in revenues, she could begin to concentrate on that initiative. But given cost estimates ranging from \$3 million to \$6 million within an \$11 million city budget (up from \$8 million), it did not seem she could afford it, and the government had made clear it would not be providing additional funding or support.

She tried to find the cheapest, nimblest, most flexible developer who would be a true collaborator. The Indian giant, Tata, which had been URA’s contractor, was too expensive. Plus, they wouldn’t allow Musisi’s team access to source code to control system improvements and avoid subscription fees. A small South African developer, Tucksee, had worked for the city of Johannesburg on commuter taxes and was eager for the job but would cost \$3 million. Staged, and paid for over three years, starting with the highest-priority modules (taxi fees and trading licenses) with more added later, Musisi felt it could work.<sup>24</sup> The other option was to wait, “to continue being manual and hope we’ll have built up our revenue enough to have resources to pay for the system later.” She worried, though, that “even in six years we would not probably have got enough,” thanks to the “trickling” sums from the many inefficiencies in collections at the time.

## *Pressing the Right Buttons*

Musisi believed e-Citie, and developing a culture of taxpayer compliance, would transform everything about Kampala’s administration. It would depoliticize revenue and collections and change the civic culture. It would prove she was not some Museveni ally or the KCCA’s creation of a central government takeover of Kampala, but that she was a real reformer, and Kampala was on its way to joining the ranks of modern, well-ordered cities. But it would cost money she did not have, and in the best of circumstances it would not happen quickly. A \$3 million investment could buy a lot for the city, and she wondered whether she should simply spend more where she had already devoted considerable sums, like on roads or sanitation.

In the meantime, she had turned the city upside down with her concerted attacks on UTODA over transit, while signaling she would soon turn attention to the nearly 100,000 *boda-bodas* who seemed to live by their own rules. She had also unleashed the KCCA enforcement teams who took back city property, broke up illegal structures or sealed others for non-payment, and went after the street vendors and litterers. She had sticks to wield and was not afraid to use them, but also carrots to offer, like advanced customer service never seen before in Kampala. The questions were many: What to do first? How fast or forceful? How to fund it? What kind of support could she count on from her own KCCA staff, enforcement agents, city councilors and local politicians, central government (including the president who appointed her), and even the Lord Mayor—who considered himself at least Musisi’s equal on the KCCA and also a strategist for Kampala’s future? In September 2011, the Lord Mayor had

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<sup>vi</sup> Chosen as an acronym for “Client Care, Integrity, Teamwork, Innovation and Excellence”

sued Musisi, contending she had “usurped his powers”; in January 2012 mediation efforts failed.<sup>25</sup> A court ruling was expected later in January—the second one that month, since UTODA had also sued.

The pressure to perform and increase revenues never abated. Right from the start, central government support for the city budget was shaky. In Musisi’s first year, government reduced its funding from UGX 101.3 billion to 84.8 billion (\$36.2 million reduced to \$30.3 million), with an almost-immediate UGX 2.5 billion (\$892,857) cut for the road budget, shrinking over the year, to another UGX 14 billion (\$5 million) in cuts.<sup>26</sup> She still did not have nearly the staff numbers she needed, and until that could happen, with plenty of low-level KCC old-timers around, “it was similar to attempting to mix oil and water.”<sup>27</sup> But, in an article published some months earlier by the government-backed newspaper *New Vision* titled “Jennifer’s Musisi’s First Five Months in Office,” she had been optimistic: “It has taken about forty years for this City to degenerate to the level where it is. It would be unrealistic to expect a turnaround over a short period. It is going to take some pain on the part of the dwellers. There are many wrong buttons, but we’ll just keep pressing them.”<sup>28</sup>

## Appendices

### Appendix 1 Kampala in 2011

On March 1, 2011, in accordance with the provisions of the Kampala Capital City Act (the Act) passed by Uganda’s Parliament on December 28, 2010, the Kampala City Council was formally dissolved, replaced by the Kampala Capital City Authority (KCCA). More than a change in nomenclature, the Act ensured that Uganda’s capital city was no longer its own local government entity but now part of central government, under a government minister responsible for the city and a KCCA executive director in charge of city management, both appointed by President Yoweri Museveni. In this way, the “political arm of the city” was separated from “managerial functions.”<sup>vii</sup>

At that time, Kampala’s population was 1.6 million. This reflected an astonishing rate of growth since 1969 totals of 330,700 or 1991’s 774,241. By 2040, it is projected to be over triple the current (2019) population of roughly 1.9 million. This makes it one of Africa’s fastest-growing cities, in a continent where twenty-one of the world’s thirty fastest-growing cities are located. Kampala was projected to join the ranks of the world’s mega-cities by 2031 with a population of over ten million.

Like other African cities, Kampala’s growth was characterized by an economically wasteful pattern of low-density, high-sprawl topography with considerable vacant land (8 to 10 percent) that was not only undeveloped, but untaxed.<sup>viii</sup> “Unplanned informal settlements” (aka slums) housing up to 75 percent of the population extended in all directions from the city center into wetlands adjacent to Lake Victoria. With a largely unpaved and unlighted road system choked with traffic (with large numbers of unregistered minibus and motorcycle taxis in the absence of public transport), and generally unregulated commerce sprawling over the fast-growing city, Kampala could seem overwhelmed by challenges. One group of geographers observed: “Without any policy intervention [business-as-usual development] will lead to inhuman conditions for the majority of the urban population in 2020 and 2030. Millions of urban inhabitants will live in flood-prone slum areas by 2030, suffering from epidemic diseases. . . without the construction of new roads, the majority of people will have very limited mobility which makes their participation in the formal economy almost impossible. Already . . . many urban employees travel more than three hours a day from one urban neighborhood to another.”<sup>29</sup>

Kampala’s expiring city government, the Kampala City Council (KCC), had tried to tackle these problems but was seen as a largely failed administrative body: not up to the job, and, furthermore, “the most corrupt and inefficient body in Uganda,” unable to “collect taxes, effectively collect waste, fill potholes or approve building plans without a bribe.”<sup>30</sup> KCC officials and their associates had been active in illicit sale or occupation of city-owned real estate and property, and for signing skimpy or improper (and certainly poorly enforced) service contracts with contractors and private developers. In some respects, wrote one foreign analyst, the city appeared to be “a huge marketplace, in which virtually all urban land is exploited for private profit, very often without formal approval: The only substantial park in the city was turned into a cluster of restaurants targeted at the elite and middle class, and the only children’s playground in the city

<sup>vii</sup> From a May 2015 Global Credit Rating Report on the KCCA, four years into its existence.

<sup>viii</sup> From the same credit rating report: “Only around 23 percent of Kampala’s area is considered fully urbanised, with access to a full range of municipal services. The bulk of the area (around 60 percent) is semi-urbanised and comprises sixty-two informal slums, housing an estimated 560,000 families. The remainder of land area is still considered rural . . . Of the approximately 1,200 km of roads in the city, only around 500 km are tarred and only around 20 percent are considered in good condition.”

centre was likewise sold off to a group of former military personnel for development, in both cases without planning permission.”<sup>31</sup>

KCC was an inefficient tax collector, contracting private agents to collect official fees on 10 percent commission, and collecting less than 50 percent of projections. Under KCC, Kampala was estimated to pick up less than one-third of its garbage, resulting in an estimated 100,000 uncollected tons each year. Ninety percent of wastewater was discharged without treatment, mainly into the Nakivubo wetland. The Council’s poor management of its land had consequences for the future development of the city and its economic prospects; according to a UN report, “KCC as an urban authority can no longer effectively manage and control land . . . This has consequently affected infrastructure development . . . thus worsening city development plans.”<sup>32</sup>

As Kampala went, so would Uganda. While 75 percent of Ugandan labor worked in agriculture, 60 percent of national GDP was generated in the capital, where 80 percent of Uganda’s commercial and industrial sectors were located. Kampala was not just growing fast, the country was too—with an average of six children born to each woman, and more than half the population under the age of fifteen. Generally, urban residents fared better than rural residents in terms of living standards, income, and consumption, but that was relative: in 2013, 23 percent of Ugandan homes had access to piped water, while Kampala’s homes only had 46 percent with piped water and 79 percent with home electricity.<sup>33</sup>

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Officially, the KCCA, as the new governing body in Kampala was meant to separate turbulent, urban politics from city administration. In practice, this distinction risked being unworkable, or at least unclear, and was complicated by the fact that Kampala was a longtime stronghold of political opposition. President Museveni and his National Resistance Movement (NRM) had been in office since 1986, dominating Parliament and national politics all that time. But in the KCC era, Kampala held four mayoral elections won by the opposition who also garnered a majority of Council seats. The Act could be read as an endorsement of sound governance and administrative reform. It could also be seen as an authoritarian move by an unpopular president against the democratically elected representatives of his capital city. Indeed, in the months between passage of the Act in December 2010 and assumption of power by the KCCA the following April, Kampala voters elected a new city-wide official, the Lord Mayor, by an overwhelming 64 percent vote: this was Erias Lukwago, a longtime opposition MP.

**Appendix 2** Kampala photos and captions from the KCCA “Budget Framework Paper 2011/2012”  
<https://www.kcca.go.ug/>



Kampala Central Business District





New Taxi Park in Kampala Central Business District, a major means of transport to and from the city



A Kampala slum with inadequate infrastructure and very poor drainage channels





The recent floods in Kampala caused by poor drainage management



One of the Kampala slum roads connecting Katwe to Nsambya

## Endnotes

<sup>1</sup> Jennifer Musisi interview with case authors. Unless otherwise specified, subsequent Musisi quotations are from interviews conducted on February 22 and 27, May 31, and June 13, 2019.

<sup>2</sup> Jennifer Musisi co-written unpublished “Aryantu” manuscript, 2017.

<sup>3</sup> “Vision for Kampala City,” March 2011 Word document shared with case author by Jennifer Musisi.

<sup>4</sup> Museveni’s words according to the Musisi interviews.

<sup>5</sup> Christopher D. Gore and Nansozi K. Muwanga, “Decentralization is Dead, Long Live Decentralization! Capital City Reform and Political Rights in Kampala,” *International Journal of Urban and Regional Research* 38.6 (Nov 2014): 2212.

<sup>6</sup> Museveni’s words according to the Musisi interviews.

<sup>7</sup> Planning document 25 March 2011 shared and discussed with case author by Jennifer Musisi.

<sup>8</sup> Aryantu mss, p. 25.

<sup>9</sup> April 2011 KCCA Executive Director statement to Government.

<sup>10</sup> Aryantu mss, p. 5 and p. 24.

<sup>11</sup> Musisi interview with case authors, February 27, 2019.

<sup>12</sup> Planning document 25 March 2011 shared and discussed with case author by Jennifer Musisi.

<sup>13</sup> “Jennifer Musisi’s First Five months in Office,” *New Vision*, 25 September 2011.

<sup>14</sup> UN Habitat, *Property Tax Regimes in East Africa*, (Nairobi, 2013), p. 42.

<sup>15</sup> “Jennifer Musisi’s First Five Months in Office,” *New Vision*, 25 September 2011.

<sup>16</sup> Washington HA Olima, “Property Taxation in Anglophone East Asia: Case Study of Uganda,” 2010 Lincoln Institute of Land Policy Working Paper, Cambridge MA, p. 15.

<sup>17</sup> Tom Goodfellow, “‘Double Capture’ and De-Democratisation: Interest Group Politics and Uganda’s ‘Transport Mafia,’” *Journal of Development Studies* 53, no. 10 (2017): 1575.

<sup>18</sup> Robert Mjanwe, “KCCA to conduct fresh taxi census,” *Daily Monitor*, July 26, 2011.

<sup>19</sup> T. Bwambale and Juliet Waiswa, “KCCA Starting to Evict Vendors,” *New Vision*, September 1, 2011.

<sup>20</sup> Graeme Young, “From Protection to Repression: The Politics of Street Vending in Kampala,” *Journal of Eastern African Studies* 11:4 (2017): 726.

<sup>21</sup> “Jennifer Musisi’s First Five Months in Office,” *New Vision*, September 25, 2011.

<sup>22</sup> Ibid.

<sup>23</sup> Ibid.

<sup>24</sup> Musisi note to case authors, June 3, 2019.

<sup>25</sup> Gina Lambright, “Opposition Politics and Urban Service Delivery,” Working Paper 2012/51 from United Nations University-World Institute for Development Economics Research (UNU-WIDER), May 2012, p. 23.

<sup>26</sup> KCCA Annual Report and Financial Statements FY 2011-2012, p 5.

<sup>27</sup> Aryantu mss, p. 29.

<sup>28</sup> “Jennifer Musisi’s First Five Months in Office,” *New Vision*, September 25, 2011.

<sup>29</sup> Karolien Vermeiren, Anton van Rompaey, Maarten Loopmans, Eria Serwaija and Paul Mukwaya, “Urban Growth of Kampala, Uganda: Pattern Analysis and Scenario Development,” *Landscape and Urban Planning* 106:2, 30 May 2012.

<sup>30</sup> Christopher D. Gore and Nansozi K. Muwanga, “Decentralization is Dead, Long Live Decentralization! Capital City Reform and Political Rights in Kampala,” *International Journal of Urban and Regional Research* 38.6 (Nov 2014): 2209.

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<sup>31</sup> Tom Goodfellow, “Seeing Political Settlements through the City: A Framework for Comparative Analysis of Urban Transformation,” *Development and Change* 49:1 (published online 20 November 2017).

<sup>32</sup> UN Habitat, *Property Tax Regimes in East Africa* (Nairobi, 2013), p. 10.

<sup>33</sup> World Bank Group, “The Growth Challenge: Can Ugandan Cities Get to Work?” (Report 94622, Feb 2015).