THE REPUBLIC OF UGANDA

Budget Monitoring Report
July 2008-June 2009

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Ministry of Finance, Planning and Economic Development
P.O.Box 8147
Kampala
www.finance.go.ug

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ABBREVIATIONS AND ACRONYMS

AAMP	Area Based Agricultural Modernisation Programme
ADB	African Development Bank
ADF	African Development Fund
B.O.Q	Bills of Quantities
BMAU	Budget Monitoring and Accountability Unit
BMU	Beach Management Unit
BOOT	Build Own Operate Transfer
BTVET	Business Technical and Vocational Education and Training
CAO	Chief Administrative Officer
CAR	Community Access Roads Rehabilitation
CBPP	Contagious Bovane Pleuropneumonia
CDO	Cotton Development Organisation
CP	Community Polytechnic
CSOs	Civil Society Organisations
D&L	Defects and Liability
DANIDA	Danish International Development Agency
DEO	District Education Officer
DFO	District Fisheries Officer
DHO	District Health Officer
DIS	District Inspector of Schools
DRC	Democratic Republic of Congo
DUCAR	District, Urban and Community Access Roads
DUCARIP	District, Urban and Community Access Roads Investment Plan
DVO	District Veterinary Officer
DWD	Directorate of Water Development
DWO	District Water Office
DWSCG	District Water and Sanitation Conditional Grant
EAP	Energy Advisory Project
ECOSAN	Ecological Sanitation
EFT	Electronic Funds Transfer
EIA	Environmental Impact Assessments
EPRC	Economic Policy Research Centre
ERA	Electricity Regulatory Authority
ERT	Energy for Rural Transformation
ESA	Education Standards Agency
ESM	Environment and Social Mitigations
FGD	Focus Group Discussion
FLC	Fish landing centres
FMD	Foot and Mouth Disease
FY	Financial Year
GFS	Gravity Flow Scheme
GoU	Government of Uganda
GTZ	German Technical Cooperation

Ha	Hectares
HC	Health Centre
HEP	Hydro Electricity Power
HFO	Heavy Fuel Oil
HSD	Health Sub district
HU	Health Unit
ICT	Information and Communication Technology
IFMS	Integrated Financial Management System
IPC	Interim Payment Certificate
IPFs	Indicative Planning Figures
JMS	Joint Medical Stores
KCC	Kampala City Council
Km	Kilometer
KOPGT	Kalangala Oil Palm Growers Trust
KRDP	Karamoja Roads Development Programme
LG	Local Government
LGDP	Local Governments Development Programme
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
MCSL	Microfinance Support Centre Limited
MEMD	Ministry of Energy and Mineral Development
MFIs	Microfinance Finance Institutions
MFPED	Ministry of Finance Planning and Economic Development
MoES	Ministry of Education and Sports
MoH	Ministry of Health
MoWT	Ministry of Works and Transport
MT	Metric tonne
MT	Metric Tonne
MTEF	Medium Term Expenditure Framework
MWE	Ministry of Water and Environment
NAADS	National Agricultural Advisory Services
NAGRIC&DB	National Animal Genetic Resources Information Centre and Data Bank
NARO	National Agricultural Research Organisation
NIPPC	National Industrial Parks Planning Committee
NLPIP	National Livestock Productivity Improvement Project
NMS	National Medical Stores
NSADP	North West Smallholder Agricultural Development Project
NURP	Northern Uganda Rehabilitation Programme
NUSAF	Northern Uganda Social Action Fund
NWSC	National Water and Sewerage Corporation
OHS	Occupational Health and Safety
OPD	Out Patients Department
OPUL	Oil Palm Uganda Limited
PAF	Poverty Action Fund
PCU	Project Coordination Unit
PER	Public Expenditure Review
PHC	Primary Health Care

PPA	Power Purchase Agreement
PPDA	Public Procurement and Disposal of Public Assets
PPDPA	Public Procurement and Disposal of Public Assets Authority
PPP	Public Private Partnership
PWSS	Piped Water Supply System
RAFU	Road Agency Formation Unit
RAP	Resettlement Action Plan
RDC	Resident District Commissioner
REA	Rural Electrification Authority
RGC	Rural Growth Centre
RHS	Right Hand Side
RRH	Regional Referral Hospital
RRP	Rural Roads Rehabilitation Programme
RSPS	Road Sector Programme Support
RWSS	Rural Water Supply and Sanitation
SFG	School Facilitation Grant
TAF	Technical Assistance Fund
TBAs	Traditional Birth Attendants
TSU	Technical Support Unit
TVET	Technical Vocational Education and Training
UA	Unit of Account
UCC	Uganda College of Commerce
UETCL	Uganda Electricity Transmission Company
UIA	Uganda Investment Authority
UMI	Uganda Management Institute
UNEPI	Uganda National expanded Programme for Immunization
UNICEF	United Nations International Children's Emergency Fund
UNRA	Uganda National Roads Authority
UPE	Universal Primary Education
UPPET	Universal Post Primary Education and Training
USD	United States Dollars
USE	Universal Secondary Education
UShs	Uganda Shillings
UTC	Uganda Technical College
UVQF	Uganda Vocation Qualifications Framework
UWSS	Urban Water Supply and Sanitation
VAT	Value Added Tax
VHTs	Village Health Teams
VIP	Ventilated Improved Pit
VODP	Vegetable Oil Development Project
WFP	Water for Production
WSB	Water and Sanitation Board
WSC	Water and Sanitation Committee
WSDF	Water and Sanitation Development Facility

Executive Summary

Background

Government has stepped up its monitoring efforts geared towards enhanced effectiveness of public expenditures. The initial focus is on agriculture; education; energy, health; industrialization; roads; water and sanitation; and micro-finance.

This report is based on selected key programmes that have been followed throughout the financial year. Selection was based on significance of budget allocations to the votes within the sector budgets; focus being on large expenditure programmes. Preferrance has been given to development expenditures except in the cases of education and health where some recurrent costs are tracked.

Findings

Financial Performance

1. Releases of domestic development funds was above 90% for all priority sectors; peaking at 150% for the industrial parks. However, the Uganda Investment Authority (UIA) that received shs 9.875 billion over the approved budget did not have any supplementary work-plan.
2. The absorption rate of funds was above 85% for all sectors, reaching 100% for health and energy.
3. All the funds remitted to the districts by the MoFPED were received and fully remitted to sectoral departments. There were a few instances (Buliisa district) where the CAO delayed to remit the funds to the respective departments.
4. There were few instances of internal diversion of funds at district level particularly from the water sector to roads activities.
5. There was evidence of poor book keeping in some new districts (Buliisa) where records on receipts and expenditures were difficult to obtain.
6. Absorption capacity was low in many districts because of the lengthy procurement procedures; and the contested unit costs issued under school faciliatation grant (SFG). This had led to accumulation of balances that are retained by districts and are carried forward in FYs. There was an instance in Bukedea district that had balances from FY 2007/08 at the end of FY 2008/09!

Agriculture

1. Several concrete agricultural infrastructures and services have been provided in the districts in the crop, fisheries and livestock sub-sectors. The infrastructures are at varying stages of construction and when completed should lead to improvement in service delivery in the sector. However, poor contracting has resulted in delays in completion as well as poor value for money in some instances.
2. Poor planning and limited beneficiary consultations have left many infrastructures limited in scope given the need. Many structures under the fisheries and livestock sub-sectors will not meet the beneficiary requirements. Lack of new high yielding varieties

from NARO, the Cotton development organization was supplying poor quality seed with low germination potential, a fact that was known to the farmers!

3. Most of the agricultural services and infrastructures are being provided through discrete projects that are not well integrated in sector planning and budgeting. This is constraining efficient use of funds as they are tied up in projects, even when not utilized. This has been the case with the North West Smallholder Agricultural Development Project that has been on the books for more than 8 years.
4. There seems to be a special challenge in effecting disbursements under ADB funded projects mainly due to the stringent clauses included in the agreements such as the need for land titles for sites and the lack of counterpart funding. Also, there are challenges relating to poor coordination and management of projects centrally at MAAIF that impact on the disbursement and implementation processes.
5. The low capacity of contractors that are centrally contracted by MAAIF remains a major challenge to construction of agricultural infrastructures, irrespective of the project type and sector of intervention. Consultants are hired to supervise the contractors but these seem not to be doing much work as they too are not well supervised by MAAIF. The centralized nature of the projects and the lack of involvement of districts in project implementation and supervision of projects had led to failures in some districts. These were evident in the livestock, and fisheries sub-sector programmes.

Education

1. There has been marked improvement in construction of facilities following termination of a number of poor performing contractors by MOES, followed by the use of the Force Account modality. Shoddy work was noted only in Chamanga S.S in Kapchorwa district under Muyanga construction Company. On the other hand in Kiruhura district, Ugawood Construction company that was working on Kikatsi S.S was beyond the contract period and still far from completion
2. The unit cost issue was affecting operations in a number of districts, where no bids had been received from the private sector. In Nebbi, for example, all school facilitation grant funds for this financial year were unutilized.
3. Communication between MOES and local governments about centrally controlled projects was still a problem, as the latter is not in the know which has undermined participation in monitoring and supervision.
4. There were instances of accounts mix-ups where funds were sent to the “wrong “accounts causing delays in implementation. In some instances these mix-ups were inconceivable,as happened in Kapchorwa district where funds were sent to a private school’s account.

Energy

1. Works on various energy projects was ongoing but was behind schedule with grave implications. The delayed Bujagali interconnection project to evacuate power, for example, will affect the commissioning of the Bujagali hydro electric power (HEP).
2. There are cost overruns in some instances because of underestimated scope of work, and/or poor support infrastructural services. This was true for Bugoye dam, as well as Nyagak HEP.

3. Many energy projects still face issues of land ownership. Bujagali interconnection project had acquired only 74% of required land, while Tronde working on Bugoye dam had failed to get a land title.
4. VAT issues were still unresolved with some companies. This was the case for companies working on Mpanga; Bugoye and Buseruka dams.
5. Poor contracts were affecting implementation of some energy projects. Sobetra, the main contractor that was working on Nyagak dam was terminated but had absconded without completing the agreed upon tasks. On the other hand, WENRECO the company that got a concession to operate an independent power grid for West Nile is insolvent and power was switched off on 10th March 2009!
6. The new contractor for Nyagak had mobilized but not started work due to non-payment of start-up advance.
7. Kisiizi HEP was completed but was awaiting pre-paid meters that had delayed. There were also fears of excessive demand for power connections.
8. There were concerns about availability of relevant skilled labour force for the industry. There were no Ugandans, for example who were conversant with construction of tunnels, leaving the companies to import the semi-skilled labour force!
9. There were instances of thefts of construction materials especially at Buseruka dam.
10. The 750 KV generators that Electricity Regulatory Authority procured for the Uganda Electricity Distribution Company's off grids in Adjumani and Moyo were said to be substandard. An independent assessment had been requested from the Public Procurement and Disposal of Public Assets Authority (PPDA). The continued use of old generators with frequent breakdowns and high fuel consumption was very costly,
11. Oil extraction was on- going but plans had been rescheduled due to discoveries of more wells. Talks on the best way for oil extraction are expected to be finalized by August 2009. The challenge of skilled personnel who were increasingly leaving government for the more lucrative private sector, might jeopardize government's efforts of monitoring the energy companies.
12. The programme of dissemination of energy saving stoves had had a positive impact in its districts of operation. It targeted poor households and had proved effective, efficient and relevant to them. It had also improved operations in institutions where the stoves had been installed.

Health

1. Generally progress on civil works was good except in the districts of Lira (Ogur HCIV); Masindi (Bujange HCIV) and Butaleja (Bugabo maternity) where shoddy work was cited. There were many instances where works were behind schedule because of delayed procurements and at times resulting from limited capacity of Contractors that have taken on many contracts (e.g Multiplex in Mbarara district).

2. *Low absorption capacity.* It was established that by early June 2009, 7 out of the 17 districts visited during quarter 4 had not spent any of the capital development funds cumulatively disbursed in FY 08/09. These districts include: Dokolo, Lira, Mbarara, Kabale, Kamwenge, Amuru and Gulu Districts. The reasons relate to delays by the above districts to prepare and submit procurement plans to Procurement Units. In other

instances, delays resulted from lack of consensus on priorities between districts and MoH. In such instances back and forth correspondence resulted into time loss. Other districts found the amounts disbursed too small so they first accumulate before they initiate procurements.

3. *Fragmenting PHC grants and non completion of projects.* Several Districts engage in a practice of constructing several health facilities amidst severe budget constraints. The average district received about UShs 80 million for capital development. It was however common to find such districts simultaneously embarking on constructing facilities whose actual cost exceed UShs 300 million. The result was to allocate miniscule amounts to each facility. It is this practice that explains why facilities remain incomplete for periods exceeding 5 years. Several reasons explain this situation. First, some districts plan to construct facilities without recourse to Bills of Quantities—that would provide a fair estimate of the cost. In other instances, funds are sub-divided because of the need to satisfy political interests of Councilors, the District Council, area Members of Parliament and *significant others*.

4. *Communication gap.* Most of the districts visited reported that they had not been consulted in the selection of capital development priorities this FY. For instance Butaleja District was until early June 2009 anticipating release of UShs 34 million for medical equipment that was re-allocated during FY 08/09.

5. *Inadequate Staffing levels:* districts are consistently failing to attract and retain health works. The most affected categories are Medical Doctors, Dispensers, Laboratory Technicians and Anesthetists. Districts in Northern Uganda such asLira, Oyam, Apac and Gulu succeeded in recruiting health workers up to 100% of the establishment—but decried the long process it takes to have the health workers enrolled onto the payroll. Delays to enroll health workers onto payroll partly explain absenteeism where such health workers strive to find alternative income. In other instances, staff leave out of utter frustration.

6. *Inadequate Staff housing:* Districts have a shortage of staff houses. Health workers that are based in rural health centers are not able to find decent accommodation (for hire) in their neighborhood and resort to residing in towns. They incur transport costs and are not able to report for work daily—partly explaining the high levels of absenteeism.

7. The health units are still facing acute drug stock outs.In many instances the National Medical Stores was said to delay deliveries that were at times less than the requisitions.

Industrialization

1. Development of industrial parks is progressing slowly for different reasons. Bweyogerere industrial estate; Namanve; and Luzira industrial parks had delayed

procurement of contractors. Soroti and Mbale industrial parks delayed in procuring land and still have instances of squatters to be compensated.

2. The limited staffing capacity of the Uganda Investment Authority (UIA), especially in the Lands Division is affecting field operations. Weak supervision, for example, has resulted into the misuse of the 19.2 sq miles of Masindi land that was allocated to Critical Mass Growth Ltd for livestock and bee-keeping.
3. UIA has had low absorption capacity but received shs 9.875 billion beyond the appropriation by Parliament. To make matters worse the last disbursement was made 3 weeks before the end of the FY.
4. The Uganda Industrial Research Institute is supporting various Incubation centres that are developing technologies for agro-processing; paper products; and silk extraction and weaving. However, the institute decried limited funding that is also disbursed late.
5. The Uganda National Bureau of Standards faced delayed disbursement of funds which derailed their work plans.

Roads

Fourth quarter monitoring covered the 2 road construction projects under UNRA namely, Kampala Northern Bypass, and Matugga – Semuto – Kapeka; and the National Roads Maintenance Programmes; the Interconnectivity Roads Improvement Project under MoWT; and District Roads Maintenance Programmes in 8 districts under their respective local governments. The following are the recommendations from the findings:

1. Uganda National Roads Authority (UNRA) Roads:
    - On Kampala Northern Bypass road, it was observed that though works had resumed and were progressing well towards completion, the project still had many unresolved issues with financial implications like the 5 claims which were under consideration; decision whether or not to apply liquidated damages; costs for the suspension of works etc.
    - The Matugga-Semuto-Kapeka road was behind schedule as only 20% of planned targets had been achieved.
    - Implementation of the programme in all the stations monitored had more than 80% of the works planned to be contracted out still incomplete or under procurement by the end of the FY. In addition, more than 60% of the road networks under each of the stations monitored were maintained using force account operations but with inadequate/ old equipment which have high maintenance costs.
    - It was also observed that all UNRA stations monitored had inadequate transport for staff supervising the works. This was a huge limitation in the effective implementation of the programme.
    - Observation of growing scarcity and increased cost of gravel material in all stations monitored is a clear flag of warning bells.
    - There were road management issues like violation of road reserves, vandalism of traffic road signs and the rampant breaking up of newly constructed roads by service providers (water, telecommunications etc).

- The list of activities to be funded under the Transport Corridor project, remains unclear and quite divergent from its intended goal.

(ii)

2. **District, Urban and Community Access Roads Programme**:
    - Low funding for the effective maintenance of district roads was identified as a cross cutting issue, which has led to low intervention levels and the progressive increase of roads that are beyond maintenance (earmarked for complete rehabilitation).
    - The use of force account in the implementation of maintenance activities planned on district roads was observed in several districts monitored throughout the FY. However, there was no official policy to guide local governments on the practice of using the force account modality.
    - Frustrated procurements leading to contractors deserting the works before completion was observed in some districts monitored.
    - Shoddy works that didn't reflect value for the funds spent on the roads was observed in Masindi and Mukono districts.

3. **Under the Interconnectivity Roads Improvement Programme under the Ministry of Works and Transport,**

    - There was a discrepancy between funds paid to the contractors and funds paid under the programme (IFMS data). It was revealed that some funds were paid for CHOGM projects that were not part of the programme. This along with the fact that the level of commitment under the programme was much higher than the FY 2008/09 releases and the FY 2009/10 budget estimates, may affect the financial performance of the project.
    - There were also instances of shoddy work on the 40kms stretch from Gobero-Kyengeza to Ssesanga; and the 45kms stretch from Kirenga-Kannyogoga to Busoba.

Water and Sanitation

(i) Rural Water Supply and Sanitation (District Water and Sanitation Conditional Grant)

- **Slow Procurement processes:** This is by far the greatest challenge to timely service delivery and is largely due to lack of capacity and inefficiencies within district procurement units.

- **Increase in unit costs:** These had been rising beyond the rate of inflation and service delivery standards, where the real per capita investment cost of the District Water and Sanitation Conditional Grant had increased by 28% over the last 6 years, thus undermining value for money. One of the key reasons being fronted is that of low groundwater potential which has meant selecting more expensive technologies such as boreholes instead of shallow wells and springs, which have lower unit costs.

- **Ineffective Community Based Maintenance System** due to lack of follow-up training, apprehensions over how funds will be managed and the perception that water is a 'public good' that should be provided by the government.
- **Understaffing in district water offices:** Staff members are either on study leave or have not been recruited due to delays in district recruitment procedures. This is exacerbated by the increase in the number of new districts which places human resource constraints, particularly in hard to reach areas.
- **Lack of gender and equity consideration in sanitation facilities:** Not all districts are ensuring that latrine construction has access for people with disabilities or separate facilities for males and females.

(ii) Urban Water Supply and Sanitation

Rural Towns Water Supply and Sanitation Project: Water was being supplied in all seven locations (Mityana, Mpigi, Masindi, Iganga, Apac and Nebbi districts; plus Packwach Town Council) although supply is intermittent due to irregular power and operations are expensive where back-up generators are used. The follow-up visits to school latrines showed that there was still sub-standard and incomplete work (in Mityana, Mpigi, Iganga and Nebbi districts) where the earlier identified incompetent contractors had continued works.

For the piped water supply systems, some of the contractors had not fulfilled all the obligations in the Bills of Quantities, such as failing to provide a water testing kits in Apac and Pakwach Town Council.There was also unsatisfactory work, like pipes laid too close to the ground in Mpigi leading to unaccounted for water.

Energy for Rural Transformation – Water Component Phase I: Fifteen locations (in Kibaale,Kyenjojo,Kamwenge,Bundibugyo,Moroto,Katakwi,Kotido,Yumbe,Marcha-Terego, Adjumani,and Nebbi) had benefited from this intervention. Except the Rugombe rural growth centre in Kyenjojo, all other locations had solar panels installed. However, it was only in the locations in Kibaale, Kamwenge, Moroto, Yumbe, Adjumani, Laropi in Maracha –Terego,and Nebbi where the solar panels are being effectively utilised. In the other five locations utilisation was hampered by mechanical problems with the solar panels (Kyenjojo town, Rwebisengo and Nyadri) or problems with the mechanised piped water systems (Katakwi and Nakiperimolu).

The rural growth centres in the West Nile Region had a high success rate. In the South Western Region concern was expressed that faults may be rectified during the defects and liability period but recur soon after, where there is lack of local capacity to manage the repairs.

Support to Small Towns Water Supply and Sanitation Project: Following delays of nearly a year the piped water supply systems were to be commissioned in June 2009 in Kyotera, Kibaale and Kamwenge. Delays had been due to late releases from MFPED in FY07/08, inadequate designs in Kapchorwa where a contract addendum was required and the contractor's inability to procure materials in time.

National Water and Sewerage Corporation Support to Gulu Water Supply and Sanitation Project – Emergency Works: Following under-utilisation of the budget for the first three quarters of FY08/09, procurement had recently been concluded and real works were due to start at the end of June 2009.

(iii) Water for Production

Leye dam, Olamia valley tank, Olelpec valley tank and Kawomeeri dam were monitored. Leye dam was completed ahead of schedule and minor adjustments were underway under the defects and liability period. Olamia and Olelpec valley tanks were 70% complete and were likely to be finished on time. Kawomeeri dam was significantly behind schedule as the payments to the contractor were delayed even though financial releases from the Treasury were made on time.

Water for production programme should be commended for involving district officials in site supervision and monitoring, which increases ownership.

General challenges under the programme include:

- **Land acquisition:** Progress in construction was disrupted as land issues were not resolved before works start, which led to prolonged compensation periods.
- **Delayed payments:** Even when releases were made in full and on time by the Treasury, payments to the contractor were delayed because of MWE's lengthy internal payment system.
- **Environmental Impact Assessments:** AThese were often not carried out or do not consult the local community which has implications for social and environmental sustainability.

Microfinance

- The Government through the MoFPED released Ug shs 115,200,000 during the month of March 2009 to Ms Natural Uganda Cooperative Society (NUCSL). This represents only 10% of the funds that were planned to be disbursed to the Society. These funds were effectively utilized according to the activities outlined in the work plan. Some of the main activities carried out included site planning; the acquisition of land; call for the bids for architectural design and consultancy work on use of the Solar panels. These activities/items had been partially paid for.
- The delayed release of the remaining balance of an equivalent of Euros 352,000 to NUCSL will definitely delay the completion of the activities as earlier planned
- Some farmers were losing interest in growing the organic pineapples which are laborious and expensive to maintain because of the delay in establishing the drying fruit factory.

RECOMMENDATIONS

Financial Performance

1. Local government accounting officers who either delay remitting funds to departments or allow diversion of funds among sectors must be cautioned. The district chief financial officer in Bukedea with unspent funds for two consecutive FYs and that of Buliisa who remitted some of the funds 4 months after receipt should be investigated.
2. Although local governments should be allowed to carry over unspent balances, there should be a time frame within which these funds must be spent. A mechanism must be established to ensure compliance.
3. New districts should be assisted to build capacity in book-keeping and then cautioned against poor practices.
4. MOES should revisit the issue of unit costs. *It has been proposed that zonal unit costs are adopted to cater for variations in terrain and costs of construction materials.*

Agriculture

1. MAAIF needs to work closely with the districts to ensure that construction of the infrastructures is satisfactorily completed and there are effectively utilized and managed. This will necessitate putting in place management plans and maintenance mechanisms that are under the coordination of the districts and local governments but with supervision and quality control done by MAAIF. Districts need to be encouraged to allocate resources for maintenance of major infrastructures with support from MAAIF.
2. Government needs to review and revise the approach of channeling funds to agriculture through projects for increased efficiency in budget execution and physical performance.
3. Government needs to revisit the way agreements are made with ADB to ensure that they are implementable. Mainstreaming projects into the sectorwide approach to planning and budgeting may ease the problem of poor coordination by small units within MAAIF.
4. In future, projects/interventions should be sufficiently decentralized and district/local officials involved actively in the design and supervision of works. A specific budget line should be created in every project to enable the active involvement of local government officials. Contractors who are under-performing should be dismissed and replaced.

Education

1. There is need for MoES to take disciplinary measures on all poor performing contractors. Any contractor terminated for shoddy work should be blacklisted and publicized by the PPDA.
2. MOES should improve on its communication about seed school construction with local governments. This would also enhance monitoring and supervision at that level.
3. Releases from MFPED for payment of contractors also need to be expedited. Delayed releases were reported as part of the causes for delays in completion of civil works in several sites.
4. Government needs urgently to consider provision of laboratory blocks for all the seed schools in line with the policy of fostering science. In addition plans should be underway to construct examination halls.

5. The good practice in Arua district of lining up all pit latrines should be taken up by other district in the region and beyond. In addition it has other advantages such as conserving the environmental and also providing possibilities of emptying and using the same pits for a long time.
6. There is need to increase on the inspection grant to districts in the coming FY to enable them fulfill their inspection mandate. This would also compensate for the 5% of every release which was abolished at the beginning of this FY. There is need to train teachers on record management in schools.
7. There is need to train School Management Committees, parents and school administrators on the importance of security and safety measures in schools and how they can put them in place.
8. Districts should update MoES planning unit and Directorate of Education Standards with the correct figures of schools because it is upon this that they base their Inspection IPFs.

Energy

1. There is need to hasten land acquisition processes for the energy projects. The Chief government valuer's office should be strengthened.
2. There is need for high level talks between URA, MFPED and the respective energy companies to resolve the VAT issues.
3. The Ministries of Finance and that of Energy and Mineral Development should hasten payments to eligible energy contractors.
4. Government should conduct an awareness campaign about energy projects for the public to appreciate with the view to minimizing land wrangles as well as thefts of project assets.
5. Government should invest in petroleum development studies as well as infrastructure within the Abertine Garben.
6. There is need to nationally roll-out the dissemination of energy saving stoves to households and institutions.

Health

1. *Timely preparation of Bills of Quantities (BOQs):* Lack of BOQs at the start of the FY is the main reason for delaying procurements. Districts should be supported to prepare BOQs early in the FY so that procurements are initiated within the first quarter of the FY.

2. *Involve districts in selection of capital development priorities:* This is intended to make sure that the allocations are actually informed by actual costs and that they are responsive to the pressing needs of the districts.

3. *Establish Regional stores for the National Medical Stores (NMS)*. This will reduce the cost of drug management for districts. Districts as far as Pader, Moroto or Bundibugyo

have to travel to NMS to place orders, follow up and sometimes to collect drugs. These costs would be minimized if regional stores are established.

4. *Revisit criteria for hardship allowances*. This should be expanded to cater for mountainous and districts located far away from Kampala—being hard to reach and hard to stay for health workers.

5. *Revise the salaries for health workers:* This is intended to reduce on the current level of staff attrition that prefer to work in the private sector and to migrate to neighboring countries.

6. *Prioritise equipping health facilities and rehabilitation of existing facilities over construction of new ones.* It is cost effective to equip health facilities that are constructed and to rehabilitate existing before constructing new ones. This will have immediate impact on increasing access to health facilities.

Industrial Parks

1. The Uganda Investment Authority (UIA) management should submit timely work plans and proposals for approval to the board to avoid carrying forward activities which can otherwise be done in a particular period.
2. The UIA should have its staffing strengthened to ensure effective implementation of its investments.
3. The Uganda Industrial Research Institute; as well as the Uganda National Bureau of Standards should be given more funds on a timely basis given the commendable job that they are undertaking to foster industrialization and competitiveness.

Roads

1. UNRA needs to proactively engage the key issues of the Kampala Northern Bypass project with a view of avoiding potential disputes that may introduce further delays, and also to regularize the contract period so as to enable reasonable scheduling of outstanding works and projection of final costs.
2. National Roads Maintenance Programme
   - There is need for improved procurement planning to ensure increased efficiency of implementing activities planned to be contracted out, and a need for a clear policy declaration to inform the use of force account and thus make the necessary decisions whether to reinforce the construction equipment at the stations or prepare for its phasing out with clear guidelines on how to cope with the high maintenance costs and reduced efficiency of the aged equipment.
   - The procurement of supervision vehicles and motorcycles needs to be fast tracked to enable the UNRA stations meet the increasing needs for effective supervision.
   - There is need for active research into alternative materials to gravel; for use in road construction and maintenance.

- There is need for improved harmonization and planning within government to avoid service providers breaking up new roads. The country should lay down an underground system that allows other users to introduce cables whenever the need arises.

3. The Transport Corridor Project needs to be reviewed and streamlined so as to enable discreet monitoring and evaluation of the performance of the project.

4. District, Urban and Community Access Roads Programme
    - The funds for road maintenance needs to be increased but with a more stringent framework for increased accountability in place.
    - There is need for a clear policy declaration to guide the local governments on the use of force account and to streamline its use for increased accountability and better service delivery.
    - There is need for clear policy guidelines on how local governments may proceed with abandoned contracts and with completion of the works while avoiding litigation pitfalls.
    - A technical/ financial audit of the road maintenance programmes in Mukono and Masindi districts should be conducted. In addition, an effective M&E system within MoWT to monitor the implementation of district roads maintenance programmes so as to ensure coherence, improved service delivery and increased accountability for the quality of works on the roads is also recommended.
5. The Interconnectivity Roads Improvement Programme should be reviewed.

Water and Sanitation

(i) Rural Water Supply and Sanitation (District Water and Sanitation Conditional Grant)

- **Contain Increase in unit costs:** In an effort to curb costs, districts should encourage competitive pricing, review designs for improvement and consider appropriate alternative low cost technology options, such as rainwater harvesting particularly in areas with low groundwater potential. District Chief Administrative Officers should increase their supervisory function to ensure that funds intended for capital expenditure are not used on overheads.

- **Community Based Maintenance System:** This must be strengthened to increase functionality through improved sensitisation and follow-up training, which should be closely monitored by the technical support units. Enhanced support from district officials and political leaders is essential.

- **Understaffing in District Water Offices:** Where this is due to delays in district's recruitment procedures, contract staff should be recruited as advised by the Minsitry of Water and Environment.

- **Sanitation By-Laws:** These should be passed in districts with political support as evidence suggests that the 'stick' approach of penalising households without latrines is the most effective way of increasing coverage.

- **Sanitation facilities and gender and equity:** Districts should be encouraged by the TSU's to design and construct facilities that provide access to people with disabilities and have separate facilities for males and females.

(ii) Urban Water Supply and Sanitation:

- **Improve Procurement:** Procedures should be improved to ensure that only competent firms are used and are adequately supervised. Firms producing low quality works should be blacklisted.
- **Improvement of project design/feasibility and supervision:** This should primarily be at the level of the consultancy firms which are responsible for ensuring projects are delivered to design and technical specification to reduce instances of poor quality works. Competition in the consultancy sector should be promoted. District officials should be availed with project documents to enhance their supervisory role.
- **Alternative energy sources:** Solar panels or back up generators should be included in the design of piped water supply systems where there is irregular power supply. Locations without connection to the grid should be prioritised for the Energy for Rural Transformation (ERT) Phase II – Water Component.

(iii) Water for Production:

- **Clearing payments on time and access to IFMS:** If construction is satisfactory and releases have been made by the Treasury, contractors should be paid on time to prevent delayed works and accrual of interest. The Department for Water Development (DWD) should consider streamlining internal payment procedures. Vote Controllers and not only the Accounts Department should also have access to information on IFMS to help guide operations.
- **Land acquisition:** This should be resolved by local authorities prior to construction to prevent delays in works and prolonged compensation periods, which may help to increase community ownership once an intervention has been handed over.
- **Rehabilitation of existing dams and valley tanks:** This should be prioritised as a more cost effective way of delivering services, instead of constructing new ones.
- **Environmental Impact Assessment:** This is generally neglected and should be undertaken on a more comprehensive basis by water for production programme prior to the start of construction.

Microfinance

These are specific to the Natural Uganda Cooperative Society Limited (NUSCL) that was reviewed.

1 The NUCSL should expeditiously follow up with the surveyor and acquire the land title for the land purchased; and the Consulatnt on solar panels for final report.

2 The Ministry of Finance, should release the remaining amounts totaling to the equivalent of Euros 352,000 to NUCSL to enable effective and timely execution of the activities contained in the work plan.
3 The Government should ensure continuously inspection of the project to ensure ist effectivbe implementation.

CHAPTER 1: INTRODUCTION

Government stepped up its monitoring efforts for enhanced programme implementation. To this effect, the Budget Monitoring and Accountability Unit (BMAU) prepares quarterly monitoring reports. The budget monitoring is concerned with tracking implementation of selected government programs or projects and with **observing how values of different indicators against stated goals and targets change over time**. The monitoring is confined to the levels of inputs- outputs in the following areas:

1. Agriculture
2. Infrastructure (Energy and Roads)
3. Industrialization
4. Social Services (Education, Health, and Water and sanitation)

1.1 Process

This report is based on a few selected programmes in the mentioned sectors. Selection was based on a number of criteria:

- The significance of the budget allocations to the votes within the sector budgets, with focus being on large expenditure programmes. Preference was given to development expenditure except in health and education sectors where some recurrent costs were tracked.
- The programmes that had submitted progress reports by the end of Q3 were followed for verification as they had specified outputs achievements for the quarter.
- Programmes that had been monitored during the first two quarters, especially if they had major implementation issues were also revisited.
- Programmes with planned activities in Q4 were also sampled to assess progress as the FY got to a close.

1.2 Limitations of the report

1. Information on donor releases was not readily available for all programmes and hence financial performance may have been underestimated.

1.3 Structure of the report

The report has four chapters. The second chapter reviews the financial performance while chapter three focuses on the physical performance of the selected programmes. Chapter 4 concludes and gives recommendations.

CHAPTER 2: FINANCIAL PERFORMANCE

2.0 Introduction

The analysis consists of two components namely; the general budget performance by the selected priority sectors of agriculture; education; energy; health; roads; water and sanitation; as well as industrial parks. The second part examines the performance of selected local governments.

A total of twelve (12) districts[1] were visited mainly to track the domestic development funds released by the MoFPED to the Districts to verify whether the funds received were promptly remitted to the Sectors and to also ascertain the absorption of funds by the sectors. The overall fund absorption for the period July 2008-April/May 2009 was analysed for the following sectors; health, education, agriculture (NAADS), water and sanitation and Works (Rural water and rural roads).

The period under review was the month of July 2008 –April/May2009 and the following methodology was used.

- Physical visit to the districts.
- Reviewing of relevant official documents and records (General account cashbooks and sector cash book, bank statements and bank reconciliation.
- Interviewing of key personnel of the Local Governments who included the CAOs , CFOs and the sector heads.
- Recording of the findings during monitoring.

2.1 Sectoral financial performance

This section reports on GOU domestic development approved annual budget, releases and expenditures for the period July 2008- June 2009 to the Ministries of Agriculture Animal Industry and Fisheries; Education and Sports; Energy; Health; Works and Transport; Water and Sanitation and Development of Industrial parks.

2.1.1 Ministry of Agriculture, Animal Industries and Fisheries.

The annual domestic development budget support amounts to UShs 10.5 billion for the financial year 2008/2009 while arrears was UShs 619,000,000=. The funds released for the period amounted to UShs 10.68 billion representing 95.8%; while the total amount spent of the released funds is 91%.

[1] Arua, Maracha, Yumbe, Nebbi, Masindi,Hoima,Kibaale,Buliisa,katakwi,Amuria,Kumi and Bukedea

All the projects received above 85% of the total budget save for project 1007- Trans-boundary Agro-system which received 50% of the annual budget, that is UShs 10million of the total budget of UShs 20million.

Regarding absorption of the funds, most of the projects absorbed well above 85% of the funds received save for project 106- Vegetable Oil Development which spent 56% of the funds received. A total of shs 875millions was spent out of the UShs 1,558,797,000 received. (see Annex table 2.1 for the absorption rates of projects).

Physical performance of selected programmes is examined under section 3.1.

2.1.2 Ministry of Education and Sports

The annual total domestic development budget for the financial year 2008/2009 amounted to UShs 39.7 billion. For the period July 08- June 09, a total of UShs 39.4 billion was released representing 99% performance of the total approved budget. The overall expenditure of the amount received was 86%.

All the projects spent above 80% of the amount received save for the following projects listed here below which spent less than 80%

Table 2.1: Education projects, with poor financial performance in FY 2008/09

PROJECT	PROJNAME	GOU- Budget	Releases July-June 09	expenditures July-June Excl. taxes	Releases as % of the budget July -June	Expenditures as % of Releases July 08-June09
0176	CHILD FRIENDLY BASIC EDUCATION	100,000,000	100,000,000	77,526,088	100	78
0944	DEVELOPMENT OF PRIM.TEACHERS'COLL.	5,501,000,000	5,501,000,000	3,289,644,266	100	60
0984	RELOCATION OF SHIMONI PTC & PRI.SCH	3,538,000,000	3,213,991,643	2,138,219,699	91	67

Source: IFMS

Figure 2.1: MOES budget, releases and expenditures FY 2008/2009

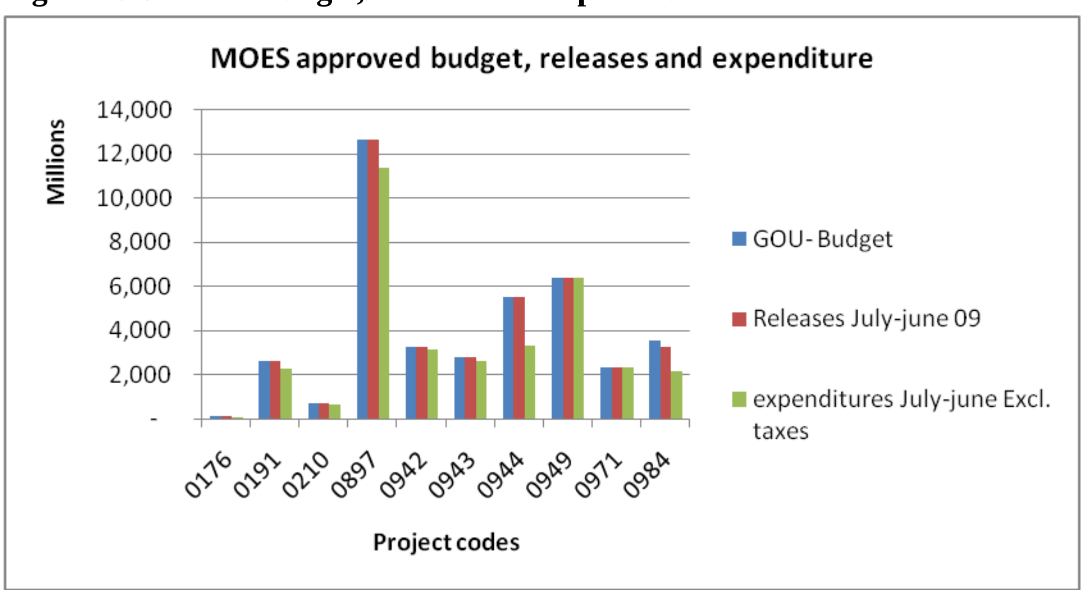


Figure 2.1 above shows the expenditure patterns of the domestic development funds for the following projects;

0176 Child friendly basic education.
0191 Rehabilitation of National Health Service and Dept Training institute.
0210 WFP/Karamoja
0897 Development of secondary school
0942 Development of BTVET
0943 Emergency construction and rehabilitation of primary schools
0949 ADB III post primary education and training
0984 Relocation of Shimoni PTC

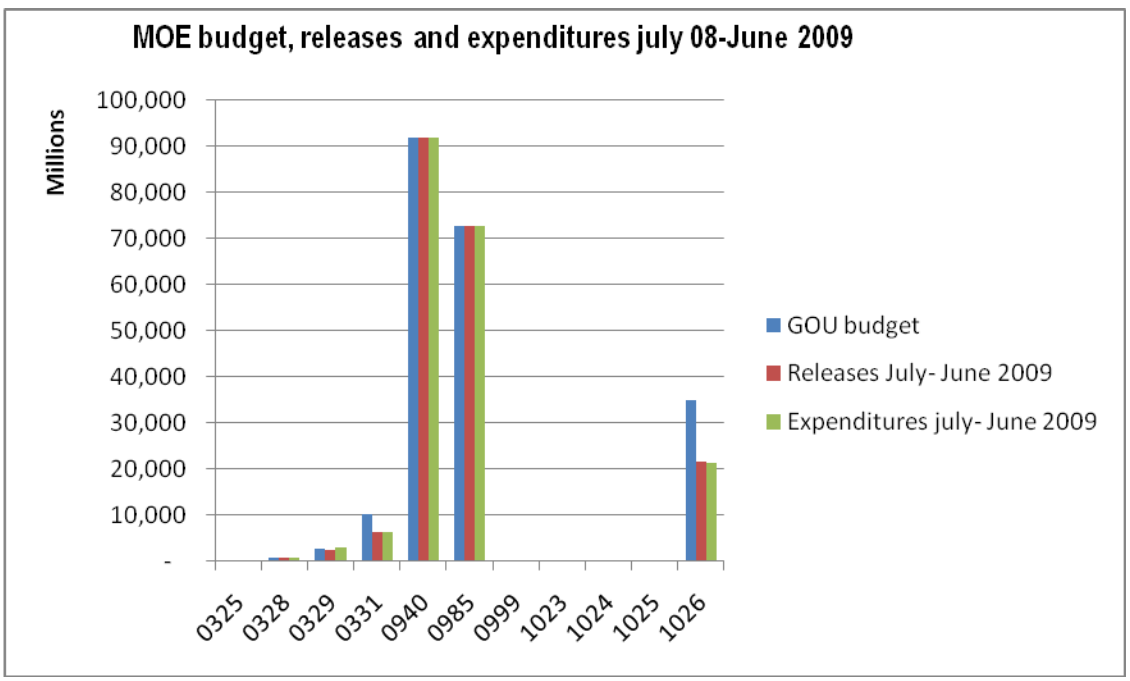
Physical performance of selected programmes is examined under section 3.2.

2.1.3 Ministry of Energy and Mineral development

A total of UShs 213.7 billion was the MTEF/ approved GOU annual development budget for energy and minerals vote 017 while the domestic arrears was UShs 376 million for project 0329- Petroleum Exploration project. The total budget for the FY 2008/2009 was shs 213.7 billion comprising of shs 140.8 billion for energy and minerals while 72.5 billion was the energy fund. A total of shs 196 billion was released representing 91.7% of the total approved budget.

The total expenditure of the money released stood at 100%. All the money released was utilised.

Figure 2.2: Total approved budget, amount released and the total expenditures of energy development projects, FY 2008/09



Source: IFMS

0325	Energy for rural transformation	0985	Energy investment fund
0328	Sustainable mgt mineral and mineral resources	0999	power sector development programme
0329	petroleum exploration promotion	1023	Promotion of renewable energy
0331	Rural electrification	1024	Bujagali interconnection project
0940	Support to thermal power generation	1025	Karuma interconnection project
0941	support to energy fund	1026`	Mputa interconnection Project

Whereas the overall release position was 91.7 % of the approved budget, the graph above shows that, two projects were actually underfunded namely: Mpuuta interconnection project (1026) received a total of shs 21 billion of the budgeted amount of 35 billion representing 61% amount released of the total approved budget and Rural Electrification (0331) also received 61 % of the total approved budget. (See details in Annex table 2.2)

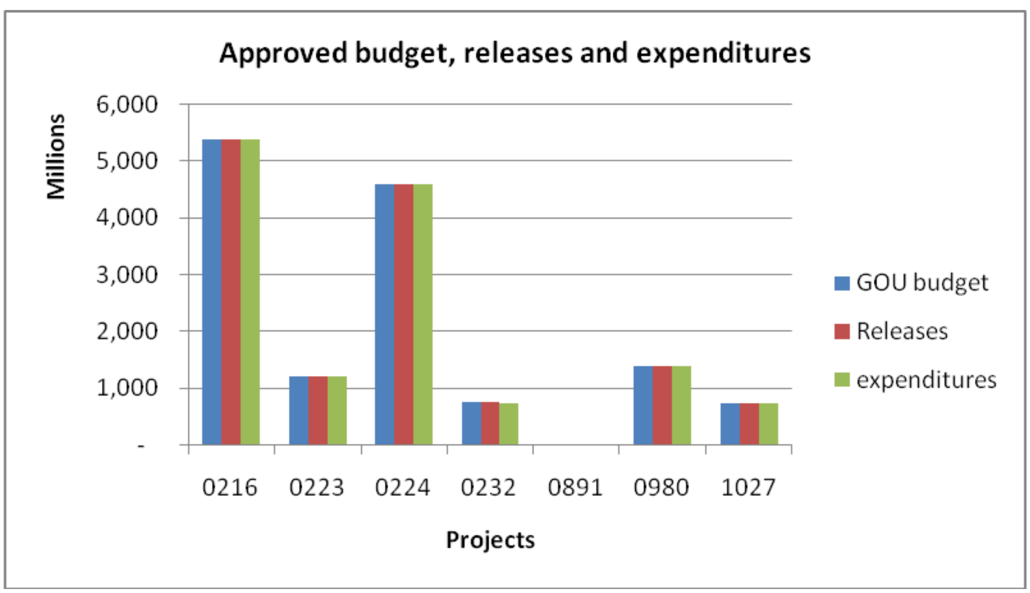
Physical performance of selected programmes is examined under section 3.3.

2.1.4 Ministry of Health

The total approved domestic development budget for the financial year 2008/2009 amounts to UShs12.88 billion whereas the domestic arrears total to shs 1.2 billion for the HSRPII project in Kamuli and Kisoro ditricts. The total funds released total to shs 14 billion. (See details in Annex Table 2.3)

The graph below shows the annual approved budget, releases and the amount spent. As shown all the funds were received and fully utilised.

Figure 2.3: Domestic budget, releases and expenditures for development projects, July 08- Jun



09 Source: IFMS

0216 District Infrastructure support programme
0223 HSRP II Kamuli and Kisoro districts
0224 Imaging and theatre equipment project
0232 Rehabilitation Health facilities eastern region
0891 Donor support to Health sector
0980 Development of social health initiatives
1027 Institutional. Support to ministry of health

Releases on the domestic development budget performed at 100% for releases and expenditures for all projects.

Mulago hospital
The sector received 100% of the budgeted funds .The receipts totalled to UShs 9,167 million excluding taxes comprising of shs 8,515 million being the approved budget amount and shs 652 million as arrears. The arrears were released on line item 312101 Non residential amount.

Butabika Hospital
The total approved budget was UShs 7,485 million and a total amount of shs 7,268 million was released. This equates to 97% of the approved budget. The hospital has two projects namely project 0911- Butabika and Health centre remodel/ construction and project 0981 Strengthening reproductive and mental health which all received 97% of the approved budget respectively.

Arua hospital
Releases on the domestic development budget performed at 97.5% of the approved budget. The total amount received was U.shs 1631 million of the total budget of 1681 million excluding taxes.

Fortportal Hospital
A total of shs 871million was released representing 96.7%. The total budget was U.shs 900 million. The line item which was underperformed at 71% was 312101(other structures) while the rest items received 100%.

Gulu hospital
Of the total budget of shs 1850 million , a total of 21 million was reallocated from line item 312202(Machinery and equipment) leaving a total of shs 1829 million as the total budget. The hospital received a total of shs 1749 million which is 95.6% performance of the budget.

Hoima Hospital
Releases on the domestic development budget performed at 89.2% of the approved budget. The total amount received was U.shs 1109 million against the total budget of shs 1243 million. Therefore a total of shs 134 million was not disbursed by the MoFPED. The least funded Item code 312104(other structures) received 72.7% of the total approved budget totaling to shs 154 million out of the total budget of 213 million.

Jinja Hospital
The hospital received a total of shs 1750million out of the approved budget of shs 1813 million equating to 97% performance level. All the item codes received 100% save the account of

machinery and equipment which received a total of shs 540million of the total budget of 600 million.

Mbale Hospital
The hospital received atotal of 1465 million of the approved budget of shs 1551 millions which represents 94.4% releases performance. All the line items received 100% of the total budget save for line item 312202(Machinery and equipment) which received 82.8%.

Lira Hospital
Releases on the domestic development budget performed at 89.8% of the approved budget. The total amount received was U.shs 1492 million against the total budget of shs 1660 million. Therefore a total of shs 168 million was not disbursed by the MoFPED.

The following Hospitals received 100% of the approved annual budget ;Kabale, Masaka and Soroti Hospitals

Physical performance of selected programmes is examined under section 3.4.

2.1.5 Development of Industrial parks.

The MTEF for the development of Industrial Parks for the FY 2008/2009 was 19.7 billion which was the approved budget for the financial year. According to the releases, the project received a total of shs 29.5 billion for the FY under review representing 150 % of the approved annual budget. All the money totaling to shs 29.5 billion was released to Uganda Investment Authority.

Table 2.2 Approved budget and amount released by item to UIA, FY 08/09

Vote	Account		GOU approved budget	Amount released	variance	Releases as % of the budget July 08 - June 09
08	224002	Goods and supplies	1,750,000,000	12,048,699,706	-10,298,699,706	688
08	225001	Consultancy-short term	200,000,000	115,056,428	84,943,572	58
08	225002	Consultancy long term	57,000,000	32,791,082	24,208,918	58
08	228001	Maintenance civil	14,000,000,000	14,000,000,000	0	100
08	312101	Non res buildings	2,953,000,000	2,953,000,000	0	100
08	312102	machinery & equipment	740,000,000	425,708,783	314,291,217	58
TOTALS			**19,700,000,000**	**29,575,255,999**	**-9,875,255,999**	**150**

Source: IFMS

From the table above, whereas a total of 1.7 billion had been budgeted and approved for the supply of goods and services, a total of UShs 12 billion was released reflecting a percentage release of 688% against the budget. On the other hand machinery and equipment under performed.

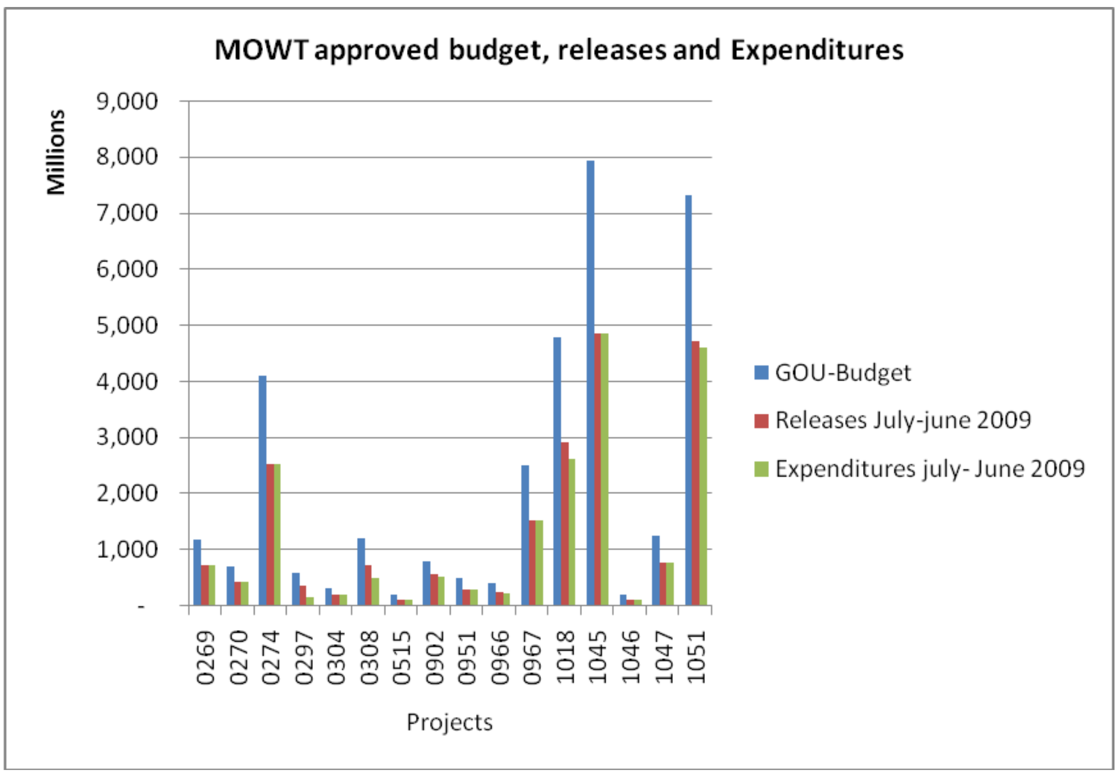
Physical performance of selected programmes is examined under section 3.5.

2.1.6 Ministry of Works and Transport

The total approved annual domestic development budget for the sector for the FY 2008/2009 amounts to UShs 62.17 billion while the domestic arrears was shs 5.57 billion. The domestic arrears of UShs 5.57 billion was in respect to project 0320..”Upgrading Kagamba- Rukungiri Road” which was fully released. A total of shs 52.2 billion was released for the period July 2008- June 2009 representing a release of 85.3% of the approved budget. Of the amount released a total of 50.4 billion was absorbed which is 96.5% performance of the total release.

The figure 2.4 below shows the projects whose releases were below 70% of the annual approved budget for the financial year 2008/2009.

Figure 2.4: Ministry of Works and Transport budget, releases and expenditures for the FY 2008/2009



Source: IFMS

0269	Construction of selected bridges	0515	Rehabilitation of Bugembe workshop.
0270	Devt and strength quality management	0902	Axle load control.
0274	Feeder roads rehabilitation Northern	0951	E.A trade and transport facility
0297	RDP transport master plan	0966	Completion of late Okello lutwas house
0304	Rehabilitation of upcountry	0967	general construction
0308	Road Equipment for district	1018	RRP- Support to MOWT

1045	Interconnectivity improvement	1047	Redevelop/ Rehabilitation of upcountry
1046	Kyapa- kensoro Road	1051	Newship to replace MV Kabalega

The details of all the project annual budget, releases and expenditures is shown in the Annex table 2.4

Vote 113. Uganda National Roads Authority

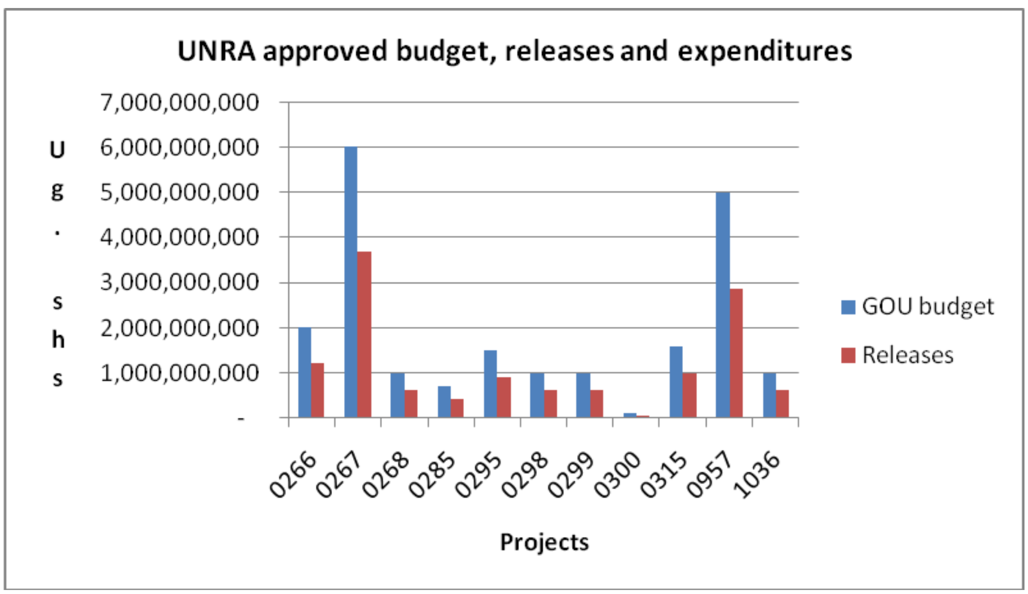
The recurrent and domestic development budget for UNRA for the FY 2008/2009 all totaled to Ushs563.987 of which Ushs 152.721 and UShs411.266 billion were for recurrent and domestic development respectively.

The total domestic development budget for UNRA for the FY 2008/2009 was 411 billion of which UShs 335 billion was released representing 82% performance of revenue of the approved budget. 18% of the approved budget was not released to UNRA.

One of the projects 1056- Northern Corridor had a budget of UShs 320 billion of which a total of shs 255 billion was released by the MoFPED performing at 79.6% of the approved budget.

A number of projects received less than 70% of the approved budgeted funds as highlighted herebelow

Figure 2.5: UNRA approved budget, releases and expenditures



Source: IFMS

Index

0266	Busega – Mityana	0298	Accidents black spots on Jinja-kampala road
0267	Improvement of ferry services	0299	Soroti -Dokolo –Lira
0268	Kampala Northern Bypass	0300	RDP- Upgrading od district roads-IDA
0285	Matuggo Semuto kapeka	0315	NCR Kampala Mbarara
0295	Kampala Gayaza Zirobwe	0957	New Nile bridge at Jinja
		1036	Mbale Magale bombo road

Releases on the domestic development budget for all the aforementioned projects performed at 61.2% of the approved budget meaning that 38.8% was not released.

Physical performance of selected programmes is examined under section 3.6.

2.1.7 Ministry of Water and Environment

A total of UShs 38 billion was allocated to the Ministry of Water and Environment for the financial year 2008/2009 under the GOU domestic development budget while a total of UShs 10.6 billion was the domestic arrears. All the domestic arrears were released.

Of the total annual approved budget and the domestic arrears totaling to shs 48.8 billion, a total of UShs 47.8 billion was released for the period July 08- June 2009, representing 97.7% of the approved budget. A total of UShs 46.5 billion of the total releases was expended representing 97.3% performance of the amount released.

The following table 2.3 shows the projects which received less than 90% of the total annual budget.

Table 2.3: Projects with poor financial performance in the water sector, FY 08/09

PROJECT	PROJNAME	GOU-Budget	Releases July08-June09	Releases as % of the budget July 08 –June 09	Expenditures July 08 –June 09	Expenditures as % of releases July -June
0151	POLICY AND MANAGEMENT SUPPORT	1,610,000,000	1,412,500,000	87.73291925	1,387,154,442	98.21
0165	SUPPORT TO THE WRMD	1,700,000,000	1,452,014,000	85.41258824	1,410,628,800	97.15
1021	MAPPING GROUND WATER RESOURCES	350,000,000	254,120,000	72.60571429	254,120,000	100.00
1022	STRENGTHEN CAPACITY CONCESSION/LIC	100,000,000	81,628,876	81.628876	81,546,908	99.90
1030	SECTOR INVESTMENT PLAN COORD(SIPCP)	300,000,000	201,904,269	67.301423	201,904,269	100.00

Source: IFMS

The details of all the projects annual approved budget, releases and expenditures is attached in Annex table 2.5

Physical performance of selected programmes is examined under section 3.7.

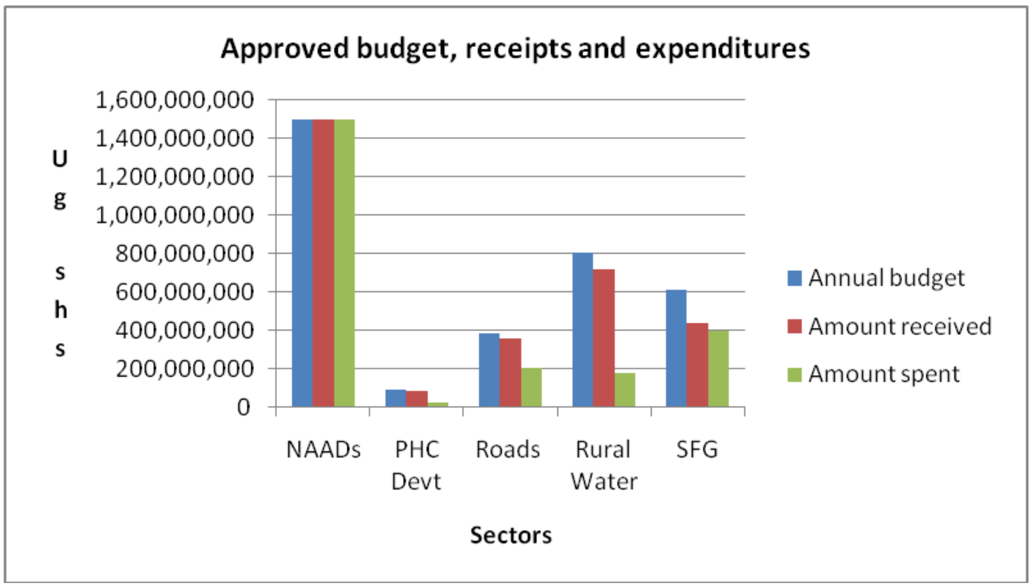
2.2 Financial performance of selected districts

2.2.1 Arua local Government.

The district received the funds for rural Water and Sanitation, School Facilitation Grant (SFG) National Agricultural Advisory Services (NAADS), Primary Health Care (PHC) development and for the district rural roads which were timely remitted to the sectors for the period July 2008-April 2009. It was established that all the funds received by the District were received by these sectors.

The figure 2.6, shows the absorption capacity of development grant funds received for the period July 2008 –April 2009.

Figure 2.6:Approved budget, receipts and actual expenditures by Arua district during FY 2008/09



Source: Arua District

From the above figure, the following sectors had not absorbed most of the funds received;

The water sector total approved budget amounts to shs 804,391,000 of which a total of shs 717,207,400 was received up to April 2009 translating into 90%. Of the amount received, a total of shs 180,873,394= was spent that is 25% of the amount received. It was established that whereas the contract process was concluded in January 2009, most of the funds were still idle/unspent. However, the District Water Officer stated that, the works were ongoing and was at the level of 80% completion and payments to the contractors were being processed. With the limited time remaining to the close of the financial year, it will be difficult for the sector to absorb the unutilized funds or if utilised the work will be hurriedly carried out and may result into shoddy work.

Another sector where there was low absorption of the funds was the Health sector where the total expenditure of the PHC development funds stood at 31% of the funds received. This represents a low absorption of funds in the health sector as a total of shs 26,662,883 was the only amount spent of the total shs 84,003,000= received. The District health officer did not have information on progress of projects were under construction and at what level they were at, neither was he in control of what was taking place under his docket.

Regarding SFG, it was established that all the funds sent to the District were fully absorbed and projects undertaken in the FY 2008/2009 were already complete.

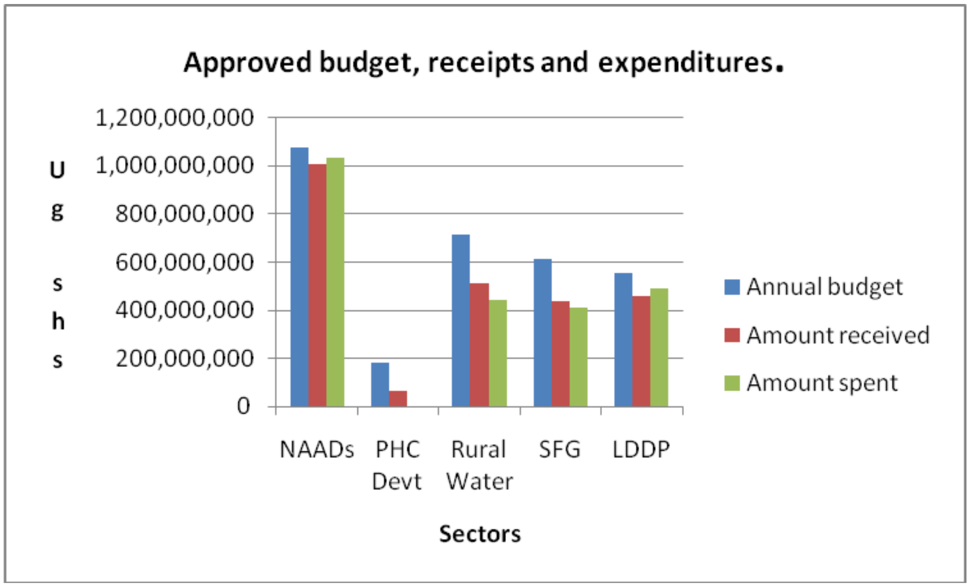
2.2.2 Maracha Local Government

The funds remitted to the district for PAF sectors were promptly remitted to the sectors by the CFOs office. All the funds received were remitted to the sectors. It was established that there were no expenditures of the PHC development amount received as shown in the figure 2.7 below. The MoFPED released a total of shs 63,456,000 for the period July 2008- April 2009 but there was no single expenditure incurred. It was noted that the sector had also a balance brought forward as at 01/07/2008 of shs 116,234,670= of which by the time of monitoring shs 95,211,261= had been paid out to the contractors for the projects which rolled over from last financial year. The projects include;

- Completion of maternity ward in Agii at a total cost of shs 49 million
- Completion of a theatre at Omugo health centre at a cost of shs 30 million.
- Construction of staff house at Wandi health centre at 45 million.

There has been no expenditure of the funds received in the health sector representing zero percent absorption rate.

Figure 2.7: The annual budget, amount received and amount spent by Maracha district for the period July 2008- April 2009.



Source: Maracha District

The funds received by the education sector for the SFG projects in the education sector were being absorbed. The contracts had been awarded and construction work was ongoing. The absorption rate of the funds was 93.8%.

As shown in the above figure, the expenditure for the NAADS and the LDGP is above the receipts because the expenditure includes the funds which were carried forward from last year. For instance the NAADS had a total of shs 36,923,356= and LDGP a total of shs 178,668,428= brought forward from last financial year.

For water sector, the absorption rate stood at 86% and the implementation of the projects was ongoing.

2.2.3 Yumbe Local Government

In Yumbe District, it was established that the amounts sent by the MoFPED were promptly received by the District and also timely remitted to the sectors under review. All the funds received were fully remitted to the sectors as reflected here below.

Table 2.4: Budgets, receipts and actual expenditures by Yumbe district, July 08-Apri 09.

Activity	**Annual budget**	**Amount received**	**Amount spent**	**% of amount spent to releases.**
SFG	490,051,000=	349,158,500=	329,125,545=	94.2
RURAL WATER	810,025,000=	746,562,000=	478,407,291=	64.1
ROADS	415,574,000=	282,370,508=	288,405,358=	102.1
PHC DEVT	40,000,000=	35,368,000=	27,286,000=	77.1
NAADS	829,664,000=	504,262,000=	329,125,545=	65.3
LGDP	480,901,000=	462,866,000=	460,001,000=	99

Source: Yumbe district

As shown above, all the sectors had adequately absorbed the money save for the rural water department and NAADS which had absorbed 64.1% and 65.3% respectively. According to the District Engineer, most of the water projects were ongoing and payments had been partially made. It was anticipated that the projects would be completed by the end of the financial year2008/2009 and all the outstanding balances would have been paid.

The team established that a total of shs 32,481,510 was internally borrowed from the water account to cater for roads expenses. The borrowing was authorized by the District Engineer who is the vote controller. This was done without the authority of the Chief Administrative officer who is the District Accounting Officer and the Chief finance officer who is the custodian of the District funds, which contravenes the Financial and accounting regulations.

It was noted that the District did not have a contracts committee in place .The Monitoring team was informed that there was a delay in approving the members of the committee by the MoFPED. In the meantime they had been advised to use the neighboring District committee. This had greatly affected timely award of contracts and therefore execution of the projects started late.

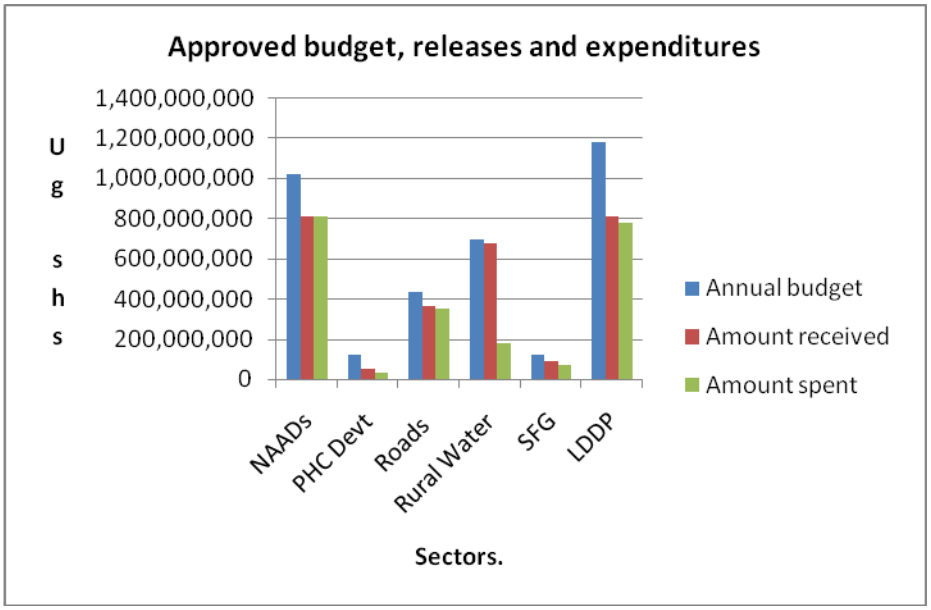
2.2.4 Masindi Local Government

The funds received by the CAO/ CFO for the PAF sectors mentioned above were promptly remitted to the sectors. The funds include SFG, NAADS, PHC development, Rural Water, Roads and LGDP.

The following departments had adequately absorbed the funds received: NAADS, SFG, Rural roads and LGDP. However, the water sector had utilised shs180, 759,483 of the shs 673,343,000 received for the period July 2008- April 2009 representing 26.8% absorption capacity. According to the District water officer, the decimal performance is as a result of delayed procurement process whereby the contractors were engaged late in the month of April 2009. He however, affirmed that the work was in progress and was optimistic that it would be completed on time before the close of the financial year. The Monitoring team observed that, there is a high likelihood of the sector failing to accomplish its programs within the financial year 2008/2009. On the other hand, there may be a rush by the sector to complete the projects before end of the financial year which might result into shoddy work.

As regards the PHC development, the health sector had spent only 64% of the funds received for the period July 2008-April 2009. It was established that most of the projects were ongoing and were awaiting certification by the District Engineer before payment is effected.

Figure 2.8: The approved budget, amount received and spent by the sectors in Masindi district, July 08-April 09.



Source: Masindi district

2.2.5 Hoima Local Government

In Hoima Local Government, it was established that all the funds sent were fully received by the district on the collection account. The CFO timely remitted all the funds received for the period July 2008- April 2009 to the sectors of health, education, agriculture, roads and water sector.

Table 2.5: Budgets, releases and expenditures by Hoima district for the period July 2008 to May 2009

Activity	Annual budget	Amount received	Amount spent	% of amount spent to releases.
SFG	122,513,000=	87,292,500=	46,793,714=	53.6
RURAL WATER	401,799,000=	390,171,354=	309,906,136=	79.4
ROADS	539,529,000=	509,702,873=	358,667,912=	70
PHC DEVT	117,000,000=	51,721,000=	19,957,715=	38.5
NAADS	1,416,229,970=	1,150,994,000=	1,080,802,153=	93.9
LGDP	946,541,543=	890,996,000=	674,293,471=	75.7

Source: Hoima district

The SFG had spent 53.6% of the total funds received. The low absorption of funds was attributed to late procurement of the contractors but the works were in progress and the CFO was optimistic that projects would be completed on time.

Another sector which registered low absorption of funds was the health sector (PHC development) which by the time of monitoring had spent shs 19,957,715= out of shs 51,721,000= received for the period ending May 2009 representing 38.5% only. The major works which were ongoing was a theatre construction at Kigolobya Health centre III which was being completed. The sector may not absorb all the funds received on time.

2.7.6 Bukedea Local Government.

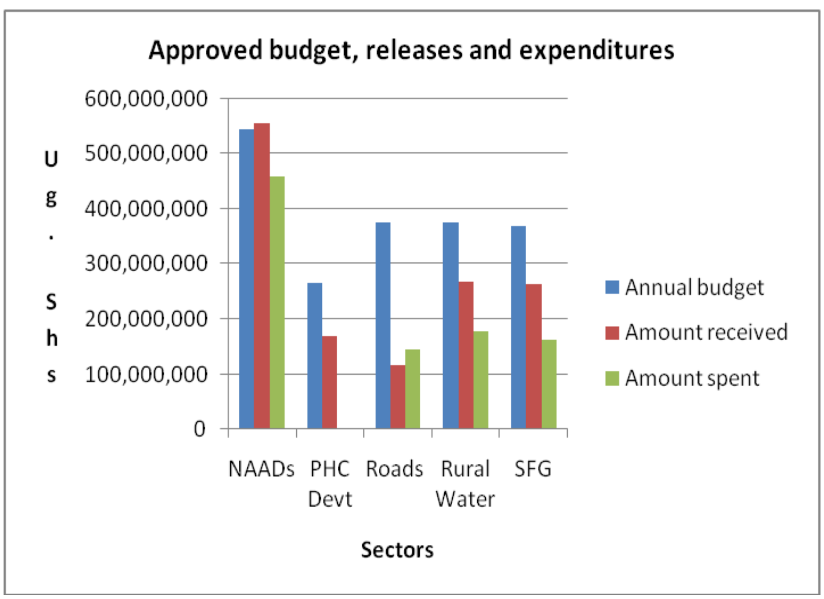
The district received the funds for rural water and sanitation, SFG, NAADS, PHC development which were fully remitted to the sectors for the period July 2008-April 2009. However, there was a delay in remitting the shs 85,469,000 for rural water which was received on 9th Feb 2009 but remitted on 10th March 2009, a month later. There was no plausible reason given by the CFO for the delay to remit the funds.

Regarding absorption of funds, there was low absorption of funds in the health sector as it had not spent any of the funds remitted for the period July 2008- May 2009. The sector received a total of shs 168,006,000= up to May 2009 and all the funds were still on the account. According to the District Health Officer, the contracts for the works on the following projects had been awarded and construction of the projects was to start soon;

- Staff houses at Aminit Busano Health centre II;
- Nalugayi health centre II; Apopongi H/C II
- Construction of OPD at Kobuli H/C
- Laboratory at Kabalwa and Kolili H/C III.

It is most likely that the works will spill over in the FY 2009/2010 given the pace at which work was being carried out.

Figure 2.9: Approved budget, releases and expenditures by Bukedea district, Jul 08-Apri 09.



Source: Bukedea district

According to the CFO, the delay in utilizing the PHC development funds was as a result of the delayed procurement process, as the award of the contract was concluded by April 2009. The Monitoring team observed that the district may not absorb all the funds in the short period of time remaining to the end of the financial year.

Another sector which registered low absorption of funds was the SFG which by the time of the monitoring visit had spent only shs162, 180,069 out of shs 261,811,000 received representing an absorption capacity of 61.9%.

It was also discovered that the following sectors had funds carried forward from the last financial year which were still unutilized by end of May 2009. The sectors affected are;

Sector	Balance carried forward as at 01/07/2008
Rural roads	126,482,993=
NAADS	37,442,376=
Water	99,708,731=

Since the above sectors are experiencing difficulties in utilizing all the balances brought forward, it may be difficult for them to consume all the funds received for this financial year.

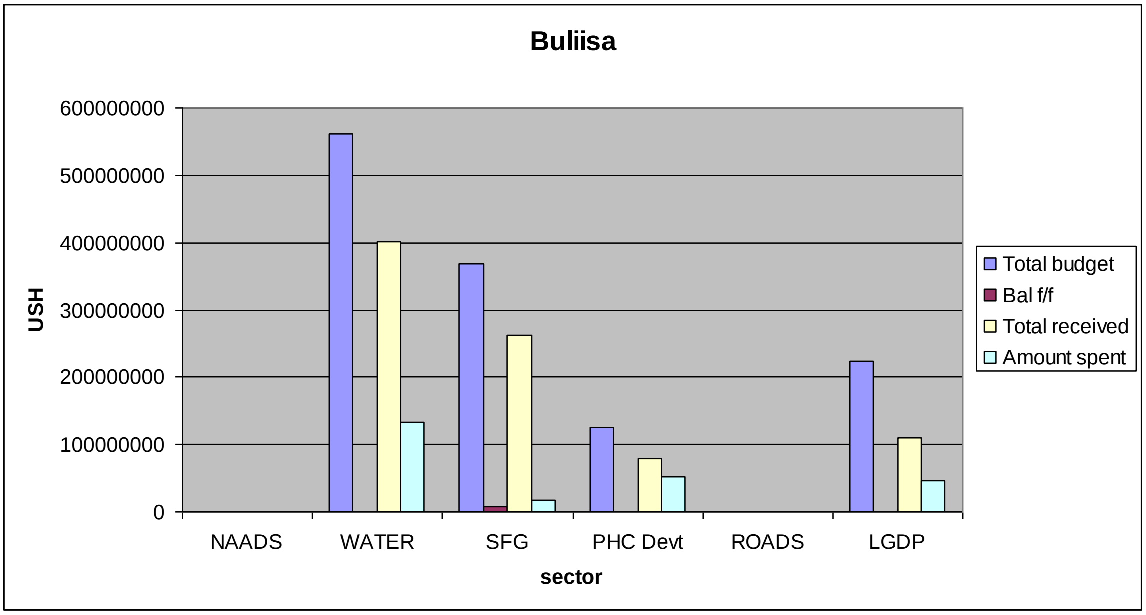
For the water sector, by the time of the monitoring visit, it had spent 48.6% only of the funds received together with the balance brought forward. This represents a low absorption capacity of funds which was attributed to the late award of contracts which meant that the actual implementation of the projects started late.

2.2.7 Buliisa District

All the funds sent by the MoFPED for the development grant for the month of July 2008- April 2009 were timely received by the district. However, the district was not promptly remitting the funds to the sectors. A case in point is the SFG amount totaling to shs 59,910,000 remitted by the MoFPED in the month of September 2008 and credited on the District collection account in the month of October 2008. These funds were transferred to the Education sector on 11th Feb 2009, four month later.

Figure 2.10 shows the revised annual budget, amount released and spent for the sectors of Water, SFG, PHC development and LGDP. Information on NAADS and roads was not readily available.

Figure 2.10: Budgets, receipts and actual expenditures by Buliisa district, Jul 08-Apr-09



Source: Buliisa district

The absorption capacity of most sectors was poor for instance rural water had absorbed 33.2%; LGDP 42.2%; SFG 6.8% of the total funds received for the period July 2008 –April 2009
Regarding the water sector, the District water officer attributed the delay in commencement of work to lack of the contracts committee which took time to be constituted. The contracts were awarded during late March 2009 and by the time the monitoring team visited the District, the drilling contractors were on sight and all the projects were on course. The projects included construction of ten (10) shallow wells, springs and rehabilitation of some shallow wells, construction of three VIP latrines on landing sites. The above projects were said to be complete and awaiting certification and payment.
The contractor for the gravity flow scheme was on site and the pipes had already been procured and it was estimated that by end of June 2009, all construction works would be complete and the remaining balance would be absorbed.

Regarding SFG, the District had received a total of shs 261,871,000 for the period ending April 2009 while it had a total of shs 8,344,700 as balance brought forward as at 01st July 2008 all totaling to shs 270,215,700. However it had spent only shs 17,894,068 translating into 6.8%. Efforts to get details regarding ongoing projects were in vain. Information was not readily available as it was claimed that most of the data was kept by the DEO and CFO who were away attending a workshop.

As explained above, the data on receipt and expenditure of NAADS and roads sector was not availed. It was stated that the CFO was the custodian of the information but he was not at the station. Efforts to get the information from the general fund cashbook were in vain. The general fund cashbook was not posted to-date and the last bank reconciliation was carried out in December 2008. Overall the books of accounts were not posted to-date.

2.2.8 Nebbi District

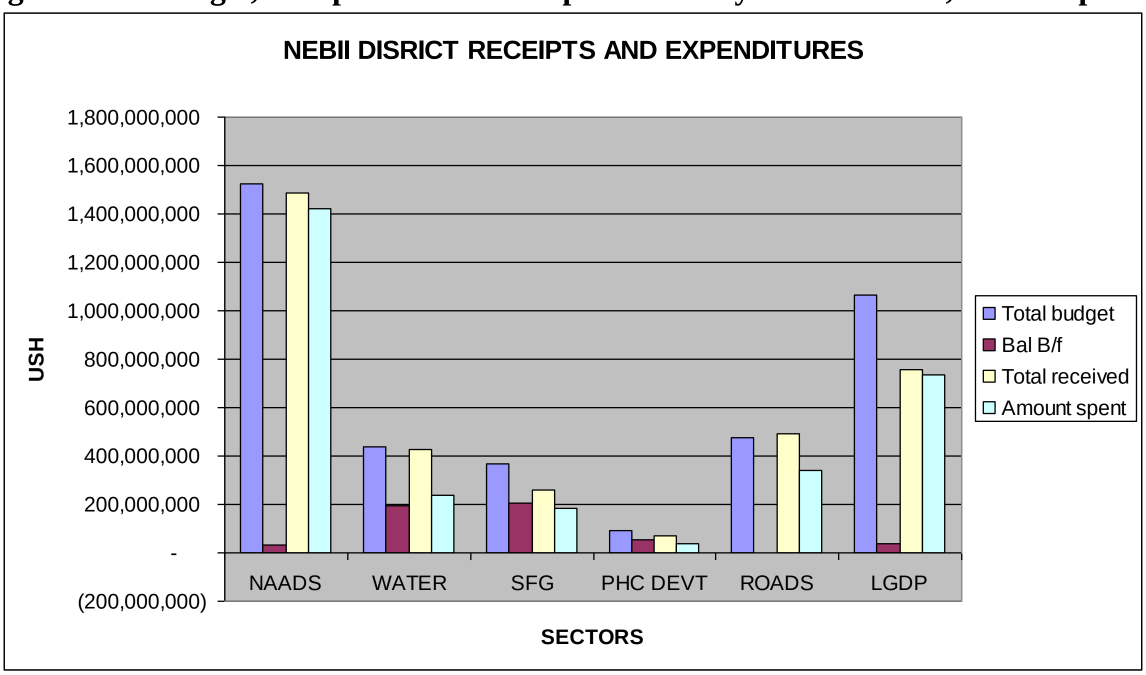
The district received the funds for rural water, SFG, NAADS, PHC development which were timely remitted to the departments for the period July 2008-April 2009.

The district received SFG funds totaling to shs 261,871,000 and had a balance brought forward of shs 205,379,467 all totaling to shs 467,250,467= but had only spent shs 183,787,201 being part of the balance brought forward. No amount had been spent on the releases for this financial year. Lack of spending was attributed to the low unit cost of 14 million shillings set by the government per classroom construction. It was stated that the district had estimated a unit cost of shs 16 million per class room construction, therefore the amount set by the government did not attract any bidders. According to the district officials, the variance in the unit cost was communicated to the Ministry of Education and Sports officials but they had not received any official reply from the Ministry by the time of the monitoring.

It was observed that the district had received almost 99% of the funds, and kept on receiving the funds even when there was no progress report forwarded to both the Ministry of Education and Sports and the Finance ministry.

The figure 2.11 below shows the approved budget, releases and expenditures. It also shows the balance brought forward as at 01st July 2008.

Figure 2.11: Budget, receipts and actual expenditures by Nebbi district, Jul 08-Apr 09



Source: Nebbi district

Another sector which registered low absorption of funds was the health sector on the PHC development as shown below;

Balance brought forward as 01St July 2009	93,077,942=
Receipts	88,424,000=
Totals	181,501,942=
Expenditures	37,452,176=
Balance carried down	144,049,766=

The sector had absorbed 20.6% of the funds received plus the balance carried forward as at 01st July 2008. According to the district officials, there was delayed procurement of the contractors and therefore little work had been done in the current financial year. The District Health Officer revealed that for the current financial year, the sector has been completing an ongoing project (Outpatient ward at Pakwach health centre IV) which commenced in the FY 2007/2008. He stated that the contractor delayed completion of the project because of limited capacity to expeditiously handle the project.

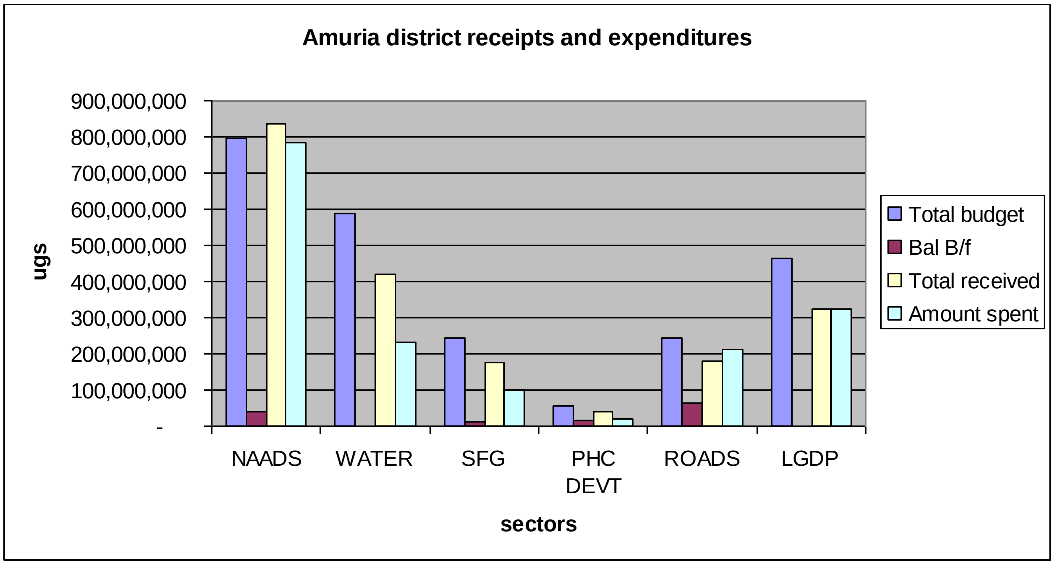
Rural water received 100% of the funds totaling to shs 424,627,000. At the time of monitoring, the water sector had a balance of shs 376,551,450 on the account according to the cashbook, having spent shs 48,075,550=only representing an absorption rate of 11.3 %. The contracts had been awarded and signed by the time of the visit and contractors had commenced work. There is a high likely hood that the sector may not sufficiently utilise the outstanding balances given the current slow pace of work.

2.2.9 Amuria District

The district received all the development grants funds released by MoFPED in time and it was remitted to the sectors in time.

Most of the sectors had absorbed the funds save for the water, SFG and the PHC development. Out of the PHC development funds received, the sector had spent 45.7% only, and the expenditures incurred were in respect to the amount brought forward from last financial year implying that there were few activities on the ground. The expenditures were in respect to the construction of the Doctors house at Kabelyebong health centre IV that started in the previous financial year. For this financial year, the District earmarked to construct a staff house at Morungtuny Health centre III and a contract had already been awarded. A total of shs 17 million was paid to the contractor in May 2009.

Figure 2.12: Approved budget, releases and expenditures for the period July 2008-April 2009 for Amuria district



Source: Amuria district

It was also established that the water sector had spent 55.5% of the amount received for rural water and this was due to the fact that the bore-hole driller delayed to start work. The contract was awarded to drill eleven boreholes, in February 2009 but had just started drilling.

2.2.10 Kumi District

The District received all the funds for rural water, PHC development, roads, SFG, NAADS, and LGDP in time and there were no delays in their remittances to the respective sectors. There was low absorption of funds in some sectors such as PHC development, and roads.
It was established that the Health sector had not spent the PHC Development funds; the little that was spent was part of the balance carried forward from FY 2007/08. This was because they had to complete the projects which they had started on in the previous financial year 07/08. This included construction of health facilities; a staff house, VIP latrine, OPD at Opot HC, two blocks at Kakures HC11 which started in 2006 and were supposed to be completed in 2007 but were not completed then.

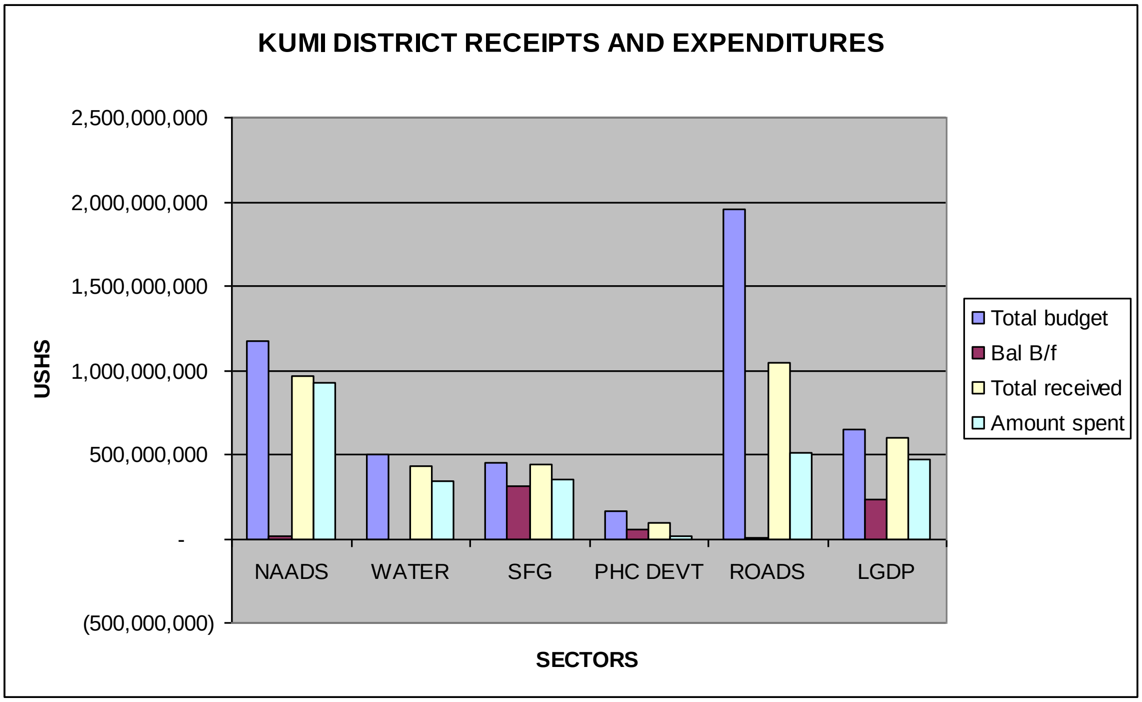
Below is a summary of the PHC funds received and expended;

Balance b/f as 01St July 2009	59,105,134=
Receipts	97,266,000=
Totals	156,371,134=
Expenditures	14,735,250=
Bal c/d	141,635,884=

The PHC development grant absorbed 9.4% of the total funds received which was very low indeed. The contracts for this financial year were awarded late during the month of February

2009. The projects to be done are construction of Kakures HC 11 and Opoti HC 11, and procurement of equipment and drugs but no work had been done. All the funds received this FY were intact. There is a very high possibility that the PHC funds will not be spent by the end of the financial year. The sector had an Ag .DHO who seemed not to be conversant with the activities taking place in the sector.

Figure 2.13: Approved budget, releases and expenditures for Jul 08-Apr 09 in Kumi district.



Source: Kumi district

Another sector that has experienced a low absorption capacity of funds is the roads sector. Although the sector received half the funds of their annual budget, it had managed to spend only half of that.

The SFG spending stood at 81% and the average absorption of funds was attributed to the lengthy and delayed procurement process. The contracts had been awarded and construction works were ongoing. Part of the SFG funds is to cater for the presidential pledge towards the rehabilitation of Bishop Illukor secondary school.

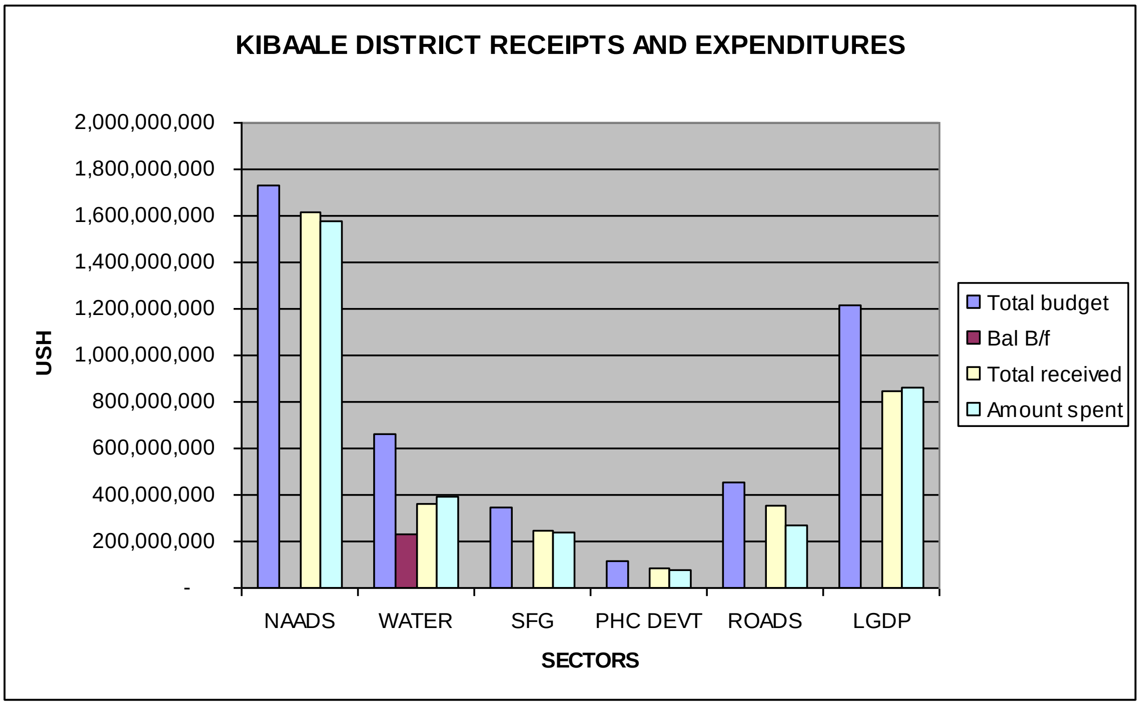
2.2.11 Kibaale district

The district received the funds for Rural Water and Sanitation, SFG, NAADS, PHC development and remitted the funds to the departments/sectors in time.

It was established that almost all the sectors were putting their funds to use apart from the water sector which delayed to award contracts due to delays of approval by the solicitor general. The contracts were awarded on 22nd Jan 2009 but signed in May 2009, one month to the end of the financial year. During the FY 2008/09, the sector earmarked to work on three projects that included construction of 14 hand dug wells; drilling of the bore-halls and construction of Ndaiga water supply phase three (3).By the time of the monitoring visit, the district had commenced on the drilling of the boreholes and pipes for the water supply system at Ndaiga.

It was also established that at the close of the FY2007/08, the water sector had a balance of shs 232,306,674 on the bank account. These funds were meant for completion of Ndaiga water supply phase two (2) and drilling of the boreholes. The contractors completed the projects and were fully paid.

Figure 2.14: Budget, receipts and actual expenditures in Kibaale district, Jul 08-Apr 09



Source: Kibaale district

It was also noted that half of the water sector budget funds was not yet received by the end of April 2009. However, they had not yet spent half of the funds that they had received because of the delays in the awarding and signing of the contracts.

The rest of the sectors had spent almost all the funds that they had received by the time this monitoring was done.

It was established that the budget of SFG totals to shs 344,513,000 of which shs 222,000,000 is the budget for the renovation of Burembo war memorial institute while shs 122,513,000= was the budget for the district SFG. At the time of monitoring, the institute had received total of shs 157,225,492= of the total budget of shs 222,000,000

2.2.12 Katakwi district

Katakwi district received the funds in time for the period July 2008 to April 2009 and all the funds were fully remitted to the sectors in time.

Table 2.6: Total approved budget, amounts received and spent in Katakwi district, Jul-08-Apr 09.

Activity	Total budget	Bal B/f	Total received	Amount spent	% of amount spent to releases and B/F
NAADS	981,343,280	21,423,015	755,578,000	732,547,239	94
WATER		(16,533)	309,032,000	305,526,415	98.9
SFG	150,536,725	66,837,500	87,290,000	59,420,560	38
PHC DEVT	132,833,000	40,637,414	34,904,000	16,572,692	21.9
ROADS		95,441	77,706,186	97,206,282	125
LGDP	330,440,000	1,139,505	235,441,000	27,458,000	11.7

Source: Katakwi district

Katakwi district rural water sector had absorbed 98.9% of the funds they received, this making it one of the very few districts that had a good absorption capacity in that sector.

It was also realized that there was a late release for NAADS funds of 125million.This was meant for the last quarter of the financial year 2007/08 but was released in this current year. NAADS had remitted 97% of the funds received to the sub-counties.
Education sector had not spent any SFG funds received for this financial year totaling to shs 87,290,000. Whereas the financial year was coming to the end, the sector had not spent even the balance of the funds brought forward from last financial year totaling to shs 66,837,500=. This therefore means that the sector will not be in position to spend the money sent to it for this FY.

Regarding PHC development funds, the health sector had a total of shs 40,637,414 carried forward from the FY 2007/2008 but had spent shs 16,572,692 by the time of monitoring. All the funds received for this financial year totaling to shs 34,904,000 were still idle on the account. The sector has not started implementing the activities earmarked for the FY 08/09. According to the District officials, the delay was as a result of the lengthy procurement process.

Regarding the utilization of funds received for roads, it was established that a total of shs 77,706,186 was received for the road sector but spent a total of shs 97,206,282 translating into 125% meaning that the sector spent more funds than what was received. The extra shs 19,500,096 spent which was above what was received was borrowed from the water account. The borrowing *was internally done by the vote controller without seeking for authority from the Accounting officer (the CAO). This contravenes the financial regulation regarding internal borrowing.*

2.3 Implementation Challenges

A number of challenges were identified namely:

1. Lengthy procurement processes limited effective use of funds within local governments. In some cases it is lack of contracts committees while in others it seems to be an issue of capacity.
2. New districts have capacity constraints in keeping proper books of accounts.
3. Diversion of funds between sector activities was common in many districts.
4. Limited follow-up has led local governments to accumulate unspent balances for over 12 months.

CHAPTER 3: Physical Performance

3.1 AGRICULTURE

3.1.1 Introduction

Monitoring of the agricultural sector in this quarter focused on activities of the **National Livestock Productivity Improvement Project (NLPIP)** and the **Cotton Development Organisation (CDO)** in 13 districts: Kasese, Kamwenge, Kyenjojo, Hoima, Masindi, Nakasongola, Mubende, Mpigi, Bullisa, Isingiro, Bushenyi, Kiruhura and Lyantonde. Lessons are drawn regarding the performance of the agricultural sector during FY 2008/09 by comparing findings in this quarter with the key policy issues that emerged from monitoring work in the previous 3 quarters focusing on the following interventions/projects:

- The *Vegetable Oil Development Project (VODP)*, a GOU-IFAD-Private Sector financed intervention that commenced in 2003, which aims at expanding production of oil bearing crops with emphasis on the participation of small holders and private sector processors. Monitoring in Q1 and Q3 focused on the Oil Palm Component in Kalangala.

- The *NorthWest Smallholder Agricultural Development Project (NSADP)* that commenced in 2003 and is funded by African Development Bank (ADB) (87.2%) and GoU (12.8%); and aims at reducing poverty in the Northern region through expansion of rural infrastructure, input supply and extension service. Monitoring was done in Arua and Nebbi districts.

- The restructured *National Agricultural Advisory Services (NAADS) Programme* that was monitored in 7 districts: Kabale, Kasese, Bushenyi, Masaka, Kayunga, Mpigi and Kapchorwa.

- The *Fisheries Development Project* that commenced in 2002 aims at increasing incomes and quality in the fishing sector through construction/rehabilitation of key infrastructure and strengthening aquaculture research and development. Monitoring was conducted in: Gulu, Nakasongola, Kampala, Mukono, Jinja, Luwero, Busia, Mayuge, Kamuli and Kalangala.

The sector financial analysis is examined under 2.1.1

3.1.2 National Livestock Productivity Improvement Project (NLPIP)

Background

The National Livestock Productivity Improvement Project (NLPIP) was launched in 2003 under Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) with the objective of increasing household incomes in the cattle corridor through enhanced livestock productivity and marketing. Total project cost is UA 33.60 million, jointly financed by an ADF loan of UA 23.74 million, Technical Assistance Fund (TAF) grant worth UA 2.79 million, GoU UA 3.17 million, Local

Governments UA 1.88 million and the balance by beneficiaries (UA 2.02 million). The project which is being implemented in 42 districts has five components[2]:

- **Livestock Genetic Resources Development**: for oxen, indigenous breeding cows and goats provided to poor rural households; support to Animal Genetic Resources Centre and Data Bank (NAGRIC&DB) and Makerere University Goat Farm to produce better quality breeding sires including rehabilitation of Ruhengere and Kasolwe Ranches.
- **Animal Health**: addressed major vector-borne and epidemic livestock diseases and regulatory services to control animal movement.
- **Water Supply and Forage Resources Development**: includes construction/rehabilitation of livestock watering facilities, support to pasture seed production (managed by Uganda Seed Ltd) and assistance to 300 farmers in 9 districts to establish demonstration plots for rangeland improvement.
- **Livestock market infrastructure and information systems**: for rehabilitation of livestock marketing facilities, construction of slaughter facilities, dissemination of marketing information and capacity building for farmers and staff.
- **Project Management**

Financial Performance

NLPIP is a highly centralized project with almost all expenditures handled centrally by MAAIF. Districts receive minimal funds mainly for the regulatory function. An evaluation to assess the financial and physical performance of the NLPIP has recently been concluded by GoU and ADB[3]. A review of the efficiency and effectiveness of agricultural expenditures was also done in 2008[4]. These two resources are used to complement field findings from the quarter four monitoring exercise. Table 3.1.1 shows the loan disbursement since project inception up to date:

Table 3.1.1: Loan disbursement for NLPIP as of 31 March 2009

Sources of Finance	Loan amount		Disbursement		Undisbursed balance	
	Amount	%	Amount	%	Amount	%
ADB Loan (UA)	23,740,000	70.65	18,330,069	77.21	5,409,931	22.79
TAF Loan (UA)	2,790,000	8.30	2,790,000	100.00	0	0.00
GoU Contribution (Shs)	7,328,496,000	21.05	1,711,378,000	23.35	5,617,118,000	76.64
Total	33,600,000	100				

Source: GoU and ADB, 2009.

The largest part of the ADB loan (77.21%) has been disbursed; 100% of the technical assistance fund has been disbursed while under most of the GoU counterpart funding remains undisbursed (76.64%).

Lack of release of GoU counterpart financing has led to a stallment of infrastructural projects as it is a trigger for ADB loans. Contractors have received a small proportion of the agreed contract

[2] GoU, 2002.
[3] GoU and ADB, 2009
[4] EPRC, 2008.

sum. Out of 28 market infrastructure projects under construction countrywide, 19 (or 68%) have received 40% or less of the contract amount (Annex 3.1). The water infrastructure projects have been relatively well funded despite lack of GoU counterpart funding, receiving at least 67% of the contract amount (Annex 3.2).

For FY 2008/09, 35.06 bn was released for the project. For the nine month period up to March 2009, 20.31bn had been spent leaving a balance of 14.75bn. This implies an absorption rate of 58% for this reporting period. About 91% of the unspent funds were meant for civil works.

Districts showed the monitoring team evidence of having received some money since FY 2005/06 for regulatory services under the animal health component, training of farmers and staff and project coordination. For instance, Kamwenge district received 400,000/= in 2005, 9.6m in 2006, 22.83m in 2007 and 25.7m in 2008. Masindi district received 135.32m in 2006/07, 4 m in 2007/08 and Shs 17.27m in 2008/09. Districts however expressed concern that disbursements were eratic and untimely making planning and absorption of funds difficult. Most importantly, they were not aware of the total amount of money that they are supposed to receive in any FY as this information is not disclosed by MAAIF. To them, this is lack of transparency as they may actually be receiving only a fraction of the total allocations. The 2008 public expenditure review (PER) of the agricultural projects indicated NLPIP as having the highest leakage of funds transferred to districts – in 2006/07 Bushenyi district was taken to have received Shs 22,830,000 but records revealed that no funds were transferred; Pallisa was taken to have received Shs. 23,990,000 in the same period but only 7,440,000 was receipted reflecting a leakage of 69% of total funds. In FY 2007/08, a leakage of 4.1% was noted[5].

Similar anomalies were seen in Isingiro district where it was reported that about 7m was received in FY 2007/08 yet the records from the district accounts indicated transfer of 24,331200/=. In 2008/09, about 6m was received for spending yet the district accounts indicated that 8,110,000/= had been transferred to the district. It was explained that MAAIF had advanced the balance that was not received to the officer in charge of Inspection and Regulation at MAAIF to oversee regulatory services in the district. There is need for close scrutiny of the NLPIP accounts to ensure that these leakages are minimized or stopped.

Physical Performance

Planned activities
During FY 2008/09, it was planned that 12,000 goats and 1,200 cattle would be distributed, vaccines procured and vaccination done for birds and cattle, 10 dips and crushes rehabilitated, 22 livestock markets and 17 slaughter shades constructed, 8 valley tanks rehabilitated, veterinary regulations enforced and disease surveillance carried out, among many other activities. It was reported by MAAIF[6] that the cattle and goats were procured and distributed and were being monitored, vaccines and animal drugs had been distributed and works had commenced on 3 dips, 2 crushes, 8 valley dams and tanks, 13 livestock markets and 9 slaughter shades. The monitoring team sampled 10 NLPIP implementing districts to assess achievement of these reported outputs.

[5] EPRC, 2008.
[6] MAAIF, 2009.

Findings

Overall, the project is performing fairly well though with mixed results across the districts. All the sampled districts acknowledged having received the goats, vaccines for disease control, pasture seeds, funds for regulatory services and market and water infrastructures were at varying stages of development. Works were most advanced in Bushenyi and Isingiro districts and least in Kyenjojo district. Significant progress has been registered in the construction of dams and slaughter shades and least progress in livestock markets (Table 3.1.2). The physical progress made and the main outstanding challenges under each of the components are further discussed below.

Table 3.1.2: NLPIP activities under implementation and completion rate

	Goats Received	Disease control	Livestock Market	Slaughter Shed	Valley dam	Pasture	Field station
Kamwenge	1200	✔	51%	45%	–	–	–
Lyantonde	616	✔	60%	–	80%	✔	–
Bushenyi	400	✔	100%	100%	–	✔	–
Mpigi	1003	✔	–	–	–	✔	–
Nakasongola	299	✔	40%	100%	–	✔	–
Masindi	400	✔	40%	–	–	✔	–
Mubende	719	✔	40%	–	95%	✔	–
Isingiro	400	✔	95%	10%	90%	✔	–
Kiruhura	700	✔	–	99%	60%	✔	✔
Kyenjojo	820	✔	10%	5%	–	✔	–

Key

✔ *Activity implemented*

– *Activity not in district*

% *Percentage completion of works*

Source: Field Observations

(a) Restocking Programme – Distribution of Goats

Physical performance

As shown in Table 3.1.2, all the sampled districts acknowledged receipt of goats mostly in the 2005-2007 period. However, although the MAAIF 2008/09 performance report for Q1-Q3[7] indicated that slightly over 5bn had been spent on supervising and monitoring the pass on exercise for cattle and goats, none of the sampled districts had yet received goats in this FY by the time of the monitoring visit. Most districts were still waiting for the promised goats. For example, Masindi district was expecting a total of 4000 goats but had only received 400. Mpigi district was expecting an additional 800 goats and the suppliers had been indicated but they have not received them. Kamwenge district expected an additional 400 goats but have also not received them. This FY, Kyenjojo districts was expecting 1000 goats which had not been received by the time of the monitoring visit. One of the main reasons given for these shortfalls is the inflationary prices that have escalated the market price of a goat from 25,000/= at project inception to around 80,000/= presently.

[7] MAAIF, 2009.

On receipt of the goats, the districts distributed them to farmer groups that are predominantly composed of women. The goats have since multiplied and the kids passed on to members who did not receive goats directly from NLPIP. Across all districts, there was evidence of high positive impact of this programme especially in terms of increased household income and improved nutrition. Box 3.1 gives two case studies to illustrate this point

Box 3.1: Benefits of NLPIP goat programme

"Our group is composed of 16 women and 4 men. We received 21 goats in 2006 that we shared among 7 members of our group. Each member took 3 goats. Although these first beneficiaries have passed on some of the kids to the other members, each of them now have at least 5-10 goats. One of our members sold 4 he-goats and was able to take his children to school; another sold a goat and took back the orphan to school.

Nyarugongo Twekambe Group, Kyenjojo District

We received 24 goats in 2006 and 7 additional ones in 2007. Our group has 30 members. We shared the goats. For those who took one goat, they now have between 3 to 8 additional ones after passing on to other members. Goats are easy to manage by poor people as they do not require many expensive inputs. We sell them to educate our children. We also eat them which improves our household nutrition.

Kihaguzi Restocking Committee, Masindi District

Challenges

There were two main challenges that were reported by the district officials and beneficiaries that have slowed the pace of implementation and realization of outputs in this component including:

i. High mortality and abortions of the goats in all the sampled districts due to the stressful conditions under which they are kept by contractors and poor management prior delivery.

Box 3.2 : District experiences with goats

"The first batch of 600 goats which we received in September 2006 was procured by ANNEMA Vet Consult Ltd from Mubende, Kabarole, Kyenjojo and Kabale. The supplier first kept them in Kabarole. They were badly kept in a small space with no water and treatment and they developed skin diseases. More than 50% of these goats died after they had been distributed. We recommended that the goats should be procured locally in future. The second consignment of 600 goats was procured locally by Kabba Farm Ltd. Mortality rates were very low" DVO, Kamwenge District.

"The first batch of 300 goats that were delivered were sick and we rejected them. The contractor replaced them with better quality goats" DVO, Lyantonde. *About 20% of the goats that we received that were centrally procured by MAAIF died. The ones that remained suffered many abortions and had difficulty acclimatizing to the new environment"* DVO Bushenyi. *"For the first batch of goats that we received, over 50% of them aborted due to brucellosis. I was not consulted to verify the health of the animals before they were distributed"* DVO Isingiro.

2. Although over 5bn was reported to have been spent by MAAIF in supervising and monitoring the pass on exercise for cattle and goats, no funds were earmarked at district level for monitoring and supervising implementation of the goat programme which has led to poor performance in some areas. For example, in Isingiro, it was reported that some of the goats were eaten by people or wild animals and others were sold off since there was nobody to monitor the beneficiaries.

Recommendations

i. Farmers require more advisory services on goat management as they lack sufficient knowledge on good husbandry, especially identification and treatment of diseases and feeding and housing facilities.
ii. Livestock should in future be locally sourced for ease of acclimatization, treated and confirmed by DVOs to be in good health before distribution.

(b) Livestock markets

Physical progress

As shown in Table 3.1.2, construction of the livestock market was complete in Bushenyi district, near completion in Isingiro district and partially done in all the other districts.

- *Karambi livestock market* in Mitooma sub-county, located 28km from Bushenyi district headquarters was completed and handed over to its users in May 2009. It is expected to accommodate about 200 heads of cattle on a market day. Field observations indicated weak fencing/paddocking which will be destroyed easily by the animals. There is need to use stronger fencing materials if the facility is to be durable.

Karambi market in Bushenyi

- *Busheka livestock market* in Endizi sub-county, located 70km from Isingiro district headquarters was 95% complete by the time of the monitoring visit. The market can accommodate over 350 cattle per market day. A specific challenge mentioned was that the market may remain unused as most farmers have shifted from beef cattle and are rearing diary animals. Also, the border to Tanzania has been sealed off to control animal diseases yet most of the animals sold in the area were coming from that country.

- Very little work (10%) has been done on *Ruyonza livestock market* in Mpara sub-county about 80km from Kyenjojo district headquarters. Discussion with end-users indicated that the contractor B&T Ltd had abandoned the site in December 2008 and left many unpaid debts in the village for materials delivered. The contracted company was noted to be of low capacity and overstretched as it also engaged in constructions elsewhere. The contractor had been advanced about 20% of the contract amount by mid June 2009.

- Construction of *Kalongo livestock market* in Kalongo sub-county, 40kms from Nakasongola district, commenced in January 2008 but came to a standstill due to financial and capacity constraints. The site was abandoned at the time of the monitoring visit with a completion rate of about 40%. The contractor Mubiko Construction and Furniture Mart was advanced at least 20% of the contract amount.

- Construction of *Kalamba livestock market* in Kiganda sub-county, 40kms from Mubende district headquarters, had halted and the site was abandoned by the time of the visit. The contractor Malt Company was advanced at least 40% of the contract amount but only about 40% of the construction was done by the time of the site visit.

Kalamba livestock market

- At least 51% of construction of *Katalyeba livestock market* in Kamwenge district was complete, even though the contractor Jami Construction Ltd had not received any advance by mid June 2009. The work was found at a standstill by the time of the monitoring visit because the contractor lacked funds to continue and yet the performance contract had expired and needed reviewing before further payments are made. The contractor was trying to mobilize resources from other sources and expected to complete construction in 6 weeks time.

- Construction of *Kasagama livestock market* in Kasagama sub-county Lyantonde district that started in March 2009 is at about 60% completion. The contractor Bunyonyi Engineering Works Ltd received an advance of 25%.

- It was planned that 4 livestock markets would be built in Masindi district but a land title was secured for one and the process is still ongoing to acquire land titles for the others. Construction of *Bwijanga livestock market* in Bwijanga sub-county delayed as the infrastructure had to be relocated to another site away from a school. Construction commenced in June 2008 and is expected to be complete three months from that date. The site visit showed 40% completion of construction. The contractor Minimax Enterprises had received an advance of about 40% of the contract value.

- The markets are highly appreciated by the end users as they have facilities that improve handling of animals especially during loading and offloading as illustrated below.

Loading facility before market improvement in Masindi

Improved loading facility in Isingiro market

Challenges

i. The most binding constraint to construction of livestock markets and other infrastructures including slaughter sheds, dips and crushes was the lack of counterpart funding which would trigger payments using the ADB loans. As of mid June 2009, no GoU (VAT) releases had been made for the market infrastructure works. Consequently, only 30% of budgeted funds has been released so far under this component, all from ADB loan (refer to Annex 2.1).

ii. Most contractors were noted to have low capacity and unable to pre-finance the works as required in the agreements. This problem was exacerbated by the fact that many of the contractors were constructing other facilities in other parts of the country that overstretched their capacities.

iii. The district officials and end users of the livestock markets questioned the design of the infrastructures which did not provide for installation of water although troughs are provided. The lack of water within close proximity defeats the purpose of maintaining hygienic standards which was the main reason for constructing these improved facilities.

iv. Fears were expressed by district officials that the livestock markets may remain white elephants as they are not relevant for the current trends in marketing. Five years ago when the project was conceived, animals were sold in livestock markets. Now sales are done at home with the aid of mobile telephones. Also, MAAIF is discouraging livestock movement to control diseases. Markets are likely to increase disease incidence.

v. Most districts experienced difficulties in securing land titles due to the highly bureaucratic processes and lack of sufficient funds. Some districts such as Mpigi submitted the land titles late and did not benefit from the planned project. This has created mistrust by the intended beneficiaries and loss of confidence in Government's capacity to deliver what was promised. The district failed completely to secure titles for existing valley tanks or for other locations for new ones.

Recommendations

i. GoU urgently needs to allocate sufficient counterpart funding during FY 2009/10 to ensure completion of the market infrastructures before expiry of the project which was planned for December 2009.

ii. Consideration should be given to installation of water in the livestock markets to increase their usability. In future, the districts and intended beneficiaries should be consulted on the design of these and other infrastructures which need to take into account the peculiarities in every locality.

iii. MAAIF should in future use contractors with adequate capacity to deliver. Those that are underperforming should be terminated and replaced.

(c) Slaughter sheds

Physical progress

The new slaughter sheds are aimed at improving meat hygiene during the slaughtering process. Fairly good progress has been made in the construction of 4 out of 6 slaughter sheds that were visited (Table 3.1.2).

- The slaughter sheds in Bushenyi and Nakansogola were 100% complete and the former was handed over to users in May 2009.

Shed in Kiruhura district

- The shed in Kiruhura district was also almost complete (99%) though there were still a few fixtures to install inside.
- The slaughter shed in Kamwenge district was about half done but the contractor Jami Construction Ltd had challenges of completing the facility due to lack of finances. The performance contract had expired and was awaiting renewal.

- Only 10% of works had been done for the shed in Isingiro Town Council. It was reported that the contractor had pooled all manpower to first construct Busheka livestock market in Endizi sub-county which was 95% complete. On hearing about the eminent visit by the ADB mission in May, the contractor hurriedly put some skeleton structures at the site of the slaughter shed. The site was found abandoned with no ongoing activities.

Skeleton Shed at Isingiro T.C

- Poor performance was observed in construction of the shed in Kyenjojo (5% completion). At the time of the monitoring visit, only a pit for the VIP toilet was done for Kyenjojo slaughter shed. The contractor (B&T Ltd) for the slaughter shed in Kyenjojo Town Council was the same one who had failed to complete the Ruyonza livestock market (also at 10% completion) reflecting very low capacity to implement. The cattle treatment crushes that the company was contracted to construct are also not done.

Pit at Kyenjojo site

Challenges

i. Although the sheds were highly appreciated by the end users as important for improving hygiene when slaughtering animals, they were noted to be too small to serve the purpose for which they were constructed. For example, in Bushenyi Town Council, up to 10 cows may be slaughtered at the same time yet the facility can only handle two animals at a time.
ii. The sheds lack water as per the approved design yet slaughtering involves cleaning to maintain hygiene.
iii. Concerns were raised about how the slaughter sheds would be maintained as the user fees may be too small and many potential users have already expressed unwillingness to pay.

Recommendations

i. Water should be installed in the slaughter sheds to ensure that the objective of maintaining hygiene is realized during the slaughtering process.
ii. Poorly performing contractors such as B&T Ltd should be terminated and replaced with proven firms.

(d) Valley Dams

Lyangoma dam in Mubende

Makukulu dam in Lyantonde

The NLPIP is progressing very well with regard to construction of valley dams. Three out of four dams that were visited were near completion in Lyantonde, Mubende and Isingiro districts. All the three dams are being constructed by SPENCON that was advanced slightly over 70% of the contract amount for constructing dams in five districts (including Rakai and Kiboga) – Annex 3.2.

The fourth dam in Kiruhura district is being rehabilitated at Ruhengyere field station by Mwizi Techno-agencies Ltd. At time of monitoring visit, construction was estimated at 60% completion rate. The unfinished work included purchase of a generator and installation of pipe works and 2 water reservoirs. A number of constraints were noted to have slowed the pace of construction of this dam including the following:

- Cost over-run due to underestimation of the magnitude of the task.
- Late payments to contractor largely due to prolonged delays by the consultant to check and verify finished works.
- Interruption of construction works by livestock on the ranch.

(e) Pasture Component

Physical progress

Under the water and forage resources component, farmers were given pasture seeds to be grown and multiplied for sale to other farmers in degraded areas. Inselected areas, agreements were made with the Uganda Seed Company which would ultimately purchase the seeds for onward distribution to livestock farmers. All the sampled districts acknowledged receipt of pasture seeds, fertilizers and materials for fencing off the planted areas including poles, nails and barbed wire from NLPIP Project office. In Kyenjojo district, 8 district staff members undertook short courses on rangeland management in Makerere University under NLPIP.

However, the component did not do well in some districts due to lack of supervision and advisory services on how to grow and handle the pasture seeds. For example in Bushenyi district, nine out of 10 farmers who benefitted from the programme failed to maintain the gardens due to lack of sufficient technical knowledge resulting in very low yields. Only one of the farmers managed to harvest 50 kg from one acre and sold each kg at 8,000/=. The farmers complained that pasture production though profitable was too labour intensive.

The seeds also did not grow well in Masindi district due to drought. Farmers were still searching for markets for the seeds they had produced. There was only one case study in all the sampled districts of a successful pasture seed grower as shown below:

Box 3.3: Experience on pasture seed growing from Masindi

"In May 2008, I received 75kg of pasture seeds, 4 bags of NPK fertilizer each 50kg, 3 pangas, 1 rake and 3 hoes from the NLPIP project. I also attended for short training seminars for pasture growing. I have already disseminated the information I got to the other farmers in our association. I planted 5 acres of pannicum seed in August 2008. I have just started harvesting in May 2009. I have already harvested 2 bags of pannicum seed each of 100 kg this year and I expect to harvest much more in the course of this year. I have been

offered a price of 15,000/= per kg implying that I will get Shs 3m from these bags. But the main challenge we have is that we do not have market for our produce and we do not even know how to avoid post harvest losses that are so high. We do not have enough experience on pasture management such as how to tell that the crop is mature, how to store the produce, quality control and packaging" **Mr. Eric Kaheru, Chairman for Pakanyi Pasture Seed Growers Association, Pakanyi Sub-county, Masindi District.**

Recommendations

i) Government needs to step up access to and availability of advisory services on recently introduced enterprises such as in pasture production.

ii) The market linkages for such new enterprises need to be strengthened throughout the entire value chain.

(f) Animal disease control

Physical progress

All the sampled districts acknowledged receipt of vaccines for control of epidermic diseases in livestock including New Castle Disease Vaccine, Lumpy Skin Disease Vaccine and Brucellosis Disease Vaccine. Vaccines were provided free as well as on a cost-recovery basis. Some districts (Kamwenge, Kyenjojo, and Isingiro) had in addition received refrigerators, ice boxes and motor cycles. However, fridge gas was difficult to access in some districts hence leading to expiry of drugs.

NLPIP Fridge in Isingiro

Challenges

i. Cost recovery for the vaccines proved difficult in most districts as farmers were not willing to pay for inputs that are provided by Government and they noted that they were too expensive. This was also noted in the EPRC 2008 study that found that lumpy skin dose for example was supplied at Shs 1300 yet the market price is Shs 1200 while brucellosis was Shs 1000 yet the market price is Shs 800.

ii. Some of the vaccines especially for lumpy skin and brucellosis expired before use and hence no funds were recovered. In Kamwenge, Kyenjojo and Bushenyi districts, it was reported that the vaccines were received when close to the expiry date and hence were not used.

iii. NLPIP focused on diseases that were not a problem in some districts; hence the vaccines were not needed in some cases. Vaccines were instead needed for Foot and Mouth Disease and Rabies.

iv. All districts complained that the vaccines were grossly insufficient to deal with the magnitude of the disease epidemics affecting livestock in the cattle corridor.

(g) Ruhengyere stock farm

Background

The field station located in Kiruhura district, was started in 1964 jointly by GoU and USAID as a cross breeding ranch and to serve as a demonstration to neighbouring ranchers. The ranch is 13,500 aces with a carrying capacity of 4,000 heads of cattle. Currently, the station is under the management of the National Animal Genetic Resource Information Centre and Data Bank (NAGRIC&DB) and is supported by the NLPIP.

Physical progress

Tyre bath at stock farm

Out of the resources received in this and the previous financial years from NLPIP, construction works and bush clearing was being undertaken at the stock farm by Mulowooza & Company and dam construction by Mwizi Techno-agencies Ltd. Under works, a tyre bath is being constructed at the gate to the station to reduce/eliminate infection of livestock plus perimeter fencing all around. Construction of the tyre bath was about 70% complete while construction of fencing had not even started.

The pastures on the ranch are of poor quality. The contractor Mulowooza & Company is supposed to clear at least 10% of the total acreage on the farm and replant with good quality pasture. By the time of the monitoring visit, at least 50% of the area was cleared although planting of pastures had not started yet. The farm has been restocked with over 2000 improved cattle and 350 goats for breeding purposes.

Challenges

i. While the support under NLPIP for clearing the land is appreciated, it is still too insignificant as more than 2/3 of the farm remains covered by obnoxious weeds and hence is not usable by the livestock.
ii. Thefts of cattle by encroachers are common. Their animals increase the incidence of livestock diseases especially Brucellosis, FMD and CBPP.
iii. Monitoring of works and the livestock is inadequate due to lack of transportation means.
iv. The stocking levels still remain low, below the carrying capacity of the stock farm.

Recommendations

i. Fencing of the entire ranch should be completed urgently to reduce encroachment, theft of animals and spread of livestock diseases.
ii. Transport means should be provided to enhance implementation and supervision of all activities on the station.

Overall conclusion and recommendations on NLPIP

The NLPIP expenditures have generated considerable outputs in terms of market and water infrastructures as well as distribution of livestock in the implementing districts. However, there are variations in pace of implementation and the quality of outputs across the districts. Major challenges are being experienced in the restocking component and construction of market infrastructures which has led to reduced physical performance. In terms of equity, it was found that the goats were being distributed to farmer groups and individuals who had already benefitted from other programmes such as NAADS. Most of the beneficiaries are progressive farmers who get easy access to information about programmes and have some money to invest in running the projects. The infrastructures are relatively well distributed across the cattle corridor districts.

A major challenge that was noted across the districts was the poor coordination between the NLPIP office in MAAIF and the Districts. In most cases, expenditure plans were haphazardly handled and funds were sent without prior notice and adequate guidance on utilization. The districts were concerned about the non-complementary nature and lack of proper sequencing in the project components which were considered too many for effective implementation. The work of centrally procured consultants as supervisors to the contractors was not visible since many of the infrastructure projects are not fully supervised.

It is recommended that:

i) The NLPIP is extended for at least one year to ensure that all the unfinished project components are completed as planned;
ii) GoU counterpart funding should be availed to trigger payments from the ADB loans.
iii) District officials should in future be actively involved by MAAIF in the design, implementation and supervision of projects.
iv) Non-performing contractors especially on the infrastructure projects should be terminated.
v) If there is phase II of this project, it should focus on fewer and well sequenced complementary project activities that are properly sequenced and effectively monitored.

3.1.3 Cotton Development Organization

Background

Established in 1994 by an Act of Parliament, the Cotton Development Organization (CDO) monitors the production, processing, and marketing of cotton so as to enhance the quality of lint exported and locally sold. The CDO promotes distribution of high quality cotton seed and oversees all activities in the cotton industry. The crop is produced in the 6 cotton zones spread across the country namely: Kazinga Channel Zone; Eastern Zone; Central Zone; Southern Zone; West Nile Zone and Greater North Zone. The country has four operational cotton dressing stations in Kasese, Masindi, Lira and Kumi that receive cotton seed for delinting, dressing and packaging in 3kg bags ready for distribution for planting.

Being an annual crop, cotton is planted during May-July period and harvested during the months of November – January. Procurement, delinting and preparation of planting seed (seed dressing) is done during January – April. CDO planned and received funding for the following core activities for FY 2008/09, among many others[8]:

- Procurement, delinting, dressing and packaging 4,000MT of fuzzy seed that would yield 3,200 MT of clean seed to be distributed to farmers in 46 districts.
- Procurement of 16MT of seed treatment chemicals
- Procurement of 2,500 bales of seed packaging bags
- Establishment of 18,000 acres of seed crops in segregated areas using foundation seed from NARO Serere
- Farmer training
- Procurement and sale of 500,000 one acre units of pesticides to farmers
- Procurement and distribution of 6,000 spray pumps to farmers
- Procurement and distribution of 3000 pairs of oxen, 3000 ploughs and 10 tractors with implements
- Establishment of 7,000 demonstration plots

Financial Performance

The approved expenditure for the Cotton Development Organisation for FY 2008/09 amounting to Ushs 20,569,000,000 was fully disbursed in the first half of the financial year as shown in Table 3.1.3. This included a supplementary release of 13.5 bn at the end of December 2008 to top up the farm gate price that had fallen to 450/= against the Government indicative price to farmers of 800/= to 1,000/= per kg of seed cotton. The expenditures focused on implementing the above named planned activities, in addition to many others, in preparation for the planting season that would commence in the May – July 2009 period.

Discussions with the CDO Secretariat officials and review of Performance Form A for Quarter 3[9] revealed that the bulk of the released funds (87%) had already been spent by the third quarter of FY 2008/09 as indicated in Table 3.1.4.

Table 3.1.3: Approved expenditures and releases to CDO July 2008 – March 2009

Item	Approved Estimates (Rec and Devt) - millions			Releases - millions				
	Approved	Supplementary	Revised	July	Oct	Nov	Dec	Total
Allowance	100,000		100,000	33,333	66,666	0	0	99,999
Goods & Services	5,450,000	14,869,002	20,319,002	1,816,667	3,633,333	1,349,002	13,520,000	20,319,002
Travel inland	100,000		100,000	33,333	66,666	0	0	99,999
Travel Abroad	50,000		50,000	16,667	33,333	0	0	50,000
Total	5,700,000	14,869,000	20,569,002	1,900,000	3,799,998	1,349,002	13,520,000	20,569,000

Source: MFPED, 2008; MFPED IFMS.

[8] Full details in CDO Workplan and Budget for 2008/09.
[9] CDO, 2009.

Table 3.1.4: Actual Expenditures by CDO during Q1 – Q3 FY 2008/09

Item	Actual Expenditures (Shs bn)			Total Expenditure (Shs bn)
	Q1	Q2	Q3	
Allowance	0.025	0.025	0.025	0.075
Goods & Services	1.817	3.633	12.262	17.712
Travel inland	0.021	0.020	0.027	0.068
Travel Abroad	0	0	0	0
Total	1.863	3.678	12.314	17,855

Source: CDO, 2009.

Almost all the spent funds (99%) were reported to have been used for purchase of goods and services notably support for the cotton farm gate price, provision of pesticides and cotton planting seed to farmers, farmer mobilization and sensitization, monitoring of ginning and segregation of planted seed and support to value addition activities. Support to the farm gate price involved paying an additional 150/= per kg of seed cotton to farmers through their ginners to boost returns to the official minimum of 600/= per kg.

Other major expenditure items included buying raw seed from ginners, importing seed chemicals to control pests that deter germination, purchase of packaging materials and protective gear for staff at the Dressing stations to be used against toxic chemicals, quality control through inspection and transport for movement of seed in bulk within and between cotton zones.

Physical Performance

Physical progress was assessed in 7 cotton growing districts namely: Kasese, Kamwenge, Kyenjojo, Hoima, Masindi, Nakasongola and Bullisa. At the time of the monitoring visit in May, there was no cotton in the field. Instead, farmers had started preparing their gardens in preparation for the planting season that would commence in June-July 2009. The monitoring work that involved both key informant interviews and focus group discussions (FDGs) therefore focused on activities of the previous planting season and the support that farmers had got in FY 2008/09 in readiness for the June-July 2009 planting season. The CDO has been receiving 5.7bn annually over the past several years, except in special cases where there are supplementaries such as in the FY 2008/09.

Findings

Generally, the activities that are related to the major expenditure items at CDO were found to be taking place in the sampled districts although there were several constraints and challenges that were negatively affecting physical performance and delivery of the expected outputs. Farmers acknowledged receipt of seeds for planting, pesticides, some extension advice and in a few cases, spray pumps. The dressing stations acknowledged receipt of seed treatment chemicals, protective gears, seed packaging bags and foundation seed. The farmers affirmed having received at least 600/= per kg from the ginners for their marketed produce. All these activities are further discussed in detail below.

(a) Seed Procurement, Dressing and Production

The monitoring team visited Masindi Seed Dressing Station and Kasese Seed Dressing Station to assess progress in seed cotton purchase, treatment and production.

(i) Masindi Seed Dressing Station

During FY 2008/09, the following items were received from the CDO Head Office for use in seed procurement, dressing and production at the station:

Bronopol bags in storage at Masindi

- 397 bales of 3kg seed packaging bags; each bale contained 500 bags
- 5 bales of 100kg packaging bags; each bale contained 1000 bags
- 292 bags of Bronopol 12% WP each weighing 20 kg
- 240 litres of cruizer chemical (used to dress seeds that are grown in segregated multiplication areas)
- 1 bottle of fumigant
- Protective clothing – gumboots, overcoats, masks, gloves and gaggles

The station received 913.98 MT of fuzzy seed from the ginners, of which 1.96MT was improved breeders seed from NARO (this is the latest variety BPA 2008 that is still being multiplied before distribution to farmers). This was paid for by CDO Head office. About 45tonnes where sent to Kasese Dressing Station while the rest was delinted, dressed and distributed. In terms of distribution, 476.536 MT were sent to Pakwach, Kacumbala and Ngeta cotton growing areas. Some of the treated seed was given to FICA SEED Company that was contracted to multiply seeds on Kigumbu block; some foundation seeds were purchased by Olam company and distributed to farmers while others were still in storage awaiting distribution to cotton farmers in Kasese as well as other parts of the country.

Fuzzy seed at Masindi Station

Seed Cotton packaged for distribution in Masindi

Bagging seed cotton at Kasese Dressing Station

The main challenges encountered at the station that affected performance included:

i. Old processing machines that are operating below capacity and breakdown often. This results in very high maintenance costs.
ii. Extremely high electricity and fuel costs amounting to about Shs 7m per month. With frequent power cutoffs, motors have to be restarted 3-4 times a day leading to loss of power. The electric voltage is often too low to operate machinery which results in overheating and loss of not less than 2 hours of work daily.
iii. The cotton region covering 7 districts is manned by 1 CDO officer which is a challenge in terms of supervision and monitoring of activities. Ginners were noted to have been helpful in providing some field workers. For example, Olam Uganda Ltd operating in Hoima and Bullisa had provided 10 extension workers equipped with bicycles and lending spray pumps to farmers.
iv. Livestock keepers have taken over some of the cotton growing areas especially in Bullisa district. In the last season, 2000 acres were lost and there is a court case.
v. The working conditions and quality of protective gear need improvement. The chemicals used to treat seed cotton were reported by female workers at the station to be hazardous sometimes causing abortions among pregnant women who refuse to use protective gear.. Some workers refuse to use the protective gear which was said to be too weak.
vi. Concern was raised about the loading tax as being unfair – for every lorry of seed cotton, buyers pay between 40,000/= to 60,000/= to the local governments.

(ii) Kasese Dressing Station

During this FY, Kasese Dressing Station which is the largest station in the country had received Pesticides including 10,000 Units of Cypercal and 43,008 Units of Poltin and 60 pieces of spray pumps. Pesticide sales agents were contracted to sell the pesticides (64 in Kasese, 13 in Bushenyi and 1 in Kamwenge). Price was 3,000/= per unit to the agent and 3,500/= to farmers. Terms of payment were to bank cash before pesticide release. In total, 33,616 units of pesticide worth Shs 100,848,000 and 10 pieces of pumps were sold during the season. Mubuku Prison farm received chemical and pumps on credit worth Shs 1,900,000= and this was recovered. Sales of spray pumps were low because there are cheaper (though weaker) pumps on the market and some farmers still have other pumps procured under the ginners programme. The unsold stocks were returned to Head office and the services of the store keeper and guards were terminated on 31st January 2009.

Fuzzy seed processing at Nyakatonzi

As of May 2009, the station had purchased 14,851,516 kg or 14,851 MT of Seed Cotton from ginneries for processing and distribution. Some of this seed cotton was delinted and dressed ready for planting while the other was processed into bales ready for export. Table 3.1.5 shows the seed cotton that was distributed between 21st July 2008 and 18th August 2008 while Table 3.1.6 shows the transportation costs incurred by Nyakatonzi Union and Rwenzori Ginnery. These costs were paid off by CDO Head Office.

Table 3.1.5: Seed cotton distributed by Kasese Station

District	County	Qty of Seed Distributed MT	Target Acreage	Expected Production (Bales)
Kasese	Bukonzo	223.798	17,500	13,750
	Busongora	160.702	15,000	11,250
Bushenyi	Bunyaruguru	45.030	4,500	4,000
Kamwenge	Kitagwenda	3.740	2,500	2,000
Total		462.270	39,500	31,000

Source: Kasese Dressing Station reports

Table 3.1.6: Cost of distributing seed cotton

Transporters	Qty transported (MT)	Transport Cost (UShs)	Loading and Off-Loading	Total Cost (Ushs)
Nyakatonzi	326.310	14,683,950	961,700	15,645,650
Rwenzori	135.960	6,118,200	400,600	6,518,800
Total	**462.270**	**20,802,150**	**1,362,300**	**22,164,450**

Source: Kasese Dressing Station reports

The following are the key challenges that affected physical performance at the station as well as theginners .:

i) There is lack of a system for verifying the individual farm acreages resulting in some farmers pick more seed than they need leading to shortages. Those who pick excess seed keep the balance for other seasons yet the seed shelf life is one season only. Planting of expired seeds leads to low farm production and yields. Also, there is no system for verifying whether those who take the seeds actually plant them.
ii) Delays in payments for fuzzy seed by CDO Head office
iii) High processing costs exacerbated by unreliable power
v) Dilapidated vehicles constraining supervision of cotton operations by staff at the station.

Recommendations for dressing stations

The following recommendations were made by staff at the dressing station:

i. The machinery at the dressing stations needs to be overhauled/properly maintained to increase efficiency.
ii. Better quality protective gear need to be procured and distributed in adequate quantities to improve the working conditions at the stations.
iii. Transport and staffing problems should be addressed.

(b) Cotton growing and access to inputs at farm level

Access to Seeds

Cotton farmers in all the sampled districts acknowledged receipt of the planting seeds in sufficient quantities and delivered in time for the previous planting season. However, they noted that delivery of seeds for the June-July 2009 season had delayed yet they had already prepared their gardens. Although it is recommended that a one 3kg bag of seed should be planted in one acre, there was evidence in all districts of farmers taking at least 2-3 bags per acre. It was explained by the farmers that they plant 10 seeds per hole (2 seeds are recommended) because germination rates are low and they need extra seeds to plant in gaps created by drought. Also it is plausible that what a farmer contends to be an acre may actually be larger since there are no standard measurements of the farmer acreage. Hence, the need for more seeds.

Whatever the reason maybe, it was evident that there were inefficiencies in the use of seed at farm level. Some farmers were reported to collect the seeds with their main interest being in the good looking polythene packaging. They throw away the seeds and retain the packaging for future use. Key informant interviews with seed distributers in all the districts indicated that they faced a challenge of not knowing who is a cotton farmer and who is not as there are no proper records. Other farmers who really need the seeds do not get them as there are shortages in some seasons. It was recommended in a number of FGDs with farmers that the cotton seeds should be priced and not distributed free of charge as a means of reducing wastages.

Access to pesticides

Farmers in all the sampled districts acknowledged having got access to pesticides through designated agents. The pesticides were sold to them at 3,500/= per acre unit. The pesticides were delivered late in some districts such as in Nakasongola while many farmers complained that they were not affordable. In order to ensure that farmers are able to access and use the pesticides, CDO promoted group formation and provided them on credit. It was reported in Hoima that this approach received positive response from farmers and the pesticides were accessed on credit. However, there has been poor loan recovery due to weaknesses in group formation and operation.

Cotton growing

The average acreage for farmers ranges between ½ acre to 5 acres although there were exceptions in Nakasongola district were farmers were reported to have large acreages – 50 acres. Land is often rented at about 60,000/= – 80,000/= per acre. Extension advice was noted to be inadequate, usually delivered to farmers in groups. The majority of farmers do not have access to advisory services because they are in remote areas yet the extension workers lack transport and are few in number. For example, in Kasese district, the CDO hired 3 extension workers to cover 10 sub-counties during the last season. Most farmers expressed interest in acquiring more knowledge especially with regard to pest and disease control and the proper use of pesticides.

The most commonly reported constraint to cotton growing across all the districts was the low farm gate price of cotton (at 600/=which gives very low returns to investment given the high cost of production. Farmers complained that the Government gave an indicative price of Shs 800 which led to a rise in the cost of the key capital assets especially land used in farming. Farmers made major investments with a hope to make recovery from sale of their produce at that price. The 600/= offered to the farmers in the last season demoralized them to the extent that many have decided to pull out of cotton growing. Ginners also make late payments for the cotton that is delivered. This situation is exacerbated by the fact that political leaders in many districts are sending out signal for farmers to abandon cotton and instead plant other better paying commodities as exemplified by a key informant interview with the LCV of Hoima District. This view was shared by district leaders in Kasese District.

Box 3.4: Views of local leader on cotton growing

"We the leaders in this district and the neighbouring ones are discouraging our people from growing cotton which just increases household poverty. Those who grow cotton do it on a very small scale that is not profitable. Why grow cotton on 2 acres to get a net profit of 600,000/= when you can use the same acreage to produce 100 bags of cassava worth 2 million shillings? This is inefficient use of land and our human resource. Cotton should be grown as a plantation crop with industries investing in core estates instead of putting our people into slavery on their own land. Government should promote contract farming for cotton as is done for sugar plantations to create economically viable production units" **Mr. Bagonza Tikamanyire, LCV Chairman Hoima District**.

To substantiate these claims, the monitoring team analysed the cost of cotton growing on a typical farm in Muhyoro Sub-county in Kamwenge District. See below the findings in Box 3.5. They confirm the above claims that cotton growing is not profitable. The farmer made suggestions on how to increase cotton profitability at farm level.

Box 3.5: Case Study of Cost Benefit Analysis of Cotton Growing In Kamwenge

I am 28 years with a wife, 5 biological children and 6 other dependents and we live here in Omukihogo village 50 km from the district headquarter. My main income generating enterprise is cotton although I grow other crops like maize, cassava and potatoes to feed my family. I started growing cotton in 2001. Last season, when I heard Government announcing that cotton will be bought at 800/= per kg, I expanded the acreage under cotton and I planted 6 and ½ acres. To finance my expenses, I borrowed 1.3 million from Lukoma SACCO payable in 6 months time with an interest of 50,000/= per month. I received 13 bags of cotton seeds free. These were my total costs for the season:

- Bought 48 acre units of pesticide at Shs 3,500 per acre unit = 168,000/=
- Rented the 6 ½ acres at Shs 70,000 each = 455,000/=
- Ploughed the land once at Shs 55,000 per acre = 357,500/=
- Planted at Shs 15,000 per acre = 97,500/=
- Weeded 4 times at Shs 50,000 per acre = 1,300,000/=
- Hired labour for spraying 5 times at 4,000/= per acre = 130,000/=
- Hired spray pump for 3 days for each round of spray at 2000/= per day. I sprayed 5 rounds = 30,000/=
- Hired labour for picking cotton at 100/= per kg of seed cotton. Each acre produced on average 700kg of seed cotton = 455,000/=
- Bought 3 hoes each at Shs 5000 = 15,000/=

- **Total Cost = 3,008,000/=**

I harvested on average 700kg of seed cotton per acre giving me a total of 4,550 kg. I sold the cotton at 650/= per acre implying my **Total Income was 2,957,500/=**. I operated at a **loss of 50,500/=**. I was just able to cover most of my cost of production and did not make any profits. I am only happy that I managed to recover the borrowed funds and I have already paid back the loan, although it was a loss too as I had to pay interest. As you can see, cotton does not generate sufficient income to meet our basic household needs. The seed variety was not good and hence we realized low yields. The soils too are infertile. To realize profits in future, Government should enable us access cheap loans for paying for inputs and labour, provide good variety seeds, provide fertilizer and offer a reasonable price for our cotton to enable us meet the cost of production and make some profits. My immediate plan is to reduce the area planted to cotton in the next season and instead diversify into other higher income generating enterprises such as maize and rice.

Cotton Farmer. Ayebazi Emmanuel,
Omukihogo village, Muhyoro Sub-county, Kamwenge district

Other challenges

i. Lack of tractor hire services in all the sampled districts. The few privately owned tractors are hired at exorbitant fees and are not easily available when they are wanted. In Hoima for example, it was reported that there are only two tractors in good condition that are shared between 500 cotton farmers.

ii. The variety that is being grown across the country is BPA 2002. This seed variety was noted to be too old with declining quality (less resistance to pests and low viability). More current varieties are urgently needed. The new cotton variety BPA 2008 that has been introduced at Masindi Station by Serere Research Station promises to address this challenge.

iii. CDO lacks a proper structure for delivering extension services to farmers yet cotton is not a priority commodity under NAADS. Farmers lack advice on crop agronomy, good practices. The skeleton field extension workers hired by CDO are too few to cover the areas that they are in charge of.

iv. Pesticide use remains low among the cotton farmers explaining the high incidence of pests and diseases and low production. It is recommended that 3-4 acre units of pesticide should be used in each acre per spray. Monitoring work showed that farmers were on average using 1 acre unit per acre and often spray once instead of the recommended 3 – 4 times.

v. Weights and measures used by middlemen and ginneries were noted to be faulty or manipulated resulting in weight losses at point of sale by farmers. There seemed to be no supervision by Uganda National Bureau of Standards or any other entity to ensure that the farmers are not cheated. Farmers are exposed to exploitation.

vi. Cotton production remains sub-optimal. The ginneries are operating below capacity and are making losses. For example, Nyakatonzi ginnery in Kasese is supposed to operate for

6 months at full capacity. However, it now operates for 2-3 months due to lack of sufficient cotton for production. The factory was not operational at the time of the monitoring visit due to lack of cotton to process.

Non-operational Nyakatonzi Ginnery

Recommendations on CDO

i. The acreage size for most cotton growers remains unviable and hence low returns are realized. Consideration should be given to promoting contract farming in the cotton sector whereby farmers grow economically viable acreages with proper linkages to other parts of the value chain – processing and marketing. Estate production should be promoted in this sector.

ii. BPA2008 breeders seed that is under multiplication in segregated areas should be widely promoted and distributed for planting to enhance crop productivity. Cotton research should be intensified to ensure that at least one credible variety is produced every 1 or 2 years as was the case in the past.

iii. Advisory services under NAADS should be extended to cover other non-core commodities such as cotton. Alternatively, the CDO extension delivery structure should be fully developed to the grassroot level.

iv. Seeds should be sold to farmers at a nominal fee to reduce on wastage. Presently, the 3kg bag worth of seeds costs 4,000/= each to produce. The fee could be at a minimum 1000/=.

v. Government could consider subsidizing further the cost of the pesticides.

vi. Government should devise a mechanism for increasing farmers' access to tractor hire services. This could include purchasing and loaning tractors to individual farmers and farmer groups at subsidized rates, a suggestion made by farmers in Nakasongola district.

3.1.4 Issues and Lessons from Monitoring the Agricultural sector in FY 2008/09

There are several issues and lessons that are emerging from monitoring the agricultural sector during this financial year in the 6 programme/project areas namely: Vegetable Oil Development Project (VODP); NorthWest Smallholder Agricultural Development Project (NSADP); NAADS; Fisheries Development project; National Livestock Productivity Improvement Project (NLPIP) and Cotton Development Organisation (CDO). The key findings from the previous quarters are summarized below, emerging issues are highlighted and conclusions made about issues that need to be addressed for improved physical and financial performance within the agricultural sector.

Main findings and recommendations from previous quarters

(i) Vegetable Oil Development Project (VODP)

Work focused on the Oil Palm Component. Close to a half of the planned targets for the first quarter had not been achieved due to a number of constraints:

1. Delays in submission of work-plans and budgets by the district. This has partly resulted into non-release or limited release or delayed release of the budgeted funds from MFPED and MAAIF.
2. Delays in transfer of funds from the centre to the district usually taking an average of 2 months from time of submission of budget request
3. Misalignment between the ministry and district work-plans
4. Incorrect or over ambitious work-plans whereby outputs that are expected in later quarters are included in the first quarter.
5. Lengthy and stringent procurement processes by PPDA and District Procurement committees
6. Shortage of fertilizers

It was recommended that more attention should be focused to better alignment of MAAIF and district work-plans and timely submission of work-plans and budgets by the districts to the centre. It was noted that fruits on smallholder and out-grower farms were ready but were just being wasted due to lack of a processing facility. The Oil Palm Uganda Limited (OPUL) planned to build the processing mill in 2009. It was recommended that GoU should pressurize OPUL to establish the mill as agreed.

This project was monitored again in Q3. It was found that significant progress had been made in implementing many of the planned outputs. Construction of the oil palm mill commenced in December 2008 and fruit processing was anticipated to start in June 2009. The scarcity and high cost of fertilizers was noted as a continuing challenge. However, OPUL had secured enough fertilizer by quarter 3 which was in storage at their stores. The management of OPUL expressed dissatisfaction at the way the land acquisition process by GoU was delaying implementation processes.

(ii) NorthWest Smallholder Agricultural Development Project (NSADP)

The project was intended to end in 2005 but a mid-term review indicated that by then, only 11.9% of resources had been utilized and only 5% of the project implementation targets had been met[10]. The project was further extended and is supposed was to wind down by December 2008. Lack of counterpart funding was a major bottleneck to project implementation. There were variations in

[10] MAAIF, 2005

implementation across the districts of the ADB funded NSADP. Physical performance in construction of markets, water supply systems and bridges and maintenance of roads was good in Nebbi and poor in Arua. The main differences in performance were associated with the low capacity of contractors in Arua district These contractors had been centrally procured by MAAIF. The following emerging issues were raised:

1. A lot of infrastructure was created under the NSADP in the West Nile region including 1600km of community access roads, 16 bridges, 4 district farm institutes (DFIs), 22 markets and water systems for the 22 markets and 4 DFIs. Some of the projects may be fully completed while others may still be incomplete by the time the project end. It was recommended that resources for completion and recurrent maintenance of these infrastructures should be allocated and integrated in the district budgets.

2. The 2-3 months delay in release of funds to districts from MAAIF was significantly affecting activity programming and budget execution at district level. The underlying causes of the delays including late submission of budget requests and workplans by the districts, the lengthy bureaucratic processes of budget approval and procurement and absence of the ministry accounting office in certain periods need to be addressed.

3. The absence of standards for infrastructures such as markets in Uganda undermines delivery of the right product within the available amounts.

4. Centralized projects such as NSADP make close supervision by the district extremely difficult. The contractors that are contracted by MAAIF do not pay allegiance to the district such that even when they error, the district finds it difficult to take any action. Payments are also delayed excessively as papers go through too many bureaucracies. It is recommended that projects/interventions in the agricultural sector should be decentralized to facilitate implementation and supervision.

(iii) National Agricultural Advisory Services (NAADS)

The NAADS was monitored at a time when guidelines had just been disseminated for restructuring implementation of the programme. The continuous change in NAADS guidelines every after a few months was noted to have disrupted planning and achievement of concrete outputs in this financial year. The abolishment of the private extension workers had created a huge staffing vacuum for delivering NAADS at the district and sub-county level. Findings indicated that most local suppliers and community based committees have very low capacity to procure and supply good quality technologies especially as many are illiterate.

Other major challenges to performance included:

1. Late receipt of funds on district accounts and delayed advice notes on how to utilize the funds. The funds where being released when the cropping season was over and in inadequate amounts.
2. Understaffing at the NAADS Secretariat to effectively coordinate and monitor the programme at district level.

3. Procurement and distribution of poor quality animals resulting in high mortality and abortions.
4. Corrupt tendencies in the NAADS programme. For example, lack of transparency in farmer selection.

(iv) Fisheries Development Project

At the start in 2002, UA 21,974,000 was earmarked to the Fisheries Development Project with the bulk of resources allocated to infrastructure – landing sites, fish markets and other infrastructures. By December 2008, when the project was expected to end, only UA 9,350,942.15 or about 43% of the total budget had been spent, suggesting a low absorption capacity. There were variations in construction of infrastructures across the districts under this project: 4 out of 10 fish landing sites were near completion while construction was below 30% for the remaining 6 sites. Poor quality works were reported and the low capacity of contractors hired by MAAIF was noted.

Although the infrastructures have been constructed, the management arrangements were not yet known to the district officials. Management plans were urgently needed. District officials expressed anxiety on how these infrastructures would be maintained as districts lack the necessary finances.

The following recommendations were made:

1. All the sites handled by the contractor Dembe-Liberty Joint Venture were under-performing. It is recommended that this contractor is terminated and replaced by a contractor with proven high capacity to deliver.
2. The design of some facilities – rubbish skip, toilets – did not take account of the needs of the physically handicapped and yet many are several metres off the ground. It is recommended that, in future, all structural designs should not be approved unless they include facilities for the physically handicapped.
3. MAAIF should work out with districts a schedule for maintaining the new facilities, indicating how and where the funds for maintenance will be sourced/residing on a sustainable basis.
4. MAAIF should quickly put in place and share with districts and BMUs the management/operational/capacity building plans for these landing sites.
5. In future, projects like this one should be sufficiently decentralized especially in the area of monitoring and supervision.

3.2 EDUCATION

3.2.1 Introduction:

The monitoring activities reviewed the progress of implementation of selected activities reported in the MoES Progress Report for the period January to March (Quarter three) 2008/09 FY. The monitoring team visited development projects in 21 districts.[11] These projects included construction projects under SFG, construction of seed schools funded by ADB/GoU, construction of additional classrooms in USE overenrolled schools, emergency construction and rehabilitation of primary schools reported in the third quarter progress report submitted by MoES, construction of schools and technical institutions under the presidential pledge. The team also followed up the Inspectional grant received by the districts. This report therefore gives the progress and status of implementation as at the time of the monitoring visit in May 2009.
The sector financial analysis is examined under 2.1.2

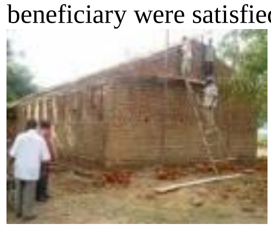
3.2.2 Emergency Construction and Rehabilitation of Primary Schools.

The Q3 progress report indicates that MoES spent UShs. 497,522,000 on emergency construction and rehabilitation of primary schools during quarter three 2008/09. All the schools reported under this vote function were monitored. Findings indicated that construction under this vote function was going on and was at various stages of completion. The details of the respective sites are summarized in the following matrix:

Institution	Reported activities done in Q3 by MoES	Status
Nampunge P/S in Wakiso District	Additional funding for completion of a teacher's house and 3 pit latrines. UShs 56,900,000	The school received the funds. By the time of the monitoring visit, civil works on the teacher's house and a pit latrine of 4 stances had been completed. A 10,000 litre tank had also been installed. According to the guidelines the house was meant to cater for 4 teachers with each teacher having 2 rooms with a store and bathroom. According to the DEO, the work done at the school is quite impressive. 
Busunga P/S in Mukono District	7 classrooms staffroom, 2 blocks of 5 stance latrines with a bathroom/Urinal. UShs 129,670.000	Busunga P/S, previously a community school, is located in Ngogwe S/C in Kiringo Parish. The school is located in a fishing community 68km from the district headquarters. Prior to this government intervention, the school had no permanent structures. According to the head teacher, UShs 129,670,000 was credited on

[11] Moyo, Yumbe, Arua, Maracha Terego, Nebbi, Gulu, Soroti, Kumi, Kapchorwa, Sironko, Mbale, Mayuge, Kisoro, Rukungiri, Kiruhura, Lyantonde, Mityana, Wakiso, Mukono, Kayunga and Kampala.

		the school account on 11th November 2008. Guidance was received from MoES to use a force on account to undertake the civil works. The contract for the classrooms was awarded to Mr. Galabuzi Francis Kikomeko while that of the pit latrines was awarded to Mr. Sempereza John and Kalemba Matia. Construction for all the structures started in February 2009 and by the time of the monitoring visit they were doing the finishing works. The monitoring team was informed that MoES engineer together with the SMC have been supervising the works. Desks had also been supplied to the classrooms.   By the time of the monitoring visit construction of pit latrines was at finishing stage. Findings further indicated that the place is rocky and this affected the size of the pit. The size of the pit was 12ft x 20ft x 16 ft. Because of this they had to line the walls of the pit latrines from below and it was re-inforced with columns and beams. It can also be emptied and re-used for a longer time.
Ssekanyonyi P/S in Mityana District	6 classrooms, office and store, 2 blocks of VIP latrines and 8 seater desk. UShs 105,860,000	Funds amounting to 105,860,000/= were credited to the school account in February 2009. The school received guidelines from MoES. Ms Kabbo Moses of MK Construction was awarded the contract. By the time of the monitoring visit civil works had started. 3 blocks of 2 classrooms each were at walling level. Another block of 2 classes with a headmaster's office and store was also at walling level. Work on the 2 latrines of 5 stances each had also started. The team was informed that the contract period was 4 months. The contractor complained about the changes in prices of building materials. A bag of cement cost UShs 25,000 and had risen to UShs 30,000 within the duration of his contract.
Mahempe P/S in Sironko District	2 classroom, and 2 VIP latrines. UShs 39,622,000	Findings indicated that UShs. 39,622,000 was credited on the school account on 17th February 2009. The school administration wrote an acknowledgement to MoES dated 24th February 2009. The school administration was guided to use the Force Account modality in implementing this activity. The contract for provision of labour for construction was awarded to Bunagami Young Farmers at a contract sum of UShs 11,700,000. A second contract for provision of building materials was awarded to Busiyu Communty HIV/AIDS Sensitization and Control project at a contract sum of UShs11,295,400 They were to supply all the local material materials such as bricks, sand, marrum, stone aggragates, timber and poles. A third contract to supply all the manufactured goods for construction of this project was awarded again to Bunagami Young Farmers. In this contract they were to supply all the iron sheets, cement, nails, wood preservatives, steel

		bars etc at a contract sum of UShs 17,113,000. Findings indicated that civil works at Mahempe P/S started on 9th April 2009. By the time of the monitoring visit, a 2 classroom block was at roofing level. Each of the classrooms measured 7.8 meters long by 6.0 meters wide from inside. Civil works on the pit latrines was going on. Because the area has loose soils, the pit latrine had been lined and re-inforced from below with columns and beams. Findings further indicated that the project has been closely supervised by engeneers from the District and from MoES and the beneficiary were satisfied with the quality of civil works.   Classroom block and pit latrine under construction at Mahempe P/S
Masuulita P/S in Wakiso District	2 classroom block, with an office and store, water harvesting tank. UShs77,500,000	The school received the funds in February 2009. the contract was awarded to Nsubuga Gerarld. Construction started on 30th March 2009 and by the time of the monitoring visit, civil works were going on. A 2 classroom block with 3 offices (headmaster, deputy headmaster and bursar) with a store with a waiting room was at ring bim level. The 5 stance pit latrines for boys was at roofing level. A teachers' house of 4 units with a store and a bathroom for each unit was at ring bim level. Another structure of 4 kitchens for staff was also at ring bim level. A 3 stance pit latrine with an outside bathroom for staff was at foundation level. An old four classroom block together with an old office block which had been condemned were to be demolished. However, the project had not made provisions for demolition and removal of debris. The contractor was targeting end of June to have completed the work. The team was informed that District officials that included the CAO, district engineer and the DEO as well as officials from the Construction Management Unit of MoES had monitored the construction of the school on various occasions.  
St Peter Claver Nakasuwa P/S in	Teachers' house, unit option 2, water	By the time of the monitoring visit there was no construction of a teachers' house and no water tank had been installed at Nakasuwa

Mayuge District	harvesting. UShs 78,000,000	P/S as indicated in the progress report Clarifications sought from MoES indicated that there was a mix up in reporting. No funds had been remitted to Nakasuwa for teachers' houses. It was reported that UShs 78,000,000 was remitted to Masuulita P/S in Wakiso District and not Nakasuwa P/S in Mayuge District. The HM of Masuulita P/S also confirmed receipt of two (2) EFT transfers (i.e. UShs 77,500,000 and UShs 78,000,000) by the school. A teachers' house of four units each with a store and a bathroom was constructed at Masuliita P/S and was at ring bim at the time of the monitoring visit.
	Kitchen and teacher's latrine Ushs 10,000,000	By the time of the monitoring visit there was no construction of a kitchen and teachers' latrine at Nakasuwa P/S. As above, this was a mix up in reporting. Clarifications from MoES indicated that Nakasuwa P/S had only received UShs 10,000,000 for completion of a 4 classroom block in the previous quarter. It was further reported that the Kitchen and teachers' latrine are part of the civil works that was going on in Masuulita P/S and not Nakasuwa P/S.

3.2.3 ADB III Education Project (O949):

The team visited only 2 ADB seed schools this quarter. This was because all ADB seed schools were completed and inaugurated during the previous quarter. The quality of civil works was very good in all the sites visited.

Institution	**Status of implementation.**
Laropi Seed in Moyo District	The civil works were undertaken by Coil Construction limited. All civil works had been completed by the time of the monitoring visit. The school had also received a consignment of books and equipment for the science laboratory from MoES. However, the verandahs for the administration block, classrooms and the latrines have developed a number of cracks. These need to be fixed if the defect period has not ended.  
Ojetenyanga S.S. in Soroti District	Civil works were done by SKMG Holdings limited. All the civil works had been completed. .However, the house for the gate keeper had not been done. The teachers' houses have not been done also. Maintenance of the structures also seem to be a problem as window panes were already broken.

Recommendation:

MoES need to follow up with SKMG Holdings limited to ensure that they complete part of their contract of putting up the gate house at the school.

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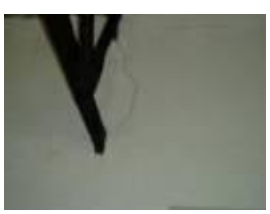
3.2.4 Seed Schools funded by Uganda Government:

The monitoring team sampled out 10 districts where GoU funded seed schools were being constructed to find out the progress of this activity. Findings indicated that civil works had been completed in most of them. Findings further revealed MoES had terminated contracts of firms in at least three districts due to delays in completing civil works among other reasons. (i.e. Nebbi, Gulu and Rukungiri). The findings are summarized below:

Institution	**Status of implementation.**
Lefori Seed S.S. in Moyo district	Government of Uganda has constructed a 2 classroom block with an Administrative block at Lefori Seed School. The quality of work on the classroom block and the administrative block is good. However, the problem was with the VIP Pit latrines for both boys and girls that had sunk even before use. The walls of the pit latrines had deep structural cracks emerging from below. The area has loose soil formations and the pit latrines had not been lined and re-enforced from the bottom of the pit. However the contractor, Hotel Zawadi limited, has been instructed to redo the work on the pit latrines.    These are some of the structural cracks in the pit latrines at Lefori Seed S.S.
Jangkoro Seed S.S. in Nebbi District	Information from MoES indicated that the contractor had been terminated. It was reported that he wanted changes in costs after doing part of the work. This caused delays in construction. MoES sent the remaining funds directly to the school and force account modality was used to complete the civil works. By the time of the monitoring visit, civil works at this school had been completed. An administration block and 2 blocks of 2 classrooms each had been completed. VIP pit latrines (2 stances for staff, 4 stances for boys and 4 stances for girls) had been completed. A 1000 litres tank had been installed. The quality of civil works was good.
Lalogi Seed S.S. in Gulu District.	Civil works at this school were undertaken by Wileng Enterprises limited. Information from MoES indicated that the contract had been terminated for failure to finish the civil works in time. By the time of terminating the contract a 2 classroom block and the administration block had been completed. Other civil works had not been done. Findings further indicated that MoES sent funds to the school to complete the civil works left behind by the contractor using force account. By the time of the monitoring visit, the second classroom block was at ring beam.

Institution	Status of implementation.
	. The structure which was being completed using force account.
Kobwin Seed S.S. in Kumi District	Civil works at this school were undertaken by BAP engineering limited. An administration block had been completed. 2 classroom block each with two classes had also been constructed. 3 VIP pit latrine (4 stances for boys, 3 stances for girls and 2 stances for staff) had also been completed. Furniture had also been supplied.
Chemanga Seed S.S. in Kapchorwa District.	Findings indicated that the civil works for Chemanga S.S. were done by Muyanga Construction company. 2 blocks each with 2 classrooms were constructed. An administration block was also put up. However, all the structures have developed structural cracks hitherto not seen in any other project. The current S.2 classroom for instance has serious cracks in the floor and the walls, with some cracks beginning from the foundation. The same was the case for the second classroom block, and the administration block. The team was informed that the contractor had tried to fix the cracks on the administration block but was only filling them from the outside yet they were from inside. The district officials were also aware of the structural problems of the civil works at Chemanga S.S. The DEO for instance reported that he was aware that the structures have developed serious structural problems only 2 years after completion.   These are some of the structural cracks in the walls in classroom blocks at Chemanga Seed S.S  
Muramba Seed S.S. in Kisoro District	Findings indicated that construction of the seed school started in March 2007. The civil works at this school were done by Kazana Construction Limited. Because this area is prone to earthquakes, it was reported that earthquake resistant designs were used in putting up the structures. The structure for the administration block was initially started

Institution	Status of implementation.
	by the community. The contractor however roofed it, put shutters, plastered, floored, put glasses and ceilings and painted it. However, furniture for the administration block was never supplied. A 4 classroom block was fully finished and furnished. VIP pit latrines with 3 stances for girls and 3 stances for boys and 2 stances for staff were also completed.
Kagunga Seed S.S. in Rukungiri District.	Civil works at this school were done by Palm Sajutho joint venture. By the time of the monitoring visit, civil works at Kagunga Seed S.S. had been completed. An administration block with offices for the head teacher, deputy head teacher, bursar, waiting room and store had been completed. 2 classroom blocks each with 2 classes had been completed. VIP pit latrines with 3 stances for boys, 3 stances for girls and 2 stances for the staff had been completed. However, the contractor delayed to supply the furniture. Information from MoES indicated that the contract had been terminated.
Kikatsi Seed S.S. in Kiruhuura District	Kikatsi Seed S.S. is located in Kikatsi sub county in Nyabusozi County. Civil works at the school started in 2007 and were undertaken by Ugawood Construction Company. An administration block with offices for the head teacher, deputy head teacher, bursar, reception, and a store was completed. A 2 classroom block was also completed. Furniture for this block was supplied. 2 VIP pit latrines with 3 stances for boys and 3 stances for girls were fully completed. However, construction of the second 2 classroom block was not completed. Civil works on this block started in 2007 but up now the structure is incomplete. It is clear that the contractor has exceeded his contract period. The pending works on this block include; flooring, fixing the glasses, putting some 3 ridges on the rooftop which were not put leaving an opening in the roof and working on the verandah. Furniture for this classroom block was also never been supplied. The VIP pit latrine for the staff was never constructed. While a pit for the staff latrine was excavated, the latrine itself was never constructed and the pit was left open.  The uncompleted classroom block at Kikatsi.
Rwemikoona Seed S.S. in Kiruhuula District	Construction at this school was undertaken by Giant Engeneering Services limited. An administration block was completed and furnished. 2 blocks each with 2 classrooms were also complete and in use. The classrooms were also furnished. VIP pit latrines with 3 stances for girls, 3 stances for boys and 2 stances for staff were also completed. The beneficiaries were happy with the quality of the civil works
Kinuuka Seed S.S. in Lyantonde District	Civil works in Kinuuka Seed started in 2007. Civil works however, delayed because the the contract for first contractor Basse Enterprises was terminated by MoES.

Institution	Status of implementation.
	In December 2008, the school received UShs. 101,949,467/= on the school account. These funds were meant to complete phase I (i.e. civil works started on by the first contractor which were left incomplete), and also start on phase II (i.e. putting up a 2 classroom block, provide furniture and build VIP pit latrines with 3 stances for girls, 3 stances for boys and 2 stances for staff). Civil works at the school resumed in January 2009 using the force on account modality. The Board of Governors together with the clerk of Works and the regional MoES engineer in charge of SFG closely supervised this project. By the time of the monitoring visit, the administration block was fully complete. Four classrooms had been completed and the furniture had been supplied. A water harvesting tank had also been installed on one of the classroom blocks. The VIP latrines had also been completed. The quality of civil work was impressive.

Recommendations:

- MoES should be commended for taking action against those contractors that have defaulted on their contracts. There is need for MoES to take disciplinary measures on two other contractors; i.e. Ugawood Construction Company for going beyond their contract period and for not completing one of the classroom structures in Kikatsi Seed S.S. in Kiruhula District. Muyanga Construction Company needs be blacklisted for doing shoddy work in Chamanga Seed S.S. in Kapchworwa district. MoES should also follow on the pit latrines done by Hotel Zawadi at Lefori Seed S.S in Moyo District.

- There is also need to follow up with Kazana Construction limited to ensure that they fulfill their contract by providing the furniture to the administration block in Muramba Seed S.S in Kisoro District.

- Districts also need to participate more in the supervision Seed School constructions to ensure quality work. Since they are on ground they are in position bring any problems in construction to the attention of MoES in time.

- Releases from MFPED for payment of contractors also need to be expedited. Delayed releases have been reported as part of the causes for delays in completion of civil works in several sites.

- It was observed that Seed schools funded GoU lack laboratory facilities. Government needs urgently to consider provision of laboratory blocks for all the seed schools. All of them are in their third year of operation. Next year the first USE candidates will be sitting for their O'levels. In addition these schools do not have examination halls. Under the current guidelines, they may find it difficult to be registered and to have UNEB examination centers. Government therefore needs to move fast and prioritize these issues under the USE programme.

3.2.5 Construction of USE schools:

Construction of USE schools continued the last quarter of the FY. The team monitored seven (7) USE schools. All these schools were receiving 4 additional classes to cater for the large number of USE students. By the time of the monitoring visit, civil works were going on in all of them and were at various stages of completion. It was only Busaana S.S. in Kayunga district where construction was just beginning as they were ferrying materials to the sites. The details are summarized below:

Institution	**Status of implementation.**
Soroti S.S. in Soroti District	The school received the USsh 75 million for construction of additional classes. The funds were credited on the school account in November 2008. The contract was awarded to Opus Andrew of Hands Uganda Construction firm. Civil works at the school started in February 2009. By the time of the monitoring visit, a 4 classroom block was at roofing level. Each of the classes was measuring 7.43 meters wide by 8.84 meters long from inside. The quality of work done at the school was impressive.
Serere S.S. in Soroti District	The school received the UShs 75 million for construction of additional classes in November 2007. The civil works started at the beginning of 2008 by Ms Atotii Rural Contractors and Distributors limited at a contract sum of UShs 117,408,879. This was to construct a 4 classroom block, 2 VIP pit latrines of 3 stances each and supply 100 pieces of furniture. By the time of the monitoring visit, a 4 classroom block had been constructed and roofed. Reports further indicated that funds for this project were not enough for work. The contractor used his own resources above the UShs 75 million to bring the structure to current level and had not been paid all the money. He has therefore not handed over the structures and kept them locked pending payments. The team was informed that an additional UShs 44 million is required to complete the structure The remaining civil works on the structure included fixing the glasses, painting and flooring and installing the water harvesting tank. Also desks had not been supplied. Work on the VIP pit latrines were also not completed. Information from MoES indicated that the additional funds for this school have been budgeted for in the coming FY.  

Nyero Rock High School in Kumi District	MoES released USh 75 million in November 2007 meant for Nyero Rock High School. Unfortunately, accidentally the funds were sent to Rock High Tororo school's account. This was however, rectified and Rock High Tororo had to remit the funds to Nyero Rock High School in Kumi. This caused delays because apparently they had used some of those funds. By the time of the monitoring visit it was reported that Rock High Tororo was yet to remit a balance of UShs 4 million to Nyero Rock High School. Construction of a 2 classroom blocks each with 2 classrooms started in June 2008. The civil works were undertaken by BAP construction company at contract sum of UShs 148m. By the time of the monitoring visit the structures had been roofed and they were putting windows and doors. Work on the VIP pit latrines had also excavated. Supply of desks was pending completion of the structures. It was also reported that board members were closely supervising the construction. They were so far satisfied with the quality of civil works done.
Kapchorwa S.S. in Kapchorwa District	MoES released UShs 75 million in November 2007 meant for Kapchorwa S.S. Unfortunately the funds were accidentally sent to an account of a private school called St. Michael Girls School. However this was realised and rectified. St. Michael Girls remitted the funds to the accounts of Kapchorwa S.S. The contract was awarded to Sabiny Trust. A 4 classroom block has been constructed. It is not fully complete because the funds were not adequate. Additional funds are required to do the finishing works as well as supplying the furniture and putting up the VIP pit latrines. The monitoring team was informed that a supplementary request for the additional funds has already be submitted to MoES for approval. The beneficiaries of the project are satisfied with the quality of civil works.
Busaana S.S. in Kayunga District	By the time of the monitoring visit, they were just ferrying materials for a 4 classroom block.
Kasenyi S.S. in Mubende District.	The school received UShs 75 million in January 2009. The contracts for the civil works were awarded to Buzzy Enterprises and Kwizera Enterprises. Each of them got a contract to put up a 2 classroom block and a 3 stance VIP latrine. Civil works started in March. By the time of the monitoring visit, each of the contractor was doing finishing works on each of the classroom blocks. The beneficiaries were satisfied with the quality of the civil works done by the contractors.
Luzira S.S. in Kampala District	The school received UShs 75 million in February 2008. Due to the problems with land that were being sorted construction started around November 2008. By the time of the monitoring visit, 2 blocks of 2 classrooms each had been roofed and were at finishing stage. The beneficiaries were satisfied with the quality of work done.

District authorities, however, complained that MoES did not share information with them regarding these USE constructions. They reported that the ministry releases funds directly to school accounts for these activities without informing the accounting officers (CAOs, CFOs and DEOs) about how much money is being remitted to schools, for what purpose and modalities of accounting.

Recommendation:

- USE funds for construction of additional classroom facilities being public funds, MoES should always inform district authorities (CAO, DEOs) which schools in their district have received funds and the purpose of those funds. This will help them to monitor constructions in these schools.

Rehabilitation of Sir Samuel Baker Secondary School:

The process of rehabilitating Sir Samuel Baker is in advanced stages. The team was informed that by the time of the monitoring visit Rohi/Global Joint venture had been recommended to the Contacts Committee as the lowest bidder at a contract sum of UShs 12,346,903,123 However, this was well above the available funds for the project. (i.e. UShs 5 billion). The undertaking was however scaled down to UShs 6 billion. The team was informed that on 28th April, 2008 a meeting was held to discuss the scope of work and adjustments were made. Negotiations with the contractor were held on the priority list of civil works at the school. An award letter was issued to the successful bidder who has since written an acceptance letter, and the site was handed over to the contractor.

3.2.6 School Facilitation Grant (SFG)

Ten (10) districts implementing SFG projects were monitored. Construction of SFG projects was found at different stages of completion. Findings indicated that majority of them will complete their planned activities by the end of the FY. Findings however show that the unit cost is still affecting construction of SFG projects in various districts. Out of the ten districts monitored, Nebbi district had not undertaken any construction and the funds were still lying on their account. The MoES officials revealed that there are other districts that have not undertaken any constructions of SFG projects this FY.[12] In some districts contractors are declining to take up some of the works because it would not be profitable for them. The details of the findings under this component are summarized below:

Institution	**Status of implementation.**
Yumbe District	The district had 8 SFG projects for the FY 2008/09. Below are the schools that were being constructed with each getting a 2 classroom block and one office: 1. Kerwa P/S in Midigo S/C 2. Olive P/S in Drajini S/C 3. Lodenga P/S in Odravu S/C 4. Lombe P/S in Romogi S/C 5. Langi P/S in Kuru S/C 6. Kanabu P/S in Kei S/C 7. Akia P/S in Kei S/C 8. Aringa Islamic P/S in Kuru S/C By the time of the monitoring visit , 1-5 were at completion level. The remaining 3 schools were at the procurement level. These delayed because of the poor terrain.
Arua District	Arua District had 7 SFG projects for FY 008/09. By the time of the monitoring visit all the seven projects were at finishing level (i.e. painting, flooring or fitting shutters). Two of the sites (Offaka P/S and Jaiko P/S) had been completed and handed over to the district. The contractors had also been paid save for the 5% retention. According the district engineer and the DEO the contractors have done a good job and they were satisfied with the quality of civil works. Below are the schools that were being constructed:

[12] Abim, Kitgum, Pader, Nakapiripirit and Oyam.

Institution	Status of implementation.
	1. Offaka P/S 2. Jaiko P/S 3. Okiba P/S 4. Pamvara P/S 5. Benduru P/S. 6. Pajuru P/S 7. Odujo P/S It was noted that in some of the sites particularly those in the River Nile belt, construction of pit latrines was problematic. This is because the areas have sandy soils. However the district has taken precautions to line and re-enforce all the pit latrines under construction with beams and columns from below. The only problem is that this raises the cost of construction in these areas. It was reported that with this precaution no pit latrine had collapsed in the past four years in the district. This FY the pit latrines of Benduru P/S, Pamvara P/S and Odujo P/S were lined and re-enforced with beams and columns to get a firm base because of the loose soils in those areas. The cost of these pit latrines rose to 11.8 million per 5 stance while the cost of an ordinary pit latrine is 8.2million per 5 stance. The district expected to complete all the civil works before the end of the FY. It was reported that supply of furniture to schools in the district ranged between 8.5m to 9.5 m per 72 three-seater desks with a bench, head teacher's table and chair, a lockable capboard, a book shelf and a chair for class teacher per class. By the time of the monitoring visit, furniture had not been supplied pending completion of all the construction. However, there were assurances that all the furniture was ready. **In Arua the monitoring sampled out Jaiko P/S**. Findings indicated that construction of the project started in January 2009 and all civil works had been completed by 25th April 2009. A four classroom block was constructed by Alpha 2 Squared a firm owned by Alex Agandru. Five stances of pit latrines for boys had been completed. Seventy-two (72) 4-seater desks for pupils, 4 tables, 4 teachers' chairs and one bench had been supplied to the school. The structures were well done. However, they had not yet been handed over. According to the head teacher the community had to fulfill their part of the contract to plant at least 25 trees around the school compound to protect the buildings from strong winds before the structures could be handed over to them for use. This school has a population of 2260 pupils and has a classroom-pupil ratio of 150:1 per class. P.4 has 400 pupils all parked in two classrooms. Definitely the school needs more infrastructure.
Maracha Terego	The district had 7 SFG projects for the FY 2008/09. Civil works for all SFG projects had been completed. The DEO together with the District engineer reported that they were satisfied with the quality of civil works done by the contractors. The beneficiaries of the schools visited also held the same view. 1. Alia P/S in Biriafe S/C got a 4 classroom block with an office, 5 stance pit latrine and furniture. Information from the district indicated that this site was awarded at a contract sum of UShs 77,284,141/= By the time of the monitoring visit this site had been completed, and furniture had been supplied. 2. Cilio P/S got a 4 classroom block with an office, 5 stance pit latrine and furniture. Information from the district indicated that this site was awarded at contract sum of UShs 78,266,138/=. By the time of the monitoring visit, they were doing finishing works (i.e. flooring and painting), and furniture had been supplied.

Institution	Status of implementation.
	3. Olobu P/S. It was awarded for a contract sum of UShs 68,983,691/= excluding pit latrines. By the time of the monitoring visit they were doing finishing works (i.e. flooring and painting) and the furniture had been supplied. 4. Obi P/S got a 4 classroom block with an office, 5 stance pit latrine and furniture. The was awarded for a contract sum of UShs 78,266,138/= By the time of the monitoring visit they had finished roofing and were fitting the shutters. However, digging of pit latrines in this site hit a bed rock and designs had to be changed. In addition, furniture had not yet been supplied. 5. Paranga P/S also got a 4 classroom block with an office, 5 stance pit latrine and furniture. By the time of the monitoring visit all the civil works at this site had been completed and handed over to the district. It was however, reported that digging of the pit latrine hit a bed rock. Because of this the contract sum had to be adjusted. Furniture had already been supplied. 6. Nigo P/S got a 4 classroom block with an office, 5 stance pit latrine and furniture. Construction was awarded a contract sum of UShs 77,284,141/=. By the time of the monitoring visit they were doing the finishing works (i.e. flooring and painting). In this site they built an ordinary pit latrine. Furniture had also been supplied. 7. Ombiabura P/S. got a 4 classroom, pit latrine an office at a contact sum of UShs 77,284,141/=. By the time of the monitoring visit all civil works had been completed and the site had been handed over to the district after payment of shs UShs 73,419,064.. However, furniture had not been supplied although it was said to be ready.
Nebbi District	Nebbi District had several SFG projects for the FY 2008/09. Findings indicated that none of them had taken off. The Indicative Planning Figure (IPF) for 2008/09 was UShs 367, 538,000/=. By the time of the monitoring visit all SFG funds were still on the district collection account. According to the A/CAO who was in office and the DEO, this was brought about by the presidential directive on the unit cost. All the SFG works were tendered and bidders quoted much higher than the unit cost. No bidder was willing to undertake the civil works at that cost. Reports further indicated that in Nebbi District a 2 classroom block would cost UShs 37m-40m at the prevailing market rates yet the unit cost under the presidential directive put it at 28m. This was too low and un profitable for them to take up. By the time of the monitoring visit, they were proposing to write officially to MFPED to be allowed to retain the funds as the FY was coming to an end as they await official guidance from MoES.
Gulu District	The District had 4 SFG projects for FY 2008/09. Each of the schools got 2 classrooms each, 5 stances of pit latrines and 36 three-seater desks. The progress of civil works at each school as per the time of the monitoring visit is summarized below: 1. Opoko Agali P/S was said to be at roofing level. 2. St. Mary's Lapiny Oliyo P/S was said to be at roofing level. 3. Awonyimu P/S.was visited by the monitoring team. A 2 classroom block was at roofing level. The size of the classrooms was 7.7 m long by 5.9 meters wide inside. The civil works were undertaken by Cassina UK investments Limited. The 3 VIP latrines of 5 stances each had been completed. These were built by Latong and Sons Company limited.

Institution	Status of implementation.
	  4. Wiiya Cheng P/S. The classes were at foundation level while the VIP pit latrines were at walling level. It was reported the contractor who was awarded the supply of desks was ready and was only waiting for civil works to be completed. It was envisaged that all the civil works would be completed before the end of the FY.
Soroti District	All the SFG projects had been contracted out. The progress of the civil works as per the time of the monitoring visit is summarized below: 1. Kateta P/S got 2 classrooms with furniture and was nearing completion. The size of the classroom was 7.8 meters long by 6.0 meters wide. The contract was undertaken by Ogoro Hill contractors.   2. Aminit P/S got a 2 classrooms with furniture and was nearing completion. 3. Komulojo P/S was being roofed. 4. Otobalabori P/S in Pingire S/C. Construction was just starting 5. Aputoni P/S in Kadunguru S/C. Construction was just starting 6. Palaeti P/S in Tuburu S/C was at walling level 7. Aboloyi P/S in Kadunguru S/S was at walling level Otobalabori P/S and Aputoni P/S are very remote and contractors had refused to take up those contracts saying it would very expensive for them. The quality of the civil works on all the projects was said to be good.
Kumi District	The District had 4 SFG projects for FY 2008/09. Findings indicated that the procurement process for the SFG projects delayed. The awards were made during April 2008 and contracts agreements for those projects were signed in the second week of May 2009. By the time of the monitoring visit work on the sites was just beginning.
Sironko District	The District had 3 SFG projects for FY 2008/09. Part of the funds for FY 2008/09 were set aside to complete two SFG projects in hard to reach areas that were abandoned by contractors during FY 2005/06. 1. Mbata P/S: 2 classroom block was at finishing level by the time of the monitoring visit. However, the pit latrine was at walling level. 2. Bunagani P/S. This was a project for 2005/06. By the time of the monitoring visit, 2 blocks of 2 classrooms each had been roofed and they were doing finishing works. 3. Zesui P/S. This was also a project for FY 2005/06 and was never completed because the contractor abandoned it. Four classrooms at this site were being constructed. However, this was furthest project located up in the mountains. The

Institution	Status of implementation.
	problem is that the school is 4 km from where the vehicles off-load the materials. From that point the contractors have to hire people to take all building materials either using donkey or on their heads. During rainy seasons donkeys do not go up the up maintains. All the sand is ferried in basins and a bag of cement was ferried to the site for a cost of UShs 2000/=. Because of this construction at this site became too costly and unprofitable for the contractors. There were fears that even with the additional funds this FY the project may not be completed. By the time of the monitoring visit to the project, two of the classrooms were still at walling level while the other 2 were at ring beam level. In addition, the pit latrine had not been completed.
Lyantonde District	The District had 6 SFG projects for FY 2008/09 and by the time of the monitoring visit they were at various stages of completion. 1. Kalambi P/S in Kaliro S/C, Kabatema Parish. The school was receiving a 2 classroom block and by the time of the monitoring visit, they were doing finishing works. 2. Kempega P/S in Lyantonde rural S/C in Kyewanula Parish. The school was getting a 2 classroom block with an office and VIP pit latrine of 5 stances. By the time of the monitoring visit they were doing finishing works which included internal plastering and external works. 3. Kabatema P/S in Kaliro S/C. A four classroom block was at finishing level 4. Kasaana P/S in Mpumudde S/C in Buyaga Parish. Construction of a 4 classroom block and the 5 stance pit latrine were both at ring beam level 5. Nakasozi P/S in Kinuuka S/C in Nakasozi Parish was receiving a pit latrine for the school and a teachers' house with a pit latrine and kitchen. By the time of the monitoring visit, the pit latrine for the school had been roofed. However, the teachers' house was still at slab level. The pit latrine for the teachers had been excavated. Civil works at the teachers' house were being done by Solumu contractors. According to the District engineer, civil works for this site were awarded late but it was anticipated to finish before the close of the FY. 6. Namutamba P/S in Kasagama S/C in Buyanza Parish was receiving a teachers' house. By the time of the monitoring visit they were doing finishing works on the kitchen and main house. The pit latrine had also been completed. 7. Katovu P/S. This school was only getting a 5 stance pit latrine. By the time of the monitoring visit, civil works were still at slab level. It was reported that after all the advertisement, the District did not get a supplier for desks at the unit cost of UShs 45,000/= as per the presidential directive. Findings indicated that bidders were quoting UShs 75,000/= per desk. The district therefore requested MoES to allow them use the Force Account modality to supply furniture to all the schools. According to the District Engineer, the District has been able to procure the required furniture using the force account at a much lower cost.
Mubende District	The district had an IPF of UShs 300,000,000/= and by the time of the monitoring visit had received UShs 213,750,000/=. The civil works for this FY were in the remotest parts of the district where road networks are very poor. This has impacted negatively on contractors who say that they have made losses this FY. The civil works were however, at various stages as summarized below: 1. Omega P/S in Kitumbi S/C a 4 classroom block had been completed 2. Kizika-Katuugo P/S in Kitumbi S/C 4 classroom block was at finishing level. 3. Kifumbira P/S in Butoologo S/C was at walling stage.

Institution	Status of implementation.
	4. Kyabakulungo P/S in Kassanda S/C was at roofing level 5. Nkandwa P/S in Myanzi S/C was at slab level. The delay was caused by the fact that the first contractor who had been awarded this contract had tax arrears to the tune of UShs 19,000,000/= and he gave up the contract. The district had to re-advertise this work and a new contract has just started the civil works. 6. Kakonyi P/S in Butoologo S/C. The teachers' house was at ring beam level. 7. Buseregenya P/S in Kitumbi S/C was at slab level.

Some districts however, expressed the fear that they would not be able to pay the 5% retention to the contractors by the end of the FY.

3.2.7 Development of BTVET

Two institutions under this vote function were monitored during this quarter. In both of them civil works were going on. The beneficiaries were also happy with the quality of civil works put up by the contractors. The details of the findings are summarized below:

Institution	Status of implementation.
Kapchorwa Technical Institute	Kapchorwa Techinical Institute received UShs 135,600,000/= which was credited to their account in February 2009. The contract was for putting up 2 workshops and 2 classrooms, installing 2 water tanks; supplying 4 desks; and constructing 2 VIP latrines of 2 stances each was awarded to Kabat Grain Millers Limited. By the time of the monitoring visit, civil works had started and was at foundation level. The technical institute had also received support from the German Government to construct 3 other workshop blocks. These will house the tailorng and garment cutting, electrical installation and carpentry and joinery workshops. Civil works for these works was being undertaken by Coil Limited. By the time of the monitoring visit, civil works on all these structures had commenced and were at foundation level. Under the same programme, the institute had also received an assortment of tools, equipment and text books.
UTC Elgon	With funding from GoU, UTC Elgon is receiving a library block. By the time of the monitoring visit, the ground floor had been completed and was moving on to the upper slab. Delays were however caused by omissions of electrical works and plumbing works in the designs.. The contractor had submitted quotations for these to MoES. The project is expected to be completed by September 2009.   The library block under construction at UTC Elgon.

3.2.8 Presidential pledges:

Five (5) institutions under the presidential pledges were monitored during this quarter. By the time of the monitoring visit, construction was going on at all these sites. The specific details of findings are summarized in the following matrix:

Institution	Status of implementation.
Masuulita Senior Secondary School in Wakiso District	By the time of the monitoring visit, UShs 147 m had been credited on the school account. [13]The school authorities received guidance to start on the civil works using the force on account. Civil works were going on and various structures were at various stages: • An administrative block with offices for the headmaster, deputy headmaster, bursar, a store and a waiting room, was at wall plate level. • A science laboratory (physics and chemistry) was at wall plate level. • 2 blocks of classrooms with 2 classrooms each was at ring beam level. • 3-stance VIP pit latrine for boys and 3-stance VIP pit latrines for girls with another 3 stance pit latrine for staff were at walling level. The team was informed that members of the Board of Governors were closely supervising the construction of the structures. One of them who took the monitoring team around, noted that they were satisfied with the quality of work that had been done.  One of the blocks under construction at Masuuliita S.S.
Bishop Illukor S.S. in Kumi District	By the time of the monitoring visit, the school had received UShs 147m out of the UShs 208m. civil works were going on at the site using the force account modality. 2 class room blocks each with 2 classrooms had been roofed. They were starting on plastering. An administrative block with offices for the headmaster, deputy headmaster, bursar, a store and a reception, was at ring beam level. 2 VIP pit latrines of 4 stances each were being dug. Findings also indicated that some changes had been made in the designs. While the BoQs indicated that white iron sheets were to be used for the roof, pre-painted maroon sheets were used. The administrative block had no verandah beam. They have however, put a verandah beam on the front side of the block. It was reported that the changes were not affecting the IPFs. Part of this grant was supposed to be used to construct a science laboratory. However, NUSAF had already funded the construction of a three-phase science laboratory (physics, chemistry and biology). The school administration together the Board were of the view that part of those funds should be used to improve on the NUSAF laboratory and bring it

[13] The DEO of Wakiso district reported to the monitoring team that by the time of the monitoring visit the district had only received UShs 428,400,000 out of the total IPF of UShs 567,400,000 for Presidential pledges. She further reported that by that time the district had released those funds to the school accounts as follows: Kirolo Umea P/S (UShs 107,000,000), Masuulita S.S (UShs 147,000,000) Galamba P/S (UShs 147,000,000). She explained that this was done to enable civil works at the three schools to go on at the same time as district was waiting for the balances.

Institution	Status of implementation.
	to required standard and use the balances for another activity. However, MoES has not given them a go-ahead. According to the district officials, the contract for Bishop Illukor S.S. was awarded irregularly and did not follow the PPDA guidelines. According to them, procurement of firms for construction of Bishop Illukor S.S. should have been done by the District Local Government. The District conducted a fair procurement process openly. During that process Rosco Uganda limited emerged as the winner and was recommended to the district contracts committee for the award of the contract. However, the Board of Governors rejected this firm on account of having done a shoddy job on an earlier contract at the same school where they constructed a 3-phase science laboratory with funding from NUSAF. However, the district officials noted that they had never received any complaints about that firm. The CAO appointed an administrative review which recommended that open bidding be done again. Before all this could be done, the Board of Governors (BoGs) awarded the contract to Prior Uganda Limited. This firm started on the work immediately. The district was only to find out later after structures were coming up. So there is an apparent 'stand off' between them and BoGs.
Kirolo Umea Primary School in Wakiso District	By the time of the monitoring visit, the school had received UShs 107,302,148/= . Force on Account modality was being used to undertake the civil works at the school. The contract had been awarded to Nabaka Masituula. 2 classroom blocks of 2 classrooms each had been roofed and were at finishing level. A new teachers' house with 4 units was at wall plate level. Changes were however made in the designs. Instead of a head teacher's office, the School Management Committee (SMC) requested the contractor to turn it into a staff room. The SMC also suggested that the funds for construction of a 5 stance pit latrine, be used to renovate an old teachers' house. According to them the school had enough pit latrine stances. The old teachers' house needed to be plastered both from inside and outside, flooring; new shutters and a verandah on it. It was not however clear whether they had received clearance from MoES to go ahead with these changes. The beneficiaries were however, satisfied with the quality of civil works. 
Galamba S. S in Wakiso District	By the time of the monitoring visit, civil works on various structures was going on simultaneously. Findings indicated that civil works on all the structures started in March 2009. All the works were being undertaken by Peremu Construction. An administration block (having a staff room, reception, head teacher's office, deputy head teacher's office, bursar's officer and a store) was at roofing level. A VIP pit latrine for staff was a walling level. 2 classroom blocks each with 2 classes were at roofing level. 2 VIP pit latrines (3 stances for girls and 3 stances for boys) were at walling level. A laboratory block (physics and chemistry) was at wall plate level. The quality of civil works was very good.

Institution	Status of implementation.
Ssekanyonyi P/S	Though Ssekanyonyi P/S is under the presidential pledge, progress on this school in the was reported on under the Vote Function (02) Emergency construction and rehabilitation of Primary Schools (0943). Construction was going on by the time of the monitoring visit.

3.2.9 Inspection Grant:

Districts appreciated Government's intervention in provision of the Inspection grant. The grant has enabled them to undertake the inspection function which has increased the coverage of inspection. However, they reported that the grant is still inadequate to enable them fulfill their inspection mandate. They also complained about the guidelines which are not flexible. Findings from the inspection across all the districts visited are summarized below:

- A number of districts reported that the inspection grant for first quota was received at the end of second quota[14] (November December 2008). Because of this many of them were unable to complete the inspection of schools for that term.
- Almost all Districts complained about lack of adequate transport for the education departments.[15] Most vehicles (Isuzus and Mitsubishis) were given to the districts in 1998. Some of the them were either grounded or too expensive to run. Most motor cycles, apart from those provided to the centre coordinating tutors (CCTs), need to be replaced.
- Sanitation was coming out as major problem in schools. [16] Pit latrines in many schools were either full or had collapsed due to loose soils or heavy rains[17]. Many schools do not hand washing facilities..
- Teachers houses continued to be mentioned as a major problem in schools.
- Teacher/pupil ratios are still high in several districts. Mukono district for instance has a ceiling of 3702 primary school teachers which was set in 2002. While the number of schools and enrollment of pupils has increased since 2002, the ceiling for teachers in the district has remained the same. To make matters worse, a number of these teachers have either retired, died, absconded or transferred services to other districts. Some districts such as Yumbe reported that their ceilings had been reduced leading to inadequacy of teachers.
- Pupil-classroom ratios are still high in various districts particularly in lower primary. There are many schools with inadequate infrastructures. Yumbe district for instance has about 20 schools with pupils studying under trees in different classes.
- Evaluation and assessment of learners is poor in many schools. Many teachers do not mark pupils books, or give monthly and end of term tests.
- Implementation and assessment of the thematic curriculum is still a problem in many schools. Teachers lack materials for teaching in local languages. The handbook for

[14] It was reported in Yumbe, Arua, Maracha Terego, Soroti, Kumi
[15] Wakiso, Mukono, Yumbe, Arua, Maracha Terego, Moyo, Nebbi, Soroti, Kumi, Sironko, Kapchorwa,
[16] Mukono, Kapchorwa. In Sironko sanitation was reported to be poor in 75% of the schools in the district. During the floods of 2007, over 60 primary schools in the plains lost their pit latrines.
[17] According to the DEO Mukono district, about 70 primary schools in Mukono district have very poor sanitation and require urgent assistance. The DEO of Moyo district reported 15 schools with collapsed latrines.

thematic curriculum for P.3 was not available in many schools. Several districts observed that the training for teachers was inadequate and did not give them the required competences to handle the thematic curriculum. There are also teachers who have negative attitudes towards it. A number of private schools were reportedly shunning implementation of this curriculum.

- Safety and security measures are still lacking in many schools. It was reported that in some schools the communities are encroaching on school land. A number of schools in several districts do not have land titles.
- Conflicts over formation of School Management Committees were also found in several schools. In many schools they want to follow the old guidelines of selecting them from education committees while the new guidelines stipulate nominees from foundation bodies.
- Community involvement in school activities was reportedly poor in several districts. Pupils under the UPE programmes lack school necessities such as books, pens, uniforms and meals. A child comes to school with only one 32 page exercise for all subjects for the whole term!
- Record management is still a problem in various schools.
- Poor attendance by pupils especially at the beginning of terms. In Moyo parents tend to send their children to schools 2 weeks after beginning of term. Children in refugee settlement areas (e.g Moyo) tend to miss school especially after the repatriation of their parents.
- There is under-teaching and inadequate coverage of the curriculum in many schools in many districts. In some cases teachers just ‘keep children-around’ and do not teach them.
- Absenteeism of both teachers and pupils was reported in almost all districts. This was also linked to inadequate supervision of teachers by school administrators in several schools. In some schools inspection teams found no duty roasters for teachers, time tables are not followed and head teachers themselves being away from duty stations.

3.2.10 Challenges of Implementation

1. Lengthy procurement procedures still an issue within local governments
2. Poor communication between MOES and local governments is limiting effectiveness of monitoring and support supervision of civil works
3. The issue of unit cost had taken too long to be resolved
4. There are instances of financial mix-ups when funds are sent to “wrong” schools.
5. Inspection grant still inadequate

3.3 ENERGY

3.3.1 Introduction

The monitoring team selected projects that were worked on during the whole FY. The criteria for selection included**.**

- Project had planned activities for the fourth quarter FY 2008/09.
- Projects recently completed and about to be handed over to GOU.
- Projects within close proximity of another, and
- Projects which had been visited in the first, second and third quarters to track progress.

The projects[18] visited[19] include:

1. Bujagali Interconnection
2. Mpanga Dam Construction
3. Bugoye Dam Construction
4. Kisizi Dam Construction
5. Buseruka Dam Construction
6. Nygak Dam Construction
7. WENRECO Operation.
8. UEDCL Independent Grids Operations.
9. GTZ Institutional and household stoves
10. Oil Prospecting in the Albertine Garben.

The sector financial analysis is examined under 2.1.3

3.3.2 Bujagali Interconnection

Background

Bujagali Interconnection is a component of Bujagali hydro electric power (HEP) dam. It constitutes 95 Kms of transmission lines to evacuate electricity generated from Bujagali HEP to the main grid and a substation at Kawanda. The Uganda Electricity Transmission Company limited (UETCL) is the lead client of the transmission line while the African Development Bank (AfDB) is the lead project lender. UETCL contracted Jyoti an Indian firm to construct the transmission line and step down substations. It formulated the Bujagali Implementation Unit (BIU) to implement a resettlement action plan (RAP) that would provide vacant possession of the land required for the transmission lines. UETCL was to provide Jyoti vacant possession of the project land by June 2008. Jyoti as per contract commenced work in June 2008. It adjusted its works schedule to operate in areas which were vacant.

[18] These private sector projects were willing to share physical progress reports less financial information.

[19] The mentoring field visits were conducted between May-June 2009

Field Findings

BIU has continued to secure vacant possession of land for the project. To date 74% of the land has been acquired compared to 48% in December 2008. It has acquired vacant possession of the 5kms Bujagali-Tororo lines. Compensations and land acquisition are ongoing. Discussions with various government offices in charge of land (Ministry of Lands, Chief Government Valuer (CGV), Administrator Generals office, etc) have continued, for the remaining land.

BIU has acquired 8 acres of land to resettle some households that have been displaced by the project. The majority of households however preferred to build new houses close to their former houses. The main challenge is lack of documentation to establish true owners of land, absentee landlords and the large estates (Lugazi Sugar and Tea) who have rejected the compensation.

Jyoti has commenced the erection of the power transmission towers in the UETCL acquired land. The shipment of transmission tower components and power lines are in the country and has been released by customs. (In December 2008, only a third or the shipments were in the country and they had been seized by URA pending tax clearance). 36 towers out of the total 48 A type towers have been erected. The foundation works of the Kawanda substation are complete (in December 2008 leveling had just commenced). Jyoti has subcontracted most of the tower erection and construction works to local firms. The projected completion date is August 2010.

Construction of transmission towers on the Bujagali-Kawanda Transmission line

There have been variations to the original project works contract by UETCL. The works have been revised to include, rehabilitation of 3Kms of the Jinja-Tororo transmission line, a retention wall and 5km access road at Kawanda substation. GoU has approved the revisions and released the shs 1.5bn required for the additional RAP. However, the AfDB is yet to approve the revision.

Challenges.

1. The main challenge is delayed completion of the transmission line which will delay the commissioning of Bujagali HEP station. Furthermore, BEL the concession owner of Bujagali has a large performance bond on UETCL that guarantees timely completion of the transmission line.
2. Land acquisition in Uganda, even for government projects is cumbersome and time consuming. It is also politically sensitive. The land tenure system and land registration is

complex and riddled with corruption, it is often difficult to determine genuine ownership status of land. This has delayed possession of vacant land.

3. Jyoti has had to implement works only in areas to which they have been given vacant possession of the land. This has necessitated working in scattered phases instead of in a continuous line. This has led to time delays and cost overruns.
4. The main component of the towers are galvanized angle bars. These are on high demand in the fast growing construction industry. Jyoti sub-contractors have experienced a number of thefts of these angle bars.
5. The towers are erected to heights of approximately 30 meters. On the sites visited the labourers wore very little personal security gear, yet a number of fatal accidents have been reported.

Recommendations

1. There is need for high level talks between UETCL, Ministry of energy and mineral development (MEMD), Ministry of Finance, Planning and Economic Development (MFPED), Ministry of Lands, and Administrator General's office to ensure that all the required land is acquired timely. The Land Laws should be revised to prioritise land acquisition for public infrastructure. Land for public infrastructure is a priority and individual land owners should not hold the government projects at ransom.
2. The CGV's office should be strengthened and facilitated with human and financial resources to enable timely disposal of pending valuation reports.
3. Jyoti and its subcontractors should improve security measures around the project site. They should install burglar proof techniques including tight bolting and welding of joints. UETCL should compel Jyoti to ensure on site personal security of the construction workers that their subcontractors hire.

3.3.3 Mpanga Dam Construction

Background

Mpanga HEP is a future 18MW HEP station. Electricity Regulation Authority (ERA) granted the concession to South Asia Energy Management Systems Inc (SAEMS) a US-based firm. It is situated on Mpanga river in Kamwenge district. Mpanga HEP construction commenced in February 2008, the target commissioning date is March 2010. By December 2008 works were proceeding on schedule, and approximately 50% of the works had been completed.

Filed Findings

VS Hydro the main contractor has implemented a number of works. (see table 3.3.1 below). These works were undertaken between December 2008 and June 2009. Works are proceeding well but are 3 months behind schedule. To date 60% of the total works have been completed.

Table 3.3.1 Progress on Mpanga HEP since December 2008

	Activity	Actual (%)	Comments
1	Dam wall/ Weir	20%	Construction work was on going. River has been diverted and rocks are being blasted in preparation for foundation.
2	Canal/Headrace	60%	1km of the total 1.5kms are completed. The channel walls have been water and pressure tested.
3	Penstock	0%	The penstock pipes have been procured from Singapore. They are being shipped and are expected on site by end July2009.
4	Power House	20%	Excavation works have commenced on the power house.
5	Forebay	5%	Clearing works have just began
6	Auxillary, staff houses. Environment reconstruction.	40%	8 Staff houses and public area are under construction and are nearing completion. Cycad expert from MAK has continued to work towards stabilizing excavated slopes and replanting them with cycad seedlings.
	Total	60%	This is behind the target of 80%

Construction of acquaducts at Mpanga HEP dam

Challenge

The issue of VAT waivers and exemptions is yet to be resolved.

Recommendations

- There is need for high level talks with MFPED, Uganda Revenue Authority (URA) and SEAM to resolve this issue .
- There is need for closer supervision of Mpanga dam construction by MEMD to ensure that it is completed on time.

3.3.4 Bugoye Dam Construction

Background

Bugoye HEP is a future 13MW HEP dam situated on the Mobuku river in Kasese district close to Hima Cement Factory and Kasese Town Council. Tronde Energie a Norwegian engineering firm was awarded the concession to develop Bugoye HEP in November 2007. Construction works began on 15th January 2008, and is due to be commissioned in December 2009. By December 2008, 50 % of the works were completed. Construction works were 3 months behind schedule. The company had mapped a way forward to speed up works and get back on schedule. Construction works had began before Tronde had reached financial closure with its lenders. It was utilizing the mother company equity. It had applied to the Norwegian Government for a grant of 5.5M dollars.

Field Findings

The Norwegian Government in March 2009, advanced Tronde, 60 million Kroners (approx 5.5 $US million) as a grant to GoU to be offset from the total project cost of the HEP station. Tronde reached financial closure with its main lender, Emerging Africa Infrastructure Fund UK in May 2009. Tronde implemented its action plan to get back on schedule which included contractors purchasing more robust equipment and recruited more teams working simultaneously. Works have been on going in the last 6 months and despite a number of challenges (listed below) by June 2009, 90% of the works have been completed. Progress has been made on time lags, by June 2009 works were only 1 month behind schedule and Tronde feels that they shall be able to meet their target official commissioning date of 31st December 2009.

Table 3.3.2 Progress on Bugoye HEP, December 2008- June 2009

	Activity	Target (%)	Actual (%)	Comments
1	Dam wall	95%	95%	Works on going on schedule.
2	Channel/Headrace	85%	80%	Timber works laid. Await materials for concrete works. 105 meters have been completed out of the 586 meters.
3	Tunnel	90%	%	105 meters have been excavated out of the total 167 meters. Rock found cracked and slightly unstable therefore has necessitated extra concrete works to stabilise the tunnel walls.
4	Penstock	100%	75%	The penstock pipes have been laid. Works on penstock been set back due to vandalism of pipes and damage of pipes in transit. Pipes therefore have to be buried as soon as they are laid.
5	Power House	95%	90%	All the main civil works completed. Await finishes which will be implemented after electric mechanical works are installed. Switch and transformers have been installed. Control room wiring completed. Generator and turbines are on site await installation.
	Total	90%	85%	Project progressing well and only slightly behind schedule.

Installation of switch and stepdown transformer in Bugoye

Challenges

1. The works on the HEP station have been set back due to rampant vandalism and thefts in the past 6 months. Thefts have been mainly of fuel. In May a security guard was murdered while on duty and all heavy equipment operators were arrested for a month pending investigations. This brought civil works to a standstill, new inexperienced operators hired in attempt to fill the gap. The penstock pipes were vandalized and replacing them entailed reordering them from Germany where they are custom made, this has led to cost overruns and time delays.

2. There were underestimations on the volume of works for tunnel excavations and concrete works. This necessitated revision of bills of quantity and contract re-negotiations. The volumes of extra works were approximately 60% on excavations and concrete works. This has led to project cost overruns.

3. VAT issues still remain unresolved. Tronde was given a tax waiver but the subcontractors were not. Therefore, the subcontractors present their bills VAT inclusive. Tronde's attempts to get VAT refunds from URA have been futile and time consuming.

4. Tronde has to date failed to secure the land title for the project land. Lack of the title led to Tronde's delay to reach financial closure as it was a prerequisite by the lenders. The lenders have given Tronde a period of grace in which to acquire the title. The title is currently in the names of Kilembe Mines but they are not willing to surrender it. The district land board is not meeting as promised to resolve this stand-off.

5. There is a lack of skilled local companies and manpower that can undertake works such as tunneling. Tronde had to hire a team from South Africa to implement the tunneling work because there was no local company skilled in tunneling works.

6. Tronde has had to undertake works on the switch at Nkenda so that it can accommodate the power supplied by the HEP station.

Recommendations

1. Tronde and contractors should take extra security measures to ensure safety of materials and fuel. This may entail hiring more private security. It should continue to work closely with the Police and LCs in combating crime

2. There is need for high level talks between MEMD, ERA, UETCL, Kilembe Mines and Kasese District Land Board to ensure that Tronde's project land title is secured.
3. The issue of VAT should be resolved in high level talks with the concerned ministries, URA and Tronde.

3.3.5 Kisiizi Dam Construction

Background

Kisiizi Hospital is a Church of Uganda owned and operated Private Not for Profit institution in Kanungu district. Since 1958 it has operated a mini HEP for generating power for the Hospital and has an installed capacity of 60KV sufficient to supply its needs. In August 2004 permission was granted to Kisiizi hospital to generate an additional 350KV and operate an independent grid to supply the Nyarushanje parish. Energy for Rural Transformation (ERT) and Rural electrification agency (REA) co-funded 70% of the project cost. The rest of the funds for establishment of the independent grid were from "friends of Kisiizi Hospital" mainly from England, which has determined the pace of implementation. By December 2008 the total works done was approximately 90% and the project was behind schedule by 6 months.

Field Findings.

The management secured a soft loan from "a friend of Kisiizi Hospital" of 30,000 pounds (approximately 100 million shillings) and other "friends" donated 25,000 pounds (approximately 85 million shillings) in December 2008. These funds have enabled the management complete works on the independent grid. The works on the HEP station and the 7kms of distribution lines are completed. The offices that will house the Independent grid management are also completed. The new HEP generator and distribution lines were tested in early June 2009, the power generated was transmitted along the new distribution lines to a new carpentry workshop for two days. The new independent grid was thus considered functional. The independent grid shall be fully operational in July 2009. Management is in the process of recruiting staff to operate the independent grid. There are over 100 applications from the public for immediate connection, and it is anticipated that there shall be 200 connections by December 2009. Inspection of premises for connection permit for the 100 applicants is on-going. Electricians from an NGO from Scotland are in the parish assisting secondary schools to wire their premises so that they can get electricity.


Power generator and forebay at Kisizi Power Station

There has been unprecedented demand for electricity connections. A carpentry workshop, dairy cooler and bakery have been set up in anticipation of electricity. Two mobile networks have expressed interest in having their masts connected to the grid. A number of secondary schools and a technical college also desire connection. There are several shops being set up along the distribution line in anticipation of electrical connection and the price of land along the distribution line has increased greatly.

The community has been very cooperative with the independent grid management. They permitted the management to erect poles and string the distribution lines on and over their land and have not requested for compensation.

Challenges

1. The main set back is that Kisizi management had ordered for pre-paid meters from South Africa. The supplier recently informed the management that they would need more time to deliver. Therefore the management has had to incur the extra cost of 16 million to purchase digital meters which shall be utilised until the prepaid meters are delivered.
2. The HEP power generation capability of station is dependent on the river water levels. However, the river's volume is constantly dropping due to the degradation of the water catchment area. Given the current rate of degradation the station may fail to operate at its full capacity in a few years time. Currently, the two power stations cannot operate simultaneously due to the low levels of the river.
3. A number of politicians have raised the communities' expectations of the independent grid. There is a lot of interest in the electricity from the station. The management is concerned that they may not be able to meet the high demand. There are also fears of the willingness/ability of the community to pay electricity bills.

Reccomendation

There is need to sensitise communities on energy saving techniques and the need to pay electricity bills. There is also need to sensitise communities on the need to protect the river watershed. GOU should intervene in this area.

3.3.6 Buseruka Dam Construction

Background

Buseruka Hydro Power Project is a renewable energy project located on River Wambabya in Buseruka Subcounty, Hoima district. The scheme is a run of the river project planned to generate 9MW of electricity; 8 MW of which be fed onto the main grid along a 46km, 33KV transmission line. An independent network shall be established along the transmission line and fed 1MW of the generated energy.

Construction works began in March 2008 and the plant is scheduled to be commissioned in January 2010. Hydromax has sub-contracted five contractors to execute the work. All contracts had commenced and were running concurrently.

Field Findings

The works on the HEP station are on-going see table below. To date 16% of the works are completed so they are slightly behind schedule. Hydromax however have implemented an action plan to ensure they get back on schedule for the planned commissioning in January 2010. More teams have been hired so as to have two shifts and work 18 hours a day.

All project land titles have been acquired by Hydromax. It is hoped that by end of July 2009 a financial closure with the lenders would have been reached.

Table 3.3.3: Progress of works at Buseruka Dam, June 2009

No	Planned Activity	Works Description	Actual works done By Mar 09	Annual Target	Actual Works Done By June 09
1	Procurements of Hydro-mechanics	Specifications, tendering and shipping of turbines, penstock, gates and values.	10%	80%	50%
2	Power House	Construction works	1%	100	10%
3	Penstock	Assembling and Installation	0%	80%	20%
4	Head Race (Channel)	Blasting of channel path and construction of concrete channel walls	8%	70%	20%
5	Dam (reservoir)	Construction works	40%	80%	60%
6	Infrastructure.	Housing estates and roads	10%	100%	20%
	Total		**5%**	**20%**	**16%**

Challenges

1. The main challenge faced is that a lot of rock has been encountered. That is much more than was anticipated. This has necessitated a lot of rock blasting and clearing. This is costly and time consuming therefore leading to time and cost overruns.
2. VAT issues with URA are yet to be resolved. Hydromax appealed to MFPED to intervene. They however did not receive a favourable reply from MFPED. They are therefore appealing again.
3. The company has found it difficult to hire skilled and semi-skilled Ugandans in concrete laying and metal works. They have therefore resorted to on the job training of unskilled labour which is time consuming.

Recommendations

1. There is need for close supervision of Buseruka HEP construction by MEMD and ERA to ensure that the dam is completed on time.
2. There is need for high level talks with MFPED, URA and Hydromax to resolve tax issues.

3.3.7 Nyagak HEP Dam Construction

Background.

Nyagak HEP Dam is a 3.5MW HEP dam under construction in Paidha, Nebbi District.The concession to build, own and operate Nyagak was awarded to WENRCO as part of the WestNile independent grid to provide electricity supply to the towns of Nebbi, Paidha, Arua and Koboko. It was budgeted to cost 14 million US dollars but later revised to 18 million US dollars. Its planned commissioning date was December 2007, which was postponed to December 2008 and then June 2009. As WENRECO constructed the dam the independent grid was utilizing a 1MW, heavy fuel oil (HFO) powered generator to supply electricity to the independent grid. This was a short term albeit expensive measure.

By November 2008, works on construction of the dam were on-going. The main subcontractor for civil works, Sobetra had underperformed, therefore works on the construction of the dam wall (70% of the civil works) were withdrawn by the client and awarded to another company Reincon in December 2008. Sobetra was to complete its works on the channel, penstock and powerhouse. The turbines and other electrical mechanical equipment were delivered to the site two years ago (2007) and are stored in a temporary shelter. The 1.5kms transmission lines were completed and only await connection to the dam generator.

Field Findings

Sobetra the main contractor had implemented a number of works. (see table 3.3.4 below). These works were undertaken in January and February 2009. Sobetra has however abandoned site since March 2009, due to non-payment by the client.

Table 3.3.4 Progress on Nyagak HEP since December 2008

	Activity	Target (%)	Actual (%)	Comments	Reason
1	Dam wall	100%	3%	Mobilisation of equipment was done but no works undertaken. Reincon the new subcontractor for the dam wall not on site but had not started work.	Non payment by client
2	Headrace	100%	18%	Timber works laid. Await materials for concrete works. 105 meters have been completed out of the 586 meters.	Cash flow ceased in January 2009
3	Tunnel	100%	35%	45,000 cubic meters excavated out of the 130,000 required.	As above
4	Penstock	100%	54%	The penstock pipes have been delivered to site. 230 meters have assembled out of the 425 meters.	As above
5	Power House	100%	95%	All the main civil works completed. Awaits finishes which will be implemented after electric mechanical works are installed.	
6	Electrical Mechanical	100%	70%	Electrical mechanical equipment was delivered to site two years ago. It has been stored in a temporary shelter awaiting installation.	
7	Transmissi on lines	100%	90%	The 1.2Km transmission lines to Paidha were completed a year ago. They await connection to the dam switch.	
	Total	100%	45%	Works have stalled since February 2009 due to financial insolvency of the client.	


Power House and channel at the stalled Nyagak HEP dam construction

Electrical mechanical equipment under a temporary shelter at Nyagak

Marvel the contractor to install the electrical mechanical works was yet to mobilize on site. They await funding from the client. The electrical mechanical equipment including the turbines and gates were delivered to site by Marvel, two years ago and have been housed under a temporary shelter awaiting installation.

Challenges to Nyagak HEP dam completion

1. Cost overruns in using the generator to provide power that has caused financial stress to WENRECO. This has led to cost overruns and ultimately insolvency of WENRECO. This has resulted in their inability to finance the completion of the dam. Talks with GoU for a further bail out have been futile to date. The company has approached a number of commercial banks which too have refused to provide loans due to the company's insolvency.
2. Some members of the community have not been paid their monthly land rent dues by Sobetra. They have therefore blocked the project access roads.
3. Poor support infrastructure. Nyagak dam is just 1.5kms from Paidha town. The shorter 1.5km access road from the dam site to Paidha crosses the river yet the bridge over the river cannot support vehicle traffic. Therefore the contractor has to use the 9km road that

circumvents the hill in order to access the dam site. Even the 9km road has several bad sections which the contractor has had to repair. This is because the district claimed they had no funds to repair the road.

4. Delayed payments to contractors. Sobetra had undertaken a lot of timber laying works in preparation for laying of concrete works. The works were stalled due to lack of funds to purchase cement for concrete. The rains however were causing the timber works to rot due to the lengthy exposure to elements of weather. In case of further delays in funding the timber works will ultimately have to be dissembled and this will lead to further cost overruns.

Recommendations

1. MEMD, ERA, REA, WENRECO and MFPED should expedite the decisions made in high level meetings, in order for the construction of the dam to continue.
2. Sobetra and WENRECO should ensure all land disputes are resolved.
3. The Uganda National Roads Authority (UNRA), Ministry of Works and transport, Nebbi District and WENRECO should undertake repairs on the Paidha-Nyagak road.

3.3.8 WENRECO

Background

In April 2003, GOU/REA awarded WENRECO the concession to operate and maintain the independent grid covering the West Nile towns of Arua, Nebbi, Paidha and Koboko. It was agreed that WENRECO would generate power using a HFO generator for 4 years till December 2007 when Nyagak dam would be completed, thereafter utilise the HEP dam for power generation. The dam's construction has been delayed for a number of reasons (see above). This necessitated the continual use of the generator for power generation.

Field Findings

On March 10, 2009 WENRECO ceased power generation and distribution. All staff were sent on forced-leave except for a skeletal team for administrative purposes. The three towns have been in a total black out since that date.

The reason given for ceasation of operation is WENRECO's financial insolvency. This status was caused by the continual use of the HFO generator after December 2007. The dam was due to be completed in December 2007, this would enable the company to utilise HEP which is much cheaper than HFO generator. The cost of power generation using the generator is higher than the revenue gathered from customer collections. Consequently, the company was making a loss of 70 million shillings per month.

The company was given a financial bail-out by GoU/REA in February 2009 for one month. It's attempts to access loans from commercial banks were futile. GoU, MEMD, REA, ERA and WENRECO are in talks to determine the best way forward for the independent grid.

The power outage of the West Nile grid has greatly affected the service delivery and economic activities in the area. The two district hospitals of Arua and Nebbi have had to utilize generators however, they can only afford to do so for emergency operations. At night the hospitals are in darkness and staff are reluctant to attend to patients at night. The district headquarters have been compelled to use generators which have more than tripled the energy bills.

Arua national water and sewerage corporation (NWSC) had to buy and utilise a generator in order to continue supplying water, this has increased its operational costs. In the case of Nebbi water supply which was contracted to a private contractor, the contract has been terminated as it would not be profitable to pump water utilizing a generator. Consequently, there is no piped water supply in Nebbi. There is no street lighting in these towns since the councils cannot afford to power the street lights with generators.

SME's have also been affected. The hotels (a thriving enterprise especially in Arua) have had to purchase solar equipment and or generators. This has led them to increase prices and loose some profits. Electricity dependant businesses such as photocopiers, internet, phone charging and welding enterprises have either had to buy generators or close business. The use of generators has reduced their profit margins. Market vendors, street vendors, small shop owners have to close business at dusk if they have no generators.

Challenges

1. High level talks with GoU and WENRECO have been on-going since October 2008. To date no final way-forward determined.
2. Government institutions such as the Prisons, Police and District offices are the biggest defaulters on their payments of bills.

Recommendations

1. MEMD, REA, ERA and MFPED should expedite talks to ensure that the West Nile grid resumes operations.
2. Government institutions such as district headquarters, barracks, prisons and high court should be compelled to pay their outstanding dues to WENRECO. Alternatively, their bills can be deducted at source (MFPED) and paid to WENRECO.

3.3.9 Energy Saving Stoves in Households in 14 Districts

Background

With the support from the German Government, the Ministry of Energy and Mineral Development initiated the Energy Advisory Project (EAP) in June 1999 which ran until May 2008. The overall objective was to improve access to modern energy services and the efficient use of energy. One of the components was the dissemination and provision of energy saving stoves to households.

The planned outputs of this component were:

- At least 80% poor households, reduce the time spent for cooking by 30% and reduce firewood consumption by 50% due to the use of improved biomass technologies.
- Projects for the dissemination of improved biomass technologies and bio-fuels are implemented by at least 1 NGO, 1 private enterprise and 5 commercial stoves producers.

The dissemination and provision of energy saving stoves to households in 14 districts was contracted to local NGO's. They were mandated to sensitise and provide 80 percent of the households in the pilot districts with energy saving stoves. The activities of dissemination and provision of stoves were implemented between October 2007 and February 2009 by the various NGO's. MEMD availed the NGO's with prototype stoves and construction manuals. These prototypes were developed by MEMD in collaboration with Uganda Industrial Research Institute and Makerere University Institute of Technology. They are made of locally available materials to ensure accessibility by the poor and enable replication and regular operation and maintenance. The improved stoves can attain temperatures of 500 degrees centigrade plus, unlike the 250 degrees of the three-stone fire place, thus cook very fast, they use at least 50% less fuel. They provide a smoke free kitchen environment.

Field Findings

The NGO's disseminated two types of energy saving stoves, the portable stoves and the larger Rocket Lorena in 14 districts, Lira, Mbale, Tororo, Arua, Kamwenge, Kiruhura, Apac, Kayunga, Mukono, Bushenyi, Rakai, Wakiso, Yumbe and Kamuli. They contracted facilitators from Bushenyi, Rakai and Mbale who had practical experience in energy saving stoves construction from earlier similar projects. These formulated the district trainers of trainers. They also recruited and trained district, subcounty and parish mobilisers and artisans. Once trained, the mobilisers and artisans sensitized the communities on the importance of energy saving stoves. They then worked with the community to construct energy saving stoves.

The NGO's sensitized the district leaders and subcounty leaders in the respective districts on the benefits of the new improved stove. All the district, subcounty and village council members received an energy saving stove in their households as demonstrations. The Subcounty and village leaders played a significant role in the dissemination of the improved stoves in the villages. They introduced the NGO staff to the community and mobilized the community to attend the trainings on stove construction. They also identified suitable candidates to be trained as artisans.

The NGO's were able to assist over 580,000 households acquire energy saving stoves. This was higher than the planned 550,000 stoves. In the case of Kamuli over 110,000 households acquired stoves, the contract price for household stove dissemination and provision was US $ 106,000. This implies a cost of approximately one dollar (2,250 shillings) per household.

Over 10,000 artisans ("village stove professors") were trained in energy saving stove construction. About 30% of these are still actively constructing stoves in the communities despite ceasation of facilitation from the programme. Some are constructing stoves as a full time occupation. The program generated a high demand for energy saving stoves from the beneficiary communities, particularly in Kamuli, Kayunga and Bushenyi, consequently some households are willing to pay the artisans the full cost of the stove (5,000 to 50,000 shillings for the portable stove and 80,000 to 250,000 for the Rocket Lorena). The program has therefore created sustainable markets and jobs for stove makers in the beneficiary communities.

The original household stove prototype required sawdust as a raw material. Initially carpentry workshops permitted the communities to take the sawdust free of charge. However, when they realized that there was a high demand for sawdust they began to charge per bag. The artisans in Bushenyi discovered that dry grass worked as well and at times even better than sawdust. They therefore constructed the stoves with dry grass which was more accessible to poor households than sawdust.

The majority of the beneficiary households are utilizing the energy saving stoves and attest that they work efficiently and effectively. They report that the stoves use less firewood, cook faster and produce little or no smoke, they emit less heat and that there were less fire related accidents in the households. They can also utilize agricultural waste such as maize cobs, banana fibers, coffee and bean husks and saw dust to fuel the stoves. The Rocket Lorena enables one to use one fire to cook two pots simultaneously, thus enable a meal to be served very hot. The fire is imbedded within the stove and thus enables one to cook food outside without shelter from wind.

Box 3.6: Views of satisfied beneficiaries from the districts of Wakiso, Kayunga, Mukono, Kamuli and Bushenyi.

"Before we would eat unready food because of lack of firewood, now we eat food that is ready and it is delicious".

"In Katunguru there is lower incidence of dysentery and diarrhea. This is because the people are now eating properly cooked food."

"Women no longer carry heavy bundles of firewood."

"When I was still using the three stones, I would use a whole bunch of firewood for one meal. Now it can take a whole week".

"I now just use one piece of charcoal to cook dry beans, before I used five".

"We can now prepare dry beans, before we could not afford the fuel to cook dry beans."

"It (energy saving stove) is very good, I like it. I have now deserted the other ones".

"Women are no longer being beaten and arrested for encroaching in the forest, (Mabira)"

"I now like to sit in my kitchen because there is no smoke and it is not hot"

"Now, me and the children no longer suffer from coughs from kitchen smoke"

"My eyes no longer get red from the smoke and blowing the fire".

"I keep healthy in the kitchen and clean".

"I can now cook in my good busuuti. This is because I have no fear of smelling of smoke or my busuuti getting burnt with the modern stove".

"The stove cooks so fast. I come back from the garden and in no time the food is ready. Before, I would come back from the garden very hungry and the food would take long to get ready."

"It can cook food and sauce at the same time therefore my meals are served hot."

"I use the stove as a flask it keeps food warm the whole night."

"There are fewer incidences of children getting burnt from hot food or touching flames, this is because the pot sits in the stove and cannot tip over, also the flames are hidden so a child cannot reach them. These stoves have really helped us. Before, hardly three days would pass without me (LC1 Chairman) being informed of a child burned by food or fire in the kitchen".

Food preparation on the improved energy saving stoves

However, there are some complaints about the stoves. Not all households who received them are using them. Some have abandoned them in the kitchen and use the 3 stone fireplace or metal charcoal stoves. The following are extracts from some beneficiaries of stoves who were not using them:

Box 3.7: Views of unsatisfied beneficiaries in the districts of Wakiso, Kayunga, Mukono, Kamuli and Bushenyi.

"The stove is difficult to light, the three stone stove is easy to light."

"It is the children who know how to light the new stove, I do not know how to."

"The children cannot lift the pan out of the stove."

"We cannot roast maize on the stove"

"We use it only on big occasions where there many people."

"The stove is too heavy to lift in and out of the house."

"The stove is too high for the children to reach the pans".

"The stove was designed for big saucepans yet I use a small saucepan".

"It is cultural to use the three stones."

"It cracked, I am waiting for it to get repaired"

"The stoves are so hot, they burn the saucepans and food. Look, I have had to replace my saucepans thrice this year."

A number of organizations working with disadvantaged groups like Save the Children and UNHCR are contracting NGO's and artisans from MEMD/GTZ pilot districts to train artisans in their programme areas. This has enabled the NGO's and artisans to remain sustainable after the MEMD/GTZ programme phase out in the pilot districts.

A women's cooperative in Bushenyi constructing energy saving stoves for sale.

Challenges

1. There is apathy from some beneficiary communities and district leaders both political and technical about the stoves. They are reluctant to change despite knowing the benefits of the improved energy saving stove. Some refused to have one constructed in their kitchen because they could not be bothered to collect the raw materials and use their labour. Others claimed that culturally, there can be no home without a 3 stone stove. In some areas which are heavily forested, the community did not appreciate the need to conserve firewood. While others politicized the program saying it was "a government trick to sell Mabira Forest".
2. The improved stoves are made from mud and grass, therefore must be sheltered from rain. However, the majority of poor and urban households do not have sheltered kitchens. The urban households especially those in rented houses cannot construct kitchens because they feel they are temporary tenants and or there is little space accommodate a kitchen. The stoves are therefore left outside, exposed to hot sun and rain, consequently, they disintegrate rapidly. Furthermore, the stoves are heavy and therefore difficult to lift by the elderly and young children and yet these are the composition of some of the poorest families.
3. Some households claimed that they were too poor to pay the 1000 to 6000 shillings contribution to the artisan. Cooking is the domain of women in most households. Despite their desire to pay for and acquire the improved stoves, most women did not have access to the household funds. They therefore depended on the goodwill of their husbands to pay artisans.
4. In some areas the LC's refused to assist the NGO's to mobilize the communities because there was no allowance provided. They claimed that other government programmes particularly those in health would provide LC's with an allowance for mobilization.

Recommendations

1. The project of energy saving stoves should be replicated nationwide to maximize its benefits to the households and the environment. MEMD, NEMA, ministry of health (MoH), MFPED, NGO's and other development partners should be encouraged to support the up-scaling of this project nationwide.

2. Local governments (LGs) and NGO's should continue sensitizing the communities on the advantages of the energy saving stoves and other energy saving techniques. They should also train stove beneficiaries how to roast food on the improved stoves.
3. LG's should compel households and landlords to construct sheltered kitchens. This shall not only enable construction of the rocket lorena stoves, but also to provide a clean and hygienic cooking environment.

3.3.10 Energy Saving Institutional Stoves in Schools, Prisons and Police

Background

The Institutional stove project began in 2006 and was implemented as a pilot joint venture between MEMD/GTZ and various institutions for the following objectives:

- To increase efficiency in firewood use in the institutions and to reduce environmental degradation through the adoption and optimum utilisation of the firewood institutional rocket stoves.
- To improve the working conditions of the kitchen staffs that were initially exposed to the hazardous smoke and intense heat emission from the traditional 3-stone stoves.
- To enable the institutions to prepare and serve meals on time.
- Equip the institutions with the technical capacity / skills for subsequent maintenance of the firewood saving institutional rocket stoves and further construction of firewood saving stoves in the various institutions.

Field Findings

The programme disseminated 552 institutional energy saving stoves to various schools, prisons. Police barracks and training schools; and SME's. The beneficiary institutions were using the stoves and they confirmed they were efficient and effective. The improved stoves used less firewood thus enabled them make savings on fuel expenditure by 30% to 60%. The stoves cooked fast, therefore saving time and enabled meals to be served on time. They emitted less heat and smoke and therefore improved the working environment and health of the kitchen staff. The stoves are insulated and thus kitchen staff is protected from burns. Below are some comments by the various institutions staff on the improved stoves.

Box 3.8: Views on stoves from institutional staff in the districts of Kamuli, Yumbe, Kmapala, Jinja, Masindi, Moyo, Arua and Bushenyi

"We reduced fuel consumption from 75 lorries per month to 45 lorries per month, which is by 30 lorries. This has saved us a lot of money each lorry is 250,000/=. It has also saved the forest and environment."

"We used to use 2 lorries of firewood per month, we now use only one lorry for two months."

"Before, one lorry would last for two months, now one lorry lasts for five months."

"It is keeping our beans for supper warm, it is a flask too."

"The stoves help keep the kitchen clean because there is little ash."

"Food is clean because it is covered."

“The sick children can now have warm bathes”.
“We can now afford to give the children boiled water to drink. This has resulted in reduction of sickness.”
“We can boil water for the students and it is available 24 hours.”
“There is no smoke. It all goes through the chimney.”
“I no longer get coughs and chest problems from the smoke.”
“The kitchen is now cool. I no longer sweat from the heat and my eyes not longer cry from the smoke”
“Look, I can even sit on the stove and feel no heat”.
“There are no kitchen hazards, they are accident free.”

“We used to serve lunch at 3pm and this would disrupt classes, now we can serve lunch at exactly 1pm.”
“It used to take 5 hours cooking dry beans, now with the new stove 2 hours are enough.”
“It takes 30 minutes to 1 hour to boil water for food, unlike before when it would take 3 hours”.
“It takes 2 hours to cook porridge, before it would take 3 to 4 hours.”
“Before, students had their breakfast porridge late at about 9am, now they can even have it at 6am”.
“We now need only one cook, before we needed four.”

Institutional Stove in Kamuli Prison (left) and Yumbe Prison (right)

Challenges

1. In some institutions the kitchen staff do not follow the operational instructions for the Improved stoves. These include using only very dry firewood, cutting firewood into small pieces, using only a little firewood at a time, covering the food as it cooks. This has resulted into institutions not attaining the maximum benefits of the stoves. Furthermore, the excess heat generated by adding too much firewood damages the saucepans and stoves. This leads to increased costs of replacement of saucepans and maintenance of stoves. In one school in Bushenyi, the principal claimed that all the savings made from reduced expenditure on the firewood were offset by increased expenditure on replacement saucepans.

2. In five prisons that received improved stoves there was no shelter over the stoves. Thus, exposing them to elements of the weather. This will cause their rapid disintegration. Consequently, the stoves will not provide value for money. Prisons headquarters assured MEMD that they would provide the shelter but to date have not.
3. The workmanship of some improved institutional stoves was poor and this resulted in early cracking of the stoves. Once cracked the stoves energy saving efficiency is reduced. In the case of 6 prisons the contractors were not fully paid because of substandard work and therefore the contracts to supply stoves in these prisons have been retendered by MEMD.
4. In a number of institutions particularly where earlier installations were made, the stoves are worn and some cracked. They are in dire need of repair, in order to maintain their efficiency and effectiveness. However, none of the staff or students/inmates have the technical knowledge to repair them. Yet, it was a contract condition that they are trained to operate and maintain them.
5. The institution's staff have a different menu from that of the students/inmates. They therefore require smaller pans and stoves in which to cook and not the institutional ones. Since they have no small energy saving stoves staff meals are cooked on the 3-stones and the traditional 'sigiri".

Recommendations

1. Dissemination and provision of improved institutional energy saving stoves should be rolled out to all government institutions nationwide. GoU and other development partners should participate in the national roll out.
2. MEMD, LGs and NEMA should continuously monitor beneficiary institutions and sensitise them on proper use of the stoves.
3. MEMD should constantly re-train trainers and new trainers to enable dissemination of new techniques learnt in the field. These forums shall also enable cross-fertilisation of ideas and techniques.
4. MEMD should ensure that contracts bind the contractors to build the capacity of staff, students and inmates of the institutions so that they can repair the stoves and also provide them with a livelihood skill. The heads of these institutions should ensure that those trained complete the training period and put their newly acquired skills to use soon after the training.
5. MEMD should ensure that all stoves that have been damaged within the contract guarantee time are repaired immediately.
6. MEMD and Prisons Headquarters should ensure that all prisons that received the institutional stoves have kitchen shelters constructed.
7. MEMD should research on larger institutional improved stoves. The current stoves are efficient for beans and posho for 100 persons. They are however insufficient for cooking large amounts of posho for 200 plus persons.

3.3.11 UEDCL Off-Grids in Adjumani and Moyo

Background

The electricity sector reforms of 1996 led to the unbundling of vertically integrated government Uganda Electricity Board into three separate segments for generation, transmission, and distribution. The goal of these reforms was to improve the quality of service, increase service coverage and enhance the overall sector efficiency.

UEDCL was granted the segment of distribution of power. UEDCL sold the concession to distribute power on the main grid to UMEME. The off- grids of Adjumani, Moyo and Moroto were vested to UEDCL to own and operate until government would divest them. This was mainly due to the high cost and non-sustainability therefore non-marketability of these off-grids (operation costs are higher than revenue collections). ERA and UEDCL agreed that funds from the UMEME concession sale would be used to bridge the gap between costs and revenues of operating the off-grids.

The off-grids generate electricity using 350KVA diesel generators. All generators are old and frequently breakdown, they are repeatedly being refurbished. The cost of their refurbishment is high and it was prudent that UEDCL replaced them. ERA had however barred UEDCL from undertaking any further capital investments on the off-grids in effort to keep the costs and therefore tariffs low. UEDCL approached REA who agreed to finance the purchase of three new generators.

Field Findings

In October 2008 REA purchased and delivered to the three UEDCL substations a 750KV generator. The three generators cost a total of USD $ 1.1 million i.e approximately USD $360,000 each. REA had contracted Intertech U Ltd to purchase and supply the generators to UEDCL substations. UEDCL provided the design specification and participated in the evaluation and award of the tender. The approved supplier in their proposal stated that they would purchase the generators from the UK. Officials from UEDCL travelled to the UK in August 2008 to perform the factory acceptance test, as specified in the contract. They established that the firm awarded the contract had contracted a third party (Staford) to supply the generators. Furthermore, that the generators were already on the 'high sea' in transit to Uganda. Upon arrival in Uganda the generators were delivered to the substations. The UEDCL engineers travelled to the stations and their preliminary observations report stated that the generators were substandard and did not provide value for money. Furthermore they established that the generators were purchased from China and not UK as stated in the contract agreement. They notified REA and PPDA of their findings and requested for an independent assessment.

The new generators are 750KVA and consume almost double the fuel the old 350KVA generators. The off-grid staff are reluctant to use the new generators because their current fuel allocation for operating the old generators is sufficient for only 25 days of the month, operating the new generators will imply generating electricity for 12 days of the month. Furthermore, ERA has instructed UMEME not to pay UEDCL administration fee in the year 2008 and 2009. This is in bid to reduce the escalating cost of provision of electricity. ERA has requested UEDCL to utilise its savings from asset sales. UEDCL intends to sue UMEME for non-payment of dues as per contract and therefore breach of contract. ERA's instructions have caused UEDCL financial stress and inability to purchase the extra fuel required to operate the new generators.

Challenges

1. The cost of generating electricity in Moyo and Adjumani is high. Fuel alone to generate electricity for a month for 4 hours daily is costs 20million shillings. Yet revenue collections in the 3 stations are on average 10 million shillings. Operating the new 750KVA generators will therefore double the expenditure on fuel and yet not significantly increase the collections. Consequently increase the monthly loss UEDCL incurs to operate the off-grids.
2. The old generators frequently breakdown and their spares are hard to find in Uganda. They are all due for major overhauling, which is costly. UEDCL does not have to funds to carry out the generator overhauls.

New 750KV generator (left) beside the old 350KV generator right in Adjumani UEDCL station

3. There is high demand for new connections onto the grid. However, few new connections are being undertaken due to the already overloaded system (old generators) and lack of distribution and connection materials at the substation.
4. There are high system losses both technical and power theft.

Recommendations

1. REA, PPDA, ERA and UEDCL should finalise the procurement of the generators. Independent valuers should be sent to verify claims of substandard procurements. If the generators are as per specifications, they should be installed and commissioned. If they are not as per specifications, REA and the contractors should be penalised and the generators returned. The contracted supplier should make good the purchase of generators as per contract specifications.

In future such purchases should be made by the end user. REA should release the funds to UEDCL and let them make the purchases.

2. UMEME should pay UEDCL all its dues as per contract.

3. ERA should limit its instructions to UMEME and UEDCL to the confines of the contract.
4. ERA should appeal to MEMD and MFPED to utilise the government "tariff subsidy fund" to off-set the tariff and maintain the current price of electricity to the consumers.
5. There is need to sensitise the public on energy efficiency techiniques and the consequences of power theft.

3.3.12 Oil Mining and Exploration in the Albertine Garben

Background

It has now been established that Uganda's rift basins contain commercially exploitable reserves of oil and gas and the country is planning to commence oil production in the short term. The principal prospective area for petroleum in Uganda is the Albertine Garben. It forms the northern most part of the western arm of the East African Rift System, stretching from the border with Sudan in the north to Lake Edward in the south, a distance of over 500km. An agreement of co-operation for exploration and exploitation of any common fields between the two countries was entered into in 1993.

Field Findings

The Ministry of Energy's Petroleum Exploration and Production Department has collected large amounts of seismic, gravitational, geophysical, geological, geochemical and well data (preliminary data required prior to petroleum exploration drilling) in the Albertine Garben this is now available for sale to prospective oil explorers.

Due to lack of funds and technical resources GoU opted to outsource the oil exploration activities in the Albertine Garben to private developers. MEMD defined nine Exploration Areas (EA's) in the Albertine Graben. To date five EAs have been licensed to 4 companies including Heritage Oil and Gas Ltd, Tullow Oil, Neptune and Dominion. However, since April 2006 while formulating a National Oil and Gas Policy for the country started, licensing was suspended. A new Nation Oil and Gas Policy was put in place during February 2008. The policy recommends putting in place a new regulatory and institutional framework for the country. This is currently being undertaken and licensing will commence when the new framework is in place.

To date 22 wells have been flow tested and all except Rhino Camp in Arua and Awaka1 in Bulisa have shown the presence of commercially exploitable hydrocarbons (oil and gas) reserves. The wells that have been drill tested have been plugged. The oil companies and MEMD are in talks to determine the best way forward in oil extraction. This includes when to begin oil extraction, the location of the refinery, market and transport routes. The final position of GoU/MEMD on these discussions will be out by August 2009.

Flow tested and capped oil well in Kaiso-Tonya

Currently, there are 3 oil drilling rigs in the country test drilling oil wells. One is a deep well drill rig and two are shallow well drill rigs. The deep well drilling rig is in the Kaiso-Tonya area, while one shallow well is in the Butiaba area and the other in West Nile. Due to high the cost of importing and re-exporting the drilling equipment the oil exploration companies have opted to collaborate and share the rigs amongst themselves.

Oil rigs flow testing oil wells in the Albertine Garben

The Early Production Scheme (EPS) which was developed in 2006 in the midst of the energy crisis has currently been halted for redesign. The EPS was supposed to generate 50MW to 85MW of electricity to the main grid. This was to ease the chronic power shortages being experienced county wide. The plan was essentially that 4,000 barrels per day of crude oil would be extracted from the Mputa well, processed in the topping plant (mini-refinery) to make HFO and this would be used in a thermal generator to generate electricity. This electricity would be evacuated on a 273km transmission line to join the main grid in Nkenda, Kasese.

The EPS met several obstacles. First several more oil deposit discoveries were made, the EPS was based on the premise that there were only small oil reserves of 300 million barrels yet new discoveries reveal that there are up to 2 billion barrels. This has necessitated a programme redesign to establish the most economical way to process large amounts of oil. Second, large gas deposits were discovered in the Kaiso-Tonya and studies reveal that the most economical option is to utilize this gas for electricity generation instead of HFO. Third, in the original design the transmission lines and the thermal generator were located in the heart of a game reserve. The main funders of the EPS the Norwegians refused to finance a project that would displace wildlife. Therefore there was need for a project redesign to relocate the generator and the lines.

All these factors listed above have necessitated a redesign of the EPS. According to the department this redesign should be ready by August 2009.

GOU/MEMD has completed the study on the relocated transmission line. MoF released the 35 billion for compensations in 2^{nd} quarter 2008/9. However to date the funds are still on the MEMD account unspent. This is because the chief government valuer is yet to approve the valuation report.

Challenges

1. The Petroleum exploration and mining industry is new in Uganda. Consequently, there are few Ugandans trained in Petroleum development. MEMD has over the past 15years invested billions of shillings in training Ugandans in Petroleum management and development. However, public service terms and conditions are not as attractive as those in the private sector. As a result a large number of trained Ugandans have left public service to join the private sector where the remuneration is lucrative. This has adversely affected MEMD's ability to monitor the petroleum exploration activities of the private companies.

2. In 2007 the price of oil rose sharply peaking in June 2008 the world oil prices when they reached an all time high of US $165. The price of oil per barrel however, fell to US $50 in August 2008 due to global financial crisis that led to low demand for oil. The high price of oil attracted investment in oil exploration the low price has consequently led to the lower investment in oil exploration. This is exacerbated by the fact the most oil companies depend on shareholders for investment capital.

3. The upstream activities of petroleum development such as the data collection, seismic mapping, exploration drilling and analysis of wells are very expensive. A lot of money is spent at this stage (which Uganda is currently in) yet there are seemingly no tangible results (oil extraction). MEMD has had an uphill task to convince GoU, donors and private developers to fund these activities.

4. The oil rich Albertine Garben lies in the western rift valley of the Great African Rift Valley. This area is acclaimed to have the richest bio-diversity in Eastern and Central Africa. Two of Uganda's major National Parks, Murchinson Falls and Queen Elizabeth National Park as well as a number of smaller Game Reserves are located in the Albertine Garben. The oil mining and exploration activities will consequently affect the nature and wildlife presently inhabiting this area. This will and already has lead to a number of bi-lateral donors refraining from supporting oil exploration and extraction in this area because of Environment lobbyists.

5. The Albertine Garben strudels the land bordering Uganda and DRCongo. Due to offshore exploration under the Lake Albert, DRCongo has accused Uganda government of mining their oil. This has led to a number of armed clashes and even the murder of a British expatriate. The Oil mining companies have had to invest heavily in security detail for their safety.

6. The rift valley terrain is steep and the climate arid, therefore hostile to human habitation. It therefore lacks infrastructure development. Consequently, the mining companies have had to invest in infrastructure development in this area to enable their work to continue. This includes road and bridge upgrade and new construction, telephone network improvement, establishment of health facilities and water facilities. Furthermore, Uganda is landlocked and all the drilling equipment has to be imported and transported via Mombasa, Kenya over 3000kms from the Oil exploration areas. This has raised the cost of oil mining and exploration in Uganda. For example, the cost of setting up a deep drilling rig at Kingfisher well in Bugoma cost 37 million dollars, compared to 4 million dollars to set up the same size rig in Azberkistan. These factors have made the cost of oil exploration in Uganda high and consequently deterred investments in the sector.

7. The gestation time period from oil exploration to oil production is long. The worldwide average gestation period is 10 to 15 years. Commercially, exploitable oil wells in Uganda were first discovered in 2006, the public expected extraction to commence immediately. There have been reports in the media that large oil deposits/reservoirs have been discovered by the mining companies but not developed. This has led to public speculations that oil is being mined and exported in a non-transparent manner that will not benefit the majority of Ugandans.

Recommendations

1. There is need for GOU/MEMD to fast-track the EPS so that oil production can begin and Ugandan’s benefit from the national oil reserves.
2. GOU should support Petroleum Development Studies within Ugandan Universities. This will enable more Ugandans to pursue these disciplines and thus be employed in the Petroleum industry.
3. GOU should improve the infrastructure in the Albertine Garben. This shall reduce the costs of oil mining and drilling in the area.
4. There is need for increased sharing of information with the public pertaining to oil exploration and extraction by GoU, MEMD and exploration companies.

3.4 HEALTH

3.4.1 Introduction

The Unit monitored the progress of implementation of: Rehabilitation of Referral Hospitals Project; expenditure of capital development funds disbursed to Mulago National Referral Hospital, Cancer and Heart Institutes; Support to the Health Sector Strategic Plan Project II (SHSP); and Primary Health Care (PHC) grants to 17 Districts.

The team monitored the rehabilitation of 6 Regional Referral Hospitals namely: Lira, Gulu, Mbarara, Kabale, Mbale and Jinja. Under SHSP the team monitored the progress of construction of mental health units at 4 Regional Referral Hospitals namely: Lira, Kabale, Mbale and Jinja. The team further monitored progress of construction/rehabilitation of Nyakayojo HCIII, Kinoni HCIV and Bugamba HCIII in Mbarara District. Under PHC, BMAU monitored expenditure of non wage recurrent and capital development expenditure in the following districts: Lira, Dokolo, Apac, Masindi, Gulu, Oyam, Amuru, Kyenjojo, Kamwenge, Ibanda, Mbarara, Kabale, Jinja, Butaleja, Mbale, Manafwa and Budaka.
The sector financial analysis is examined under 2.1.4

3.4.2 Rehabilitation of Regional Referrral Hospitals

Overview

During FY 08/09 Government allocated UShs 16 billion (excluding taxes) for the Rehabilitation of 11 Regional Referral Hospitals (RRHs) including: Arua, Fort Portal, Gulu, Hoima, Jinja, Kabale, Masaka, Mbale, Soroti, Lira and Mbarara. During Quarters 1 and 3, BMAU monitored implementation of Masaka, Soroti, Fort Portal and Arua RRHs. During this quarter, BMAU monitored rehabilitation of 6 RRHs namely; Gulu, Lira, Mbarara, Kabale, Mbale and Jinja as described below.

(i) Mbale Regional referral Hospital

The Hospital received UShs 1,464,936,000 for capital development from July 2008 to June 2009. The following activities were scheduled: rehabilitation of 7 wards; renovation of the maternity ward; acute care unit and the causality unit; fencing hospital land and repairing roads and walkways; procurement of assorted medical equipment, vehicles and furniture.

Renovation of 2 wards was undertaken by the MoH at a total cost of UShs 450, 000,000. At the request of the MoH, the Hospital made a partial contribution amounting to UShs 189,301,632. The contract was awarded to Lubmarks Investments Limited. At the time of the budget monitoring visit in early June 2009, the renovation was in its final stages.

Besides the renovation of the two wards by MoH, other procurements were delayed for a period of over 9 months. First it was noted that the request from MoH to provide counterpart funding for the renovation of the wards necessitated revision and re-allocation of funds to accommodate the above cost. Secondly the initial bid evaluation for scheduled works which was completed in January 2009 was contested by one of the bidders warranting administrative review. The Procurement and Disposal of Public Assets Authority (PPDA) recommended re-evaluation of the bids—a process that was only finalized between April and May 2009. Based on the above, most of the contracts for the activities scheduled in FY 08/09 were only awarded in early June 2009. At the time of our visit in late May, several of the contracts had been forwarded to the Solicitor General for approval.

The contract for renovation of 5 wards, was awarded to PMK Earthworks and Investments Ltd on 10 June 2009 at a cost of UShs 522,784,368. The contract for fencing the hospital land and repairing roads and walk ways was awarded to Lubmarks at UShs 339,921,023. Matrix Uganda Limited was contracted to supply assorted medical equipment at a budget of UShs 300 million while Toyota Uganda was awarded the contract to supply a 14 seater staff van at UShs 75 million. An order had been placed for furniture worth UShs 34,500,000 from Modex Building Services. An order for desk tops, laptops and LCD had been placed with Nile Computers at UShs 26,600,000. At the time of our monitoring visit in mid June 2009, contracts for renovation of the 5 wards; fencing hospital land and repairing of roads and walkways had been submitted to the Solicitor General for review. By early June 2009, expenditure had been incurred on only the rehabilitation of the 2 wards under MoH (UShs 180 million), it can be concluded that less than 15% of the funds disbursed had been spent by early June 2009. Below are some of the wards to be renovated in FY 09/10.


Some of the wards to be rehabilitated.

(ii)MBARARA REGIONAL REFERRAL HOSPITAL

During FY 08/09, the Hospital was allocated UShs 210,000,000 for capital development. The Hospital planned to undertake the following rehabilitation activities: rehabilitation of maternity ward; renovation of the interns' hostel; repair of water system at the Gynecology ward and theater; gravelling the car park and purchase of medical equipment and beds. At the time of the budget monitoring visit in early June 2009, the Hospital had spent UShs 117,392,724 (56%).

Renovation of the interns' hostel was undertaken by Woodfix Technical Services at a cost of UShs 34,503,200. By June 2009, works had been completed, handed over and the contractor paid all the fees under the contract. The contract for the renovation of the maternity and gynecology wards was awarded to Damiano Lwanga at a cost of UShs 28,086,241. The contractor completed the works and was paid the whole contract sum. See pictures below for the works renovated. The water system of the gynecology theatre was repaired by Woodfix Technical Services at a cost of UShs 8,957,380. Funds amounting to approximately UShs 45 million was spent on procurement of assorted equipment.

Rehabilitated maternity ward

Rehabilitated interns' hostel

Less funds were allocated to the Hospital in FY 08/09 because the bulk of the rehabilitation work was to be undertaken under the Support to the Health Sector Support Project—whose implementation has however delayed.

(iii) KABALE REGIONAL REFERRAL HOSPITAL

The Hospital received UShs 1,849,320,000 for Rehabilitation of Referral Hospital between July 2008 and June 2009: The Hospital planned to undertake the following activities: renovation of the OPD (UShs 58,509,384); renovation of medical (UShs 48,480,300), and surgical (UShs 71,539,200) wards; construction of 3 storeyed nurses hostel (UShs 785,303,310), construction of 3 storeyed private wing (UShs 2,420,275,615); renovation of administration block and Grade A clinic (UShs 14,305,380), renovation of staff houses (UShs 13,215,000); renovation of the main theatre; construction of Ventilated Improved Pit (VIP) latrines (UShs 30,631,680); and replacement of main gate and construction of guards house (UShs 11,763,910). Others include: procurement of a station wagon (UShs 108,504,000) and a staff van (UShs 108,011,400).

At the time of the monitoring visit in early June 2009, renovation of the OPD had been completed and the contractor paid all the fees due. The rehabilitation of the medical ward was nearing completion and a total of UShs 24,240,150 had been paid. Renovation of the surgical ward was ongoing and the contractor had been paid UShs 14,307,840. Rehabilitation of the main theatre and walkways was ongoing and expected to be completed by the end of June 2009. Casting of the first floor slab and block work was ongoing for both the Nursing Hostel and private wing. A total of UShs 1,991,765,615 had been paid towards the construction of the private wing while UShs 582,395,004 had been paid towards construction of the nurses' hostel.

Renovated OPD

Male and female medical ward

Nursing Hostel

Challenges in the delivery of health care services at Kabale Regional Referral Hospital

a) *Funding:* Estimates for recurrent expenditure are based on bed capacity which is an increasingly non representative indicator. The Hospital Administration reported to be receiving many more patients than the beds available based on its wide catchment area.

b) *Staffing:* Staffing levels at the Hospital are estimated at less than 50% amidst a high turnover. It is becoming increasingly difficult to attract and retain specialists in Kabale Hospital. It is regrettable that due to staff shortage the eye and dental specialists were reportedly carrying out cesarean sections.

(iv)GULU REGIONAL REFERRAL HOSPITAL

During FY 08/09 Gulu Regional Referral Hospital received UShs 1,796,415,000 for hospital rehabilitation July 2008 and June 2009. The Hospital planned to undertake the following non residential building works: construction of an administration block (UShs 500 million); renovation of the surgical ward (UShs 234 million) renovation of the medical ward (UShs 234 million). The following non residential works were also scheduled: construction of staff houses (UShs 300 million) fencing hospital land (UShs 65 million), overhauling the water and sewerage system (UShs 100 million) and repairing electrical works (UShs 30 million). Other planned activities include: procurement of medical equipment (UShs 166 million); procurement of office equipment (UShs 121 million), procurement of a vehicle (UShs 100 million) and taxes on machinery (UShs 150 million).

The contract to renovate the surgical ward was awarded to Lubra Construction Limited. Renovation was ongoing and the contractor had been paid UShs 176,999,226. Construction of the medical ward was contracted by Zeep Construction limited. Works were ongoing and UShs 166,086,393 had been paid to the contractor. Owing to the fact that no major repairs had ever been carried out on this wards since the 1950s, parts of these structures were worn out and substantial new construction works had to be undertaken. The additional works were estimated to cost an additional UShs 120 million which the contract committee was expected to review and consider.

Medical ward under construction

SURGICAL WARD

The contract for the construction of a storeyed administration block was awarded to Block Technical Services in April 2009 at a cost of UShs 880 million. At the time of our monitoring visit in late May 2009, works had not commenced.

On staff houses, bids were invited late and bid opening was scheduled for May 25, 2009. The Hospital Administration anticipated that contracting would be completed and works commence in the second week of June 2009 which was rather ambitious. The contract for fencing the Hospital had been awarded as at Mid May 2009 but works had not commenced.
Wiring of the hospital was ongoing and UShs 15 million (out of 30 million) had been paid to the contractor. The Hospital procured a Land cruiser (Prado) for administrative work costing UShs 115,000,000. An order for the supply of assorted medical equipment had been placed and Matrix International was expected to deliver the equipment by end of May 2009. Furniture had been procured for the administrative offices and wards.

Challenges to the delivery of health care services at Gulu Referral Hospital

1. *Delayed implementation*: There were substantial delays to spend the funds allocated for rehabilitation of the Referral Hospital. It was reported that FY 08/09 being the first time the Hospital was receiving capital development funds, several activities that had to be undertaken. These include: sourcing consultants to draw up architectural designs for new works and major repairs, and preparation of bills of quantities, inviting bids, awards and consequently civil works. Considerable time was lost in the above activities.

2. *Under funding of recurrent expenditure.* It was noted that the Hospital has been receiving more-or-less the same amount of funds for recurrent expenditure for the last 10 years. Operational costs have increased due to inflation whereas funding has not been increased.

3. *Staffing:* Staffing levels are estimated at 77% of the staff norms. However most of the health workers are lower cadres. There are no senior Consultants at the Hospital to manage complicated referral cases.

(V)LIRA REGIONAL REFERRAL HOSPITAL

The hospital received UShs 1,491,667,000 for rehabilitation between July 2008 and June 2009. The following capital development activities were scheduled for FY 08/09: renovation of the female surgical ward; reconstruction of the medical records office; construction of a storeyed information centre; and renovation of the old administrative block. Other works included paving the compound adjacent to the new administrative block and establishing and equipping a board room and a resource centre. At the time of the budget monitoring visit in mid May 2009, rehabilitation of the female surgical ward was half way done. Casting the foundation slab for the medical engineering workshop was ongoing. Excavation was ongoing for the information centre**.**


Rehabilitated Old Admin building


Female surgical ward


Excavation of information centre

Medical engineering workshop

Board room

Resource centre

(vi) JINJA REGIONAL REFERRAL HOSPITAL

The hospital was allocated UShs 1,813,000,000 for rehabilitation and received UShs 1,750,500,000 between July 2008 and June 2009. The following capital development activities were planned for the FY 08/09: renovation of the Outpatient Department; overhauling the plumbing and electrical systems; rehabilitation of the Nurses Hostel and flats; renovation of Grade A ward; rehabilitation of air conditioning in the main theater and repairing of the mortuary fridges. Other works include: rehabilitation of the laundry and construction of storm water drainage channels and parking shelter and construction of the intensive care unit with support from Assist International—a US based Non Governmental Organisation. At the time of the monitoring visit, contracts for all the above works had been awarded to various contractors and most of the works had been completed as highlighted below.

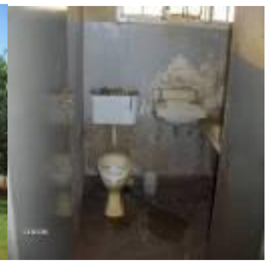
a) OPD Renovation

The contract for the renovation of the OPD was awarded to Mercy Construction Limited at a cost of UShs 114,187,838. Repairs involved removal of asbestos sheets and replacing them with iron sheets, plumbing and electrical installations, replacing ceiling boards and painting. Works have been completed, handed over and the contractor paid the total contract fees (100%).

OPD before and after renovation

b) Nursing Hostel

The contract for the rehabilitation of the Nursing Hostel was awarded to Namunkanga Construction Company at a cost of UShs 58,571,523. The renovation involved remodeling to create space for an extra 6 occupants, plumbing and electrical installations, burglar proofing, aprons reconstruction, carpentry and painting. By May 2009 works were complete and the contractor had been paid UShs 32,941924 (56%).

Nursing hostel before renovation


Nursing hostel after renovation

Renovation of Nurses Flat

The contract for renovation of the nurses flat was awarded to Lenork Construction Company Limited at a sum of UShs 38,013,100. Works included replacing broken windows, re-screeding the floor, plumbing and painting. By May 2009 works had been completed and the contractor paid the total contractual sum.


Nurses flat before and after renovation

c) Construction of the intensive care unit

The contract for the construction the intensive care unit was awarded to 3MS Investments at a cost of UShs 888,864,862. Assist International an American NGO pledged to provide equipment and other ware on completion of construction at a cost of US$ 270,161.58. By May 2009 the unit had been roofed and shuttering was ongoing. Completion rate was estimated at about 70% and work was expected to be complete by July 2009. The contractor had been paid UShs 436,295,247 (49%).

Intensive care unit

d) Renovation of Grade "A" ward

The contract for the renovation of the ward was awarded to Bangek Techno Engineering Co. Ltd at a sum of UShs 57,969,491. Major works included remodeling the roof, electrical and plumbing installations. At the time of the monitoring visit in early June 2009, a completion rate of 85% had been attained and the contractor had been paid UShs 27,895,400 (48%). It was anticipated that works would be fully complete and the building handed over before 30 June 2009.

Grade A ward

e) Construction of Drainage channel, Road curbs and Parking

Drainage channel

The contract for the above works was awarded to Mwami Investments at a sum of UShs 49,976,958. Works included construction of a parking yard, and extending the draining channel. By early June 2009, a completion rate of over 90% had been attained and the contractor had been paid UShs 43,731,443.

Rehabilitation of the Hospital Laboratory

Rehabilitation of the hospital laboratory is being undertaken by the MoH. The hospital is making a partial contribution upon the request by the MoH to contribute UShs 211,548,298 as partial contribution to the contract price. Works included re-roofing, re-plastering, electrical and plumbing works, apron reconstruction and patients waiting area. By June 2009, 80% of the works had been completed.

Laboratory under renovation

f) Procurement of vehicles

The hospital procured an outreach vehicle (Prado) and staff van at a cost of UShs 177,631,780 excluding taxes. Other expenditures include: procurement of autoclaves and other medical equipment at a cost of UShs 33,939,284; reinstallation of theatre air conditioners and repairs of mortuary fridges at UShs 14,569,500; upgrading the hospital compound at UShs 5,500,000; procurement of office furniture at UShs 14,569,500; and office equipment worth UShs 15,340,000.

Newly procured vehicles

3.4.3.Mulago Hospital Complex, Cancer and Heart Institutes

Mulago National Hospital was allocated UShs 1,389,266,681, for capital development; Cancer Institute was allocated UShs 3,000,000,000; while the Heart Institute was allocated UShs 4,879,000,000. Between July 2008 and June 2009, a total of UShs 9,167,813,496 had been disbursed to the three institutions (through Mulago Hospital). By Mid June 2009, the Hospital had spent UShs 1,830,739,320, transferred UShs 2,842,661,703 to the Heart Institute and UShs 2,568,136,090 to the Cancer Institute. During the FY, Heart and Cancer institutes were made votes and will be operationalised starting FY 09/10. BMAU monitored the progress of implementation of capital development activities at each of the above institutions as highlighted below.

a) Mulago Hospital Complex

The following activities were scheduled under Mulago Hospital: procurement of medical equipment, repair walkways, set up satellite Pharmacies in wards, rehabilitation of the intravenous fluids plant, rehabilitation of sterilization machines and rehabilitation of the central chemistry laboratories.

At the time of the monitoring visit in early June 2009, satellite Pharmacies had been set up in wards, the intravenous fluids plant had been rehabilitated and 20 mortuary fridges which had previously broken down were rehabilitated. Similarly, the sterilization unit which had broken down for over 5 years was repaired and the closed circuit television (CCTV) equipment was procured. Some of the facilities rehabilitated during the FY 08/09 are shown below:

Renovated sterilization unit

Rehabilitated mortuary fridges

Renovated intravenous fluids plant

b) Cancer Institute

The institute planned to undertake the following activities: renovation of the outpatient Department ward and hiring consultant to prepare architectural designs and bills of quantities for the in-patient block and laboratory. Renovation of the OPD was completed at a cost of UShs 239,112,075. Other scheduled activities were not undertaken due to delays in procurement.

c) Heart Institute

The institute planned to undertake the following capital development activities: construction of catheterization laboratory, sustenance of open heart surgery, procurement of assorted medical equipment, consumables and sundries, human resource development and expatriate support. By June 2009 the procurements scheduled for the whole FY had not been undertaken and therefore funds allocated for capital development had not been spent.

Challenges to health care delivery at Mulago National Referral Hospital, Cancer and Heart Institutes

- *Maintenance of high technology medical equipment:* The hospital lacks adequate funds to pay for maintenance contracts for medical equipment. It is estimated that UShs 2.5 billion is required to maintain the machines per annum yet only UShs 100,000,000 is allocated.
- Staff houses are dilapidated and condemned. There is an urgent need to breakdown these units and construct new ones.
- Lack of capacity within the Heart and Cancer Institutes to spend funds allocated.

Recommendations

- Maintenance contracts should be structured into the cost of procuring high technology medical equipment. The Computer Tomography (CT) scan was procured under the above arrangement and has been operational for 15 years.
- Provide administrative support to Cancer and Heart Institutes to enable the two institutions to spend funds disbursed. Priority is to recruit competent Procurement and Accounting staff at these institutions since they will be operating independent of Mulago Hospital starting FY 09/10.

3.4.4 Support to the Health Sector Strategic Plan Project II (SHSSP)

The Government of Uganda acquired a loan amounting to UA 20 million[20] from the African Development Bank for the implementation of the Support to the Health Sector Strategic Plan Project II. The Government of Uganda has committed to contribute counterpart funding amounting to UA 2.2 million. The project has two main objectives: (a) strengthening mental health through construction of mental health units at 7 Regional Referral Hospitals namely: Mbale, Mbarara, Lira, Moroto, Jinja, Masaka and Mubende and (b) strengthening reproductive health services which involves the rehabilitation/remodeling and equipping of Mbarara Referral Hospital and the rehabilitation/remodeling of 39 Health Centres in the Districts of Mbarara, Kiruhura, Isingiro, Ibanda, Ntungamo, Kabale, Rukungiri, Kanungu and Bushenyi.

Since the commencement of the project in January 2007 till the end of May 2009, ADB had released UA 4,902,664. During FY 08/09 Government allocated UShs 2,361,600,000 (UA 898,835) of which UShs 1,174,400,340 (UA 446,982) had been released by May 2009. The contracts for the rehabilitation of the 39 Health Centres were awarded to Mutliplex Ltd which was contracted to rehabilitate/remodel 9 HCIVs and 18 HCIIIs under Lot 2 and 3; and Creative Construction Company Ltd and Krish Developers and Consultants which was hired to remodel 4 HCIVs and 8 HCIIIs. Contracts for the above works were signed on 15 August 2008.
Each facility had varying dates of completion ranging from 15 May 2009 and 15 June 2010.

However none of the facilities scheduled for completion on 15 May 2009 was on schedule. The contract for construction of Mental Health units at the 7 Regional Referral Hospitals listed above was awarded to Swami Shreeji Ambitious Construction Company. Construction of the mental health facilities is ongoing but is behind schedule. The contract for redevelopment of Mbarara Regional Referral Hospital had not been awarded by May 2009. Below is a description of physical progress for the sites visited by BMAU between May and June 2009.

(i)MBARARA REGIONAL REFERRAL HOSPITAL

Under Phase 1 of the Support to the Health Sector Strategic Plan Project II, the following works were planned under the redevelopment of Mbarara Regional Referral Hospital: construction of a mental health complex, construction of a private ward with an operating theatre, construction of OPD and emergency unit. The OPD is expected to be constructed using MoFPED resources. Civil works were earlier scheduled to commence in July 2009 however award of contracts was delayed. Bidders for the civil works quoted nearly twice the budget for each of the works. Negotiation was therefore not feasible. Plans were revised and works re-advertised. By June 2009, bids had been evaluated and the successful bidders identified. The Project coordination unit is seeking no objection from ADB and MoFPED so as to proceed and sign contract and set new state and finishing dates.

(ii) CONSTRUCTION OF HEALTH FACILITIES IN MBARARA DISTRICT

[20] 1 UA= US$ 1.47106, 1 UA= UShs 2627.40

During the quarter, BMAU monitored construction of health facilities in Mbarara District. This was a follow up visit having monitored the redevelopment of selected health facilities in Mbarara, Rukungiri, Isingiro and Kanungu during the previous quarters (2 and 3). The redevelopment of the facilities in Mbarara District is undertaken by Multiplex Limited. The health centres visited were Nyakayojo HCIII, Kinoni HCIV and Bugamba HCIII. Based on contract information works at the above facilities commenced on 15 August 2008 and were due for completion on 15 May 2009. We established that none of the scheduled works has been completed as anticipated. Below is a highlight of progress at Nyakayojo HCIII, Kinoni HCIV and Bugamba HCIII.

a) Nyakayojo HCIII

At Nyakayojo HCIII the following units were to be constructed: a general ward, double staff house, single staff house, laundry and attendant shelter. At the time of the monitoring visit in early June 2009, construction of the general ward; the double staff house and attendant shelter; as well as the single staff house were all at roofing stage. The laundry was at window level.


Maternity ward


Outpatient Department


Toilets


Attendant Shelter

b) Kinoni HCIV

At Kinoni HCIV the following units were to be constructed: a maternity ward, general ward, staff houses and toilets. At the time of the monitoring visit in early June 2009, the maternity ward, general ward and the OPD were at roofing stage while the single and double staff houses were at ring beam level. The attendant shelter was at ring beam level and the laundry was at the foundation level.


Outpatient Department


General/Maternity ward


Laundry


Attendant shelter

c) Bugamba HCIII

At Bugamba HCIV the following works were scheduled: remodeling of the maternity ward, construction of: an OPD; a single and double staff houses; laundry; attendant shelter; and

Ventilated Improved Pit (VIP) latrines. At the time of the monitoring visit in early June 2009, remodeling of the maternity ward was ongoing while construction of the OPD and staff houses were at roofing stage.


Outpatient department


Maternity ward


Two in one staff house


Single staff house

(iii) CONSTRUCTION OF MENTAL HEALTH FACILITIES AT REGIONAL REFERRAL HOSPITALS (RRFHs)

Below is a status update on works at Mbale, Jinja and Lira RRHs. As noted earlier, the works for construction of mental health units at 7 Referral Hospitals benefiting under this project were contracted.

a) Mbale Regional Referral Hospital

By late May 2009, the mental health complex was at roofing stage while the staff house was at foundation stage.


Mental health complex


Staff house

b) Lira Regional Referral Hospital

The construction of the mental health facility at Lira RRH was delayed due to disputes over land ownership. The facility is currently under construction at the former Akibua Stadium which is adjacent to the hospital. After a protracted legal battle, Court ruled in favour of annexing the former Akibua stadium to the hospital land and relocating the stadium to an alternative site to be identified. Works commenced on 31 March 2009 and are expected to be completed in January 2010. Under this contract the following facilities are to be constructed: a mental health complex, attendant shelter, staff quarters, laundry and pit latrine. At the time of the visit, the foundation had been laid for the mental health complex and casting of hard core was ongoing. Excavation was ongoing for the kitchen, laundry and staff quarters.

c) Jinja Regional Referral Hospital

Construction of the mental health unit at Jinja Hospital is in final stages. At the time of the monitoring visit in late May 2009, the mental health unit had been roofed, and plastering and shuttering was ongoing.

Mental health unit

Staff house

Attendant shelter

3.4.5 Primary Health Care Activities in the Districts

Implementation of PHC grants in 17 Districts during quarter 4 of the FY was reviewed. Districts visited were selected from Northern, South Western, Central and Eastern Uganda. The priority was to increase coverage of the monitoring visits during the FY. However five districts earlier re-visited to follow up progress of works monitored earlier were included. These districts include: Kyenjojo, Kamwenge, Ibanda, Mbarara and Kabale. The focus of the monitoring visit was on procurement and distribution of PHC drugs (under the non wage recurrent expenditure) and implementation of capital development activities. Districts are required to spend 50% of their PHC non wage recurrent expenditure allocations to the procurement of drugs. Field findings per district are described below.

(i)LIRA DISTRICT

The district received UShs 464,234,000 for PHC now wage recurrent expenditure and 44,212,000 for capital development for the period July 2008 to May 2009. For FY 2008/09 the district planned to undertake the following activities: Construction of a Doctor’s house and a theatre at Amacha HCIV, completion of the children’s ward and a Clinical Officer’s house at Ogur HCIV.

Works at Ogur HCIV commenced on 7 January 2009 and by the time of the monitoring visit in mid May 2009, the Clinical Officer’s house had been roofed. The quality of work was poor as the concrete floor was tearing away within a period of only one month it had been laid. The roof was also tearing off even before construction was completed. No payment had been made to the contractor. Similarly no expenditure had been made out of the capital development funds disbursed to the district for FY 08/09.

Children's ward at Ogur HCIV

Clinical Officer's house at Ogur HCIV

Under PHC non wage, the district had procured drugs worth UShs 167, 926,759 by April 2009.

Challenges affecting delivery of health care services in Lira

- *Drug management:* stock out of medicines at health centres is rampant. The budget for drugs is grossly inadequate based on a per capita PHC non wage allocation of UShs 784 which is grossly inadequate to treat a single episode of malaria. As a result when drugs are procured and distributed to health centres, they are used up within days. The district has a high number of people who are returning from the disbanded Internally Displaced People (IDP) camps which further strains the limited PHC allocations. Owing to lack of medicines at health facilities people are resorting to self medication—purchasing drugs from drug shops. This is increasing the burden of drug resistance.

- *Priority setting:* There was no semblance between the priorities identified by the district and those earmarked for construction/rehabilitation by the MoH in its annual transfers for 2008/09.

(ii)DOKOLO DISTRICT

Dokolo District received UShs 245,167,000 for PHC non wage expenditure and UShs 53,054,000 for capital development expenditure between the months of July 2008 and May 2009. The District planned to complete the construction of a maternity ward at Kangali HCIV. The contract for the construction of the maternity was awarded on 19 June 2008. A total of UShs 78,832,500 was allocated to construction of the maternity ward including UShs 30,832,500 from FY 07/08. At the time of the monitoring visit, construction was ongoing and the building had been roofed. However no payment had been made to the contractor on the claim that the District Engineer had not visited the site to ascertain progress. As a result the funds disbursed to the District in FY 08/09 had not been spent by late May 2009.

General ward at Kangali HCIV

By Mid May 2009, the district had spent UShs 102, 258,572 on procurement and distribution of primary healthcare drugs in the district. This translates into 83% utilization of the funds allocated for procurement of drugs in FY 08/09.

Challenges in implementing primary health care activities in Dokolo district

- *Drug management:* The performance of the credit line has remained poor. On several occasions fewer drugs are supplied than is requisitioned. Because of delayed deliveries high costs are incurred travelling to the national medical stores (NMS) to follow up credit line drugs and to procure PHC drugs from NMS and the joint medical stores (JMS). Note that NMS is the first choice option for procurement of PHC drugs. Partly due to under performance of the credit line, stock outs especially of anti-malarials are rampant.
- *High staff attrition:* The staffing levels in the district are estimated at 88% following a massive recruitment exercise in the region over the last two years. However the district is loosing staff at a high rate largely due to delays to enroll staff onto the payroll.

(iii)APAC DISTRICT

The district received UShs 439,966,000 for PHC non wage and UShs 98,150, 000 for capital development between July 2008 and May 2009. The district planned to undertake the following activities: construction of a semi detached staff house and pit latrine at Abwongo HC II in Abwongomola Sub County; completion of a two in one staff house at Kungu HC II and construction of a maternity ward at Aboke HCIV.

Construction of the staff house at Abwongo HC II was awarded to Tonyika Engineering Company at a cost of UShs 35,000,000. At Kungu HC III one of the staff houses had been completed while constructing was ongoing for the other—and was at roofing stage. The contractor is Akulu General Agencies (UShs 35,000,000). The contract for Aboke HCIV was only awarded at the start of May 2009 and works had not commenced at the time of the visit in Mid May. Information on drugs procured and distributed was not secured despite several correspondences. See below the progress of works.

Completed staff house at Kungu HCII

Incomplete staff house at Kungu HCII

Challenges in delivering Health care service in Apac District

- ***Staffing:*** Staffing levels are estimated at 67% of the establishment mostly comprising of support staff. At the time of the monitoring visit in May 2009, the District had no

Laboratory Attendant and had only a few enrolled nurses. There are delays to have health workers access the payroll which further demoralizes staff and results into staff attrition.

- ***Wage deficit.*** The district lacks adequate funds to pay health workers. For instance the district exhausted its wage allocation by April 2009—three months before the end of the financial year.

(iv) MASINDI DISTRICT

The district was allocated UShs 402,311,000 for non wage expenditure and UShs 53,054,000 for capital development expenditure between the months of July 2008 and May 2009. The district planned to undertake the following capital development activities for FY 08/09: completion of a staff house at Muhembiro HC II, an Outpatient Department at Bujanga HCIV which was started in FY 06/07 and construction of a staff house at Kibyama HCII.

Construction of the OPD at Bujanga HCIV was nearing completion. Major works had been completed and the contractor was correcting defects. It was observed that quality of the civil works was poor and cracks within the building were evident even before the building is handed over to the district. Construction of the staff house at Mihembero HCII had been completed and was due for hand over. The District had invited bids for Kibyama HC II and it was evident that the activity would be carried forward into FY 09/10.

A total of UShs 30,780,760 had been paid to Wathum Engineering Company for the construction of the staff house at Mihembero HC II. The District paid retention fees amounting to UShs 3,492,368 to Kabagwire and Company Construction Limited for completion of the staff house at Bujenja HC II. UShs 17 million was paid to Sekago Constructions as payment for the construction of a staff house at Kirama HCII.

OPD at Bujanga HCIV

Staff house at Muhembero HCII

Under PHC non wage recurrent expenditure, by mid May 2009 the district had procured drugs worth UShs 82,257,364 which translates to a utilization rate of 41% for the funds allocated to procurement of drugs.

Challenges to health care delivery in Masindi district

- *Drug stock outs:* The District Health Officer reported to have experienced stock outs of anti Tuberculosis drugs for a period of 6 months. The performance of the credit line has been poor characterized by delayed and under deliveries. The capacity of staff to quantify drug needs is also poor resulting into under requisitioning and poor planning.

- *Low staffing levels:* staffing levels in the district are estimated at 50% of the establishment with several health facilities manned by Nursing Assistants. The district has no Pharmacists and Drug Dispensers which complicates drug management. Supervision of lower health centres as required by MoH was reportedly not feasible owing to the low staffing levels.

(v) GULU DISTRICT

The district received UShs 275,845,000 for non wage expenditure and UShs 88,424,000 for capital development. The district planned to undertake the following activities: construction of a staff house at Cwero HCII in Aswa Sub County; a staff house at Acet HCII, and an Out Patient Department at Atena Obaru HCIV.

Construction of the staff house at Acet HC II was contracted to Jominiko Technical Services at UShs 32,546,436 in February 2009. Contracts for works at the other sites were only awarded in April 2009 and at the time of the visit in Mid May 2009 works had not commenced. Similarly funds disbursed for capital development since the start of the FY had not been spent. There were no satisfactory reasons to account for the delays to contract out the work as scheduled works.

Challenges in the delivery of health care services in Gulu district

- *Staff accommodation.* The district lacks adequate accommodation for staff especially in the rural areas. Cases were cited where health workers recruited and posted to rural areas declined such offers due to lack of accommodation.
- *Payroll management.* It was reported that there are excessive delays for health workers that are recruited to join the payroll. Such delays result into absenteeism as staff endeavor to find income elsewhere to survive. Others resultantly resign merely out of frustration.

(vi) AMURU DISTRICT

The district received UShs 267,355,000 for non wage expenditure and UShs 53,054,000 for capital development. Whereas the District prioritized completion of the DHO's Office, MOH earmarked the funds to construction of two unspecified staff houses. Considerable time was lost in correspondence between the MoH and the District Administration seeking to resolve the impasse. The letter to the MoH seeking permission to continue with completion of the DHO's Office was written on 27 January 2009. At the time of the visit, no feedback had been received. It was observed that whereas there could have been delays by MoH to respond to the request, the District Leadership did not rigorously follow up the matter. As a result capital development funds disbursed to the district had not been spent by late May 2009. In May 2009, the District invited bids for the construction of a staff house in Alero HC II. Alero is a hard to reach area that is realizing an influx of formerly Internally Displaced Persons.

Stalled District Health Office

Challenges to the delivery of health care services in Amuru district

- *Payroll management:* Recruited health workers take long to access the payroll. Others who access the payroll experience challenges with receiving their salaries because of difficulties associated with the EFT system.
- *High population growth:* Internally Displaced Persons are returning to their homelands following the stability in the region. Health centres that had been closed are now re-opening. Funding to the district has not been revised to take into account the emerging realities. The district is increasingly constrained to manage the increasing number of health facilities and to provide services to the rapid growing population. The 2002 population census estimates are no longer representative yardstick for planning. For instance during a recent immunization campaign (May 2009), the registered 150% immunization turn out—which was partly an indication that the population is far higher than was estimated.
- *Transport:* The district has only one vehicle and has a dire shortage of motor cycles for lower level health facilities. The district further incurs high transport costs to travel to Kampala for meetings and to collect drugs.

(vii) OYAM DISTRICT

The district received UShs 318,193,000 for non wage expenditure and UShs 106,109,000 for capital development. The district planned to undertake the following capital development activities: construction of the District Health Office and completion of OPD at Achime HC II.

Construction of the District Health Office was at wall plate and the OPD at Achime HCII had been completed.

By May 2009, the district had spent UShs 7,200,000 for the completion of the Pediatric ward at Anyake HCIV;while UShs 9,300,000 had been paid for the completion of a maternity ward at Achimye HCII as partial contribution to the total cost—the rest having been paid by NUSAF. A total of UShs 47,663,251 had been spent towards the construction of the District Health Office. The budget for the office is estimated to be UShs 430 million and it is expected to roll over several FYs. The office is expected to house the entire District health team, and will in addition have a conference hall and ICT centre.

DHO's Office

Completed OPD at Anyake HCIV

By Mid May 2009, the district had procured drugs worth UShs 61,390,500 from July 2008 to March 2009. The cost includes transport and drug distribution costs. An additional order worth UShs 25,000,000 had been prepared and delivery was expected at the end of May 2009. The total drug expenditure translates into a 54% utilization rate for the funds disbursed.

There are success stories in the district that are worth noting. The district has a high staffing level of 98%. With no public General Hospital, the District boasts of 5 Medical Doctors including the DHO. A government paid Medical Doctor was posted to Atapara a private Hospital.

Challenges in the delivery of health care delivery in Oyam district

Limited operational funds: A total of 10 new HCIIs had been created 8 of which have been constructed by Light Force International a Belgium NGO, one by Government of Uganda and the other by NURP. Additional funds are therefore required to recruit staff and to run the health facilities.

(viii)KYENJOJO DISTRICT

The district received UShs 395,318,000 for recurrent expenditure and UShs 159,163,000 for capital development. During FY 08/09 the district planned to construct a general ward (UShs 100 million) and complete the Out Patient Department (UShs 67 million) both at Kyenjojo HCIV.

The General ward had been roofed and finishing was ongoing. The completion of the OPD had not commenced and works were expected to commence in June 2009. Completion of the OPD will involve carrying out electrical and plumbing works. The general ward had been roofed and the contractor had been paid UShs 100 million. Completion of the ward is scheduled for FY 09/10. UShs 19,034,600 had been paid as retention towards construction of the OPD.

OPD at Kyenjojo HCIV

General ward at Kyenjojo HCIV

It was established that for the last 2 FYs (07/08-08/09) capital development funds have been spent at Kyenjojo HCIV only. It was also reported that capital development allocations for FY 09/10 will be spent at the same facility. Although this pattern of expenditure has associated allocation efficiency and equity (geographical) challenges for the population relying on rural health centres, it is a good practice of not spreading too thin.

Under non wage expenditure, the district had spent UShs 208, 065, 892 on drug procurement. Drugs worth UShs 118,222,000 had been procured and distributed while a total of UShs 75,000,000 had been committed to procurement of drugs by early June 2009.

Challenges in the delivery of health care services in Kyenjojo district

- **High staff turnover**. It was reported that partly due to remoteness, it is becoming increasingly difficult for the district to attract and retain health workers. The district looses staff to NGOs and facilities based in urban areas.

(ix) KAMWENGE DISTRICT

The district received UShs 312,675,000 for non wage expenditure and UShs 114,951,000 for capital development between July 2007 and May 2008. The District planned to undertake the following activities in FY 08/09: completion of a maternity ward at Bwiguli HC III (UShs 25 million) and construction of a two in one staff house at Kamwenge HCIII (UShs 130 million).

The contracting process for the above works had not been finalized at the time of the visit in early June 2009. Consequently all the capital development funds disbursed had not been spent. There was no satisfactory reason to account for the procurement delays. It was noted that it was common practice in the district to wait for funds to accumulate before contracting firms—usually in the fourth quarter.

Under non wage expenditure, by early June 2009, the district had procured drugs worth UShs 78,081,373 for Ntara and Rukunyu Health Sub Districts (HSDs) translating into a utilization rate of 50%.

Challenges in delivery of health care delivery in Kamwenge District

- *Recruitment:* the district lacks resources to advertise and interview applicants. Earlier in the FY, the district advertised and shortlisted candidates but did not have funds to pay allowances to interviewers.

> *"We expressed need for recruitment which they accepted in principle but failed to raise funds for advertisement. Recently adverts were placed in the newspapers, shortlisted but interviews have not been held because of lack of funds to pay interviewers. For the whole FY people are not able to receive a service because of lack of funds".* DHO, Kamwenge District

- *Poor drug management:* Stock outs of essential drugs have persisted. Between January and May 2009, it was reported that the district had no stock of anti malarial drugs (adult combinations). There continues to be a big discrepancy between drugs ordered and deliveries by NMS under the credit line. At the time of the visit, the District was expecting an emergency delivery of anti malarials (coartem) from NMS.

- *Inadequate Staffing:* staffing levels are estimated at about 45% of the establishment. The computation includes support staff like Porters, and security guards. At the time of the visit, there was no practicing Medical Doctor in the district. It has been difficult for the district to retain staff even after securing top-ups for Medical officers.

(x) IBANDA DISTRICT

The district received UShs 242,542,000 for non wage expenditure and UShs 123,794,000 for capital development. The district planned to undertake the following capital development activities in FY 08/09: construction of maternity ward at Nyamarebe HC III at UShs 46,000,000; and a District Medical Store at UShs 143,000,000.

At the time of the monitoring visit in early June 2009, construction of the maternity centre at Nyamarebe HC III was being finalized and painting was ongoing. The contractor had been paid UShs 28,483,902 while UShs 17,500,000 was outstanding. Construction of the medical store was being completed and external finishing works were ongoing as shown below. A total of UShs 30,422,116 had been paid to the contractor.

Maternity centre at Nyamarebe

District Medical Store

Under PHC non wage, drugs worth UShs 70,865,608 had been procured and distributed while an order worth UShs 23,739,378 had been placed and delivery was expected soon. This translates into a utilization rate of 56% of the funds allocated for drugs.

Challenges in delivery of health care delivery in Ibanda District

- *Inadequate Staffing:* The current staffing levels stand at only 33% of the establishment with a biggest component of the above comprised by Nursing Assistants. Most HC IIs in the district are manned by a single person (Nurse).
- *Late salaries:* There were delays to pay salaries for health workers. Health staff in the district had spent 2 months without receiving salaries (April and May 2009) causing panic and distress.
- *Lack of Staff Accommodation:* The district is experiencing a dire shortage of staff accommodation. There are instances where it has not been possible to post staff due to

lack of accommodation especially in rural areas where there are no houses for renting. Where staff are posted to remote areas and have to reside far away from service points—absenteeism is the order of the day.

- *Drug Stock outs:* stock outs of essential medicines are a regular occurrence. The district spent 5 months without anti-malarials (Coartem). On 29 May 2009 the district received an emergency delivery from NMS which was not expected to last long. The district had experienced a stock out of anti-Tuberculosis drugs for a period of 3 months (February-May 2009).
- *Under funding:* PHC non wage allocation is increasingly inadequate to support service delivery due to inflation. For instance it was reported that Rukoko HCIV had just been disconnected from the grid due to failure to pay their electric bills.

(xi) MBARARA DISTRICT

The district received UShs 304,764,000 for non wage expenditure and UShs 123,794,000 for capital development expenditure between July 2008 and May 2009. The district planned to undertake the following activities: construction of a general/maternity ward at Bubaale HCIII, an OPD at Biharwe-Nyabihamba HCIII, a 5 stance pit latrine at Bwizibwera HCIV, a medical ward and staff house at Kibale HCII; and completion of a theatre and Doctor's house at Buyinzi HCIV. The construction of the general ward at Bubale HC III was awarded to Bamujuni & Cosma Builders and Contractors on 30 April 2009 at a cost of UShs 59,459,138; while the construction of OPD at Biharwe-Nyabuhamba HCIII was awarded to Mugume Contractors and Suppliers Agency Limited on 17 April 2009 at a cost of UShs 40,769,354. Construction of the 5 stance pit latrine at Buzibwera was awarded to Naka General Construction Limited at UShs 8,864,750 on 17 April 2009; while the construction of medical ward and staff house at Kibale HC II was awarded to Spako Technical and Building Engineering Limited at 29,995,777 on 17 April 2009.

At the time of the monitoring visit in early June 2009, construction of the OPD at Biharwe-Nyabuhamba HC III was at roofing stage while construction of the general/maternity ward at Bubale was at beam level. Construction of the medical ward at Kibale HC II was at the wall plate. No capital development expenditure had been spent by the District.

OPD at Biharwe- Nyabuhamba HC III

General ward at Bubale HC II

Under non wage expenditure, the district had procured drugs worth UShs 116,103,119 as cumulative total from July 2008 to May2009.

Challenges to the delivery of health care services in Mbarara district

- *Poor health seeking behavior*. It is common to find people by passing health facilities trekking to the hospital for minor infections. This has put a lot of pressure on the hospital.
- Irregular quality control and supervision by the MoH.
- *High Staff attrition:* the district is losing health workers to neighboring Rwanda which reportedly offer better remuneration.
- *Uncontrolled traditional medical practioners* that take advantage of the unsuspecting public

(xii) KABALE DISTRICT

The district received UShs 490,184,000 for recurrent expenditure and UShs 123,794,000 for capital development between July 2008 and May 2009. The district planned to undertake the following capital development activities: to construct Outpatient departments in Kiyebe and Kahama HCIIs. By early June 2009, contracts had not been awarded. The Procurement department noted that the health department delayed to submit their procurement plans.

Out of the recurrent expenditure allocation, the district had procured drugs worth UShs 243,330,000 by early June 2009.

Challenges in health care delivery in Kabale district

- *Inadequate funding:* Funds disbursed to lower level health centres are minimal. Allocations to Health Sub-Districts were allocated to counties; these have been subdivided to correspond to constituents—without substantial increase in the allocations.
- *Low staffing levels:* Staffing levels in the district are estimated at only 34% of the establishment. The staffing challenges are complicated by the remoteness and rough terrain of the district.
- *Lack of staff housing:* The district has several health facilities that have no staff housing and are located in remote areas without rentable housing. Attrition of health workers in such areas is high.

(xiii) MBALE DISTRICT

The district had received UShs 276,109,000 for recurrent expenditure and UShs 97,266,000 for capital development between July 2008 and May 2009. The district planned to undertake the following activities: construction of OPD at Bufumbo HCIV, a maternity ward at Nakaloke HC III and fencing of the DHO's office.
Shuttering was ongoing for the maternity ward at Nakaloke HCIII and the District had paid the contractor UShs 58,446,534 during the FY. Construction of the OPD at Bufumbo HC III was at foundation level and casting of the slab was ongoing. Fencing was ongoing for the DHO's office.
Under recurrent expenditure the district had procured drugs worth UShs 102,815,377 between July 2008 to May 2009, which gives a 74.5% utilization rate.

Challenges to the delivery of health care services in Mbale district

- *Inadequate Medical equipment:* The stock of medical equipment at health facilities is depreciated and inadequate. Following the re-location of the funds meant for medical equipment to payment of allowances in September 2008, the district was not able to procure any medical equipment.
- *Lengthy EFT processing.* Mbale District is connected to the Integrated Financial Management System (IFMS). It was noted that processing requests and transactions takes long to be approved. The delays substantially affect implementation of scheduled activities.
- *Inadequate Staff levels:* Staffing levels are estimated at 70%. The biggest challenge faced by the district has been attracting, retaining and posting staff to the hard to reach Health Centres on the slopes of Mountain Elgon. Several of such facilities are not accessible by car and motor cycles.

(xiv) BUDAKA DISTRICT

The district received UShs 155,071,000 for recurrent expenditure and UShs 97,266,000 for capital development. The district planned to undertake the following activities: completion of the remodeling of the OPD and construction of two in one staff house at Budaka HCIV. The District Medical Store was to be completed using the equalization grant.

At the time of the monitoring visit in early June 2009, construction of the OPD was in its final stages as finishing works were ongoing. Works started in FY 07/08 at a contract price of UShs 80 million under two phases with UShs 47 million allocated for Phase 1 (07/08) and UShs 33 million allocated for Phase 2 (08/09). An additional UShs 19 million was allocated and new additional funds are being negotiated. It is clear that the cost was under estimated in addition to the high inflation. The contractor, Events and Construction Limited—had been paid a cumulative total of UShs 42,161,931 covering the last two financial years. Construction of the two in one staff house had been completed and the contractor had been paid UShs 18,190,562 by May 2009.

Outpatient Department at Budaka HCIV

Medical Store at District HQs

Two in one staff house at Budaka HCIV

Under recurrent expenditure, the district procured drugs worth UShs 43, 311,800 between June 2008 and April 2009 which corresponds to a utilization level of 56%.

Challenges to delivery of health service care services in Budaka District

- *Inadequate Staffing:* Staffing levels are estimated at only 37% of the staffing norms. The district lacks Medical Doctors, anesthetists and has only few midwifes and Nurses at Health Centres II-IV. In addition, the district continues to experience a high attrition and poor staff retention.
- *Delayed salaries:* It was reported that health workers had not received their salaries for a period of 2 months (March and April 2009) and this was causing panic and distress among staff.
- *Health infrastructure:* the district lacks adequate medical equipment for instance gas cylinders, fridges (for immunization) X-ray and Ultra sound equipment. The Drug store is under construction—but there has been no designated store for the district. The district lacks reliable power supply and gas in health facilities leading to wastage of vaccines and high operational costs.

(xv) BUTALEJA DISTRICT

The district received UShs 209,210,000 for recurrent expenditure and UShs 91,961,000 for capital development between July 2008 and May 2009. The district planned to undertake the following capital development activities: completion of OPD at Mukuyu HC II (19 million); construction of maternity wing and staff houses at Namulo HC II at UShs 25 million, a Doctor's house and operating theatre at Nabiganda HCIII (UShs 40 million), and a maternity ward and staff house at Busaba HCIII (UShs 40 million).

By time of the monitoring visit in May 2009, the district had paid Sonsole General Contractors UShs 41,348,583 for the completion of the OPD block and Staff house at Bubalya HCII. UShs 2,614,194 was paid to Busabi Enterprises towards the completion of a maternity wing at Bugalo HCIII while UShs 19,184,461 was paid to Family Stores Uganda Limited towards the completion of the OPD at Busaba HCIII. The District paid UShs 11,427,861 to Petex Uganda Limited towards the completion of the OPD at Mukuyu HC II. The district had allocated UShs 5,000,000 for the health centre but actually UShs 11,427,861 was paid. Kenwood general contractors and construction company was paid UShs 10,736,289 towards the construction of a doctors' house at Nabiganda HCIII.

The monitoring team visited Busaba HCIII where construction of the OPD was in final stages. Finishing was ongoing, and doors and windows were being fitted. Construction of the OPD commenced in FY 07/08 and has completed in May 2009.

OPD at Busaba HC III

Maternity ward at Bugalo HC III

Eminent cracks in the ceiling of BugaboHC3

There was shoddy work at the maternity ward at Bugalo HCIII where cracks were visible in the ceiling.

Under recurrent expenditure, the district procured drugs worth UShs 54,084,230 out of the UShs 79,892,000 which translates to 68%.

Challenges to delivery health care services in Butaleja district

- *In adequate Staffing levels:* Staffing levels are estimated at 42% which is not adequate to manage health care delivery. As a result, several health facilities are manned by Nursing Assistants. It was noted that it has become increasingly difficult for the district to retain health workers while there are no adequate funds to recruit new health workers.
- *Limited infrastructural facilities:* The district has a limited number of staff houses. Some health workers stay at their homes—sometimes 15 kilometres away and are required to ride bicycles to work every other working day. Similarly the district has a deficit of health facilities, including wards, OPD and other facilities.
- *Medical equipment:* This FY (08/09) the district was allocated UShs 34 million for procurement of medical equipment which was later forfeited. The district received no communication of the transfer of funds meant for medical equipment to payment of health workers allowances. The stock of medical equipment is depreciated and no new equipment was procured during the FY. It was further reported that in 2007/08 the district was allocated UShs 21,000,000 for purchase of equipments. However the funds were not disbursed.
- *Poor Social mobilization.* The district has not been able to train Village Health Teams (VHTs) due to lack of funding. The turn up for ART, family planning and immunization is low due to lack of adequate social mobilization. In the recent polio immunization drive, due to substantial mobilization by both technocrats and politicians, the district registered a 141% immunization rate. One major challenge to social mobilization is the fact that in the recent couple of years, local leaders require allowances to mobilize, which funds are not available with the District.
- *Limited funding:* Busole PNFP Hospital funding has remained constant for the last 6 years at UShs 245,701,000. Given the growing population, inflation and diversity of diseases—the funding to the hospital has been declining in real terms.
- *Myriad of projects:* the District Council attempts to undertake many more projects than can be adequately completed within the available budget. The effect has been spreading of the resources too thin—that projects are never completed for several years.

(xvi) MANAFWA DISTRICT

The district received UShs 246,755,000 for recurrent expenditure and UShs 106,109,000 for non wage expenditure between July 2008 and May 2009. The district planned to undertake the following capital development activities for FY 08/09: construction of a maternity and children wards at Lwanjusi HCIII at a cost of USHS 84,000,000; and a maternity and children's ward at Bunambale HCIII at UShs 25,000,000.

Maternity and Children's ward at Lwanjusi HCIII

At the time of the monitoring visit in early June 2009, the maternity and children's ward at Lwanjusi HCIII had been roofed as shown in the picture above. The quality of works was commendable.

Under recurrent expenditure, by early June 2009, the district had procured and distributed drugs worth UShs 97,000,000 and had placed an order worth UShs 35,365,000. This expenditure translates into a utilization rate of 107%.

Challenges in the delivery of health care services in Manafwa district

- *Staffing levels:* staffing levels are estimated at only 42% of the staff establishment which makes delivery of quality health services difficult.
- *Drug stock outs.* Drug supplies under the credit line of the NMS are not consistent. Stock outs of anti malarial drugs were reported to be frequent in the district. At the time of the visit in June 2009, Coartem and Quinine were out of stock.

(xvii) JINJA DISTRICT

The district received UShs 359,329,000 for recurrent expenditure and UShs 388,181,000 for capital development expenditure between July 2008 and May 2009. The district planned to undertake the following capital development activities: completion of the Doctor's house in Budondo HCIV; a staff house and renovation of the maternity ward at Bugembe HCIV, and pay retention for the OPD at Namwenda HCII.

At the time of the monitoring visit in early June 2009, the two in one staff house at Buwenge HCIV which started in FY 07/08 had been completed. Renovation of the maternity ward and construction of walkways was nearing completion. Painting and shuttering was ongoing for the Doctor's house at Budondo HCIV.

Absorption was low as only 30 million (9.9%) had been spent out of the UShs 311.4 million disbursed between July 2008 and May 2009. Of the 30 million, 25 was paid to the contractor of the staff house at Bugembe HCIV and UShs 5 million was paid for retention at Namwendwa health Centre II.

The planned upgrading of Buwenge HCIV to a hospital was delayed on realizing that it in the same locality there was Buwenge PNFP Hospital and therefore having two hospitals in the same area was not feasible. A new site was identified at Kagoma Sub Country where the hospital will be constructed at a cost of UShs 350 million. Although funds have been disbursed, the award of the contract had not been finalized pending advice from the Solicitor General.

Under recurrent expenditure, a total of UShs 189,960,639 had been spent on drugs; from July2008 to May 2009. This translates into a utilization rate of 106%.

3.5 INDUSTRIALIZATION

3.5.1 Introduction:

The monitoring focused on development activities undertaken by the Ministry of Tourism, Trade and Industry (MTTI), Uganda Investment Authority (UIA), Uganda Industrial Research Institute (UIRI) and Uganda Bureau of Standards (UNBS). This report highlights the implementation status of planned activities during this financial year.

3.5.2 Development of Industrial Parks

The Uganda Investment Authority (UIA) was set up by an Act of parliament to promote private sector investment in Uganda. The Authority is charged with the responsibility of setting up twenty two new industrial parks nationwide, with a minimum of four new parks every financial year with effect from FY 2007/08.

During FY 08/09, UIA set to develop Namanve, Bweyogerere, Luzira and Mbale industrial parks; and complete the purchase of four additional sites including Soroti and three others. UIA also set to develop a data base of available land and assist investors who apply for land for investment to secure titles, clear squatters and commence operations.

This section outlines progress and challenges in achieving the set targets. The financial analysis for Development of Industrial parks is examined under 2.1.5

(1) The Kampala Industrial and Business Park –Namanve (KIBP)

The Government of Uganda received credit worth US$ 39m from the International Development Agency (IDA) for development and servicing of the Kampala Industrial and Business Park (KIBP) at Namanve. The KIBP development is the project Component 1 of the Second Private Sector Competitiveness Project (PSCPII) and is being implemented by Uganda Investment Authority.

The KIBP is located 11 km East of Kampala, adjacent to the Kampala-Jinja road. The Government degazetted 894 ha of land, after which, pertinent studies (feasibility, detailed engineering designs, environmental impact assessment and business plan) were done with assistance of UNIDO, UNDP, EIB and the World Bank. The park is divided into three estates; South A, South B and South C. Phase 1 covers only South A with a surface area of 127 ha.

Following the issuance of the letter of commencement and signing of contract (4th June 2008) by UIA, the contractor (M/s Specon Services Limited) took possession of the site on 5th June 2008.

The land use layout was finalised and the park is zoned into 10 segments that is; Public open Place Zone, Logistics (Internal Car Depots and others) Zone, Business Commercial Leisure Zone, Information Communication Technology (ICT) Zone, Institutional, Education, Health and Management Zone, Industrial (railway and roads serviced) Zone, Residential Zone, Industrial

Processing, Business Process Outsourcing (road serviced) Zone, Industrial General Purpose Zone and Recreational (country club and sports) Zone.

Planned Activities:

Phase 1 of the contract involves execution of earth works in south A, including clearing and grubbing, drainage, removal and stock piling of top soil as well as construction of new road embankments using gravel material. The total road network length is approximately 15km consisting of 6 km of primary roads, 5.61 km of secondary roads and 3.39 km of pedestrian distributors and upgrading of Old Jinja road with a width (including road reserves) of 35 and 23 meters respectively.

Filed Findings

1. By the time of the monitoring visit, excavating, laying concrete pipe culverts, concrete casting at different culvert locations, earth work filling along different roads, concrete



Construction of roads, river slopes and clearing of old Jinja road at a railway crossing

lining of Namanve River bank slopes, and embankment widening along old Jinja road (780m) were in progress.

2. National Water and Sewerage Corporation (NWSC) is erecting a booster station of 20,000 m^3 in a plot located in South A adjacent to Jinja Road. The project includes upgrading of the existing 250 mm water main to 500mm pipe in order to improve water supply to Mukono and KIBP. Servicing of the park which includes extending water and electricity to plots will be covered in phase two of the project.

Water booster at KIBP

3. As of April 30th 2009, the contractor had not fully mobilized all the equipment required at the tender stage for example, the contractor was on average using 9 trucks daily which

was far below the required 25 trucks per day in order for them to haul 2500m^3 of gravel as recommended by the supervising engineers. According to the consulting engineers however, the contractor is able to work on several fronts at the same time.

4. It should be noted that the project completion date is now overdue (26 April 2009) yet activities under phase one on *South A* estate were not near completion.

(2) Luzira Industrial Estate

Seventy acres of land were acquired for the creation of Luzira Industrial Park on 15th December 2005. In FY08/09, UIA planned to allocate plots to investors, procure a power transformer for Luzira power supply, complete road sealing (2km) and supervise phase II road construction in the estate. UShs. 2,043,528,689 were set aside for the phase II road construction while UShs. 1,700.000.000 was to cater for the power line construction.

Field Findings

1. All plots were allocated to investors and currently three investors that is; M/s Quality Chemicals Ltd, M/s Pipeline & Foam Industries Ltd and M/s Master Woods Investments Ltd have completed the land development phase (buildings construction), while M/s Basere has started on construction.
2. The second phase of road construction that should have started in April 2009, delayed because the board was reviewing certain clauses in the contract to M/s Spencon Services Ltd. The contractor has started mobilizing the necessary equipment for this project.


A completed structure at Luzira and campsite for M/s Spencon

Challenges to implementation

Delays to approve industrial parks development activities imply that activities cannot be carried out in a specified period causing cost overruns. Some absentee investor's allocated land in this park are using the delay to service the park with roads and utilities as an excuse for their absence on site.

(3) Ggoli-Lukalu Land (Buikwe)

In 2006, UIA acquired 84 acres of land for agricultural activities in Lukalu-Ggoli, Buikwe near Kiyindi fish landing site about 35 km from Lugazi town.

The land was allocated to M/s Arrow Aquaculture Ltd in 2008 to breed and grow fish for both export and local consumption. The investor has started growing fish though yet to start on fish processing. It was noted that although the land is fenced, most of it is bushy. Compensation of the land owner was completed.

(4) Masindi Land

In 2005, 19.2sq miles of land were allocated to M/s Critical Mass Growth (CMG) Limited for ranching purposes (breeding goats and cattle for beef and dairy production as well as keeping bees for honey among others).

Activities in this regard commenced in 2006 with 100 goats, which were later on supplemented with 70 cows. As of May 2009, the firm had approximately 350 goats, less than 30 cows and about 300 bee hives for honey production.


A cross section of goats and bee hives at CMG Masindi

Challenges

The farm manager reported insecurity and squatters as the biggest challenges faced; for example, the land hosts over 300 squatters. 22 cows were reported to having been stolen from the ranch in September 2008. The ranch is not fenced and most of the land is idle, with more squatters settling on the land yet it is very difficult to get them off.

(5) Kiryandongo Land

UIA allocated 9.5sq. miles of land to A.K Oils and Fats Ltd a subsidiary of Mukwano Group of Companies for growing sunflower for vegetable oil production. This land is located in Kiryandongo (2/3) and Kigumba (1/3) sub-counties.

Compensation of squatters in Kiryandongo was carried out in February 2008; however, a few squatters were not assessed while others refused to be assessed and declined to leave.

The Chief Government Valuer and UIA team were expected to visit this land and finalise all outstanding issues with the unpaid squatters before the end of this financial year. The investor is yet to receive a land title from the commissioner land registration on the basis of which the district administration intends to assist the investor to fully occupy the land.

UIA should first track the issue of compensating squatters for the investor to fully settle and use the land.

(6) Gulu

Gulu University agreed to allocate 519 acres of land to Uganda Investments Authority for development of an industrial park which in turn shall facilitate industrial training of the University students among others. By May 2009, approval from Gulu District Council had been sought to facilitate title processing.

Acquisition of this land is behind schedule as per the work plan.

General Challenges

Inadequate Staff

The land development division of UIA has only three members of staff i.e. the Director and two other officials responsible for inspection and supervision of all the parks and agricultural land across the country. Given the limited number of staff and the volume of work, UIA is not only finding it difficult to utilize the funds released rather it is failing to achieve set targets.

Low absorption capacity of funds

As of 30th May 2009, the UIA had only spent UShs 3.36bn of the UShs. 11.3 bn released. However, it is the same institution that received shs 18.2 billion two weeks to the end of the FY. Of this shs 9.5 billion was above what was appropriated by parliament.

Lack of proper procurement plan

Throughout the FY, the agency neither had a clear procurement plan nor a detailed work plan for development of industrial parks. The charts of accounts remained unclear on what the agency was supposed to spend on during the year. Some activities for example development of a land database were not at all initiated during the year.

3.5.3 Ministry of Tourism, Trade and Industry

(1) *Jua- Kali* Park, Makindye

To promote a high standard of improved work safety and skills enhancement for the artisans, the Ministry of Tourism, Trade and Industry (MTTI) planned to set up industrial common facilities centres. MTTI acquired two pieces of land i.e. a plot at Luzira industrial estate and Bukejje-Luwafu, Makindye Division. By May 2009, UShs.417,615,603 had been spent on Luwafu *Jua Kali* project. This included UShs. 328,615,603 for land acquisition and UShs.89,000,000 for the structural and engineering designs for artisan premises.

Field findings

3.2 acres of land were acquired at Luwafu-Makindye along Salama-Munyonyo road; structural and engineering designs for the artisan premises were approved. Negotiations are ongoing for the purchase of the remaining 1.2 acres to make a total of 4.4 acres.


Land at Luwafu-Makindye

Challenges

1. The land is not fenced and hosts a number of encroachers particularly youths in brick making business. The sellers have not relocated their details including a burial ground as per agreement. So the land acquisition process has taken a slow pace thus limiting the Ministry's presence on site.
2. The resources allocated to this activity have been too meager for meaningful development of the plot.

3.5.4 Uganda Industrial Research Institute (UIRI)

UIRI was established by an Act of Parliament to undertake applied research, and to develop and acquire appropriate technology in order to create a strong, effective and competitive industrial sector in Uganda. The agencies' current programmes and activities are geared towards technology development, processing systems and product development. The agency is structured into four directorates which include; Production Systems, Technology Development Centre, Product Development and Finance and Administration.

This Financial year, the agency planned to conduct research and procure equipment in a bid to add value and increase competitiveness to products and services. The agency received credit from the World Bank to renovate laboratories and install additional equipment.

Field Findings

(i)Research and Development

The agency procured two refrigerated vans; acquired production materials; Developed an energy efficient technology (Bio mass drier) and Zeolites cooler (1); established one comprehensive ICT learning centre; established agro processing facilities for mushroom, meat, potato, peanut butter and bamboo and conducted several analytical research.

(ii)Microbiology Laboratory

Currently the unit is under renovation; on completion the new equipment will be installed. The renovation is expected to be complete in September 2009. Research on a Newcastle vaccine (for poultry) is being developed at this centre.

Industrial Incubation

Eight Small and Medium Enterprises (SME) incubatees are being supported by the agency in areas of research and product development. These include:

Renovation of UIRI laboratories

(a)Uganda Meat Technology Centre

This incubator produces cooked ham, meat loaf, beef frankfurters, beef bacon, cooked beef, pork chops, beef fillets; pork fillets spare ribs, minced meat, sausages, among others. The institute acquired two refrigerated trucks to facilitate transportation of meat products.

A new Refrigerated Van

(b)Kitty Enterprises

Kitty Enterprises is involved in processing of potatoes into vacuum packed potato chips, potato crisps and flakes. The potato chips are preserved by blanching, vacuum packing and chilling. The shelf life ranges between 3 to 6 weeks and in some cases beyond if the processing and storage conditions are strictly adhered to.

(c)Paper Pilot Plant

The objective of this plant is to carry out research using different fibers to make different handmade paper products.

Fibers used in this plant include banana stems, cotton, pineapple crown, papyrus, wheat stew, sisal and water hyacinth.

Paper bags made out of recycled materials

(d)Fruit and Vegetables Plant

The plant is occupied by an incubator who produces natural fruit juice with no preservatives. Approximately 200 litres of juice are produced per day. The incubator has opened outlets in the city centre. UIRI is implementing a similar project in Nabusanke - Mpigi district.

(e)Technology Development Centre

The institute is researching and constructing specific designs for bamboo processing (for tooth pick making) and match sticks.

Multi- nutrient blocks for animals are being constructed to help boast growth of animals.

(f)Almo Technology

Biometric locks assembled at UIRI.

(A-TECH) is an innovative Information Communication Technology company offering a range of integrated solutions in; analysis and design of information systems for enterprises, software integration and development of biometric systems. This firm is assembling usable biometric locking systems for offices and domestic use.

(g)Weaving and Silk Extraction

Thread extraction machine

UIRI in conjunction with Kawanda Agricultural Research Institute (KARI) designed and implemented a silk extraction machine.

UIRI is multiplying the machines so as to issue them to silk farmers in areas of Kanungu, Kasese, Mbarara, and Bushenyi. KARI conducts end-user training and application of these machines. Research on production of silk bed sheets and blankets from locally available raw materials is in advanced stages.

The Institute supports industrialists in areas of research, technology assessment and transfer; and value addition. They work with incubators with a view of helping them take on product development and multiplication.

Challenges

1. Inadequate facilitation of research yet it is the core business of the agency and late release of funds constrain the performance of the entity.
2. The agency decried the lengthy procurement processes.

3.5.5 Uganda National Bureau of Standards

UNBS was established as a semi autonomous body by an act of parliament in 1983. It is mandated to develop and promote standardization; quality assurance; laboratory testing and meteorology to enhance the competitiveness of local industries and to strengthen Uganda's economy and promote quality, safety and fair trade.

This financial year, the approved development budget for UNBS was UShs. 3,000,000,000 meant for construction of laboratory and office premises in Bweyogerere Industrial Estate; verification and calibration of manufacturing equipment; development of standards and procurement of vehicles. By end of May, 2009 UShs. 2,846,448,000 had been released but only UShs.153,552,000 had been spent because the bulk of the funds were released in May.

Field Findings

UNBS headquarters, Nakawa

Construction of the office premises at Bweyogerere which will house the agency's headquarters and laboratories was delayed by the lack of a land title for the allocated plot from UIA. Procurement of vehicles was in advanced stages where as laboratory equipment had been secured.

The agency reported that very limited releases of resources in the initial quarters of the FY slowed down vehicle procurement.

Challenge

Delays in acquiring a land title meant that activities related to construction of the UNBS headquarters could not take off and as a result the released funds were to be refunded to consolidated fund at the end of the financial year.

3.6 ROADS

3.6.1 Introduction

Projects/Programmes monitored for performance during the 4th quarter included: National Roads Maintenance Programmes and the Construction of Matugga – Semuto – Kapeka under UNRA; Interconnectivity Roads Improvement Project under the Ministry of Works and Transport (MoWT); and District Roads Maintenance Programmes in the following districts: Arua, Gulu, Hoima, Lira, Masindi, Mukono, Nebbi, and Wakiso. These were selected on the basis of level of capital investment, planned quarterly outputs, and value of releases during the first, second, third, and part of the fourth quarter of FY 2008/09. Follow up monitoring on the issues identified during the 1st quarter monitoring on Kampala Northern Bypass was also undertaken.
The sector financial analysis is examined under 2.1.6

3.6.1. Construction of Kampala Northern By-Pass

i). Table 3.6.1:Summary

Contract Number	8 ACP UG 040
Funding Agency	European Union, represented by Delegation of the European Commission in Uganda
Supervision Consultant	BCEOM Societe Francaise D'Ingenierie BCEOM
Contractor	SALINI Construttori S.p.A
Length of Road	21 Km (35 Km Including Junctions)
Works Contract Price (Original)	UGX 83,904,464,291 (Excluding VAT) – (22% in UGX, 78% in EUR)
Supervision Contract Price	UGX 365,268,396 and EUR 1,439,364 (Original Price) UGX 592,390,731 and EUR 1,643,5769
Commencement Date	20 May 2004
Original Completion Period	30 Months (Original)
Revised Completion Period	42 Months 8 days (Revised)
Contract Time Elapsed	52 Months 11 days
Works Payments Certified	UGX 87,969,547,355 (104.8% of original price)
Works Actual Payments	UGX 87,969,547,355
Supervision Payments Certified	UGX 6,835,071,779
Supervision Actual Payments	UGX 6,835,071,779
Weighted Physical Progress	94%

Source: Supervising Consultant's Monthly Report for May 2009

ii). Scope of Works

The scope of construction works for the Kampala Northern Bypass, essentially comprised of the following activities:

- Site clearance; earthworks including extensive swamps filling; construction of 21Kms of new road pavement (total of 35Kms of paved road network including 3.5Kms of dual carriageway, roundabouts, grade separated junctions, and short sections of through roads and community access roads) including sealing with asphaltic concrete surface across the carriageway, and a double bituminous surface dressing on the shoulders;

- Construction of nine bridges of same width as the carriageway and one pedestrian bridge;
- Construction of six roundabouts and two grade separated junctions;
- Construction of community access roads in affected neighbourhoods;
- Drainage works including: new culverts installation, extension of existing culverts, construction of headwalls, lined and unlined ditches, and drainage at junctions consisting of pipes and gully systems;
- Ancillary works including: retaining structures, traffic signs, guardrails, road markings and reflectorised road studs, kerbing and footpaths, street lighting at junctions and interchanges, landscaping and environmental mitigation works.

iii). Identified Issues in 1st Quarter Monitoring and Field Findings during current Monitoring

Issues identified during the 1st quarter monitoring on the project that were followed up during 4th quarter monitoring included the following:

a) Cracks observed in some sections of the newly constructed road.

The monitoring team was informed that 3 independent experts had been hired (one from South Africa by the contractor, another from South Africa by UNRA and another from UK by the Consultant) to assess the cause of the cracks and to prescribe methodologies for corrective action. The experts generally agreed that such cracks commonly occur in sections of bitumen paved roads with new deep fills done in swampy areas. They provided technical explanations for the phenomenon, which they all agreed had no adverse effect on the stability of the road. Methodologies for corrective action were also provided, one of which had been adopted. The team observed that the cracks earlier seen on the ramp to the bridge at Bwaise had been corrected but also observed that while the corrections were on-going, the cost implications for the corrective action and the investigations had not been dealt with.

b) Outstanding land acquisition issues which meant that the Contractor had never got complete possession of the site.

The monitoring team was informed that all land acquisition issues had been dealt with and compensations paid, apart from a small section of the road around Naalya roundabout for which the high court had put an injunction following a suit filed in the high court. The team was also informed that UNRA had obtained an instrument from the Minister of Lands, Housing and Urban Development for compulsory acquisition, and a new evaluation was underway as required by the high court for its consideration before lifting the injunction.

c) Disagreements on the asphalt specifications which caused the Contractor to suspend asphalt works in January 2008.

The monitoring team was informed that UNRA had engaged the expertise of Transport Research Laboratory (TRL) of UK to test the disputed sections and advise on the suitability of alternative specifications proposed by the contractor. The experts approved the new proposed design, which has been adopted as the new agreed position with the contractor, hence paving way for the asphalt works to resume. Sections that did not meet the new design requirements were reportedly redone at the contractor's expense but there was still a dispute on a 700m section which was yet to be resolved. The team observed that asphalt works had commenced and were on-going at the time of the site visit but issues of cost implications for the time and value lost during the disagreement/ suspension of works had not been comprehensively resolved though the contractor was reportedly preparing a claim for extension of time which expired on 25th November 2007.

d) Outstanding land acquisition issues which delayed construction of alternative community access roads within the project affected communities.

The monitoring team was informed that all identified claimants along the proposed access roads had been settled and works were expected to commence upon completion of the major works, however it was observed that new claimants may come up during construction of the roads.

e) The Contract has no approved revised work programme necessary for supervision and monitoring purposes.

The team was informed that the contractor was still adamant on committing to a new revised work programme reportedly due to outstanding claims which were still under consideration. All certified works had however been paid, and out of the 13 contractor's claims raised, 5 had been paid under amicable settlement, 2 resolved with no payment, and 6 were still under consideration. Works were expected to be substantially complete and ready for handover by end of August 2009. In the sector response however, the Contractor is said to have submitted a revised programme subsequent to the monitoring visit and is also said to have commenced arbitration with effect from 1st July 2009 following UNRA's unsuccessful efforts to amicably settle the Contractor's outstanding claims.

iv). Physical Progress

Table 3.6.2:Progress on the major activities was as shown below:

#	Activity	% Progress
1.	Earthworks	100.0%
2.	Drainage works	95.0%
3.	Pavement Layers	100.0%
4.	Grassing of side slopes	60.0%
5.	Bridge works	100.0%
6.	Bituminous Layers and Seals	70.0%
7.	Surfacing of Shoulders	65.0%
8.	Road Marking and road furniture	5.0%
9.	Access roads construction	10.09%
Estimated Physical Progress of Works		**94.0%**

v). Financial Progress

The project's financial progress was estimated at 111.6% of the original contract price and more cost overruns are projected from: increased cost of works on utilities, increased swamp works, and a revision of prices following increase of duties on fuels, and custom tariffs on equipment spare parts and other claims which were under consideration. The contract overrun was projected to exceed 30% of the original contract price including increases due to price revisions, which was yet to be ascertained.

vi). Observations During the Site Visit

The following observations were made during the site visit:

- Ongoing works included construction of a 2nd layer of asphalt around Bwaise roundabout, drainage works in several sections, painting of kerb stones at Hoima, Sentema and Busega roundabouts, and installation of guardrails in several sections.

Pictures show painting of kerb stones at Sentema roundabout and on-going asphalt works at Bwaise Junction, Kampala Northern Bypass

- Major outstanding works included completion of the 2nd layer of Asphalt surfacing, completion of the reworking and surfacing of shoulders, de-silting and completion of drainages, repair of cracks identified in some areas, repair works and completion of grassing of the side slopes, road markings and installation of guardrails and traffic road signs, construction of community access roads including paving of sections of through roads at junctions, and installation of lights in specific areas.
- The team however noted that the road like all other roads on the national network has no provision for crossings of services and therefore is likely to be victim of the unfortunate and rampant practice of breaking up newly constructed roads for crossing of services like water, ICT installations etc. The response obtained from the sector however contends that the ducts for utility crossings are provided at all roundabouts and interchanges and locations of flyovers as provided in the design.

vii). Challenges and Setbacks Experienced by the Project

- The team noted that though works had resumed and were progressing well towards completion, the project still had many unresolved issues with financial implications like the 5 claims which were under consideration, decision whether to apply liquidated damages, costs for the suspension of works etc. The final project cost could still not be projected with certainty.

viii). Conclusion and Recommendations

- UNRA needs to proactively engage the key issues of this project with a view of avoiding potential disputes that will introduce further delays, and also to regularize the contract period so as to enable reasonable scheduling of outstanding works and projection of final costs.

3.6.2 Construction of Matugga – Semuto – Kapeeka Road

i). Table 3.6.3: Summary

Contract Number	NDF / HW / C001
Project Funding	Government of Uganda (GoU – 65%)/ Nordic Development Fund (NDF – 35%)
Supervision Consultant	COWI A/S
Contractor	China Chongqing International Corporation (CICO)
Length of Road	41 Km
Works Contract Price (Original)	UGX 37,912,132,241 (30% UGX, 70% EUR)
Commencement Date	6th January 2009
Completion Date	5th September 2010
Original Completion Period	20 Months (Exclusive Defects Liability Period)
Revised Completion Period	--
Contract Time Elapsed	150 Days (24.7% Progress)
Works Payments Certified (Inclusive of advance payment)	UGX 8,186,784,705 (21.6% of original price)
Works Payments Certified (Exclusive of advance payment)	UGX 2,499,691,726 (6.6% of original price)
Works Actual Payments (Inclusive of 15% advance payment)	UGX 6,288,117,115 (16.6% of original price)
Physical Progress (excluding mobilization items)	6.2%

Source: Supervising Consultant's Monthly Report for May 2009

ii). Scope of Works

The project entails construction works for the upgrading of a total of 41Kms of the road linking Matugga through Semuto to Kapeka from the existing Class C gravel road to Class III paved road standard with a bitumen surface carriageway of 5.6ms width and single surface bitumen shoulders of 1.0m (thus a total road width of 7.6ms). The project is a pilot project for the demonstration of innovative technologies for the construction of low traffic volume roads.

The works have two main elements namely, the “Main Works” (34Kms), and the Pilot Demonstration “Research” Trial Sections (7Kms). The “Main Works” comprises the construction of a lime stabilized sub-base (150 – 175mm thick), a cement stabilized base (150 -200mm thick), and a double bituminous surface treatment (DBST) surfacing. The “Research” sections includes the construction of 16 trial sections each 350m long with various sub-base and base course materials and various forms of surfacing. The works also include construction of fills, earthworks, rock excavation, rock-fills, construction of box culverts, construction of new cross and longitudinal drainage systems, and ancillary works including installation of traffic road signs, guardrails and road markings.

iii). Progress of Works

Table 3.6.4:Progress on the major activities was as shown below:

#	Activity	% Progress
1.	Clearing and grabbing	37%
2.	Earthworks: fills and road bed preparation	19.2%
3.	Drainage works	4.9%
4.	Construction of road pavement layers	0.0%
5.	Surface treatment works	0.0%
6.	Ancillary Works	0.0%
Estimated Physical Progress of Works		**6.2%**

iv). Financial Progress

The project’s financial progress was estimated at 21.6% of the original contract price as at end of May 2009, however cost overruns are projected from: increased cost for relocation of utilities, and the change from gravel surface shoulders to single bitumen surface treated shoulders. At the time of monitoring, computation of the forecasted project cost overrun was still in progress.

v). Observations During the Site Visit

The following observations were made during the site visit:

- Ongoing works included site clearance, rock excavation, earthworks for widening of the road, construction of box culverts, and strengthening of the subgrade with a natural gravel capping layer.
- Progress of works was estimated at 6.2%, against a total progress of 30% projected in the work plans, and a contract time progress of 24.7%. Therefore the project output for the FY was not achieved, and the project lags behind contract time progress.
- Overall Contractor’s mobilization in terms of set-up, equipment and personnel was estimated at 90%

Picture shows on-going earthworks and construction of box culverts on Matugga – Semuto – Kapeka road.

- Land acquisition for the right of way was still underway with 537 Project Affected Persons (PAPs) verified out of the 709 identified and approved by the Chief Government Valuer.
- The Project STD and HIV/AIDS Alleviation programme was yet to commence.

vi). Challenge and Setback Experienced by the Project

Challenges identified on the project included communication gaps as the Contractor has not yet fully complied with the requirement to deploy key staff that are proficient in English, which is contractually the official language.

3.6.3 National Roads Maintenance Programme

The programme involves all activities for maintenance of the national roads network totalling 10,970Kms (slated to increase in FY2009/10 owing to the upgrading of 9,000Kms of district roads to national roads). This FY, the programme has a total annual budget of UGX 139.39 billion (11.5% of sector budget) of which UGX 65.263 billion (48.2% of annual budget) had been released by the end of the 3rd quarter and UGX 43.694 billion (67.0% of releases) spent on the different maintenance activities.

Planned activities under the programme included manual maintenance of 10,970 Kms; mechanized maintenance of 9,875 Kms; rehabilitation of 104Kms of paved roads; resealing of 235 Kms of paved roads; gravelling of 1400 Kms of unpaved roads; maintenance of 24 bridges; and axle load control on the national roads network. Physical progress of works under the programme reported in UNRA's 3rd quarter progress report included: manual maintenance of 10,970 Kms using labour based contractors; term maintenance of 310Kms; patching of paved roads totalling 2700Kms including shoulder repair on 850Kms; mechanized maintenance of 1625Kms using 35 contracts issued; and mechanized maintenance of 5061 Kms using force account.

Seven maintenance projects were monitored in the 3rd quarter including: Periodic Maintenance of Busega – Mityana road, Rakai – Mbarara Boarder road, Lira – Kitgum Boarder road, Gulu –

Pabbo road, Pabbo – Atiak road, Fort Portal – Kamwenge road and Emergency repairs of Awoja Swamp (Kumi – Soroti road).

In the 4th quarter, six UNRA stations with maintenance programmes covering a total road network of 3,576Kms with interventions done by both force account and contracts supervised by the stations were monitored. These included: Arua, Jinja, Kampala, Kasese, Mbarara and Masindi. In addition, 2 packages from the Backlog Road Maintenance Programme were monitored. These included Package 5: Maintenance of Mbarara – Ntungamo road, and Package 6: Maintenance of Ntungamo – Kabale – Katuna road. Field findings from the Backlog Roads Maintenance Programme have been reported under the Transport Corridor Project, and below are reports of the field findings at the UNRA stations monitored.

A) Field Findings: Arua Station

The station has a total road network of 546Kms, of which 130Kms (23.8%) is paved and 416Kms (76.2%) are gravel roads. Planned activities on the network under the station included: maintenance using contracts on 203Kms (37.2%), and maintenance using force account on 343Kms (62.8%). The station handles all maintenance activities including supervision of the maintenance contracts.

i) Maintenance using contracts

The following roads which were planned to be maintained using contracts were monitored and below are the respective findings:

1) Arua – Manibe – Wandi & Manibe – Koboko – Oraba road (79Kms)

This project involving the periodic maintenance of two roads including Arua – Manibe – Wandi (10Kms), and Manibe – Koboko – Oraba (68Kms), which connect Arua town to the border with Sudan at Oraba. The maintenance contract was awarded to M/s Zimwe Enterprises Ltd and involves reshaping of the road by heavy grading, drainage improvement, and re-gravelling of the entire section with 150mm gravel wearing course, at a total contract price of Ushs 1.878 billion. Civil works commenced on 9th March 2009 and are expected to be complete within 9 months (by 9th December 2009). Works are supervised by the UNRA Station Engineer Arua.

During the site visit, the monitoring team observed that the contractor's mobilization on site was at approximately 85%, works were on-going with 17 Kms of the road bush cleared and graded and culvert installation in progress with 3 lines installed. Physical progress was estimated at 6.6% against a contract time progress of 28% and a financial progress of 20% representing advance payment paid). Physical progress of works was behind contract time progress but the contractor was still expected to complete the works in time.

2) Rhino Camp – Inde road (24Kms)

This contract involving the mechanized routine maintenance of the road from Rhino Camp junction to Inde was awarded to M/s Delaru Construction Ltd at a total contract price of Ushs 163.85 million and involves reshaping of the entire road by medium grading, minor drainage improvement, and spot gravelling of 2.3Kms with 100mm gravel wearing course. Civil works commenced on 29th May 2009 and are expected to be complete within 3 months (by 29th August 2009). Works are supervised by the UNRA Station Engineer Arua.

The monitoring team visited the road and observed that the entire road had been bush cleared and shaped but with no compaction and no back sloping along the entire stretch. The contractor was not fully mobilized on site and works had been slowed down reportedly due to cash flow constraints. The monitoring team noted however that works on site were progressing well before the official commencement date and as such works were ahead of schedule. Progress of works was estimated at 58% against a time progress of 0% and a financial progress of 0%. The response from the sector however indicates that the contractor completed the works on 26th June 2009, 2 months ahead of schedule.

ii)Maintenance using force account

Force account was used in maintaining 508Kms (93%) of the road network under the station, and also for emergency repairs on any of the roads in the network all year round. Some roads 175Kms (32.1%) were contracted out for mechanized routine/periodic maintenance. 152Km of those contracted out had earlier had force account interventions while awaiting completion of the procurement process. The scope of works under force account includes manual routine maintenance, grading, spot gravelling, patching (using concrete/ gravel/ Asphalt), and limited drainage improvement.

At the time of the monitoring field visit, the station had received 400.9 million of which 357 million (89% of releases received) had been spent. Works done included grading and spot gravelling of 218Km including the following roads: Arua – Manibe – Koboko (52Km); Manibe – Wandi – Yumbe (77Kms); Koboko – Oraba (19 Kms); Koboko – Yumbe (36Kms); and Pakwach – Panyimur (34Kms). Other works included monthly manual routine maintenance of the entire road network, extension of the landing dock at Panyimur, renovation of the station office block, rehabilitation of 8 bridges on Manibe – Koboko - Oraba road, training of 27 road committees, and patching of 136.2Kms including the following roads: Pakwach – Nebbi – Arua (130Kms), Arua Avenue (3.9Kms); and access road to the Presidential Lodge (2.3Kms).

The monitoring team visited Wandi – Yumbe, Koboko – Oraba, and Koboko – Yumbe roads where the team observed that though works had been completed, Wandi – Yumbe and Koboko – Yumbe roads were in fair condition (between good and poor), with the road shape generally still in place but with corrugations in many sections of the roads. Koboko – Oraba road had generally deteriorated and was already in poor condition though had been contracted out with the contractor on site.

Implementation challenges at the station included: inadequate equipment for maintenance of the road network, extensive machines breakdown, and slow release of funds for the maintenance operations/ staff allowances.

B) Field Findings: Jinja Station

The station has a total road network of 645Kms, of which 212Kms (32.9%) is paved and 433Kms (67.1%) are gravel roads. Planned activities on the network under the station included: development interventions on 72Kms (11.2%), maintenance using contracts on 159.5Kms (24.7%), and maintenance using force account on 484.7Kms (64.1%). The station handles all maintenance activities including supervision of the maintenance contracts.

a) Maintenance using contracts

The following roads which were planned to be maintained using contracts were monitored and below are the respective findings:

1) Buwenge – Nakabugu - Kaliro road (49Kms)

This project involving the periodic maintenance of 49Kms of the road starting at Buwenge town to Kaliro through Nakabugu was awarded to M/s Akia Construction Ltd and involves reshaping of the road by medium grading, drainage improvement, and re-gravelling of the entire section with 150mm gravel wearing course, at a total contract price of Ushs.1.455billion. Civil works commenced on 20th February 2009 and are expected to be complete within 6 months (by 20th August 2009). Works are supervised by the UNRA Station Engineer Jinja.

During the site visit, the monitoring team found when the contractor’s mobilisation on site was at approximately 70%, works were on-going with the entire road bush cleared and shaped, and drainage works in progress. Physical progress was estimated at 24% against a contract time progress of 46% and a financial progress of 40% (including 20% advance payment paid). Physical progress of works was behind contract time progress but the contractor was still expected to complete the works in time.

2) Kamuli – Bukungu road (68Kms)

This project involving the periodic maintenance of 68Kms of the road starting 2Kms from Kamuli town to the shores of Lake Kyoga on Bukungu landing site was awarded to M/s Kark Technical Services Ltd and involves reshaping of the road by medium grading, drainage improvement, and re-gravelling of the entire section with 150mm gravel wearing course, at a total contract price of Ushs 2.227billion. Civil works commenced on 11th February 2009 and are expected to be complete within 9 months (by 11th November 2009). Works are supervised by the UNRA Station Engineer Jinja.

During the site visit, the monitoring team found when the contractor’s mobilization on site was at approximately 60%, works were on-going with 62Kms of the road bush cleared and graded, and drainage had commenced. Physical progress was estimated at 20% against a contract time progress of 33% and a financial progress of 35% (including 20% advance payment paid). Physical progress of works was behind contract time progress but the contractor was still expected to complete the works in time.

b) Maintenance using Force Account

Force account was used in maintaining 413.5Kms (64.1%) of the road network under the station, and also for emergency repairs on any of the roads in the network all year round. Works done included maintenance interventions on 14 roads spread in 7 districts that include Jinja, Iganga, Bugiri, Mayuge, Kaliro and Namutumba. The station also used force account to rehabilitate 2 landing sites on River Nile in Mbulamuti (Kamuli district) and Nabuganyi (Kayunga district); in renovation of the station office block; and other operational expenses. The scope of works under force account included manual routine maintenance, grading, spot gravelling, patching (using asphalt), and limited drainage improvement.

Picture shows a slippery section on Musita – Mayuge road maintained by force account

The monitoring team visited Jinja – Kamuli (59Kms), Iganga – Kaliro (32Kms), and Nakalama – Tirinyi (47Kms), where it was observed that shoulder recharging and pothole patching had been done to completion, but new potholes were also seen in some sections. The team also visited Musita – Mayuge (14Kms), Iganga – Busesa – Nawangisa (39.5Kms), Kaliro – Kamuli (47.5Kms), and Kamuli – Mbulamuti (13.6Kms). On Musita – Mayuge road, the team observed that though works were reportedly completed in September 2008, the road was in poor condition and there was no visual evidence of gravel in some sections purportedly gravelled. On Iganga – Nawangisa road, the team observed that swamp filling and culvert installation had been done on 500ms of Nakigo valley but the road had impassable sections and was in the process of being contracted out. On Kaliro – Kamuli road, the team observed that works were in progress with bush clearing at 60%, road shaping at 39%, and gravel damped on 200ms. On Kamuli – Mbulamuti road, the team observed that works had been completed, the road was still in good condition, and the landing site on River Nile in Mbulamuti had been rehabilitated.

Implementation challenges at the station included: poor condition of road construction equipment and supervision vehicles, which breakdown frequently and thus slow down progress of works and with high maintenance costs; and scarcity of construction materials like gravel in some areas.

C) Field Findings: Kampala Station

The station has a total road network of 713.5Kms, of which 460.7Kms is paved while the rest is unpaved. Planned activities on the network under the station included: development interventions on 55Kms (7.7%), maintenance using contracts on 173.8Kms (24.4%), and maintenance using force account on 484.7Kms (67.9%). The station handles all maintenance activities including supervision of the maintenance contracts.

a) Maintenance using contracts

The following roads which were planned to be maintained using contracts were monitored and below are the respective findings:

1) Kampala – Entebbe road (37Kms)

The road was maintained using 2 on-going contracts with complementary scope of works: one, a pilot long term maintenance contract (issued in past FY) whose scope includes sweeping, grass cutting, cleaning guardrails and drains; and another contract (issued this FY) whose scope includes pavement marking, installation of road signs, paving of selected junctions with access roads, and pothole patching/edge repair. The team monitored only the 2nd contract issued in this FY to M/s Cementers Ltd at a cost of Ushs 2.974 billion with a duration of 5 months ending 23/Jul/09.

The monitoring team visited the road and observed that road marking was complete and on-going works included pothole patching/edge repair, and paving of selected junctions with minor roads. Progress of works was estimated at 60% against a time progress of 72.5% and a financial progress of 48%. As such the progress of works was behind time progress though works were still projected to complete within the contract time.

2) Baale – Galilaya road (37Kms)

Maintenance works were contracted out to M/s MML Road Construction Ltd at a cost of Ushs. 703.9 million, with works expected to be completed within 6 months ending 15th Aug 2009. Scope of works under the contract includes road shaping, gravelling of the entire stretch, and drainage improvement works.

The monitoring team visited the road and observed that the road was actually 42.5Kms not 37Kms, shaping had been completed and on-going works included culvert installation and gravelling which was near completion. Progress of works was estimated at 75% against a time progress of 63.9% and a financial progress of 54.4%. As such the progress of works was ahead of time progress and the works are expected to complete within the contract period.

3) Nansana – Busunju (47.6Kms)

Maintenance works were contracted out to M/s Nicontra Ltd at a cost of Ushs.2.974 billion, with works expected to complete within 8 months ending 9th November 2009. Scope of works under the contract includes: pothole patching/ edge repair, construction of ramble strips in selected areas, shoulder repair and surfacing with a single surface bitumen treatment, lining of drains in selected areas, and installation of access culverts in selected areas.

The monitoring team visited the road and observed that on-going works included shoulder repair (bush clearing, grading and gravelling), installation of access culverts, and lining of selected side drains in stone masonry. The team also observed that the contractor's equipment mobilization on site was not yet complete. Progress of works was estimated at 15% against a time progress of 38.5% and a financial progress of 29.7%. As such progress of works was behind time progress and the contractor needs to urgently boost the equipment on site and accelerate works so as to complete within the contract period.

4) Mukono – Kalagi – Kayunga (52.2Kms) – Works had not commenced

b) Maintenance using Force Account

Force account was used in maintaining 484.7Kms (67.9%) of the road network under the station, and also for emergency repairs on any of the roads in the network all year round. At the time of the monitoring field visit, the station had received 915.2 million of which 808.5 million (88.3% of releases received) had been spent.

Works done included maintenance interventions on 24 roads, repair of Luzira complex, cutting of trees along the road in Mabira forest, renovation of station office block, river training on River Sezibwa, repair of Nakiwogo ferry landing site/access road, and other operational expenses. The scope of works under force account included manual routine maintenance, grading, spot gravelling, patching (using asphalt), and limited drainage improvement.

The monitoring team visited Lugazi – Buikwe – Nyenga (25Kms), Buikwe – Kiyindi (17Kms), Nyenga – Njeru (7Kms), Njeru – Bukoloto (44Kms), Kayunga – Baale (45.9Km), and Kayunga – Nabuganyi (20Kms) where it was observed that works had been completed on most of the roads and the roads were generally in good condition. On Nyenga – Njeru road, the team observed that pothole patching had been completed but edge repairs were yet to commence. New potholes were however observed on Njeru – Bukoloto road and Kayunga – Nabuganyi road which was only in fair condition following the deterioration of some sections of the road and the new potholes observed. Pending works under force account included pothole patching, which is a continuous process, and the second maintenance intervention on Kyetume – Katosi road where mobilization of equipment was underway.

Implementation challenges at the station included: Scarcity of good construction materials along some roads like Busunju – Nansana; challenges of policing road reserves; other service providers cutting through newly constructed roads yet with delays and limited capacity of reinstating; abuse of drainage facilities by communities in urban areas; dust nuisance which obscure newly installed reflective paint on roads; and land issues which constrain the construction of drainage facilities like offshoots on some roads.

Picture shows a completed section done by force account on Lugazi – Buikwe road

D) Field Findings: Kasese Station

The station has a total road network of 338.9Kms, of which 223Kms (65.8%) is paved while the rest is unpaved. Planned activities on the network under the station included: maintenance using contracts on 114.2Kms (33.7%), and maintenance using force account on 224.7Kms (66.3%). The station handles all the maintenance activities including supervision of the maintenance contracts.

a) Maintenance using contracts

The following roads which were planned to be maintained using contracts were monitored and below are the respective findings:

1) Katunguru - Ishasha road (87Kms)

The road was maintained using 2 on-going contracts with complementary scope of works: one for the rehabilitation of Nchwera bridge (issued by MoWT in 2007/08); and another contract for the periodic maintenance of the road (also issued by MoWT in 2007/08), whose scope includes road reshaping, spot gravelling, drainage improvement, river training at River Kaizi, and construction of a diversion at River Nchwera. Due to access limitations following the collapse of Rwempunu bridge (at 37Kms from Katunguru), the team monitored only the 2nd contract issued to M/s Mulowooza & Brothers Ltd at a cost of Ushs. 1.52 billion (revised to 1.87 billion) with a duration of 9 months ending 11th January 2009. Construction works commenced on 11th April 2008 and were completed on 11th March 2009. The road is still under defects liability period until 9th July 2009.

The monitoring team visited part of the road and observed that although works had been completed in March 2009, the condition of the road was deteriorating fast due to heavy traffic from over loaded trucks going to Congo (DRC). Several sections had already failed while others were in good to fair condition. Rwempunu bridge at 37kms from Katunguru had also collapsed as an over loaded truck was crossing, cutting off the road at the bridge. Financial progress was 97.5% but the final contract cost was expected to be 109.6% of the original contract sum following issuance of variation orders for the river training on River Kaizi, and construction of a diversion on River Nchwera, which works had not been included in the original contract.

Picture shows the high traffic loading on Katunguru – Ishasha road, Kasese District

2) Katwe – Katojo – Mundongo – Bwera (27.2Kms)

The contract was still under procurement but was expected to commence late June 2009.

b) Maintenance using Force Account

Force account was used in maintaining 224.7Kms (66.3%) of the road network under the station, and also for emergency repairs on any of the roads in the network all year round. At the time of the monitoring field visit, the station had received 501.1million of which 382.0 million (76.2% of receipts) had been spent.

Works done included maintenance interventions on 11 roads, renovation of station office block, and other operational expenses. The scope of works on the roads done using force account included manual routine maintenance, grading, spot gravelling, pothole patching on paved roads, and limited drainage improvement.

The monitoring team visited Katunguru – Rugazi (18Kms), L. George – Rwentare – Katwe (23Kms), Nsenyi – Kisinga – Kiburara (10Kms), and Kisinga – Kigumba – Kabirizi (28Kms), where the following observations were made: Katunguru – Rugazi road was heavily patched but in good condition though some few new potholes were observed. L. George – Rwentare – Katwe road works done were complete though gravel placed on the road was not well compacted, some sections still had corrugations and isolated potholes were also observed. On Nsenyi – Kiburara road, works were done on 8Kms, which were still in good condition. The remaining 2Kms were left out pending relocation of a water pipeline located in the side drains along the section. On Kisinga – Kabirizi road, works done included grading of the entire road and placing of gravel on 15Kms. The road was in fair condition but still has a huge drainage improvement requirement involving installation of culvert crossings and river training and construction of open drains on a river with massive spills that cross the road with debris. Pending works under force account included pothole patching, which is a continuous process, and the second maintenance intervention on Kisinga - Kabirizi and Kinyamaseke – Kisinga road where works had commenced.

Implementation challenges at the station included: Scarcity of good construction materials along some roads like Katunguru – Ishasha and the roads through the park where access to gravel borrow pits is restricted; overloaded trucks on the gravel road to Ishasha boarder with Congo; shortage of workers on the roads within the national park area; frequent road construction equipment breakdowns which slow the progress of works; and the prolonged breakdown of the vibratory roller which compelled them to use the less effective tractor towed roller.

E) Field Findings: Mbarara Station

The station has a total road network of 858Kms, of which 290Kms (33.8%) is paved and 568Kms (66.2%) are gravel roads. Planned activities on the network under the station included: maintenance under backlog projects on 205Kms (23.9%), periodic maintenance using contracts on 239Kms (27.9%), and maintenance using force account on 497Kms (57.9% including emergency works done on contracted roads before the contractors were on site). The station handles all maintenance activities including supervision of the periodic maintenance contracts.

a) Maintenance using contracts

The following roads which were planned to be maintained using contracts were monitored and below are the respective findings:

1) Nyakaita – Rushere - Rwakitura road (45Kms)

The road was maintained using a term maintenance contract with several maintenance cycles over a period of 18 months commencing on 20th October 2007 and ending 19th April 2009. The Contract was awarded to M/s BCR General Ltd at a contract sum of Ushs.1.93 billion. The scope of works under the contract included drainage works, road shaping by grading, spot gravelling and emergency works – all in several cycles on a needs basis over the entire contract period. At the time of monitoring, the contract period had expired and works had been completed. Works are supervised by the UNRA Station Engineer Mbarara.

The monitoring team visited the road and observed that the road still had a fair riding surface but which would soon require maintenance owing to the fairly heavy traffic (including trucks ferrying materials for the Masaka – Mbarara road works) and the corrugations observed in several sections of the road. Progress of works was at 100% and financial progress at 97.5%. The project is expected to cost Ushs 2.023 billion (105.1% of original contract value) upon payment of retention money. The works are still under defects liability period expiring on 18th August 2009. Procurement of a replacement contractor to continue with maintenance of the road was underway.

2) Rushere – Kazo – Ibanda road (73Kms)

The road was also maintained using a term maintenance contract with several maintenance cycles over a period of 24 months, later extended to 30months, commencing on 15th December 2006 and ending 23rd June 2009. The Contract was awarded to M/s Efra Ltd at a contract sum of Ushs.2.29 billion, revised to Ushs.2.61 billion. The scope of works under the contract included drainage works, road shaping by grading, spot gravelling and emergency works – all in several cycles on a needs basis over the entire contract period. Works are supervised by the UNRA Station Engineer Mbarara.

The monitoring team visited the road and observed that the road was actually less than 69Km, with a fair riding surface in some sections and good surface in others. Manual routine maintenance on the road was evident, however corrugations were also observed in several sections. The Contractor was expected back on site to undertake the last maintenance cycle before completion of the contract. Progress of works was estimated at 90% against a time progress of 99.6% and a financial progress of 90% (of revised contract sum). As such the progress of works was behind contract time progress and the contractor was not on site.

The sector in their response refuted claims that the road is less than 69Km and affirmed that Rushere – Kazo is 38Km, and Kazo – Ibanda is 35Km making a total of 73Km. They observed that the difference could have originated from the location of the start and end points of the road links. The Monitoring team however measured Rushere – Kazo as 35.7Km and Kazo – Ibanda as 33.3Km using a vehicle whose oedometer readings as compared to other roads monitored was always in excess of the accurately measured chainage marks. The location of the start and end points of the road links were shown to the monitoring team by the UNRA staff supervising the contracts.

3) Isingiro – Rwakai Boarder road (56Kms)

This project involving the periodic maintenance of 56Kms of the road starting at Isingiro town to Ntantamukye (Isingiro boarder with Rakai district) was awarded to M/s Assured Engineering Services Ltd and involves reshaping of the road by heavy grading, drainage improvement, and re-gravelling of the entire section with 100mm gravel wearing course, at a total contract price of Ushs.1.097billion. Civil works commenced on 27th February 2009 and are expected to be complete within 7 months (by 27th September 2009). Works are supervised by the UNRA Station Engineer Mbarara.

During the site visit, the monitoring team found the contractor fully mobilized on site, works were on-going with 30Kms of the road bush cleared, 13Kms graded, and 9Kms gravelled. Physical progress was estimated at 15% against a contract time progress of 51% and a financial progress of 0% (no advance payment paid). Physical progress of works was behind contract time progress but the contractor is still expected to complete the works in time.

4) Nsongezi – Kikagati – Kafunzo, Kikagati – Murongo Bridge, & Nsongezi – Kyaka roads (65Kms)

This project involving the periodic maintenance of 65Kms of 3 road links including Nsongezi – Kikagati – Kafunzo (48Kms), Nsongezi – Kyaka (14Kms), and Kikagati – Murongo bridge (Tanzania Boarder). The Contract was awarded to M/s Efra Ltd and involves reshaping of the roads by heavy grading, drainage improvement, and re-gravelling of all the roads with 100mm gravel wearing course, at a total contract price of Ushs.1.63billion. Civil works commenced on 18th May 2009 and are expected to be complete within 8 months (by 18th January 2010). Works are supervised by the UNRA Station Engineer Mbarara.

During the site visit, the monitoring team found the contractor's equipment and site agent on site but works had stalled for more than a week with completely no works on site reportedly due to a breakdown of the grader. The contractor had however graded 7Kms and bush cleared 26Kms. Physical progress was estimated at 2% against a contract time progress of 12.5% and a financial progress of 0% (no advance payment paid). Physical progress of works was behind contract time progress.

b) Maintenance using Force Account

Force account was used in maintaining 497Kms (57.9%) of the road network under the station, and also for emergency repairs on any of the roads in the network all year round. At the time of the monitoring field visit, the station had received 315.8 million of which 137.3 million (43.5% of releases received) had been spent.

Works done included maintenance interventions on 9 roads totalling 497Kms and spread over 9 districts, renovation of station office block, and other operational expenses. The scope of works under force account included manual routine maintenance, grading, spot gravelling, patching (using asphalt), and limited drainage improvement.

The monitoring team visited Nyamitanga – Katete (4Kms), Katete – Nsongezi (49Kms), Kabwohe – Nsiika – Bwizibwera (50Kms), Mbarara – Ibanda (64Kms), and Ibanda – Kamwenge (50Kms). On Nyamitanga – Katete and Mbarara – Ibanda roads, it was observed that pothole patching had been done to completion, but new potholes, rutting and surface stripping were also seen in some sections. On Katete – Nsongezi road, grading and spot gravelling were completed in February 2009, but corrugations, rutting, heavy scouring of the side drains and gravel loss were observed in several sections along the road. The road is in critical condition and needs another cycle of maintenance intervention. Ibanda – Kamwenge road had been graded to completion and the road was still in good –fair condition. Works were still on-going on Kabwohe – Nsiika – Bwizibwera road with the entire road graded, and 8Km gravelled. The road was in good condition. Pending works under force account included pothole patching, which is a continuous process, and completion of works on Kazo – Kabagole – Kyegegwa and Kabwohe – Bwizibwera roads.

Implementation challenges at the station included: insufficient transport for supervision and field operations, insufficient and very old equipment which are uneconomical to run, limitation of Ushs 2million on micro-procurements which was considered too low and thus constraining, scarcity of construction materials like gravel, bitumen, stone chippings etc., which are also costly, understaffing with respect to road overseers and inadequate office facilities, vandalism of road furniture, and land

Picture shows pothole patching done on Mbarara – Ibanda road

issues involving rampant encroachment on road reserves.

F) Field Findings: Masindi Station

The station has a total road network of 475 Kms, 76.4% of which was planned to be maintained using force account on a contingency basis for emergency repairs and for keeping the roads passable all year round. Some 3 roads totalling 141Kms (29.7%) had been contracted out for mechanized routine/periodic maintenance and all were expected to commence in June 2009. 20Kms of those contracted out had earlier had force account interventions while awaiting completion of the procurement process. The scope of works under force account includes manual routine maintenance, grading, spot gravelling, patching (using asphalt), and limited drainage improvement.

At the time of the monitoring field visit, the station had received 834.7 million of which 732.6 million (87.8% of releases received) had been spent. Works done included grading and spot gravelling of 173Kms including the following roads: Masindi – Rwenkunye (36 Kms); Rwenkunye – Masindi Port (7 Kms); Masindi – Hoima Border (34 Km); Masindi – Kigumba (39 Kms – 2 cycles); Masindi – Kabango (10 kms). Other works included monthly manual routine maintenance of the entire road network, maintenance of the landing docks at Wanseko and Masindi Port, renovation of the station office block, and patching of 90Kms including the following roads: Biso – Bukumi (Escarpment – 2Kms), and Kafu – Karuma (88 Kms).

The monitoring team visited Masindi – Rwenkunye (36 Kms); Rwenkunye – Masindi Port (7 Kms); Masindi – Hoima Border (34 Kms), where it was observed that the roads were generally still in good condition. Works on all the roads planned for contracting out had not commenced but were expected to commence later in the month.

Picture shows swamp filled using force account on Masindi – Rwenkunye road

Implementation challenges at the station included: supervision transport constraints, old equipment which have a high maintenance cost, slow procurement process for the contracted works, and stiff competition from Kinyara Sugar works for labourers who do the manual routine maintenance.

G) National Roads Maintenance Programme - Implementation Challenges

Implementation challenges identified that are cross cutting on the National Roads Maintenance Programme included:

1. Lengthy procurement processes that delayed commencement of contracted activities to mostly the third quarter and thus leaving insufficient time for completion of the projects within the FY. More than 90% of the projects procured during the financial year were not yet complete by the end of June 2009.

2. Old and inadequate equipment which have high maintenance costs and low productivity was a challenge identified at all the stations monitored during the FY and was thus a cross cutting issue.
3. Transport constraints for contract supervision staff at several UNRA stations across the country. This was observed at all the stations monitored and had limited the presence of supervision staff on site during construction. This along with the stations monitored in the 3rd quarter indicates that most of UNRA stations have transport constraints for supervision staff.
4. Scarcity of construction materials like gravel, stone dust and bitumen, which are also costly, was observed in Jinja, Kampala, Kasese and Mbarara.
5. Road reserves violation and difficulties in accessing land for the construction of drainage facilities was observed as a constraint in Kampala and Mbarara.
6. Vandalism of traffic road signs was observed as a cross cutting challenge in all the stations monitored during the year.
7. Kampala station had a peculiar challenge of dealing with the rampant breaking up of paved roads by service providers who have limited capacity of reinstating the roads to the original standards. This was introducing an extra maintenance burden to the station.

3.6.4 Transport Corridor Project

In FY 2008/09, Ushs 320 billion over and above the Works and Transport sector ceiling was availed to the sector under the UNRA vote purposely for the development of the Northern Transport Corridor. Specifically, the funds were meant to kick start efforts in duelling a section of the corridor totalling 800Kms from Malaba/ Busia (boarder with Kenya) down to Katuna (boarder with Rwanda). However following MFPED/WoWT/UNRA discussions, the list of target projects was revised to include on-going projects which lacked funding namely Kampala – Masaka (UGX 110 billion), Matugga – Semuto – Kapeka (UGX 37 billion), Busega – Mityana (UGX 94 billion), which collectively have a total commitment level of Ushs 256 billion; and other projects as shown in the Table 3.6.5 below. By the end of the 3rd quarter, Ushs 210.2 billion (65.7% of annual budget) had been released, of which Ushs 68.8 billion (32.7% of releases) had been spent. Total releases as at the end of the 4th quarter was Ushs 255.2 billion representing 79.8% of the annual budget.

Table 3.6.5: Transport Corridor Project: Planned Activities and Status of Implementation

Planned Output	Transport Corridor Projects	FY 2008/09 Budget	Status as at end of March 2008/09
Road upgraded to bitumen standards	Upgrading Kafu – Masindi	6.000	Under Defects liability period
Roads Rehabilitated to Bitumen standard	Rehabilitating Mbarara – Ntungamo road (60 Kms)	4.000	Works commenced, feasibility study for full reconstruction ongoing
	Ntungamo – Kabale – Katuna road (182.7 Kms)	33.120	
	Jinja – Mukono road (52 Kms)	6.000	Procurement of Consultants was underway
	Tororo – Mbale – Soroti road (156 Kms)	6.000	
	Kafu – Karuma (67 Kms)	8.000	
	Mukono Kayunga (59 Kms)	10.000	
	Kawempe – Kafu (166 Kms)	37.411	Works are on going
Roads upgraded to Bitumen standards	Upgrading of Matugga – Semuto – Kapeeka (39 Kms)	11.000	Works are on going
	Upgrading of Rukungiri – Ishasha (74 Kms)	6.000	Still under design stage
	Upgrading of Mirama Hills – Ntungamo/ Kagamba – Ishaka (94 Kms)	4.580	
	Upgrading of Kapchorwa – Suam (77 Kms)	12.420	

Road Rehabilitated (Overlaying)	Overlaying Malaba/Busia – Bugiri (82 Kms)	10.600	Under procurement
Paved Roads Reconstructed	Reconstructing Kampala (Busega) – Mityana road (57 Kms);	17.500	In process of procurement of contractors and consultants
	Reconstructing Kampala (Busega) – Masaka road (124 Kms).	23.380	Status not reported
Roads upgraded to duel carriage	Dueling Kampala Northern Bypass	17.200	In process of procuring design consultants
	Dueling Jinja - Kampala	7.500	
Road Designed & Upgraded	Designing Kibuye – Busega Road	7.500	
	Kampala – Entebbe (Design dueling /alternative route & compensation	7.000	
	Hoima-Kaiso – Tonya (78 Kms)	0.800	Status not reported
Roads designed	Masaka – Bukakata (30 Kms)	0.560	
	Muyembe – Moroto – Kotido (290 Kms)	1.120	
	Tirinyi- Pallisa- Kumi/Pallisa-Mbale (69 Kms)	0.800	In process of procuring design consultants
	Mbale-Bubulo-Lwakhakha (41 Kms)	0.800	
	Namagumba-Budadiri (30 Kms)	0.560	
	Lwenkunye- Apac-Lira-Kitgum (230 Kms)	1.120	
	Kamuli-Bukungu (64 Kms)	0.800	
	Nyendo - Villa Maria – Ssembabule	0.800	Status not reported
Bridges Constructed	Construction: Aswa Bridge	2.600	Tender documents submitted to EU for approval
	Mpondwe Bridge	1.500	
Bridges Designed	Design of Second Nile Bridge	0.250	In process of procurement of contractors and consultants
	Design of Awoja Bridge	0.600	
	Design of Agu Bridge	0.500	
	Design of 24 Strategic Bridges	1.000	
Construction of Boarder Posts	Mirama Hills Boarder Post	1.000	Status not reported
Axle Load Control		1.000	
Road Safety		0.473	
District Road Equipment		50.000	
Supervision Services		16.766	
Monitoring of UNRA activities	Consultant to develop UNRA performance indicators and set up the UNRA Monitoring System	1.000	
Value for money audits carried out	Carry out the study and prepare the report	1.000	
Taxes		80.000	

Source: UNRA Quarter 3 Progress Report FY 2008/09

Mbarara – Ntungamo and Ntungamo – Kabale – Katuna were selected for monitoring in the 4th quarter and below are the field findings:

A) Backlog Projects Package 5 – Maintenance of Mbarara - Ntungamo Road

The Project involves the stage maintenance of 57.8Kms of Mbarara - Ntungamo road starting approximately 7Kms from Mbarara town, at the end point of the reconstruction of Masaka – Mbarara road project, and ending at the Ntungamo – Rukungiri road junction. The works were contracted to Spencon – Stirling Joint Venture at a sum of UGX 11.14 billion and is funded by the European Union. Planned works under the contract included cleaning of drains and culverts; repair of shoulders and resealing of short sections with a single seal; spot rehabilitation of 32.8Kms of severely distressed areas; pothole patching and edge repair; resealing of 32.8Kms with double seal and 14Kms with single seal; and emulsion spray on 11Kms. Civil works commenced on 15th October 2008 and are expected to be complete within 18 months (by 14th April 2010). Works are supervised by Egis Bceom International, who is also the supervising consultant for packages 4 & 6.

During the site visit, the monitoring team found the contractor fully mobilized on site, on-going works included pothole repairs using improved gravel material, pothole patching using asphalt, base and shoulder repairs, cleaning of open drains and first seal bitumen treatment of the carriageway. Temporally patching of potholes in sections ahead of the main repair works (using gravel), and emergency works along the road had been completed. Physical progress was estimated at 15% against a contract time progress of 44.9%. Progress of works was thus far behind contract time progress and the contractor's deployment along the road seems too weak to complete the works in time. Financial progress of the contract was at 41.7% including 30% advance payment paid before commencement of works. Contract cost overrun projected as at the time of monitoring was estimated at 4% mainly from increased quantities on the drainage and the carriageway. While this project was monitored under the Transport Corridor Project as per UNRA's 3rd Quarter Performance Report, the sector has since clarified that the Project is not under the Transport Corridor project and that the expenditure reflected in their report indicating that GoU funds were used on the project was an error.
Delay in the progress of works was attributed to the delay by the Contractor in mobilizing an aggregate crusher plant, which was considered crucial for the full roll out of the activities preceding sealing. The supervising consultant however still projects the works to complete in time.

Pictures show pothole patching and a newly resurfaced section of Mbarara – Ntungamo road

B) Backlog Projects Package 6 – Maintenance of Ntungamo – Kabale – Katuna road

The Project involves the stage maintenance of 96.8Kms of Ntungamo – Kabale – Katuna road which starts at the Ntungamo – Rukungiri road junction and ends at the boarder with Rwanda at Katuna. The works were also contracted to Spencon – Stirling Joint Venture at a sum of UGX 17.3 billion and is fully funded by GoU. Planned works under the contract include spot repairs (pothole patching, edge repairs, shoulder recharging and base reconstruction in selected areas), resealing of selected sections and carriageway, and cleaning of drains and culverts. Civil works were expected to commence on 6th April 2009 and to be complete within 18 months (by 5th October 2010). The Supervising consultant for the works is Egis Bceom International.

At the time of monitoring, the Contractor was still in the mobilization process and had not commenced physical works. Physical progress was at 0% against a contract time progress of 13.2%. Progress of works was thus behind contract time progress but still on schedule as per the approved work programme. Financial progress of the contract was at 33% covering advance payment paid before commencement of works and the first certificate in respect of establishment costs. An early final contract cost projection was estimated at 63.7% of the original contract price following a revision of the scope of works done by the supervising consultant. Revision of the scope of works was done with a view of doing the minimum necessary to keep the road in good condition until the impending commencement of the full reconstruction works.

C) Transport Corridor Project: Implementation Issues & Challenges

Implementation issues and challenges identified include:

1) The original target of the project namely, duelling of the Malaba/ Busia – Katuna corridor required to be taken through the relatively cheaper preliminary stages of feasibility studies and designs, which were not yet in place, before the more expensive land acquisition and construction phases could commence. As such absorption challenges of a huge portion of the budget allocation was immediately foreseen, which necessitated redefinition of the project to bring on board other projects that lacked funding, and tributary roads to the Transport Corridor. The redefinition of the project however took time, which in turn affected the broad outlook of implementation of the project.
2) During redefinition of the project to include non-funded projects, some maintenance backlog projects like Jinja – Mukono, Mbarara – Ntungamo and Ntungamo – Katuna were included in the beneficially projects, which scenario is an apparent change of the original condition that the funds could only be used on development projects rather than maintenance (recurrent) projects.
3) Several of the projects included in the new list to be funded under the Transport Corridor project have their own separate project codes with budgetary allocations. This has made the project have a ‘contingency’ or ‘miscellaneous expenditure item’ kind of outlook, which introduces unique challenges in tracking of the physical and financial performance of the project.
4) Three of the maintenance backlog projects including packages 5&6 monitored in the 4th quarter were awarded to Spencon – Stirling joint venture, whose progress on package 5 is way behind contract time progress and hence may represent early warning bells for delayed delivery of planned activities under the programme.

3.6.5 District, Urban and Community Access Roads Maintenance Programmes

District, Urban and Community Access roads (DUCAR) make up 67,300 Kms which represents 86.2% of the entire road network in Uganda, broken down as 27,500Kms of district roads, 4,800Kms of Urban roads, and 35,000Kms of Community Access roads. They are maintained by the respective local governments using central government conditional grants under PAF and other donor supported programmes like RSPS and RRP supported by DANIDA, and to a limited extent using LGDP funds. MOWT provides the collective technical support and supervision to the local governments under the DUCAR department. During this FY, DUCAR maintenance programmes collectively have a total budget of UGX 61.2 billion (5.2% of total sector budget) of which UGX 57.7 billion (94.3% of total budget) was released to the districts during the FY.

In the FY 2008/09 DUCAR maintenance programme, 23,000Kms of district roads were planned for manual routine maintenance; 1,400kms for district roads rehabilitation; 930kms for district roads gravelling; 146Kms for Urban roads resealing; 476Kms for urban roads gravelling; and 570Kms for community access roads rehabilitation. The programme was monitored in the 2nd quarter in 6 districts including Bushenyi, Kibale, Mayuge, Mubende, Pallisa, and Tororo; in the 3rd quarter in 8 districts including Apac, Kampala, Katakwi, Kitgum, Kumi, Mbale, Pader, and Soroti; and in the 4th quarter in 8 districts including Arua, Gulu, Hoima, Lira, Masindi, Mukono, Nebbi, and Wakiso. Annex table 3.3 shows the respective summaries of work plans, releases and current status of planned outputs and expenditures. Below are the briefs on the findings, challenges and recommendations.

A) Field findings: Arua District

The district has a total road network of 484Kms of which 189Kms is earmarked for upgrading to national roads status under UNRA starting FY 2009/10. This FY the district has a total budget of 383.9 million for maintenance of the road network under PAF, and 48 million under LGDP earmarked for completion of Enyau Bridge. Planned works during the FY included routine maintenance of 398.4Kms, periodic maintenance of 27.6Kms, and completion of the periodic maintenance of 20.8Kms rolled over from FY 2007/08. It was observed that the district used force account for the periodic maintenance works despite absence of a waiver from PPDA.

At the time of the monitoring field visit, the district had received 364.7 million (95.0% of annual budget), of which 226.6 million (62.1% of releases received) had been spent. Works done included:

a. Using Petty Contractors:
   - Manual routine maintenance on 398.4 Kms – 5 cycles completed and 6th cycle in progress.

b. Using force account
   - Periodic maintenance of Koya – Bondo road (27.6Kms) – physical progress at 46%

c. Using contractors:
   - Completion of Enyau bridge on Katrini – Aroi road
   - Periodic maintenance of Arua – Ocoko (8.5Kms) – Progress at 76.4%, Muni – Oluko (6.0 Km) – Progress at 46.2%, and Arivu – Ajia (6.3 Kms) – Progress at 67.2%. Works had stalled and contractor not on site.

The monitoring team visited all the works in b) and c) above, where the following was observed: on Koya – Bondo road, road shaping had been completed but gravelling and culvert installation were yet to commence. There were no on-going works on site and some sections had overgrown grass. Enyau Bridge had been substantially completed though it encompassed works rolled over from several years back. On Arua – Ocoko, Arivu – Ajia, and Muni – Oluko roads, it was observed that the contractor had completed shaping of the roads (done in FY 2007/08) and had installed a few culverts and delivered others on site. The roads had already deteriorated with Muni – Oloko in poor condition and with impassable sections. It was observed that the contractor for these works had abandoned site yet a correlation of payments to the contractor and the works on site revealed over payment to the contractor, which is highly suspicious.

Implementation challenges in the district included: inconsistent manner of release of funds which constrained planning and level of commitment; low funding for the maintenance programme over a prolonged time leading to a huge un-maintainable portion of the road network (32.8%), and a huge fraction of earth roads (roads with no gravel – 90.8%); old equipment with extensive breakdowns; and increasing cost of construction materials like gravel and diesel.

B) Field findings: Gulu District

The district has a total road network of 559.6Kms of which 48 Kms is earmarked for upgrading to national roads status under UNRA starting FY 2009/10. This FY the district has a total budget of **Ushs1.548 billion** for maintenance of the road network broken down as 288million (31.5%) under PAF, 1.26 billion (68.5%) under DANIDA support to RRP and CAR, and 80million under LGDP. Planned activities during the FY included routine maintenance of the 450Kms; rehabilitation of 108Kms; rehabilitation of Lawrodo Bridge on Pageya – Atoo – Omel road using the LGDP funds; low cost sealing of 5 Km; and structural / road bottlenecks on 4 community access roads.

At the time of the monitoring field visit, the district had received 608.9 million (39.3 % of annual budget), of which 376.3million (61.8% of releases received) had been spent. Works done included:

a. Manual routine maintenance on 450Kms – 3 of the 8 planned cycles had been completed;
b. Using Labour based contractors:
    - Rehabilitation of Unyama-Pageya road (4.2Kms) – Physical Progress at 5%;
    - Rehabilitation of Opit-Awoo Section I (7.0Kms) – Physical Progress at 2%;
    - Rehabilitation of Opit-Awoo section II (7.2Kms) – Physical Progress at 50%;
    - Rehabilitation of Abera-Awach section I and II (19.0Kms) – Commenced inFY2007/08 under RSPS 2, physical progress was at 100%;
    - Rehabilitation of Lugore-Adere (20 Kms)
    - Rehabilitation of Lalemu-Pugunyi (7 Kms)
    - Rehabilitation of Larwodo Bridge.

The monitoring team visited Larwodo bridge and observed that the construction of the bridge, which had spanned more than 4 financial years was at substantial completion level with only installation of guardrails outstanding. The team also visited Abera – Awach (19.0Km) where they observed that works had been substantially completed; Unyama – Pageya (4.2Km) where works had just commenced with bush clearing at 80%; and Opit – Awoo (14.2Km) where works were contracted out in two sections. Works in Section A of Opit – Awoo road had just commenced with bush clearing at 19%, while in Section B, bush clearing and road shaping had been completed, but gravelling and culvert installation were yet to commence.

Implementation challenges included: delays in procurement due to internal delays in approval of procurement plans; Lengthy procurement procedures which further delayed the commencement of planned activities; increasing labour based maintenance unit costs which had increased from Ushs 50,000 to 100,000 per Kms per month; and over loaded trucks on some of the district roads connecting to Southern Sudan, which increase the maintenance requirement on the roads against a constrained budget.

C) Field findings: Hoima District

The district has a total road network of 788Kms of which 218Kms is earmarked for upgrading to national roads status under UNRA starting FY 2009/10. This FY the district has a total budget of 357.5 million for maintenance of the road network under PAF, and 52.0 million from LGDP. Planned works during the FY included routine maintenance of 435Kms, periodic maintenance of 32.4Kms, rehabilitation of 4.7Kms, and repair of 7no structural bottlenecks. The district contracted out all the works implemented during the FY.

At the time of the monitoring field visit, the district had received 298.0 million (83.4% of annual budget), of which 293.5 million (98.5% of releases received) had been spent. Works done included:

a. Using Petty Contractors:
   - Manual routine maintenance on 435 Kms – 2 cycles completed out of the 4 planned.

b. Using Contractors
   - Periodic maintenance of Ruguse – Bujugu road (7.0Kms) – Completed
   - Periodic maintenance of Bombo – Buseruka road (10.1Kms) – Completed
   - Periodic maintenance of Kitoba – Kyabasengya road (8.0Kms) – on-going
   - Rehabilitation of Kiduma – Karongo road (4.7Kms) – Completed
   - Structural bottlenecks repair on 3 roads – on-going on 2 roads and complete on the other.

Picture shows a completed section on Kitoba – Kyabasengya road, Hoima district

The monitoring team visited Ruguse – Bujugu, Bombo – Buseruka, Kitoba – Kyabasengya, and Kiduma – Karongo roads. The team observed that works on Ruguse – Bujugu, Bombo – Buseruka, and Kitoba – Kyabasengya roads were substantially complete but with defects like broken culverts on Bombo – Buseruka road. It was also observed that the roads had over grown shoulders yet were not planned for routine maintenance. On Kitoba – Kyabasengya road, shaping and gravelling of a few sections had been done. Outstanding works included culvert installation and gravelling of 2Kms.

Implementation challenges in the district included: supervision transport constraints within the department; and low capacity of the contractors with respect to equipment and financial base.

D) Field findings: Lira District

The district has a total road network of 541.4 Kms. This FY the district had a total budget of UShs1.843 billion for maintenance of the road network broken down as 581 million (31.5%) under PAF, 1.262 billion (68.5%) under DANIDA support to RRP and CAR. Planned activities during the FY included routine maintenance of 341Kms, periodic maintenance of 14.5Kms, rehabilitation of 56.6Kms, and construction of Orit bridge. The district used contractors in the implementation of the works.

At the time of the monitoring field visit, the district had received a total of 737.4 Million (40% of the annual budget) of which 647.7 Million (87.9% of the releases received) had been spent. Works done included:

a. Using Petty Contractors:
   - Manual routine maintenance of 341Kms- 4th cycle maintenance had commenced at the time of the field visit;

b. Periodic maintenance of Bororo-Abako road (14.5Kms) – physical progress at 40%;

c. Using Labour based contractors:
   - Rehabilitation of Barr-Apach boader road (26.4Kms) – Physical Progress at 68%;
   - Rehabilitation of Ngetta-Apach Br (4.1Kms) – Physical Progress at 85%;
   - Rehabilitation of Bororo-Soroti Road (8.1Kms) – Physical Progress at 50%;
   - Rehabilitation of Abako-Amuria (18Kms) – Physical Progress at 68%;

Picture shows re-gravelling of Barr – Apach Br road by labour based contractors in Lira district

The monitoring team visited Ngetta – Apac boarder road (4.1Kms) and Barr – Apac boarder road (26.4Kms), on which the team observed that works were on-going with shaping of the roads complete and culvert installation and gravelling in progress. The team also visited Boroboro – Abako (14.5Kms) and Boroboro – Soroti (8.1Kms) and observed that only shaping of the roads was in progress. The team observed that slow release of funds from Danida was constraining timely payment for works and hence the physical progress of works.

Implementation challenges in the district included: slow release of Danida funds, which comprised the biggest part of their annual budget; understaffing of the road unit as a result of creation of new district; and old road construction equipment which have high maintenance costs.

E) Field findings: Masindi District

The district has a total road network of 818.5Kms of which 150Kms is earmarked for upgrading to national roads status under UNRA starting FY 2009/10. This FY the district has a total budget of 543.5 million for maintenance of the road network under PAF, and 75 million under LGDP. Planned works during the FY included routine maintenance of 781Kms, periodic maintenance of 44.7Kms, and rehabilitation of 44.4Kms. All works done outside routine maintenance were implemented using force account despite absence of a waiver from PPDA.

Information on the financial performance of the programme was deliberately withheld from the monitoring team for unclear reasons but the team noted that the district did not implement most of the planned activities and instead chose to undertake emergency works on roads outside the work plans using force account. Works done included:

a. Using Petty Contractors:
   - Manual routine maintenance on 781 Kms – 4 cycles completed out of 6 cycles planned.

b. Using force account
   - Emergency repairs on the following roads (which were not in the annual work plans):
     - Kyatiri – Kitwetwe (5.7Kms)
     - Kisindi – Kihonda (6.4Kms)
     - Kyatiri – Kitanyata (11Kms)
   - Periodic Maintenance of Kigumba – Apondorwa – Mboira road (22.7Kms)

The monitoring team visited Katwikire – Mutunda road, Kigumba – Apondorwa – Mboira road, Kisindi – Kihonda road, Kyatiri – Kitanyata road, and a few selected roads where the manual routine maintenance was reported to have been done. The team observed that bush clearing and road shaping had been done on the roads under the emergency repairs above, but no drainage works had been done and no gravel had been put on the roads. The roads need urgent attention with regard to drainage and bush clearing of the shoulders which were already over grown with grass. On Kigumba – Mboira road, the team observed that only 8Kms of the road had been shaped and works had stalled pending repair of the district equipment expected in July 2009.

Implementation challenges in the district included: planning challenges leading to scenarios where implemented works are different from planned works; old equipment with extensive breakdowns coupled with low capacity of the regional workshop in Jinja to repair equipment on time; low staffing difficulties coupled with unrealistic recruitment requirements which have crippled the department; and heavy trucks within Kinyara Sugar works area combined with spillages from the trucks, which accelerate deterioration of the roads.

Picture shows a section of Pakanyi – Nyakarongo road in Masindi district where routine maintenance was done

F) Field findings: Mukono District

The district has a total road network of 820Kms of which 60Kms is earmarked for upgrading to national roads status under UNRA starting FY 2009/10. This FY the district had a total budget of Ushs 665.7 million for maintenance of the road network under PAF, and Ushs 76 million under LGDP. Planned activities during the FY included routine maintenance of 447Kms, periodic maintenance of 41.4Kms under PAF and 10Km under LGDP. The district used force account for emergency repairs done under routine maintenance but otherwise used contractors in the implementation of the works.

At the time of the monitoring field visit, the district had received Ushs 658.4 million (98.9% of annual budget), of which Ushs 430.1million (65.3% of releases received) had been spent. Works done included:

a. Using Petty Contractors:
   - Manual routine maintenance on 447 Kms – 1 cycle/others 2 cycles out of 3 planned.

b. Using contractors:
   - Periodic maintenance of Bugereka – Kasawo road (19Kms) – 1 section complete, 2nd section was on-going;
   - Periodic maintenance of Kirowoza - Namanve road (7Kms) – on-going
   - Periodic maintenance of Lubugumu - Bugigi road (10.5Kms) – 1 section on-going, 2nd section was still under procurement;
   - Periodic maintenance of Wakisi - Naminya road (5.4Kms)– Contractor deserted the works

The monitoring team visited Kirowoza – Namanve road – on which it was observed that road shaping was done on the entire road but without compaction, the road still had some impassable sections; Bugereka – Kasowo road – where it was observed that only road shaping had been done but with no compaction, the road also had overgrown shoulders; Lubugumu – Bugigi road where it was also observed that only road shaping had been done but with no compaction and therefore the road was too dusty and certainly not passable in wet conditions, the contractor was not on site, though a gravel stock pile supposedly to be used on the road was seen. The team also visited 3 roads reported to have been worked on under routine maintenance: Kiwanga –Sonde (done in collabouration with Aggreko), Nakiyanja – Kiyunga, and Kwaba – Kyabakadde. The team observed that only sections of the roads had been shaped but Nakiyanja – Kiyunga generally remained in a poor condition.

Implementation challenges in the district included: apparent accountability issues leading to substandard works on all the roads visited; poor management of the procurement process leading to situations where only sections of some roads are contracted out with the remaining sections still under procurement at the end of the FY; and heavy traffic of trucks with construction materials on some of

Picture shows a section of Lubugumu – Bugigi road in Mukono district where periodic maintenance was done

the district roads, which leads to accelerated deterioration of the roads.

G) Field findings: Nebbi District

The district has a total road network of 580Kms of which 101Kms is earmarked for upgrading to national roads status under UNRA starting FY 2009/10. This FY the district has a total budget of Ushs 475.4 million for maintenance of the road network under PAF as the only source of funding. Planned works during the FY included routine maintenance of 578.1Km, and road/structural bottlenecks on 14 roads. The district used force account for repair of the road/structural bottlenecks despite absence of a waiver from PPDA.

At the time of the monitoring field visit, the district had received Ushs 460.7 million (96.9% of annual budget), of which Ushs 392.2 million (85.1% of releases received) had been spent. Works done included:

a. Using Petty Contractors:
   - Manual routine maintenance on 578.1 Kms – 6^{th} maintenance cycle was on-going.

b. Using Force Account:
   - Road/ Structural bottlenecks repair on the following 14 roads: Goli – Paidha – Arua Border, Zombo – Zeu, Zeu – Warr, Zeu – Lorr – Ulu, Omoyo – Gamba, Nyaravur – Parombo, Parombo – Akwor – Panyimur, Erussi – Parombo, Acwera – Erussi, Akaba – Kucwiny – Pokwero, Ayila – Oweko – Erussi, Agwok – Wadelai, Pakadha – Konga – Akwanji, Parombo – Alwi – Panyango, Paidha – Otheko – Offaka, and Nebbi – Goli – Kei.

The monitoring team visited Agwok – Wadelai road where it was observed that road shaping was still on-going with progress at 65%; Panyamur – Parombo, Parombo – Erussi, Erussi – Acwera and Akaba – Kucwiny – Pokwero roads, where the sections worked on and the routinely maintained sections were seen. It was however observed that the option of de-fragmenting funds to as many roads had serious technical weaknesses because on the ground it was difficult to appreciate the impact of the intervention. The option also has issues of difficulties in accountability and unnecessary losses on the movement of equipment.

Implementation challenges in the district included: low staffing levels within the department; low levels of funding for adequate maintenance of the network which also has huge bridge construction needs; old road construction equipment with extensive breakdowns and high maintenance needs; and inconsistent manner of release of funds which constrained planning and level of commitment.

H) Field findings: Wakiso District

The district has a total road network of 611Kms of which 110Kms is earmarked for upgrading to national roads status under UNRA starting FY 2009/10. This FY the district had a total budget of Ushs 843.6 million for maintenance of the road network under PAF, and Ushs 142 million under LGDP. Planned works during the FY included routine maintenance of 270Kms, rehabilitation of 26.6Kms, periodic maintenance of 68.3Km, and repair of bottlenecks on 1 road. The district used force account for the periodic maintenance works and contracted out rehabilitation and routine maintenance works.

At the time of the monitoring field visit, the district had received 799.6 million (94.8% of annual budget), of which 727.9 million (91.0% of releases received) had been spent. Works done included:

a. Using Petty Contractors:
   - Manual routine maintenance on 270 Kms – 5 cycles completed out of 6 planned.

b. Using force account
   - Periodic maintenance of Buloba - Bukasa road (4.8Kms)
   - Periodic maintenance of Kisindye – Mabamba road (9.0Kms) – LGDP funds, completed
   - Periodic Maintenance of Maya – Bulwanyi road (5.7 Kms) - Completed
   - Repair of bottlenecks on Star – Bunamwaya road – was still in progress

c. Using contractors:
   - Rehabilitation of Kitandase – Kiwebwa road (8.4Kms) – Completed
   - Rehabilitation of Gobero – Magogo – Mwera road (12.5Kms) – Completed
   - Emergency repair of Namagoma – Mangya (4Km) and Lutisi – Bembe – Kiguggu (14Km) roads – MoWT funds under PAF3

The monitoring team visited Kitanda – Kiwebwa road – where it was observed that the works were substantially complete with the road in good condition; Gobero – Mwera road – where it was observed that the other works had been substantially completed but several culverts required more backfill; Lutisi – Kiguggu road – where it was observed that road shaping was completed, gravelling was in progress but installation of culverts was yet to commence; and Buloba – Bukasa road – where it was observed that road shaping had been completed but culverts needed to be installed in 2 areas in a swamp to remove potential bottlenecks. Other roads planned to be maintained were however not worked on reportedly due to changed priorities and funding limitations.

Implementation challenges in the district included: inconsistent manner of release of funds which constrained planning and level of commitment; low funding for the maintenance programme over a prolonged time leading to a huge un-maintainable portion of the road network (33%); relatively expensive labour and high traffic on some roads due to the rapid urbanization of the district which increase the cost of maintenance of the roads; and issues of right of way on several roads without gazetted road reserves, which impede the construction of drainage facilities on the roads.

Picture shows on-going gravel works on an un-compacted section of Rutisi – Kigogo road in Wakiso district

3.6.6:Interconnectivity Roads Improvement Programme

The programme entails the rehabilitation of 248Kms of gravel roads in Central Western Uganda; improvement of 67Kms of gravel road links in Kampala, Entebbe & Luwero; improvement of 189Kms of gravel roads in Teso and Karamoja regions; maintenance of 56Kms gravel road links in the districts of Northern Uganda; and improvement of 67Kms of gravel road links in the districts of South Western Uganda. In FY 2008/09, this programme which is supervised directly by MoWT had a total budget allocation of Ushs 7.94 billion of which Ushs 4.86 billion (61.2%) was released, and all of which (100.0%) had been spent at end of June 2009 as per the IFMS data. Roads planned to be worked on and their respective statuses of implementation are as shown in the Table 3.6.6 below:

Table 3.6.6: Interconnectivity Roads Improvement Programme: Planned Activities and Status of Implementation

No.	Road Name	Length (Km)	Cost	Physical progress	Financial Progress at end of June 2009	Remarks
1.0	Mubende - Kaweeri Coffee Factory Access	10.7	250,520,520	100%	100%	Works completed
2.0	Bukomero – Kakinzi - Kayera-Kyankwanzi Road	76.0	2,484,845,500	0%	0%	Award awaiting review by PPDA
3.0	Kakiri – Masulita – Kangave - Mawale Road	23.0	638,511,500	25%	0%	Works behind schedule
4.0	Gobero – Kyengeza – Sseganga – Lugungudde - Kakonda, Kigyaguza – Kakonda – Namuyamba and Kikumbampanga – Lutabiyima – Sseganga Roads	40.0	1,232,276,540	60%	39.2%	Works on schedule
5.0	Namayumba – Kitalya - Mityana Road	19.0	813,780,000	20%	14.1%	Works on schedule
6.0	Kitenga – Kannyogoga – Ikula - Busoba Road	45.0	1,318,002,702	40%	42.8%	Works on schedule
7.0	Bunga - Buziga & Munyonyo - Buziga Access Roads	12.0	322,371,062	60%	0%	Works behind schedule
8.0	Access roads for the Ntungamo Pearl Flower Project	10.0	309,465,800	100%	54.4%	Works substantially completed
9.0	Kabaale – Maligo - Kyatwa and Kyekahindo - Kibito	7.8	86,000,000	100%	100%	Works completed – by force account
10.0	Access road to Nsamizi radar site	1.6	900,000,000	0%	0%	Works to begin in July 2009
11.0	Parade grounds and driveways at Nali	1.6	366,370,875	0%	0%	Works to begin in July 2009 by Force Account
REGION: CENTRAL						
12.0	Kigavu – Balita (9.5Kms), Kasala – Kikunyu (6.8Kms), Luwube – Dhekabusa (9.3Kms), Nakazi - Presidents lodge (0.7Kms).	26.3	377,663,000	50%	46.5%	Works ahead of schedule
	Bishop Brown - St Regina – Ntenjeru Parish(3Kms), Kanjuki - Kyanya (8Kms) & Wampologoma -Kasana (2.7Kms)	16.0				
	Kansanga - Muyenga quarry (2.5Kms) , Bunga – Kawuku (2.7Kms) & Muyenga – Namuwongo (2.8Kms)	8.0				
13.0	Lwanabatya - Kibanga	22.0	452,780,000	10%	0%	Works behind schedule
REGION: EASTERN						

No.	Road Name	Length (Km)	Cost	Physical progress	Financial Progress at end of June 2009	Remarks
14.0	Kaluba – Wandawa - Bugoto	42.0	200,921,000	10%	20%	Works behind schedule
15.0	Kamod – Owii (8Km), Kidetok – Agule (8Kms), Kadungulu – Iruko (8Kms) & Abulabula – Ajuba (3.8Kms)	27.8	354,890,000	0%	20%	Works behind schedule
	Atutur-Kojie (5Kms), Ongino - Akum school (4Kms), Nyero – Checkickec (4Kms), Ariet – Kabwele (4Kms), Kumi – Kabata School (4Kms), Omusikiti – Onyakelo (5Kms) & Kumi hospital – Oseera (4Kms)	31.5				
16.0	Miwu – Mabala (6Kms), Kado – Muyembe (4Km), Muyembe – Makerere (8Kms), Nandere – Buwagama (4Km), Simu – Namwene (3Kms)	25.0	388,963,000	0%	0%	Works behind schedule
	Kufu – Bukhaweka – Nambola – Magale – Bumbo - Sikhana	25.0				
	Lwabola – Wokukiri – Nagarima (4Kms) & Wambewo - Khamoto	15.0				
17.0	Njenjwe (4.6Kms), Nkondo Pr. Sch – Kiwala (2.7Kms), Iringa – Katogwe (5.3Kms), Kidera T.C – Miseru (7.0Kms), Nkondo landing site	26.0	203,765,000	5%	0%	Works behind schedule
	Kyabazinga	25.0				
18.0	Mazuba – Ivukula - Kaliro	25.0	267,738,000	5%	0%	Works behind schedule
	Budambuyala – Naigobya (10Kms) & Namulanda – Busala (10.8Kms)	20.8				
	Namukanga – Bukuwa (4.6Kms) & Nawandala - Busla	14.4				
REGION :NORTHERN						
19.0	Loro Corner (6Kms), Iyanya - Amido (5Km), Wewiawe - Barlongo (8Kms), Te Opobo - Apece (6Km) & Olam (3Kms) Roads	20.0	291,672,308	0%	0%	Works behind schedule
REGION :WESTERN						
20.0	Nyanga - Kitanjojo swamp crossing (14Kms) & Ntantamukye – Kaweema (1.0Km)	15.0	350,000,000	0%	0%	Works to commemnce July 2009
21.0	Rwakimrimira – Kitoma (12Kms)	12.0	104,705,285	0%	0%	Under procurement
22.0	Nyakisenyi – Nyamuganda (10Kms)	10.0	91,120,405	0%	0%	Under procurement
23.0	Bugarama – Kembeho (6Kms), Kembanda – Kiganda – Kambungu (6Kms)	12.0	108,608,405	0%	0%	Under procurement
24.0	Kaguhu - Buhozi	18.0	127,867,003	0%	0%	Under procurement
REGION :NORTHERN						
25.0	Keri – Lima & Lurujo – Nyorcaku – Lobule roads	28.0	130,332,744	0%	0%	Under procurement
REGION :EASTERN						
26.0	Hasahya – Kaiti - Nahamya and Wampologoma – Nuhulu – Mawanga – Nabiganda	25.0	189,585,036	0%	0%	Under procurement
27.0	Aminang – Chepkwasta – Kiretey	20.0	120,367,357	0%	0%	Under procurement
28.0	Rengen – Nkwakwa via Lupuyo – Kacheri	25.0	133,789,290	0%	0%	Under procurement

No.	Road Name	Length (Km)	Cost	Physical progress	Financial Progress at end of June 2009	Remarks
29.0	Katakwi – Aliakamer (7Km), Ocorimongin – Orungo (14Kms), & Akoboi – Abwanget (7Kms)	28.0	120,723,750	0%	0%	Under procurement
30.0	Atiira – Asuret (8.7Kms) & Asuret – Gweri (16.5Kms)	25.2	120,723,750	0%	0%	Under procurement
	Grand Total	781.5	12,858,359,832		1,952,766,768 (15.2% Progress)	

Source: Ministry of Works and Transport

At the time of monitoring, done at the end of June 2009, the programme had a commitment level of Ushs 12.9 billion (148.3% of FY 2008/09 budget) grouped in 30 packages, 11 of which were still under procurement, and 2 of which were implemented under force account. Works payments certified and paid to contractors was totalling to Ushs 1.95 billion (40.1% of releases) contrary to payments that the Ministry reported in their 3rd quarter report (Ushs 3.7 billion) and also contrary to IFMS data which showed payments under the programme was at Ushs 4.86 billion, indicating payments for items outside the programme.

The team visited the roads in the four contracts below from where the following respective observations were made:

1. Kakiri – Masulita – Kangave – Mawale road (23Kms) Contractor: M/s Spider Contractors Ltd	The road had been reshaped to completion, swamp filling of a 1Km section, and drainage works in the swamp. Only excavation of gravel was in progress. Contractor scaled down works on site due to cash flow problems. Progress was estimated at 25% against 50% time progress, and 0% financial progress.
2. Gobero – Kyengeza – Sseganga – Lugungudde - Kakonda, Kigyaguzo – Kakonda – Namayumba and Kikubampanga – Lutabiyima – Sseganga Roads (40Kms) Contractor: M/s Kenvin Co. Ltd	Completed works included opening up of 20Kms of new road sections, swamp filling and drainage works of 50ms river crossing, shaping and gravelling of all the roads. Culvert installation and other drainage works were in progress. However s**ome sections** gravelled had visible defects that need to be corrected. Progress was estimated at 80%, against 60% time progress, and 39.2% financial progress.
3. Namayumba – Kitalya – Mityana Road (19 Kms) Contractor: M/s Pekessa Enterprises	The road had been cleared and shaped to completion, and culvert installation had also been completed. On-going works included construction of culvert end structures and gravel excavation. Several headwalls constructed were however defective and thinner than specified. Progress was estimated at 20% against 40% time progress and 14.1% financial progress.
4. Kitenga – Kannyogoga – Ikula - Busoba Road (45 Kms) Contractor: M/s BCR General Enterprises	The road had been cleared and shaped to completion, and culvert installation and gravel excavation were in progress. Shaping of the road was defective and most of the culverts were not properly installed. Progress was estimated at 25% against 50% time progress and 42.8% financial progress.

The team noted that there was a discrepancy between funds paid to the contractors and funds paid under the project (IFMS data). Consultation with MoWT revealed that other payments made under the programme include procurement of road construction materials (culverts and guardrails), allowances to ministry staff supervising the works, cost of procurement adverts, and inside lending of Ushs 1.1 billion paid to contractors on CHOGM projects.

Implementation challenges identified included:

- Lengthy procurement processes coupled with delays in commencement of the processes (started in October 2008), which in turn caused delays in commencement of planned activities.
- The planned maintenance of 799Kms turned out to be too ambitious to be delivered within the budget allocations upon tendering of the works, leading to scaling down of the scope of works on some roads.
- The Ministry was having difficulties maintaining technical personnel upcountry, with their limited work force and hence resorting to use of the respective district technical officers for cover up.


Pictures show a wrongly installed culvert on Kanyogoga – Kitenga road and on-going headwall construction on Namayumba – Kitalya – Mityana road

3.7 WATER AND SANITATION

3.7.1. Introduction

Throughout FY08/09 financial and physical performance has been monitored for the Vote Functions Rural Water Supply and Sanitation (RWSS), Urban Water Supply and Sanitation (UWSS) and Water for Production (WFP), which accounts for 65% of the sector's budget[21]. During Q4, monitoring focused on implementation of the District Water and Sanitation Conditional Grant (DWSCG) in twelve districts and five centralised projects managed by the Directorate of Water Development (DWD). The districts monitored for progress under the DWSCG included Gulu, Kitgum, Apac, Abim, Nebbi, Mubende, Kamuli, Mayuge, Bugiri, Isingiro, Kisoro and Kiruhura. The UWSS projects monitored included 'Rural Towns Water Supply and Sanitation,' 'Energy for Rural Transformation – Water Component,' 'Support to Small Towns Water Supply and Sanitation' and 'Support to Gulu Town Water Supply and Sewerage.' For WFP progress in the completion of two dams and three valley tanks was monitored.

Financial performance was monitored by using IFMS data for centralised projects to analyse the absorption rate and whether funds for development projects were being used for high or low priority areas to assess operational efficiency (detailed financial analysis is examined under 2.1.7). High priority expenditure is defined as 'building and other structures,' as this reflects investment in capital outputs. Low priority expenditures are those which are recurrent in nature, including: allowances, workshops and seminars, travel inland, fuel and vehicle maintenance. Whilst these recurrent expenditures are required in all development projects, their composition should not exceed more than 10% of the total budget. For the DWSCG, data on financial performance was taken from the Q3 progress reports submitted by districts to the Ministry of Water and Environment (MWE) with a copy to MFPED.

Physical performance was monitored by assessing progress in the completion of outputs which had been planned and budgeted for at the start of FY08/09. For centralised projects the Q3 Progress Report ('Performance Form A') which is submitted by MWE on a quarterly basis was used for monitoring. For the DWSCG the Q3 progress reports were used.

Criteria for sampling projects and districts to monitor

- Expected physical progress in Q4 for both centralised projects and the DWSCG according to the Q3 progress report and Q4 work plans.

- There were two criteria for selecting districts to monitor the DWSCG. Firstly, districts with safe water coverage at 40% or below were sampled to assess implementation in these underserved areas. These include Mubende, Mayuge, Bugiri, Abim, Isingiro, Kisoro and Kiruhura districts[22]. Secondly, a sample of Peace Recovery and Development Plan (PRDP) districts were monitored, to assess how funds had been used in the current financial year,

[21] National Budget Framework Paper FY09/10-FY13/14, Ministry of Finance, Planning and Economic Development, pg. 178
[22] Water and Environment Sector Performance Report 2008, Ministry of Water and Environment, pp. 153-5

given that funding will be scaled up in FY09/10. These districts include Gulu, Kitgum, Apac, Abim and Nebbi.

- Follow-up visits for projects and districts monitored during previous quarters. Priority was given to areas where remediable challenges had been identified during previous monitoring visits to assess whether progress had been made. For the DWSCG follow up visits were made in four districts including Kamuli, Apac, Kitgum and Abim.

3.7.2. Rural Water Supply and Sanitation (RWSS) Vote Function

Overall, RWSS receives 35% of the sector budget[23]. 85% of resources are decentralised through the DWSCG, where funds are channelled directly from MFPED to the districts on a monthly or quarterly basis, provided that satisfactory progress reports have been received and approved by MWE and MFPED. By the end of May 2009, districts had received more than 70% of the the approved budget .

With the exception of Apac and Kitgum, the other districts monitored reported the same financial information as that held at MFPED. Eleven of the twelve districts sampled stated that they relied on the national press for accurate information on releases made under the conditional grant[24]. This was used to cross-check release information supplied by the Chief Financial Officer and verified against bank statements. A general comment made by District Water Officers is that the timeliness of releases had improved, although budget cuts were suffered
.
All districts monitored had started to construct physical outputs. The greatest challenge to timely service delivery was procurement, which had delayed works for nine of the twelve districts sampled. Of the remaining three districts, two had not followed the procurement regulations and one had started the process early. Other cross-cutting challenges in priority order include increasing unit costs, ineffective Community Based Maintenance System contributing to low functionality, low groundwater potential, understaffing, lack of NGO coordination leading to duplication of construction particularly in the PRDP districts and political interference.

(a) Sampled Peace Recovery and Development Plan (PRDP) Districts Monitored

(i) Gulu district

Financial performance

The FY08/09 budget was 405,313,970 Ush. Up to May 2009, 393,574,000 Ush was released, representing 97% of the approved annual budget. Up to the end of Q3, 38% of released funds were absorbed.

[23] National Budget Framework Paper FY09/10-FY13/14, Ministry of Finance, Planning and Economic Development, pg. 178
[24] The exception is Kiruhura district which reported disparities between official communication from MFPED and information in the national press

Physical performance

Table 3.7.1: Status on Capital Outputs and Expenditure in Gulu district

Output	Annual Planned Output	Outputs Completed (May 09)	Cumulative Expenditure to Q3 End	Comments on progress
Shallow well construction-Motorized drilled	6	5	0	These need to be fenced and protected. The remaining shallow well will be drilled in Q4.
Deep borehole drilling-Hand pump	8	4	70,584,500	These need to be fenced and protected. 2 were drilled in FY07/08 and the payment was rolled over.
Permanent Wells	2	2	6,934,800	Payment for one of the permanent wells was rolled over from FY07/08.
Shallow well construction-Hand dug	4	4	0	Constructed but needs to be fenced and protected.

Source: Gulu District DWSCG Q3 Progress Report and Field Findings

Key challenges in implementation:

- The district water office is understaffed. The Acting DWO is the only permanent staff and there are no contract staff members.
- Construction was delayed by procurement, due to the late submissions of work plans by all departments as the procurement unit advertises for all contracts at once.
- Political interference at the lower level has influenced the location of new water points. For example, in Wigweng Village, Tegot Parish in Lakwana Sub County the community proposed a site for a new water point, where signatory approval was required by the LCI, who subsequently changed the location to serve his interests. This prompted the community to write a letter of complaint to the DWO.

(ii) Kitgum district

Financial performance

The FY08/09 budget was 810,024,830 Ush. Up to May 2009, 601,847,000 Ush was released, representing 74% of the budget. The total release up to the end of Q3 was 392,427,000 Ush, although the district reportedly received 394,149,812 Ush and was unable to explain the disparity in records. Up to the end of Q3, 35% of funds released were absorbed.

Physical performance

Table 3.7.2: Status on Capital Outputs and Expenditure in Kitgum district

Output	Annual Planned Output	Outputs Completed (May 09)	Cumulative Expenditure to Q3 End	Comments on progress
Deep borehole drilling –Hand pump	30 (27 under DWSCG and 3 under LGDP)	17	122,480,662	Attempts have been made to drill all 30 boreholes. So far 17 have been successful, 3 were unsuccessful and installation is remaining for 10 boreholes.
Assessment of Shallow well potential	8	22	6,000,000	Of the 22 sites assessed, 16 have shown potential and have been handed over to NGOs for drilling.
Construction of Public Latrines in RGCs	3	2	0	1 latrine is remaining and payments are outstanding.
Construction of ECOSAN	1	1	0	Payment is outstanding.
Rehabilitation of ECOSAN latrine	1	1		Construction was rolled from FY07/08 and payment is in process.
Sanitation Tools	1	0	0	No contractor has responded to the advertisements.

Source: Kitgum District DWSCG Q3 Progress Report and Field Findings

Key challenges in implementation:

- Procurement has caused delays as the responsible unit meets irregularly.
- Low groundwater potential in Kitgum means that more expensive technology options such as boreholes instead of springs or shallow wells are the most viable, thus increasing the per capita investment cost.
- Political interference in the allocation of boreholes has led to two proposed sites being changed in FY08/09.
- Poor contracting had a case in FY07/08 of a "briefcase contractor" who was awarded a contract to drill boreholes, but disappeared after receiving an advance payment. The funds have not been recovered to date.

Rehabilitation of ECOSAN with no access for people with disabilities, Amida SC, Kitgum

Citing done for borehole Kapo Village Abim Sc, Abim

Box 3.9: The Challenge of Water Service Delivery in Peace Recovery and Development Plan Districts

As the population resettles away from the Internally Displaced Peoples camps many of the existing and functioning boreholes and piped water supply systems have been left redundant. There is an overwhelming need to construct water points in return areas, where in some instances communities are choosing to settle close to a newly constructed water point. In certain districts there is an over-reliance on development agencies to meet the water and sanitation needs of this population. For example, during the recent Hepatitis E outbreak in Kitgum, the district used the DWSCG to cover eleven sub counties and had to rely on NGOs to attend to the remaining eight. This approach is unsustainable given that many agencies are pulling out as the emergency situation improves. It is therefore imperative that as FY09/10 approaches, districts develop strategies to utilise additional PRDP funds to prioritise the needs of the return population. In particular, these districts must make efforts to start the procurement process early, since this was stated as the biggest constraint across all the PRDP districts sampled.

(iii) Apac district

Financial performance

The FY08/09 budget is 810,024,830 Ush. Up to May 2009, 786,563,000 Ush was released, representing 97% of the approved annual budget. According to MFPED records, the total Q3 release was 184,716,000 Ush but the DWSCG Q3 report states 183,716,000 Ush was received. Likewise, MFPED data shows that 209,420,000 Ush was released in April but the DWO states that only 180,000,000 Ush was received. Up to the end of Q3 only 36% of funds released were absorbed.

Physical performance

Table 3.7.3: Status on Capital Outputs and Expenditure in Apac district

Output	Annual Planned Output	Outputs Completed (May 09)	Cumulative Expenditure to Q3 End	Comments on progress
Medium Spring protection	5	5	12,217,000	These were completed in Q2.
Shallow well construction-Motorised drilled	10	10	18,962,000	All have been completed and paid.
Deep boreholes drilling-Hand pump	25	24	79,816,198	1 borehole failed due to insufficient yield.
Promoting rainwater harvesting	5	5	Request for payment submitted	These have been installed in 5 Primary Schools.
Borehole rehabilitation	15	15	21,489,088	All have been completed and paid.
Construction of Public Latrines in RGCs	5	4	13,823,450	There was a design change to the 5th latrine, causing delays. Only 3 latrines have been paid as the CAO has been unavailable to sign cheques.

Source: Apac District DWSCG Q3 Progress Report and Field Findings

Key successes in implementation:

Apac district attributes the increased number of successful boreholes to using the same contractor for citing, drilling and supervision (where there is no payment for unsuccessful boreholes), as opposed to awarding separate contracts for citing/supervision and drilling. It is generally assumed that using only one contractor increases the unit cost of construction as the price of drilling is increased to account for dry wells that may be encountered and not paid for. However, an analysis of unit costs for hand pump boreholes shows that Apac has relatively lower unit costs at 17,500,000 Ush compared with 20,778,000 Ush in Kitgum and 18,300,000 Ush in Nebbi, which award separate contracts. This suggests that districts should be encouraged to use the same contractor to increase chances of success.

Key challenges in implementation:

- PPDA guidelines were not followed, as contractors are pre-qualified every three years, instead of annually. However, a consequence is that procurement did not cause delays and construction has been ongoing throughout FY08/09.
- Coordination of NGOs has not been effective as budgets and work plans are not shared with the district. NGOs liaise directly with the Sub County Chief, which can lead to duplication in the allocation of water points.

(iv) Abim district

Financial performance

The FY08/09 budget is 762,123,300 Ush. Up to May 2009, 566,255,000 Ush was released, representing 74% of the approved annual budget. Up to the end of Q3, 41% of released funds were spent even though very few planned physical outputs for FY08/09 have been delivered. In FY07/08 the DWO was assured of additional fund that were to be flexed from other grants and therefore planned for more medium springs and boreholes. The additional funds did not come and so payment was rolled over to FY08/09 using the DWSCG.

Physical performance

Table 3.7.4: Status on Capital Outputs and Expenditure in Abim district

Output	Annual Planned Output	Outputs Completed (May 09)	Cumulative Expenditure to Q3 End	Comments on progress
Small spring protection	1	0	0	No works started due to late procurement.
Medium spring protection	2	1	9,000,000	Payment was rolled over for one medium spring and finishing works are required on the second medium spring.
Extra Large Spring protection	1	0	0	Works are ongoing.
Deep boreholes	21	13	124,000,000	The 13 boreholes were done in FY07/08 and the payment was rolled over. The 8 boreholes for

drilling				FY08/09 are under construction.
Small spring protection	1	0	0	No works started due to late procurement.
Design of Piped water system (GFS, Borehole)	1	0		No works started due to late procurement.
Construction of Public Latrines in RGCs	1	0	0	No works started due to late procurement.
Construction of an Ecosan Latrine	1	0	0	No works started due to late procurement.
Training an Ecosan Use	2	0	0	No works started due to late procurement.

Source: Abim District DWSCG Q3 Progress Report and Field Findings

Key success in implementation:

Abim district plans to implement domestic rainwater harvesting and is organising a study tour to Kapchorwa district as this technology has not been used before.

Key challenges in implementation:

- There are severe problems with procurement. As a hard to reach district, it has not been possible to recruit a long-term Procurement Officer for all of FY08/09.
- Rehabilitation of boreholes is hampered by lack of access to spare parts. Currently, district officials need to travel to Lira to access spare parts which also increase costs.
- The District Water Office is understaffed, which limits monitoring of construction.
- Coordination has not been successful amongst all NGOs, as some work directly with the Sub County office. This leads to poor planning and duplication in the allocation of water points.

Box 3.10: The Need to Strengthen the Community Based Maintenance System

The system aims to promote sustainability, where a Water and Sanitation User Committee (WSC) is formed to ensure community members take full responsibility for the operations and maintenance of a water point. Local Governments are only required to pay for major rehabilitation work. However, evidence from *all districts* sampled highlights several reasons for the system being ineffective, which contributes to poor functionality. Firstly, WSCs are generally active during the first year of operation but soon became dormant. Interviews with WSC members showed that follow-up training had not been done even where this was reported as achieved in district reports. This highlights the challenge of misreporting of software activities, which are less tangible and more difficult to monitor. Secondly, community members are apprehensive about how contributions will be managed, especially if the water point is already functioning. And lastly, there is the perception that access to water is a 'public good' which should be provided and maintained by the state. This is often promoted by lower level political leaders to maintain popularity, thus discouraging regular O&M contributions. Given the capacity and resource constraints of Local Government's, the CBMS must be strengthened through improved sensitisation and follow-up training with communities, which should be closely monitored by the Technical Support Units. Enhanced political support for this is also essential and has to be promoted by key district officials, including Resident District Commissioners and higher level political leaders.

(v) Nebbi district

Financial performance

The FY08/09 budget is 437,294,120 Ush. By the end of May 2009, 424,627,000 Ush was released, which represents 97% of the total budget. Up to the end of Q3, 21% of funds released were absorbed.

Physical performance

Table 3.7.5: Status on Capital Outputs and Expenditure in Nebbi district

Output	Annual Planned Output	Outputs Completed (May 09)	Cumulative Expenditure to Q3 End	Comments on progress
Medium spring protection	6	3	690,000	Construction underway and should be complete by end of FY08/09.
Deep boreholes drilling- Hand pump	5	0	0	Procurement ws still ongoing and implementation will be rolled over to FY09/10. (Information in the Q3 progress report is incorrect, as the district was commenting on activities rolled over from FY07/08, where 7 had been planned and 6 achieved).
Latrines in Public places	1	0	0	Procurement was still ongoing; contract was expected to be signed in Q4.
Small spring protection	8	3	0	Target should be achieved by FY08/09 end. Expenditure will be reported in Q4 progress report.

Shallow well construction- Hand dug	6	0	0	Construction had begun. Expenditure was to be reported in Q4 progress report.
Construction of Piped water supply system (GFS)	1	0	0	Works had started although procurement was completed late so this will be rolled over to FY09/10.
Old water source Numbering	200	25	0	Expenditure was to be reported in Q4 progress report.
Borehole Rehabilitation	10	0	0	Construction will be rolled over to FY09/10.

Source: Nebbi District DWSCG Q3 Progress Report and Field Findings

Key challenge in implementation:

Procurement was still ongoing in Q4. Delays are due to the procurement unit waiting for information from all departments so that tendering is done at once, which usually happens late in Q2. Activities from FY07/08 were still being implemented.

(b) Sampled districts with safe water coverage at 40% or below

(i) Mubende district

Financial performance

The FY08/09 budget is 710,024,830 Ush. Up to April 2009, 689,459,000 Ush was released, representing 97% of the budget. Up to the end of Q3, 73% of released funds were absorbed.

Physical performance

Table 3.7.6: Status on Capital Outputs and Expenditure in Mubende district

Output	Annual Planned Output	Outputs Completed (May 09)	Cumulative Expenditure to Mid-May	Comments on progress
Shallow well construction-Hand dug	35	33	109,432,000	Works on two shallow wells are still ongoing and will be paid upon completion.
Deep boreholes drilling (Hand pump)	4	4	62,032,152	Finishing works are required on the boreholes. The full payments have not been made as retention is remaining.
Construction of Valley Tanks	6	5	106,168,859	The 6th valley tank is 80% complete. Payments for 3 valley tanks have been made in full and for the remaining 3 interim payments have been made.
Construction of Piped water supply system (Borehole Pumped)	1	30% complete		An interim payment will be made at the end of May 2009.
Borehole rehabilitation	10	10	27,464,498	
Promoting rainwater harvesting	6	0	0	As this is a new technology for Mubende, the district undertook a study tour in Isingiro. However, the district is still unclear on how to implement rainwater

				harvesting, as Isingiro had audit queries related to procurement. Further guidance has been requested from MWE. The district will use the funds to construct shallow wells, which was supported by documented minutes from the Works Committee Meeting.

Source: Mubende District DWSCG Q3 Progress Report and Field Findings

Key successes in implementation:

- A sanitation by-law was passed, whereby people would be fined if they did not construct a latrine on their premises. This has increased sanitation coverage to 72% in FY07/08 from 61% in FY06/07. The district plans to reach a target of 85% by the end of FY08/09.
- Well planned procurement

Box 3.11: *Procure*ment in Mubende District

Procurement has not led to delayed implementation, as there was adequate planning and follow-up, with administrative support in the district. The procurement plan and pre-qualification was done in Q1 of FY08/09 and in October 2008 bids were awarded. The successes were due to regular interaction with the procurement unit and using recurrent office expenditure from the DWSCG to pay for separate advertisements. This is not the norm in other districts where the procurement unit waits for all departments to submit their procurement plan before contracts are tendered at once.

Key challenge in implementation:

Certain areas in the dry corridor have low groundwater potential and the district has not received groundwater maps to help plan for appropriate technology options.

(ii) Mayuge district

Financial performance

The FY08/09 budget is 710,024,830 Ush. Up to May 2009, 710,024,830 Ush was released and received by the district, representing 100% of the budget. Up to the end of Q3, 55% of funds released were absorbed..

Physical performance

Table 3.7.7: Status on Capital Outputs and Expenditure in Mayuge district

Output	Annual Planned Output	Outputs Completed (May 09)	Cumulative Expenditure to Q3 End	Comments on progress
Small spring protection	42	30	61,819,000	
Shallow well construction- Hand dug	9	9	62,652,461	Construction began in early April 2009 and all have been completed.
Deep borehole drilling hand pump	14	0	0	Initial surveys have been done. Drilling is awaiting approval of the contract by the Solicitor General's Office.
Borehole rehabilitation	8	8	58,189,200	Rehabilitation was completed in Q2.
Construction of 4 stance latrines at RGC	2	0	0	Construction is underway and is around 50% complete.

Source: Mayuge District DWSCG Q3 Progress Report and Field Findings

Key challenge in implementation:

Delays due to inefficiencies in procurement processes. Bids were evaluated in Jan 2009 but awards were only made in April 2009, whereby construction coincided with the rainy season.

Making use of PAF funds for small spring construction, Bugiri district

Construction of a wqter tank in a beneficiary's home, Kamuli district

Successful use of a drying rack in the beneficiary's home (left) as one of the selection criteria for a RWHT, Kamuli district

(iii)Kisoro district

Financial performance

The FY08/09 budget is 710,024,830 Ush. By May 2009, 689,459,000 Ush was released, representing 97% of the approved annual budget. At the end of Q3, 45% of released funds were absorbed.

Physical performance

Table 3.7.8: Status on Capital Outputs and Expenditure in Kisoro district

Output	Annual Planned Output	Outputs Completed (May 09)	Cumulative Expenditure to Q3 End	Comments on progress
Medium spring protection	10	10	12,498,442	7 springs have been paid for and the other 3 are in progress.
PWSS (GFS)	2	1	167,367,086	The PWSS is being constructed in phases as it could not be financed at once. 1 is complete and the second is in Phase II.
Promoting domestic RWHT	78	30	8,454,000	65 RWHTs were in the annual work plan and these were increased to 78.
Construction of Ferro cement school tanks	10	10	10,799,892	9 school tanks were in the annual work plan and these were increased to 10. 7 have been paid for.
Construction of public latrines in RGCs (ECOSANS)	7	7	0	1 was in the annual work plan and this was increased to 7. The ECOSAN monitored was of a good standard.

Source: Kisoro District DWSCG Q3 Progress Report and Field Findings

Key success in implementation:

The number of community contributions had increased for the construction of taps for the gravity flow piped water scheme at 45,000 Ush per tap. This was due to political support and increased community sensitization and mobilization.

Key challenges in implementation:

- There are limited groundwater sources available. Surface water is therefore the more feasible option, which is more expensive because of treatment costs.
- The difficult terrain and inflationary pressures has increased the unit cost of construction.

(iv) Bugiri district

Financial performance

The FY08/09 budget is 710,024,830 Ush. By May 2009 689,459,000 Ush was released, representing 97% of the budget. Up to the end of Q3 62% of funds were utilised.

Physical performance

Table 3.7.9: Status on Capital Outputs and Expenditure in Bugiri district

Output	Annual Planned Output	Outputs Completed (May 09)	Cumulative Expenditure to Q3 End	Comments on progress
Deep borehole drilling (hand pump)	16	7		Casting needs to be completed for 5 boreholes.
Medium spring protection	12	0	0	
Motorised shallow wells	12	4	33,124,140	
Borehole rehabilitation	10	0	0	

Valley Tank construction	1	0	0	This is currently under construction. Excavation is nearly complete.
Public latrine construction ECOSAN	2	0	0	Work plan had 4 latrines, but only two will be complete. Construction works have not started. In one RGC there is an ongoing land dispute and in the second RGC materials are still being transported.

Source: Bugiri district DWSCG Q3 Progress Report and Field Findings

Key challenge in implementation:

Construction works began towards the end of FY08/09 due to delays in procurement procedures.

(v) Kamuli district

Financial performance

The FY08/09 budget is 710,024,830 Ush. By May 2009, 527,546,000 Ush was released, representing 74% of the budget. At the end of Q3, 63% of released funds had been absorbed.

Physical performance

Table 3.7.10: Status on Capital Outputs and Expenditure in Kamuli district

Output	Annual Planned Output	Outputs Completed (May 09)	Cumulative Expenditure to Mid-May	Comments on progress
Shallow well construction-Hand dug	13	13	56,643,857	These were completed in Q2.
Shallow well construction-Motorized drilled	6	6	35,000,000	These were completed in April 2009.
Deep boreholes drilling (Hand pump)	18	18	85,890,544	
Design of piped water system (GFS, Borehole)	1	1	27,502,500	Design was completed in Q2. Construction will be planned in FY09/10.
Construction of Piped water supply system (Borehole Pumped)	1	1	37,486,050	This was completed in May 2009.
Borehole rehabilitation	10	10	31,016,550	This was completed in Q2.
Promoting rainwater harvesting	8	0	17,300,000	Works have been delayed as not all of the beneficiaries have been able to contribute to the costs. The district has procured the materials and the beneficiaries are currently being trained on construction.
Construction of Public Latrines in RGCs	6	3	25,000,000	The 3 latrines constructed are to a good standard. The remaining 3 latrines are nearly finished.

Source: Kamuli District DWSCG Q3 Progress Report and Field Findings

Key challenges in implementation:

- PPDA guidelines were not followed, as contractors are not pre-qualified annually. However, a consequence is that construction has been ongoing in FY08/09.

- Sanitation Committees have not maintained public latrines so this will be tendered out.
- The district water office is understaffed due to delays in recruiting procedures.

Construction of a valley tank; a shallow well will be constructed using the same water source for domestic consumption, Kiruhura

Rehabilitated borehole in use, Wamulongo Primary School, Mayuge

Newly constructed latrine with cracks, Isingiro District HQ

(vi) Isingiro district

Financial performance

The FY08/09 budget is 710,024,830 Ush. By May 2009, 689,459,000 Ush was released, representing 97% of the budget. Up to the end of Q3, only 11% of released funds were spent.

Physical performance

Table 3.7.11: Status on Capital Outputs and Expenditure in Isingiro district

Output	Annual Planned Output	Outputs Completed (May 09)	Cumulative Expenditure to Q3 End	Comments on progress
Shallow well construction- Hand dug	20	0	0	An additional shallow well was added at the request of a political leader. Construction is ongoing for 4 shallow wells and the remaining will start in June.
Design of Piped water supply	1	0	0	Design is ongoing and should be complete in 2 weeks.
Construction of piped water supply (GFS)	2	0	0	Construction is around 70% complete.
Promoting Domestic rainwater harvesting	170	0	0	The district will not implement RWH in FY08/09 as planned. In FY06/07 Isingiro had audit queries on the procurement method used as both the community and the district contribute to the construction costs, which includes 'in kind' donations. MWE has since advised the district to work with an NGO to help cover costs. However, given that Isingiro district knew they would be unlikely to implement RWHT in FY07/08 or FY08/09 it is not clear why they planned and

				budgeted for this intervention. The funds will now be used for the piped water system, pending approval of the Works Committee.
Construction of Valley Tanks	4	0	0	Contracts have been awarded but construction has not yet started.
Borehole Rehabilitation	20	0	0	Rehabilitation is ongoing. 17 boreholes will be rehabilitated instead of 20, due to increases in unit costs.
Construction of Institutional water Tanks	5	0	0	1 is complete and the other 2 are around 70% finished.
Re-protection of GFS in Kyabishaho	0	1	6,300,000	This was not in the original work plan but was added as emergency works with approval from the Town Council.
Completion of Rwacece GFS	0	1	0	This was not in the original work plan but was added in with the approval from Town Council, using the budget for PWSS (GFS).
VIP 5-Stance Latrine	2	2	18,820,070	Both VIP latrines are complete, with one at the District HQ and the other in Ngarama Sub County. The cost of construction was 4.62mil greater than budgeted.
Ecosan 5-stance	2	0	0	Construction has started and is around 40% complete.
Water quality testing	27	27	0	Payment is pending.

Source: Isingiro district DWSCG Q3 Progress Report and Field Findings

Key success in implementation:

The mandatory community contributions towards the construction of a new water point are higher in Isingiro compared with other districts. This is attributed to cooperation between political leaders and technical staff, where there is a sensitisation meeting at the start of the financial year which has political support of the District Chairman.

Key challenges in implementation:

- There is low groundwater potential for technologies such as springs and shallow wells which are relatively less expensive. Rainwater harvesting is the most preferable option but has been set back by uncertainty over procurement guidelines.
- Delays in procurement have meant that contracts were awarded in April 2009 and most works are not even halfway complete. This was attributed to lack of capacity in the procurement unit and contractors not responding to advertisements.
- Inflationary pressures have contributed to the increased cost of construction inputs, which raises the unit costs. For example, in FY06/07 a shallow well cost 3.8mil and in FY08/09 the cost has increased to 4.5mil.

(vii) Kiruhura district

Financial performance

The FY08/09 budget is 710,024,830 Ush. By May 2009, 689,459,000 Ush was released, which represents 97% of the approved annual budget. Up to the end of Q3, 38% of funds released were absorbed. The district reported disparities in information on financial releases published in newspapers compared with official communication by MFPED, which is a cause for concern.

Physical performance

Table 3.7.12: Status on Capital Outputs and Expenditure in Kiruhura district

Output	Annual Planned Output	Outputs Completed (May 09)	Cumulative Expenditure to Q3 End	Comments on progress
Construction of valley tanks	6	5	0	Excavation works are ongoing which should be finished by end of FY08/09.
Shallow well construction hand dug	7	0	0	Works are in progress; the installation of hand pumps is remaining.
Shallow well construction hand augured	10	0	0	The valley tanks are used as the water source for domestic consumption. The installation of hand pumps is remaining.
Promoting domestic rainwater harvesting	170	0	0	Funds have only been sent in Q4 to the Sub Counties for construction to take place and therefore works are delayed.
Construction of 10m³ tanks at schools / institutions	24	10	0	The tanks monitored are of good quality.
Borehole rehabilitation	18	0	0	Scheduled for the end of Q4.
Construction of Public Latrines in RGCs	3 (including one rolled over from FY07/08)	1	0	Construction of latrines at Rushere hospital and at the District Education Office is in progress. Materials have been mobilised although no contractor was found on site.
ECOSAN latrines	1	0	0	Works are ongoing in Kashongi County.

Source: Kiruhura District DWSCG Q3 Progress Report and Field Findings

Key success in implementation:

Rainwater harvesting has been particularly successful intervention given the low level of groundwater potential, where households contribute around half of the cost.

Key challenges in implementation:

Due to low ground water potential relatively less expensive technologies such as springs and are not feasible. Groundwater maps recently supplied will be useful for future planning.

Box 3.12: Declining Value for Money in Rural Water and Sanitation

Increase in unit costs beyond the rate of inflation and service delivery standards have undermined value for money. The *real* per capita investment cost of the DWSCG has increased by 28% over the last 6 years.[1] A Value for Money Audit undertaken by the sector attributes this to two main reasons[1]. Firstly, districts are using proportionately more of the grant on overheads expenditure instead of constructing new water facilities. This is supported by an analysis of DWSCG budgets for the twelve sampled districts monitored in Q4. At the start of each financial year, MWE issues coherent guidelines to district water offices, specifying how the grant should be allocated. At least 70% of funds are intended for construction of rural water supply facilities and only 4% of funds should be for supervision, monitoring and DWO operational costs. However, for the districts analysed, an average of 12% was allocated to operational costs. Development and recurrent budget and expenditure allocation up to the end of Q3 FY08/09 for the twelve sampled districts is summarised in the graph below. Secondly, particularly in areas that have low groundwater potential, the grant is being used to construct more expensive water points such as boreholes. It is recommended that the sector implements suggestions from these audits, which include improving procurement procedures to encourage competitive pricing, reviewing designs for improvement and considering appropriate alternative low cost technology options, such as rainwater harvesting. Furthermore, Chief Administrative Officers should exercise their supervisory function to ensure that funds intended for capital expenditure are not used on overheads.

(c) Summary of challenges and recommendations for the DWSCG

- **Procurement:** This is by far the greatest challenge to timely service delivery and is largely due to lack of capacity and inefficiencies within district procurement units. It is recommended that CAO's prioritise procurement, ensuring that there are adequate procurement staff members and that the Contracts Committee meets and awards contracts early in the financial year as guided by MFPED. PPDA should also consider investing in further training for district procurement units.
- **Increase in unit costs:** This had been rising beyond the rate of inflation and service delivery standards, thus undermining value for money within the sector. It is recommended that districts improve procurement procedures to encourage competitive pricing, review designs for improvement and consider appropriate alternative low cost technology options, such as rainwater harvesting. CAO's should increase their supervisory function to ensure that funds intended for capital expenditure are not used on overheads.
- **Over-reliance on development agencies in the PRDP districts.** It is recommended that these districts use the additional funding to the DWSCG through PRDP to prioritise the construction of water points in the areas of returnees.
- **Ineffective Community Based Management System:** This contributes to poor functionality of water points and is due to lack of follow-up training, apprehensions over how funds will be managed and the perception that water should be provided by the government. It is recommended that the system is strengthened through enhanced sensitisation and follow-up training, which should be closely monitored by the TSU's. Increased support from district officials and higher level political leaders is also essential.
- **Low groundwater potential:** This was the most commonly stated reason for poor performance for districts with safe water coverage below 40%. This means that more expensive technologies such as borehole drilling are used instead of shallow wells and springs, which have lower unit costs. It is recommended that if feasible, domestic rainwater harvesting is promoted in these areas and that MWE should issue clear guidelines regarding procurement.
- **Understaffing in district water offices:** Staff members are either on study leave or have not been recruited due to delays in district recruitment procedures. This is exacerbated by the increase in the number of new districts which places human resource constraints, particularly in hard to reach areas. It is recommended that where there are gaps in staff, the district water offices recruit short term contract staff as suggested by MWE.
- **Sanitation By-Laws:** The enactment of these by-laws has shown evidence of improvement in latrine coverage, which is only possible with political support. It is recommended that where there is strong political leadership this 'stick' approach of penalising households without latrines is adopted.
- **Mandatory community contributions:** There is evidence that contributions are higher in districts with greater cooperation between political leaders and technical staff. This includes sensitisation meetings at the start of the financial year and support from key district officials. It is recommended that all districts make efforts to enhance cooperation to improve support from political leaders.

- **Lack of gender and equity consideration in sanitation facilities:** Not all districts are ensuring that latrine construction has access for people with disabilities or separate facilities for males and females, which limits public access. It is recommended that districts should be encouraged by the TSU's to design and construct facilities that are gender and equity sensitive.

3.7. 3. Urban Water Supply and Sanitation

UWSS receives 38% of sector funding, which includes DWD managed projects, operation and maintenance (O&M) grant to districts and support to NWSC.

(a) Rural Towns Water Supply and Sanitation Project

This project was to officially close at the end of FY08/09 and was being financed by GoU and the African Development Bank (ADB). The project aim is to construct water supply systems and basic sanitation facilities in seven rural towns, including solid waste management and latrines in 178 primary schools. All the project locations were monitored, which include Iganga (Lot 1), Mityana, Mpigi and Kigumba (Lot 2) and Apac, Nebbi and Pakwach (Lot 3). In all locations technical and political commissioning has taken place of the piped water supply systems (PWSS).

Previous monitoring visits showed that the main challenges were in the construction of school latrines in Lot 3 and so this was prioritised during the follow up visits. In Pakwach Town Council the incompetent contractor, Nino Engineering Company Ltd. had subcontracted the works which are now of an average standard. In Nebbi district the same contractor continued and there is still sub-standard construction including a collapsed latrine.

In general, this project has made good progress despite the delays, which were largely due to late releases by MFPED in FY07/08. The long term success of the project will depend on how the Private Operators (PO) manages O&M and increased costs due to power shortages. This includes revenue collection and increasing connections to meet the growing demand and ensuring sustainability.

Financial performance

The total GOU budget including arrears for FY08/09 was Ushs 12.48 bn. By May 2009 the full budget was released and 91% was spent. For operational efficiency, spending on low priority areas is only 2%. Spending on "buildings and other structures" is 28%.

Collapsed latrine in Afere Primary School which has still not been rectified, Nebbi

Improved latrine, where the works have been subcontracted, Pakwach Town Council

Physical performance

Table 3.7.13: Progress for the Rural Towns Water Supply and Sanitation

Mityana District	
PWSS complete:	The system was complete and functional with 1,400 connections. Water is supplied 60% of the time due to irregular power supply.
School latrine construction:	Works have been delayed and construction is not up to standard due to internal management problems with the contractor.
Public sanitation:	Public latrines and waste disposal system are complete and have led to major improvements in Mityana town.
Mpigi District	
PWSS complete:	The system was complete and functional with 874 connections and 420 pending. Water supply is irregular due to intermittent power supply.
School latrine construction:	Works have been delayed and construction is not up to standard.
Public sanitation:	Two public latrines have been constructed but they are not in use and the cleanliness needs to be improved.
Masindi District	
PWSS complete:	The system was complete and functional with 688 active connections but water supply is irregular due to intermittent power supply.
School latrine construction:	These have been constructed and handed over in 6 schools but not all works have been satisfactorily completed.
Public sanitation:	A public latrine has been constructed and is functional.
Iganga District	
PWSS complete:	The system was complete and functional. It has been handed over to NWSC with 1,100 active connections.

School latrine construction:	This is complete but the handover was delayed due to unsatisfactory works in one of the schools.
Public sanitation:	Waste disposal and removal has been greatly improved through the use of garbage bins and tractors.
	Apac District
PWSS complete:	The system was complete with 538 connections but water supply is irregular due to inconsistent power supply. Water had not been tested as the contractor failed to supply a testing kit. Water had not been supplied since May 2009 due to a broken down pump.
School latrine construction:	Construction was complete and the latrines have been handed over in all 5 schools.
Public sanitation:	The public latrine was complete but the O&M needs to be improved. Not all of the garbage bins are being used and the management of the sanitary landfill site needs to be improved.
	Pakwach Town Council
PWSS complete:	The system was complete with 638 connections. However, not all components have been delivered, as the contractor did not provide the fuel required for the generator and there is no water testing kit.
School latrine construction:	This had improved since the Q2 monitoring visit. The contractor who was incompetent, subcontracted the works and the latrines had been handed over, although some corrections were still required.
Public sanitation:	Two public latrines have been constructed, there are 114 garbage bins and a dumping site was being used.
	Nebbi District
PWSS complete:	The system was complete with 720 – 780 active connections. At the time of the follow-up monitoring visit (May 09) there was no piped water supply as the Arua based electricity company used to pump water was not operating and the generator had broken down. Reliance on the generator has increased the cost of operations which has raised the price of buying water. The Town Council is in negotiations with the project office to resolve the issues.
School latrine construction:	There had been minimal improvement since the Q2 monitoring visit, as the incompetent contractor continued, as was the case in Pakwach town council. For 11 of the 12 schools latrines that had been constructed had some works still outstsnding. In the case of Afere Primary School the collapsed latrine identified in Q2 has not been rectified.
Public sanitation:	3 public toilets had been constructed but only 1 was functioning. The garbage bins were being used although the dumping site was not properly utilised and requires regular supervision from the Town Council.

Box 3.13: Focus on public sanitation, gender and equity: an example of good practice

This project has successfully combined efforts to improve public sanitation with access to piped water supply. This has involved the construction of latrines in public places and schools and waste disposal systems. Gender and equity concerns have been considered as separate latrines have been constructed for males and females, and access for people with disabilities has been provided. This example should be replicated for similar projects, particularly the Water and Sanitation Development Facility, which also aims to construct public latrines and provides piped water supply, but currently does not provide access for people with disabilities. Likewise, gender guidelines have been incorporated in the formation of Water and Sanitation Boards, although the proportion of females to males still needs to be improved.

Source: Field findings

Summary of challenges and recommendations for Rural Towns Water Supply and Sanitation

- **Unsatisfactory construction of school latrines:** Construction was delayed and has been unsatisfactory due to lack of competency on behalf of the contractors. It is recommended that procurement procedures be improved to ensure that only competent firms are used and are adequately supervised. Firms producing low quality works should be terminated and reported to PPDA for blacklisting.
- **Unsatisfactory work by the contractors:** In Apac and Pakwach Town Council the contractors did not supply a water testing kit, even though it was specified in the Bills of Quantities. In certain cases, such as Mpigi the pipes were laid too close to the ground. This means they are easily damaged and leads to high levels of unaccounted water. It is recommended that supervision of contractors by consultancy companies is improved to avoid unsatisfactory work.
- **Irregular power supply:** Water supply is intermittent due to reliance on the national grid. It is recommended that the local authorities and project office consider providing alternative energy, sources such as back-up generators or solar panels to increase reliability. For future projects, alternative energy sources should be included as a prerequisite for approval.

(b) Energy for Rural Transformation – Water Component

ERT Phase I was to close at the end of FY08/09. This project aimed to address the constraints on water supply due to lack of sustainable power through providing the least cost energy solutions for mechanised piped water supply systems. Fifteen locations had benefited from this intervention and fourteen locations had been monitored throughout FY08/09. For thirteen of the fourteen locations monitored the energy package was solar panels and in one location the piped water supply system was connected to the grid. In all locations the output *"finalisation of defects liability for energy packages"* was expected as this was reported in the MWE progress report.

Overall, of the thirteen locations which had solar panels, these were being effectively utilised in eight places. In the other five locations challenges in implementation are due to mechanical problems with the solar panels or the mechanised piped water systems. The rural growth centres in the West Nile Region had a higher success rate. In the South Western Region concern was expressed that faults may be rectified during the defects and liability period and could break down soon after, where the district would have inadequate capacity to manage the repairs.

Financial performance

The FY08/09 budget was 0.35bn. By May 2009, 0.342bn was released, of which 0.268bn was spent and 0.002bn was committed, representing a 79% absorption rate. In terms of operational efficiency, 53% of the budget has been spent on high priority areas and 16% on low priority areas. This implies that for ERT Phase II consideration has to be given to how funding for low priority areas can be reduced.

Energy package powering "24 hours water supply," Cirofo SC

Running water supplied using the energy package, Laropi SC

Mechanical problem with energy package, so no running water, Nyadri SC

Monitoring records for the energy package kept by a trained operator, Pakelle SC

Physical performance

Table 3.7.14: Progress under ERT – Water Component Phase 1

Location	Progress
Muhooro RGC	The solar panels have successfully replaced the generator and are being used to supply water. The ECOSAN was not constructed according to design specifications and there are risks of the water being contaminated.
Kyenjojo town	Construction of the solar panels is complete, but due to a fault during the design or installation period there is insufficient energy to fill the reservoir tank. At maximum performance between 25,000m³ and 30,000m³ can be pumped a day and so a generator is still being used. However, there is concern that the project office is claiming low performance to continue receiving an energy subsidy, which the TSU is monitoring on an ongoing basis.
Rugombe RGC	A *renewable* energy package (solar panels) has not been installed. Water is being pumped using grid power, which is irregular; hence water supply is still intermittent.
Mahyolo RGC	The energy package is complete and is being used to supply water to the capacity required, without the aid of a backup generator. The ECOSAN has been constructed close to the water source and does not meet the required standard, so there is the possibility of contamination.
Rwebisengo RGC	Initially the solar panels successfully replaced the generator and pumped water for around eight months, at a level sufficient to supply the capacity of the reservoir tank. Since then there have been ongoing mechanical problems with the solar panels, the PWSS is not functioning and there is no piped water.
Katakwi town	The energy package is nearly complete but is under-utilised as it is being used for only one low yielding borehole. Even if sufficient energy is generated the borehole can only be

Location	Progress
	pumped for 20 minutes at a time, which does not provide enough water to supply the reservoir tank. A generator is used at night to ensure there is sufficient water supply and therefore the O&M costs are still high.
Matany RGC	The energy package has been constructed and is being used to pump water. Due to inadequate security, two of the panels have been damaged.
Nakiperimolu RGC	The solar panels have been installed and are functional. However, there are problems with the PWSS so the solar panels are underutilised.
Yumbe town	The solar panels have been successfully installed and are being used to provide energy to pump water.
Nyadri Sub County	No water has been pumped for 3 months due to a mechanical problem with the energy package. The demonstration ECOSAN was not constructed to standard and is not being used.
Cirofo Sub County	The solar panels are being successfully utilised and provide "24 hours water supply."
Laropi Sub County	The solar panels are being successfully used and a responsible person has been trained to operate the system.
Pakelle Sub County	The solar panels are being successfully utilised and have replaced the generator.
Nyapea SC	The solar panels have been successfully installed and are being utilised.

Source: Field Findings

Summary of challenges and recommendations for ERT Phase I

- **Mechanical problems with the energy packages:** This caused the under utilisation of solar panels in three of the five locations, which includes Kyenjojo town, Rwebisengo and Nyadri. This was partly due to unresponsiveness of contractors during the defects and liability period and lack of supervision during construction to ensure design specifications were followed. In the West Nile Region where construction companies Ambitious Construction Company Ltd., Dembe Trading Ent. Ltd and Solar Energy for Afica, and consultancy companies BEC Engineers and Norplan Uganda Ltd. were used there were fewer problems with the energy packages compared to those in the South Western Region. It is recommended that for ERT Phase II procurement procedures are strengthened to ensure that the most competent firms are selected.
- **Mechanical problems with the piped water system:** This caused the under utilisation of solar panels in two of the five locations where they were ineffective including Katakwi and Nakiperimolu. For ERT Phase II it is recommended that the selection criteria for locations to benefit from energy packages should ensure that the PWSS is fully functioning with O&M support, a private operator and a WSB. Priority should be given to locations that do not have access to grid power.
- **Poor quality sanitation facilities:** ECOSANS were not constructed to standard in at least 3 of the locations monitored, with a risk of contaminating the water as they were constructed

close to the source. For ERT Phase II it is recommended that the construction of ECOSANS is subcontracted to a firm with demonstrable competency in this area.

(c) Support to Small Towns Water Supply and Sanitation Project

This is a countrywide programme financed by GoU, DANIDA and GTZ under the Joint Partnership Fund, which started in 1999 and is due to be complete in 2013. The project aims to construct water supply and sanitation facilities, conduct community sensitisation and build the capacity of water authorities and systems operators. Follow up monitoring visits were carried out in Kibaale, Kamwenge and Kapchorwa, as the initial completion date was in Q1 of FY08/09.

Piped water services are expected to be delivered almost a year after the initial completion date. Delays are largely due late releases from MFPED in FY07/08, changes in the design specification and the contractor's inability to procure materials in time. This implies that project design and supervision needs to be improved.

Remaining works underway prior to commissioning of the PWSS, Kamwenge

Untreated surface water is being supplied as the pump house still has to be connected to the grid to enable backwashing, Kapchorwa

Piped water being treated and ready to be supplied, Kibaale

Financial performance

The FY08/09 budget is 6.73bn. By May 2009, 6.699bn was released and 5.42bn was spent representing an 81% absorption rate. If committed funds at 0.799bn are considered the overall absorption rate is 93%. Expenditure on this project shows 80% to be on high priority areas and only 7% on low priority areas.

Physical performance

Table 3.7.15: Progress under support to small towns water supply and sanitation

Location	Progress
Kibaale	The initial completion date was 16th June 2008. The PWSS was complete with some minor finishing touches remaining. In total 269 household connections have been established and a PO has been brought on board. Technical commissioning was due to take place in June 2009. A WSB has been formed with 2 females and 3 males but had not been trained. Delays to the works were due to late payments to the contractor, although financial releases have

	been made in full and on time in FY08/09.
Kamwenge	The initial completion date was in September 2008. The PWSS was complete although some finishing work is required. Water will be supplied when a PO is on site and commissioning has taken place, which is scheduled for June 2009. The delays were due to the contractor not being able to procure pumps in time and receiving late payments, even though funds for this project had been released to MWE.
Kapchorwa	The PWSS should have been completed in Q1 FY08/09 and was currently 95% finished. Piped water was being supplied but it is untreated surface water, which is a public health risk. Since February 2009 construction had stopped as the Contractor was seeking a contract addendum in light of increased scope of works, which has been sent to PPDA for approval. The additional works include: • Connecting the power line extension to the pump house to enable the surface water to be treated • Extending the waste water pipe by 1km to ensure that waste is safely deposited away from households • Improvements to the intake to reduce loss of water • Fencing work for the primary sedimentation tank

Source: Field Findings

Summary of challenges and recommendations for Small Towns Water Supply and Sanitation

- **Delays in payments:** Works in Kibaale and Kamwenge town were delayed due to late payments to the contractors. However, IFMS records for FY08/09 show that up to May 2009 0.48bn was still available on the account. It is recommended that payments are cleared as soon as possible if works are satisfactory to avoid accumulation of interest payments, which may involve MWE streamlining internal payments procedures.
- **Poor contract management:** Increased supervision of the project could also have reduced the delays. It is recommended that supervision by the consultancy company is improved.
- **Inadequate design:** The initial scope of works in Kapchorwa should have included the additions that are currently being sought under the contract addendum. It is recommended that designs are thoroughly reviewed and approved to reduce alterations to contracts and increases in prices.

(d) National Water and Sewerage Corporation Support to Gulu Water Supply and Sanitation Project – Emergency Works

This project aims to rehabilitate and expand water supply and sanitation systems in the Gulu area to meet the projected demand up to the year 2025. The project is being implemented in phases as the full cost of the project at US$22.5 million could not be financed at once. Phase I – Stage I started in December 2007 and was substantially completed in November 2008 at a cost of 3.04bn which covered 6% of the full scope of works. Procurement has recently been concluded for Phase I – Stage II.

Financial performance

The FY08/09 budget was 2.81bn. By May 2009, 2.59bn was released and 1.06bn was spent, which represents 41%. However, the remaining 1.55bn is committed. The low utilisation of funds in Q1 to Q3 of FY08/09 was due to ongoing procurement procedures. Expenditure on this project shows 85% to be on high priority areas and 0% on low priority areas.

Physical performance

Real construction works had not yet started, as the contractor, M/S Zhonghao Overseas Construction Engineering Co. Ltd. has only recently been awarded the contract. So far surveying works have been completed and materials were being mobilised for construction.

3.7.4. Water for Production

This Vote Function currently receives 11% of the budget allocation amounting to Ushs 11.32bn. This is projected to increase to 23.23bn in FY09/10[25]. Four outputs were monitored which include Leye dam, Olelpec Valley Tank and Olamia Valley Tank in Apac district, and Kawomeeri dam in Abim district. Follow up visits were not made to the dams and valley tanks monitored in Q3 in the South Western Region as completion was not expected by the end of the FY08/09 as had been planned. There are many cases of dams and valley tanks that require rehabilitation, which is likely to be more cost effective than starting construction of new ones. Enhanced efforts are also required to train local committees to undertake the operations and maintenance of WFP interventions.

Financial performance

The FY08/09 budget was 7.46bn. By May 2009, 7.43bn was released and 6.69bn was spent, representing a 90% absorption rate. 0.42bn of releases are committed, which is 6% of the total release. In terms of operational efficiency, 75% of expenditure is on high priority areas and 7% is on low priority areas.

Physical performance

Table 3.7.16: Progress under water for production

Output	Progress
Leye Dam, Apac district	The site was finished four months ahead of schedule and had been handed over to the district. The dam is currently in the defects and liability period and contractors were found on site rectifying a leakage on the inlet chamber and a damaged pipe. A User Committee is in place but is not operational.
Olamia Valley Tank, Apac	Construction of a 40,000m³ valley tank was underway and works were around 70% complete. The official completion date was 27th July 2009 after which there is a 6 months defects and liability period. However, the access road was hardly passable and requires further work in order for people and livestock to access the valley tank. There are also

[25] National Budget Framework Paper FY09/10-FY13/14, Ministry of Finance, Planning and Economic Development, pg. 178

district	ongoing land issues, where the district still needs to compensate local people for being displaced.
Olelpec Valley Tank, Apac district	Construction was around 70% complete. There are currently no works ongoing as the same contractor was working on Olamia Valley Tank and has taken the machinery and personnel to the other site. Construction was due to be completed on 27th July 2009. Works began without acquisition of the land title, which was resolved by the owner of the land donating the land title to the district.
Kawomeeri dam, Abim district	Construction works started in September 2008. The deadline for completion was June 2009 and works were around 25% complete. From March to the end of May 2009 work stopped as the contractor had not been paid, even though funds had been fully released. The contractor has since returned to the site.

Contractor rectifying defects during the D&L period, Leye dam, Apac

Impassable road leading to Olamia valley tank, which needs to be rectified by the contractor, Apac

Olelpec dam under construction, Apac

Summary of challenges and recommendations for Water for Production

- **Delayed payments:** With Olelpec and Olamia Valley Tanks and Kawomeeri Dam payments to the contractor had been delayed even though full releases for water for production had been made. It is recommended that payment certificates are cleared speedily by DWD following a release by Treasury to avoid accumulation of interest payments.
- **Land acquisition:** For Olamia and Olelpec Valley Tanks, works were disrupted as land issues had not been resolved. It is recommended that local governments demonstrate evidence of securing land prior to construction work.
- **Lack of Environmental Impact Assessment:** This was not carried out for Olamia Valley Tank, Olelpec Valley Tank and Leye dam.
- **Rehabilitation of old dams and valley tanks:** Where appropriate this should be prioritised by the programme as a more cost effective approach to providing services.

Box 3.14: Water for Production Enhancing Involvement and Ownership

Water for Production should be noted as providing a positive example of how accountability and ownership of an intervention can be increased through the involvement of local officials and community members. District officials have been involved in monitoring all the outputs sampled this quarter. This approach has been noted for water for producrtion interventions monitored throughout the financial year, where officials have access to project documents, are involved in site meetings and receive an allowance for monitoring purposes. In comparison, other departments within DWD do not provide such access to centralised projects which limits the supervisory role of districts.

3.8 MICROFINANCE

3.8.1 Introduction

The Budget Monitoring and Accountability Unit carried out a monitoring exercise on the utilization and progress of the activities of the Natural Uganda Cooperative Society Ltd (NUCSL) in Wobulenzi, Luweero District with particular reference to Ug. shs 115,200,000 released to the society by the Government of Uganda during FY 2008/09.

The exercise was aimed at assessing whether the Ug shs 115,200,000 released by MFPED was spent on activities outlined in the work plans that were submitted by Ms Natural Uganda Cooperative society to the Ministry.

The period under review was FY 2008/2009, largely focusing on the month of March 2009 up to June when shs 115,200,000= was released. In verifying the above, the following methodology was used.

- A visit was made to the office of Ms. Natural Uganda Cooperative Society Ltd based in Luwero town.
- Inspection of the projects being carried by the cooperative society was carried out. These included the land purchased; a visit to two organic pineapple farms owned by Mr. Sebugenyi Joseph and Mr Kimuli, respectively.
- Verification of the documents which included: the work plan, progress report, land sale agreement, bank statements, payment vouchers and bid documents.
- Held discussions with the Project management team.

3.8.2 Findings

The Government of Uganda represented by the Ministry of Finance, Planning and Economic Development signed a memorandum of understanding with Ms Natural Uganda Cooperative Society Limited based in Luwero district on 13th February 2009 in which it was agreed that;

i. The government shall during the FY 2008/2009 provide a sum of Uganda shillings, One billion, one hundred twenty million only (equivalent of Euros 400,000=) for the purpose of establishing an organic fruits drying factory to be established at Kasana, Luwero to cater for the interest of the local farmers in Kasana and neighbouring areas.

ii. The Government of Uganda undertook to finance the land purchase, civil works and machinery of the same factory.

According to the work plan prepared by the Ms Natural Uganda Cooperative Society Ltd, the funds were meant to cater for the purchase of the land, civil works and other incidental costs. The details of the work plan include;

- Purchase of land.
- Construction of the main factory complex including office, installation of utilities and electricity.
- Road to the factory.
- Water tanks and water connections.
- Fruit processing dryers' equipment.
- Solar equipment transport.
- Stand by generator.
- Packaging material
- Quality analysis laboratory
- Training staff.
- Consultancy, Architectural designs and detailed factory planning.
- Perimeter fencing.
- UMEME connection

The Government of Uganda released a total of Shs 115,200,000 (One hundred fifteen million two hundred thousands only) equivalent of Euros 48,000 to cater for the planned activities including site planning, land acquisition and consultancy on solar, Architectural designs and factory planning. The above activities were valued as follows;

Activities.	Amount
Site planning	2,400,000=
Land acquisition two hectares	76,800,000=
Consultancy, Architectural design, factory planning	36,000,000=
	115,200,000=

The monitoring exercise revealed that Ms Natural Uganda cooperative society Ltd acquired two (2) hectares approximately five acres of land on plot 140 block 652 (LRV 1976 Folio21) belonging to. Ms Kimaliridde Coffee Factory. The consideration for the land is Sixty (60) millions while other incidental costs such as surveying and processing land title costs 18 million all totaling to shs 78 million. A total of 40 millions was paid to the Vendor of the land while 6 millions was paid to the Surveyor. The Society still owes a balance of 32 millions to pay whereby a total of 20 millions is to the Vendor as final payment towards the cost of land while shs 12 million is for other incidental costs. According to the Project Manager and Coordinator, the Surveyor completed the surveying work and is in the process of acquiring the land title after which final payment will be effected.

The monitoring team inspected the land and confirmed that it does exist. It was also noted that the land in question was valued by the Chief Government Valuer who put the cost at shs 75 millions including the cost of the land and other incidental costs. This is contained in his report dated 28th July 2008.

The Society also sourced the services of a consultant on use of solar panels valued at Ug.shs 36 Millions. The Consultant in the names of Ms CONA and BBM/MIVA is based in Australia. The work was accomplished but payments will be effected payments will be effected on receiving the report from the consultant. In the meantime, advertisements for a consultant(s) to carry out Architectural design and factory planning had been place and bids had been received.

Selection of the best bidder was awaiting the evaluation. However works would only start, after further funding is released from the MoFPED.

It was further established that that the society has continuously carried out inspection of the farmers involved in organic pineapple growing. A total of eleven (11) farmers involved in the organic farming were supported in terms of technical assistance and advice. Two of such farmers were visited by the team namely Mr. Mr. Sebugenyi Joseph who owns sixteen (16) acres of organic pineapple plantation and Mr Kimuli owning twenty (20) acre. These farmers have been encouraged to grow more pineapples on the promise that a fruit drying factory will soon be installed to provide market for their products.

The Society had a balance on the bank account of shs 64,729,811 as at 17^{th} June 2009 which is already encumbered. This money is to cater for the unpaid amount of shs 32 millions as final payment for the land acquisition and the balance to cater for consultancy services on use of the solar panels. These services had already been procured and await final payments. Overall the funds have been adequately utilized.

It was established that the Cooperative Society has planned to carry out the following activities that had stalled on receipt of further funding from the MoFPED:

- Construction of the road to the factory.
- Fencing the land.
- Construction of the factory complex including office, installation of water, and electricity.
- Solar fruit processing dryers equipment, weighing scales, and packaging units
- Stand by generator.
- Training factory staff and
- Quality analysis laboratory.

All the above activities had been planned to be completed by end the FY 2008/2009 which is now overtaken by events. The delayed release of the funds has stalled the progress of the activities.

3.8.3 Challenges.

1. Delayed release of the funds by the MoFPED, for instance the first release of shs 115,200,000= was received in March 2009 instead of Dec 2008 as had been planned in the work plans. This delayed implementation of the activities.

2. Further work has stalled since the society has not received any further funding to cater for activities in the workplan.
3. Farmers had been convinced to grow organic pineapples on the promise that there was going to be ready market for their product on establishment of the drying fruit factory. It has now become increasingly difficult to further convince them since activities on the ground are dismal.
4. Lack of sufficient capital to expand on the number of farmers and size of pineapple acreage. Most of the farmers are growing pineapples on a small scale but would wish to increase on the acreage if supported financially by the Government.

CHAPTER 4: CONCLUSIONS AND RECOMMENDATIONS

4.1 CONCLUSIONS

Financial Performance

1. Releases of domestic development funds was above 90% for all priority sectors; peaking at 150% for the industrial parks. However, UIA that received shs 9.875 billion over the approved budget did not have any supplementary work-plan.
2. The absorption rate of funds was above 85% for all sectors, reaching 100% for health and energy.
3. All the funds remitted to the districts by the MoFPED were received and fully remitted to sectoral departments. There were a few instances (Buliisa district) where the CAO delayed to remit the funds to the respective departments.
4. There were few instances of internal diversion of funds at district level particularly from the water sector to roads activities.
5. There was evidence of poor book keeping in some new districts (Buliisa) where records on receipts and expenditures were difficult to obtain.
6. Absorption capacity was low in many districts because of the lengthy procurement procedures; and the contested unit costs issued under SFG. This had led to accumulation of balances that are retained by districts and are carried forward in FYs. There was an instance in Bukedea district that had balances from FY 2007/08 at the end of FY 2008/09!

Agriculture

1. Several concrete agricultural infrastructures and services have been provided in the districts in the crop, fisheries and livestock sub-sectors. The infrastructures are at varying stages of construction and when completed should lead to improvement in service delivery in the sector. However, poor contracting has resulted in delays in completion as well as poor value for money in some instances.
2. Poor planning and limited beneficiary consultations have left many infrastructures limited in scope given the need. Many structures under the fisheries and livestock sub-sectors will not meet the beneficiary requirements. Because of lack of new high yielding varieties from NARO, CDO was supplying poor quality seed with low germination potential, a fact that was known to the farmers!
3. Most of the agricultural services and infrastructures are being provided through discrete projects that are not well integrated in sector planning and budgeting. This is constraining efficient use of funds as they are tied up in projects, even when not utilized.
4. There seems to be a special challenge in effecting disbursements under ADB funded projects mainly due to the stringent clauses included in the agreements such as the need for land titles for sites and the lack of counterpart funding. Also, there are challenges relating to poor coordination and management of projects centrally at MAAIF that impacts on the disbursement and implementation processes.

5. The low capacity of contractors that are centrally contracted by MAAIF remains a major challenge to construction of agricultural infrastructures, irrespective of the project type and sector of intervention. Consultants are hired to supervise the contractors but these seem not to be doing much work as they too are not well supervised by MAAIF. The centralized nature of the projects and the lack of involvement of districts in project implementation and supervision of projects has led to failures in some districts.

Education

1. There has been marked improvement in construction of facilities following termination of a number of poor performing contractors by MOES, followed by the use of the Force Account modality. Shoddy work was noted only in Chamanga SS in Kapchorwa district under Muyanga construction Company. On the other hand in Kiruhura district, Ugawood Construction company that was working on Kikatsi SS was beyond the contract period and still far from completion
2. The unit cost issue was affecting operations in a number of districts, where no bids had been received from the private sector.
3. Communication between MOES and local governments about centrally controlled projects was still a problem, as the latter is not in the know which has undermined participation in monitoring and supervision.
4. There were instances of accounts mix-ups where funds were sent to the "wrong "accounts causing delays in implementation. In some instances these mix-ups were inconceivable.

Energy

1. Works on various energy projects was ongoing but was behind schedule with grave implications. The delayed Bujagali interconnection project to evacuate power, for example, will affect the commissioning of the Bujagali HEP.
2. There are cost overruns in some instances because of underestimated scope of work, and/or poor support infrastructural services. This was true for Bugoye dam, as well as Nyagak HEP.
3. Many energy projects still face issues of land ownership. Bujagali interconnection project had acquired only 74% of required land, while Tronde working on Bugoye dam had failed to get a land title.
4. VAT issues were still unresolved with some companies. This was the case foe companies working on Mpanga; Bugoye and Buseruka dams.
5. Poor contracts were affecting implementation of some energy projects. Sobetra, the main contractor that was working on Nyagak dam was terminated but had absconded without completing the agreed upon tasks. On the other hand, WENRECO the company that got a concession to operate an independent power grid for West Nile is insolvent and power was switched off on 10^{th} March 2009!
6. The new contractor for Nyagak had mobilized but not started work due to non-payment of start-up advance.
7. Kisiizi HEP was completed but was awaiting pre-paid meters that had delayed. There were also fears of excessive demand for power connections.

8. There were concerns about availability of relevant skilled labour force for the industry. There were no Ugandans, for example who were conversant with construction of tunnels!
9. There were instances of thefts of construction materials especially at Buseruka dam.
10. The 750 KV generators that ERA procured for UEDCL's off grids in Adjumani and Moyo were said to be substandard. An independent assessment had been requested from the PPDA.
11. Oil extraction was on- going but plans had been rescheduled due to discoveries of more wells. Talks on the best way for oil extraction are expected to be finalized by August 2009. The problem was that of skilled personnel that were increasingly leaving government for the more lucrative private sector, which might jeopardize government's efforts of monitoring the energy companies.
12. The programme of dissemination of energy saving stoves had had a positive impact in its districts of operation. It targeted poor households and had proved effective, efficient and relevant to them. It had also improved operations in institutions where the stoves had been installed.

Health

1. Generally progress on civil works was good except in the districts of Lira (Ogur HCIV); Masindi (Bujange HCIV) and Butaleja (Bugabo maternity) where shoddy work was cited. There were many instances where works were behind schedule because of delayed procurements and at times resulting from limited capacity of Contractors that have taken on many contracts (e.g Multiplex in Mbarara district).

2. *Low absorption capacity.* It was established that by early June 2009, 7 out of the 17 districts visited during quarter 4 had not spent any of the capital development funds cumulatively disbursed in FY 08/09. These districts include: Dokolo, Lira, Mbarara, Kabale, Kamwenge, Amuru and Gulu Districts. The reasons relate to delays by the above districts to prepare and submit procurement plans to Procurement Units. In other instances, delays resulted from lack of consensus on priorities between districts and MoH. In such instances back and forth correspondence resulted into time loss. Other districts found the amounts disbursed too small so they first accumulate before they initiate procurements.

3. *Fragmenting PHC grants and non completion of projects.* Several Districts engage in a practice of constructing several health facilities amidst severe budget constraints. The average district received about UShs 80 million for capital development. It was however common to find such districts simultaneously embarking on constructing facilities whose actual cost exceed UShs 300 million. The result was to allocate miniscule amounts to each facility. It is this practice that explains why facilities remain incomplete for periods exceeding 5 years. Several reasons explain this situation. First, some districts plan to construct facilities without recourse to Bills of Quantities—that would provide a fair estimate of the cost. In other instances, funds are sub-divided because of the need to satisfy political interests of Councilors, the District Council, Area Members of Parliament and *significant others*.

4. *Communication gap.* Most of the districts visited reported that they had not been consulted in the selection of capital development priorities this FY. For instance Butaleja District was until early June 2009 anticipating release of UShs 34 million for medical equipment that was re-allocated during FY 08/09.

5. *Inadequate Staffing levels:* districts are consistently failing to attract and retain health works. The most affected categories are Medical Doctors, Dispensers, Laboratory Technicians and Anesthetists. Districts in Northern Uganda such asLira, Oyam, Apac and Gulu succeeded in recruiting health workers up to 100% of the establishment—but decried the long process it takes to have the health workers enrolled onto the payroll. Delays to enroll health workers onto payroll partly explain absenteeism where such health workers strive to find alternative income. In other instances, staff leave out of utter frustration.

6. *Inadequate Staff housing:* Districts have a shortage of staff houses. Health workers that are based in rural health centers are not able to find decent accommodation (for hire) in their neighborhood and resort to residing in towns. They incur transport costs and are not able to report for work daily—partly explaining the high levels of absenteeism.

7. The health units are still facing acute drug stock outs.

Industrialization

1. Development of industrial parks is progressing slowly for different reasons. Bweyogerere industrial estate; Namanve; and Luzira industrial parks had delayed procurement of contractors. Soroti and Mbale industrial parks delayed in procuring land and still have instances of squatters to be compensated.
2. The limited staffing capacity of the Uganda Investment Authority (UIA), especially in the Lands unit is affecting field operations. Weak supervision, for example, has resulted into the misuse of the 19.2 sq miles of Masindi land that was allocated to Critical Mass Growth Ltd for livestock and bee-keeping.
3. UIA has had low absorption capacity but received shs 9.875 billion beyond the appropriation by Parliament. To make matters worse the last disbursement was made 3 weeks before the end of the FY.
4. The Uganda Industrial Research Institute is supporting various Incubation centres that are developing technologies for agro-processing; paper producst; and silk extraction and weaving. However, the institute decried limited funding that is also disbursed late.
5. The Uganda National Bureau of Standards faced delayed disbursement of funds which derailed their work plans.

Roads

Fourth quarter monitoring covered the 2 road construction projects under UNRA namely, Kampala Northern Bypass, and Matugga – Semuto – Kapeka; and the National Roads Maintenance Programmes; the Interconnectivity Roads Improvement Project under MoWT; and District Roads Maintenance Programmes in 8 districts under their respective local governments. The following are the recommendations from the findings:

1. **UNRA Roads:**
   - On Kampala Northern Bypass road, it was observed that though works had resumed and were progressing well towards completion, the project still had many unresolved issues with financial implications like the 5 claims which were under consideration; decision whether or not to apply liquidated damages; costs for the suspension of works etc.
   - The Matugga-Semuto-Kapeka road was behind schedule as only 20% of planned targets had been achieved.
   - The list of activities to be funded under the Transport Corridor project, remains unclear and quite divergent from its intended goal.

2. **National Roads Maintenance Programme under MOWT:**
   - Implementation of the programme in all the stations monitored had more than 80% of the works planned to be contracted out still incomplete or under procurement by the end of the FY. In addition, more than 60% of the road networks under each of the stations monitored were maintained using force account operations but with inadequate/ old equipment which have high maintenance costs.
   - It was also observed that at all UNRA stations monitored, had inadequate transport for staff supervising the works. This was a huge limitation in the effective implementation of the programme.
   - Observation of growing scarcity and increased cost of gravel material in all stations monitored is a clear flag of warning bells.
   - There were road management issues like violation of road reserves, vandalism of traffic road signs and the rampant breaking up of newly constructed roads by service providers (water, telecommunications etc).

(ii)

3. **District, Urban and Community Access Roads Programme**:
   - Low funding for the effective maintenance of district roads was identified as a cross cutting issue, which has led to low intervention levels and the progressive increase of roads that are beyond maintenance (earmarked for complete rehabilitation).
   - The use of force account in the implementation of maintenance activities planned on district roads was observed in several districts monitored throughout the FY. However, there was no official policy to guide local governments on the practice of using the force account modality.

- Frustrated procurements leading to contractors deserting the works before completion was observed in some districts monitored.
- Shoddy works that didn't reflect value for the funds spent on the roads was observed in Masindi and Mukono districts.

4. **Under the Interconnectivity Roads Improvement Programme,** there was a discrepancy between funds paid to the contractors and funds paid under the programme (IFMS data). It was revealed that some funds were paid for CHOGM projects that were not part of the programme. This along with the fact that the level of commitment under the programme was much higher than the FY 2008/09 releases and the FY 2009/10 budget estimates, may affect the financial performance of the project.

   There were also instances of shoddy work on the 40kms stretch from Gobero-Kyengeza to Ssesanga; and the 45kms stretch from Kirenga-Kannyogoga to Busoba.

Water and Sanitation

(iv) Rural Water Supply and Sanitation (District Water and Sanitation Conditional Grant)

1. **Slow Procurement processes:** This is by far the greatest challenge to timely service delivery and is largely due to lack of capacity and inefficiencies within district procurement units. For nine of twelve districts monitored procurement had caused delays and of the other three districts, two had not followed procurement regulations and only one had started the process early. For the twelve sampled districts, delays in procurement resulted in an average of only 40% of the total budget being utilised by the end of Q3.
2. **Increase in unit costs:** These had been rising beyond the rate of inflation and service delivery standards, where the real per capita investment cost of the DWSCG had increased by 28% over the last 6 years, thus undermining value for money.
3. **Ineffective Community Based Maintenance System** due to lack of follow-up training, apprehensions over how funds will be managed and the perception that water is a 'public good' that should be provided by the government.
4. **Low groundwater potential:** This was the most commonly stated reason for poor performance for districts with safe water coverage at 40% or below. This means that more expensive technologies such as borehole drilling are used instead of shallow wells and springs, which have lower unit costs.
5. **Understaffing in district water offices:** Staff members are either on study leave or have not been recruited due to delays in district recruitment procedures. This is exacerbated by the increase in the number of new districts which places human resource constraints, particularly in hard to reach areas.
6. **Lack of gender and equity consideration in sanitation facilities:** Not all districts are ensuring that latrine construction has access for people with disabilities or separate facilities for males and females.

(v) Urban Water Supply and Sanitation

Rural Towns Water Supply and Sanitation Project: Water was being supplied in all seven locations (Mityana, Mpigi, Masindi, Iganga, Apac and Nebbi districts; plus Packwach Town Council) although supply is intermittent due to irregular power and operations are expensive where back-up generators are used. The follow-up visits to school latrines showed that there was still sub-standard and incomplete work (in Mityana, Mpigi, Iganga and Nebbi districts) where the earlier identified incompetent contractors had continued works. For the piped water supply systems, some of the contractors had not fulfilled all the obligations in the Bills of Quantities, such as failing to provide a water testing kits in Apac and Pakwach Town Council.There was also unsatisfactory work, like pipes laid too close to the ground in Mpigi leading to unaccounted for water.

Energy for Rural Transformation – Water Component Phase I: Fifteen locations (in Kibaale,Kyenjojo,Kamwenge,Bundibugyo,Moroto,Katakwi,Kotido,Yumbe,Marcha-Terego, Adjumani,and Nebbi) had benefited of which fourteen were monitored. Except the Rugombe rural growth centre in Kyenjojo, all other locations had solar panels .However, it is only in locations in Kibaale, Kamenge, Moroto, Yumbe, Adjumani, Laropi in Maracha –Terego,and Nebbi where the solar panels are being effectively utilised. In the other five locations utilisation was hampered by mechanical problems with the solar panels (Kyenjojo town, Rwebisengo and Nyadri) or problems with the mechanised piped water systems (Katakwi and Nakiperimolu). The rural growth centres in the West Nile Region had a high success rate. In the South Western Region concern was expressed that faults may be rectified during the defects and liability period but recur soon after, where there is lack of local capacity to manage the repairs.

Support to Small Towns Water Supply and Sanitation Project: Following delays of nearly a year the piped water supply systems were to be commissioned in June 2009 in Kyotera, Kibaale and Kamwenge. Delays had been due to late releases from MFPED in FY07/08, inadequate designs in Kapchorwa where a contract addendum was required and the contractor's inability to procure materials in time.

National Water and Sewerage Corporation Support to Gulu Water Supply and Sanitation Project – Emergency Works: Following under-utilisation of the budget for the first three quarters of FY08/09, procurement had recently been concluded and real works were due to start at the end of June 2009.

(vi) Water for Production

Leye dam, Olamia valley tank, Olelpec valley tank and Kawomeeri dam were monitored. Leye dam was completed ahead of schedule and minor adjustments were underway under the defects and liability period. Olamia and Olelpec valley tanks were 70% complete and were likely to be finished on time. Kawomeeri dam was significantly behind schedule as the payments to the contractor were delayed even though financial releases from the Treasury were made on time.

Water for production programme should be commended for involving district officials in site supervision and monitoring, which increases ownership.

General challenges under the programme include:

- **Land acquisition:** Progress in construction was disrupted as land issues were not resolved before works start, which led to prolonged compensation periods.
- **Delayed payments:** Even when releases were made in full and on time by the Treasury, payments to the contractor were delayed because of MWE's lengthy internal payment system.
- **Environmental Impact Assessments:** AThese were often not carried out or do not consult the local community which has implications for social and environmental sustainability.

Microfinance

- The Government through the MoFPED released Ug shs 115,200,000 during the month of March 2009 to Ms Natural Uganda Cooperative Society (NUCSL). This represents only 10% of the funds that were planned to be disbursed to the Society. These funds were effectively utilized according to the activities outlined in the work plan. Some of the main activities carried out included site planning; the acquisition of land; call for the bids for architectural design and consultancy work on use of the Solar panels. These activities/items had been partially paid for.
- The delayed release of the remaining balance of an equivalent of Euros 352,000 to NUCSL will definitely delay the completion of the activities as earlier planned
- Some farmers were losing interest in growing the organic pineapples which are laborious and expensive to maintain because of the delay in establishing the drying fruit factory.

4.2 RECOMMENDATIONS

Financial Performance

1. Local government accounting officers who either delay remitting funds to departments or allow diversion of funds among sectors must be cautioned. The district CFO in Bukedea with unspent funds for two consecutive FYs and that of Buliisa who remitted some of the funds 4 months after receipt should be investigated.
2. Although local governments should be allowed to carry over unspent balances, there should be a time frame within which these funds must be spent. A mechanism must be established to ensure compliance.
3. New districts should be assisted to build capacity in book-keeping and then cautioned against poor practices.
4. MOES should revisit the issue of unit costs. *It has been proposed that zonal unit costs are adopted to cater for variations in terrain and costs of construction materials.*

Agriculture

1. MAAIF needs to work closely with the districts to ensure that construction of the infrastructures is satisfactorily completed and there are effectively utilized and managed. This will necessitate putting in place management plans and maintenance mechanisms that are under the coordination of the districts and local governments but with supervision

and quality control done by MAAIF. Districts need to be encouraged to allocate resources for maintenance of major infrastructures with support from MAAIF.

2. Government needs to review and revise the approach of channeling funds to agriculture through projects for increased efficiency in budget execution and physical performance.
3. Government needs to revisit the way agreements are made with ADB to ensure that they are implementable. Mainstreaming projects into the sectorwide approach to planning and budgeting may ease the problem of poor coordination by small units within MAAIF.
4. In future, projects/interventions should be sufficiently decentralized and district/local officials involved actively in the design and supervision of works. A specific budget line should be created in every project to enable the active involvement of local government officials. Contractors who are under-performing should be dismissed and replaced.

Education

1. There is need for MoES to take disciplinary measures on all poor performing contractors. Any contractor terminated for shoddy work should be blacklisted and publicized by the PPDA.
2. MOES should improve on its communication about seed school construction with local governments. This would also enhance monitoring and supervision at that level.
3. Releases from MFPED for payment of contractors also need to be expedited. Delayed releases were reported as part of the causes for delays in completion of civil works in several sites.
4. Government needs urgently to consider provision of laboratory blocks for all the seed schools in line with the policy of fostering science. In addition plans should be underway to construct examination halls.
5. The good practice in Arua district of lining up all pit latrines should be taken up by other district in the region and beyond. In addition it has other advantages such as conserving the environmental and also providing possibilities of emptying and using the same pits for a long time.
6. There is need to increase on the inspection grant to districts in the coming FY to enable them fulfill their inspection mandate. This would also compensate for the 5% of every release which was abolished at the beginning of this FY. There is need to train teachers on record management in schools.
7. There is need to train School Management Committees, parents and school administrators on the importance of security and safety measures in schools and how they can put them in place.
8. Districts should update MoES planning unit and Directorate of Education Standards with the correct figures of schools because it is upon this that they base their Inspection IPFs.

Energy

1. There is need to hasten land acquisition processes for the energy projects. The Chief government valuer's office should be strengthened.
2. There is need for high level talks between URA, MFPED and the respective energy companies to resolve the VAT issues.
3. MFPED/MEMD should hasten payments to eligible energy contractors.
4. Government should conduct an awareness campaign about energy projects for the public to appreciate with the view to minimizing land wrangles as well as thefts of project assets.
5. Government should invest in petroleum development studies as well as infrastructure within the Abertine Garben.
6. There is need to nationally roll-out the dissemination of energy saving stoves to households and institutions.

Health

1. *Timely preparation of BOQs:* Lack of BOQs at the start of the FY is the main reason for delaying procurements. Districts should be supported to prepare BOQs early in the FY so that procurements are initiated within the first quarter of the FY.

2. *Involve districts in selection of capital development priorities:* This is intended to make sure that the allocations are actually informed by actual costs and that they are responsive to the pressing needs of the districts.

3. *Establish Regional stores for the National Medical Stores (NMS).* This will reduce the cost of drug management for districts. Districts as far as Pader, Moroto or Bundibugyo have to travel to NMS to place orders, follow up and sometimes to collect drugs. These costs would be minimized if regional stores are established.

4. *Revisit criteria for hardship allowances*. This should be expanded to cater for mountainous and districts located far away from Kampala—being hard to reach and hard to stay for health workers.

5. *Revise the salaries for health workers:* This is intended to reduce on the current level of staff attrition that prefer to work in the private sector and to migrate to neighboring countries.

6. *Prioritise equipping health facilities and rehabilitation of existing facilities over construction of new ones.* It is cost effective to equip health facilities that are constructed and to rehabilitate existing before constructing new ones. This will have immediate impact on increasing access to health facilities.

Industrial Parks

1. UIA management should submit timely work plans and proposals for approval to the board to avoid carrying forward activities which can otherwise be done in a particular period.
2. The UIA should have its staffing strengthened to ensure effective implementation of its investments.
3. The Uganda Industrial Research Institute; as well as the Uganda National Bureau of Standards should be given more funds on a timely basis given the commendable job that they are undertaking to foster industrialization and competitiveness.

Roads

1. UNRA needs to proactively engage the key issues of the Kampala Northern Bypass project with a view of avoiding potential disputes that may introduce further delays, and also to regularize the contract period so as to enable reasonable scheduling of outstanding works and projection of final costs.
2. National Roads Maintenance Programme

- There is need for improved procurement planning to ensure increased efficiency of implementing activities planned to be contracted out, and a need for a clear policy declaration to inform the use of force account and thus make the necessary decisions whether to reinforce the construction equipment at the stations or prepare for its phasing out with clear guidelines on how to cope with the high maintenance costs and reduced efficiency of the aged equipment.
- The procurement of supervision vehicles and motorcycles needs to be fast tracked to enable the UNRA stations meet the increasing needs for effective supervision.
- There is need for active research into alternative materials to gravel; for use in road construction and maintenance.
- There is need for improved harmonization and planning within government to avoid service providers breaking up new roads. The country should lay down an underground system that allows other users to introduce cables whenever the need arises.

3. The Transport Corridor Project needs to be reviewed and streamlined so as to enable discreet monitoring and evaluation of the performance of the project.

4. District, Urban and Community Access Roads Programme

- The funds for road maintenance needs to be increased but with a more stringent framework for increased accountability in place.
- There is need for a clear policy declaration to guide the local governments on the use of force account and to streamline its use for increased accountability and better service delivery.
- There is need for clear policy guidelines on how local governments may proceed with abandoned contracts and with completion of the works while avoiding litigation pitfalls.
- A technical/ financial audit of the road maintenance programmes in Mukono and Masindi districts should be conducted. In addition, an effective M&E system within MoWT to monitor the implementation of district roads maintenance programmes so as to ensure coherence, improved service delivery and increased accountability for the quality of works on the roads is also recommended.

5. The Interconnectivity Roads Improvement Programme should be reviewed.

Water and Sanitation

(iv) Rural Water Supply and Sanitation (District Water and Sanitation Conditional Grant)

- **Contain Increase in unit costs:** In an effort to curb costs, districts should encourage competitive pricing, review designs for improvement and consider appropriate alternative low cost technology options, such as rainwater harvesting particularly in areas with low groundwater potential. CAO's should increase their supervisory function to ensure that funds intended for capital expenditure are not used on overheads.
- **Community Based Maintenance System:** This must be strengthened to increase functionality through improved sensitisation and follow-up training, which should be closely monitored by the TSU's. Enhanced support from district officials and political leaders for CBMS is essential.
- **Understaffing in District Water Officers:** Where this is due to delays in district's recruitment procedures, contract staff should be recruited as advised by MWE.
- **Sanitation By-Laws:** These should be passed in districts with political support as evidence suggests that the 'stick' approach of penalising households without latrines is the most effective way of increasing coverage.
- **Sanitation facilities and gender and equity:** Districts should be encouraged by the TSU's to design and construct facilities that provide access to people with disabilities and have separate facilities for males and females.

(v) Urban Water Supply and Sanitation:

- **Improve Procurement:** Procedures should be improved to ensure that only competent firms are used and are adequately supervised. Firms producing low quality works should be blacklisted.
- **Improvement of project design/feasibility and supervision:** This should primarily be at the level of the consultancy firms which are responsible for ensuring projects are delivered to design and technical specification to reduce instances of poor quality works. Competition in the consultancy sector should be promoted. District officials should be availed with project documents to enhance their supervisory role.
- **Alternative energy sources:** Solar panels or back up generators should be included in the design of piped water supply systems where there is irregular power supply. Locations without connection to the grid should be prioritised for ERT Phase II – Water Component.

(vi) Water for Production:

- **Clearing payments on time and access to IFMS:** If construction is satisfactory and releases have been made by the Treasury, contractors should be paid on time to prevent delayed works and accrual of interest. DWD should consider streamlining internal payment procedures. Vote Controllers and not only the Accounts Department should also have access to information on IFMS to help guide operations.

- **Land acquisition:** This should be resolved by local authorities prior to construction to prevent delays in works and prolonged compensation periods, which may help to increase community ownership once an intervention has been handed over.
- **Rehabilitation of existing dams and valley tanks:** This should be prioritised as a more cost effective way of delivering services, instead of constructing new ones.
- **Environmental Impact Assessment:** This is generally neglected and should be undertaken on a more comprehensive basis by water for production programme prior to the start of construction.

Microfinance

These are specific to the Natural Uganda Cooperative Society Limited (NUSCL)that was reviewed.

1 The NUCSL should expeditiously follow up with the surveyor and acquire the land title for the land purchased; and the Consulatnt on solar panels for final report.

2 The Ministry of Finance, should release the remaining amounts totaling to the equivalent of Euros 352,000 to NUCSL to enable effective and timely execution of the activities contained in the work plan.

3 The Government should ensure continuously inspection of the project to ensure ist effectivbe implementation.

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ANNEXES

Annex Table 2.1: **MINISTRY OF AGRICULTURE-Releases and Expenditures July 2008-June 2009 Excl Taxes**

VOTE	PROJECT	PROJNAME	GOU	ARREARS	Releases July 08-June 2009	Expenditures July 08 -June 09	Releases as % of the budget July - June	Expenditures as % of releases July -June
010	0074	AGRIC. SECTOR PRG. SUPPORT PHASE II	283,000,000	-	269,464,000	261,210,534	95	97
010	0076	SUPPORT FOR INSTITUTIONAL DEV-MAAIF	2,251,172,620	-	2,014,505,620	2,011,437,284	89	100
010	0077	AGRICULTURE MARKETING SUPPORT WFP	215,235,000	-	215,235,000	215,179,920	100	100
010	0081	DEV.OF NATIONAL EARLY WARNING SYSTM	127,000,000	-	127,000,000	119,217,872	100	94
010	0083	FARMING IN TSETSE AREAS OF E.AFRICA	580,661,000	-	580,661,000	580,618,990	100	100
010	0088	NW SMALLHOLDER AGRIC DEVELOPMENT.	100,000,000	-	92,600,000	89,445,662	93	97
010	0089	SUPPORT FOR IRRIGATION	25,000,000	-	17,600,000	15,278,019	70	87
010	0090	LIVESTOCK DISEASE CONTROL	1,313,500,000	-	1,313,500,000	1,288,197,326	100	98
010	0091	NATIONAL LIVESTOCK PROD IMPROVEMENT	1,001,500,000		964,250,000	828,934,064	96	86
010	0092	RURAL ELECTRIFICATION-ERT-MAAIF	146,926,000	-	134,528,694	134,470,951	92	100
010	0094	SUPERVISION,MONITORING & EVALUATION	192,000,000	-	189,864,193	188,920,898	99	100
010	0097	SUPPORT TO FISHERIES DEVELOPMENT PR	395,000,000	-	395,000,000	389,734,527	100	99
010	0104	SUPPORT FOR TEA/COCOA SEEDLINGS	269,892,285	619,000,400	269,892,285	873,240,940	30	324
010	0106	VEGETABLE OIL DEVELOPMENT PROJECT	1,650,000,000	-	1,558,797,000	875,954,659	94	56
010	0968	FARM INCOME ENHANCEMENT PROJECT	342,800,000	-	342,800,000	342,657,592	100	100
010	0969	CREATION OF TSETSE & TRYPANOMIASIS	94,000,000	-	83,557,974	81,510,700	89	98
010	0970	CROP DISEASES & PESTS CONTROL	566,000,000	-	566,000,000	471,764,721	100	83
010	1007	TRANSBOUNDARY AGROSYSTEM MANAGEMENT	20,000,000	-	10,000,000	-	50	-
010	1008	PLAN FOR NATIONAL AGRIC. STATISTICS	390,000,000	-	390,000,000	389,858,434	100	100
010	1009	SUSTAINABLE LAND MANAGEMENT PROJECT	100,000,000	-	99,999,927	98,820,000	100	99
010	1010	AGRIC.PRODUCTION MARKETING & REG	205,474,000	-	205,474,000	205,060,659	100	100
010	1011	DISSEMINATION NERICA &IMPROVED RICE	100,000,000	-	89,853,000	89,491,600	90	100
010	1012	FAO/TCP INTEGRATED PEST&DISEASE MGT	156,000,000	-	152,011,036	179,924,150	97	118
		TOTAL	10,525,160,905	619,000,400	10,082,593,729	9,730,929,502	96	97

Annex Table 2.2: MINISTRY OF EDUCATION AND SPORTS-Releases and Expenditures July 2008 - June 2009

VOTE	PROJECT	PROJNAME	GOU- Budget	Releases July-June 09	Expenditures July-june Excl. taxes	Releases as % of the budget July -June	Expenditures as % of Releases July 08-June09
013	0176	CHILD FRIENDLY BASIC EDUCATION	100,000,000	100,000,000	77,526,088	100	78
013	0191	REH.NAT.HEALTH SERV.&DEPT.TRAIN.INS	2,600,000,000	2,600,000,000	2,235,148,829	100	86
013	0210	WFP/KARAMOJA	700,000,000	679,723,000	647,208,000	97	95
013	0897	DEVELOPMENT OF SECONDARY EDUCATION	12,607,886,358	12,607,886,358	11,326,479,067	100	90
013	0942	DEVELOPMENT OF BTVET	3,230,000,000	3,230,000,000	3,097,976,888	100	96
013	0943	EMERGENCY CONST.& REH.PRIM.SCHOOLS	2,800,000,000	2,800,000,000	2,598,636,289	100	93
013	0944	DEVELOPMENT OF PRIM.TEACHERS'COLL.	5,501,000,000	5,501,000,000	3,289,644,266	100	60
013	0949	ADB III POSTPRIMARY EDUC & TRAINING	6,368,000,000	6,368,000,000	6,368,000,000	100	100
013	0971	DEVT TVET P7 GRAD. ENROLLING INSTIT	2,300,000,000	2,300,000,000	2,300,000,000	100	100
013	0984	RELOCATION OF SHIMONI PTC & PRI.SCH	3,538,000,000	3,213,991,643	2,138,219,699	91	67
	TOTALS		39,744,886,358	39,400,601,001	34,078,839,126	99	86

Annex Table 2.3:Ministry of Energy- Releases and Expnditures July 08- June2009 excl taxes

VOTE	PROJECT	PROJNAME	GOU-Budget	ARREARS	Releases July-June 09	Releases as % of the budget July - June 09	Expenditures July -June 09	Expenditures as % of releases July -June 09
017	0325	ENERGY FOR RURAL TRANS. - MEMD	198,770,000	-	179,669,000	90.39	171,569,000	95
017	0328	SUSTAINABLE MGT. MINERAL RESOURCES	639,172,158	-	525,672,000	82.24	524,731,925	100
017	0329	PETROLEUM EXPLORATION PROMOTION	2,653,555,000	376,306,282	2,439,017,282	80.50	2,853,422,756	117
017	0331	RURAL ELECTRIFICATION	10,076,043,000	-	6,165,807,718	61.19	6,158,837,329	100
017	0940	SUPPORT TO THERMAL POWER GENERATION	92,000,000,000	-	92,000,000,000	100.00	92,000,000,000	100
017	0985		72,853,333,000	-	72,853,333,000	100.00	72,853,333,000	100
017	0999	POWER SECTOR DEVELOPMENT PROGRAMME	100,856,000	-	100,856,000	100.00	98,485,877	98
017	1023	PROMOTION OF RENEWABLE ENERGY	210,000,000	-	128,471,000	61.18	125,292,510	98
017	1024	BUJAGALI INTERCONNECTION PROJECT	-	-	-	-	-	-
017	1025	KARUMA INTERCONNECTION PROJECT	-	-	-	-	-	-
017	1026	MPUTA INTERCONNECTION PROJECT	35,000,000,000	-	21,412,074,000	61.18	21,385,388,290	100
		Totals	213,731,729,158	376,306,282	195,804,900,000	91.45	196,171,060,687	100

Annex Table 2.4: MINISTRY OF HEALTH- Releases and Expenditures July- June2009 Excl taxes

VOTE	PROJECT	PROJNAME	GOU- Budget	ARREARS	Releases July-June 2009	Expenditures July- June 2009	Releases as % of the budget July -June	Expenditures as % of Releases July -June
014	0216	DIST. INFRASTRUCTURE SUPPORT PRG I	5,380,482,822	-	5,380,477,688	5,372,330,090	100	100
014	0223	HSRPII-KAMULI & KISORO DISTRICTS	-	1,223,628,437	1,223,628,000	1,223,628,000	100	100
014	0224	IMAGING & THEATRE EQUIPMENT PROJ. I	4,589,921,000	-	4,589,920,610	4,587,508,991	100	100
014	0232	REHAB HEALTH FACILITIES EASTERN REG	760,079,000	-	760,079,000	748,961,970	100	99
014	0891	DONOR SUPPORT TO THE HEALTH SECTOR	-	-	-	-	-	-
014	0980	DEV'T. OF SOCIAL HEALTH INITIATIVE	1,400,000,000	-	1,399,780,821	1,399,777,034	100	100
014	1027	INST.SUPPORT TO MINISTRY OF HEALTH	750,000,000	-	748,456,960	745,934,359	100	100
		TOTALS	12,880,482,822	1,223,628,437	14,102,343,079	14,078,140,444	109	100

Annex Table 2.5:MINISTRY OF WATER-Releases and Expenditures July-June 2009 Excl.Taxes

VOTE	PROJECT	PROJNAME	GOU-Budget	ARREARS	Releases July-June	Releases as % of the budget July - June	Expenditures July - June	Expenditures as % of Releases July -June
019	0124	ENERGY FOR RURAL TRANSFORMATION	270,000,000	80,000,000	342,178,667	97.76533343	342,178,667	100.00
019	0137	L.VICTORIA ENVIRONMENT MNGMT PROG.	1,560,100,000	-	1,495,018,015	95.8283453	1,481,329,679	99.08
019	0140	METEOROLOGICAL SUPPORT FOR PMA	500,000,000		469,487,000	93.8974	460,303,384	98.04
019	0146	NATIONAL WETLAND PROJECT - PHASE 3	370,000,000		**369,999,000**	99.99972973	324,728,414	87.76
019	0148	NORTH EAST TOWNS WATER & SAN - BADEA	2,980,000,000	1,640,000,000	4,569,819,667	98.91384561	4,556,406,228	99.71
019	0149	OPER.WATER RESOURCE MGT -NILE BASIN	520,000,000	-	**509,174,000**	97.91807692	512,278,000	100.61
019	0151	POLICY AND MANAGEMENT SUPPORT	1,610,000,000	-	1,412,500,000	87.73291925	1,387,154,442	98.21
019	0154	RURAL TOWNS WATER - ADB	4,300,000,000	8,170,828,000	12,470,828,000	100	11,990,194,134	96.15
019	0158	SCHOOL/COMMUNITY SANITATION & WATER	1,848,000,000	-	1,688,367,667	91.36188674	1,638,332,667	97.04
019	0160	SOUTH/WEST TOWNS WATER & SANITATION	1,220,000,000	-	1,184,265,591	97.07095008	1,179,275,479	99.58
019	0163	SUPPORT TO RURAL WATER SECTOR	2,800,000,000	677,000,000	3,476,999,547	99.99998697	3,011,802,414	86.62
019	0164	SUPPORT TO SMALL TOWNS WATER	6,700,000,000	-	6,699,999,862	99.99999794	6,627,761,650	98.92
019	0165	SUPPORT TO THE WRMD	1,700,000,000	-	1,452,014,000	85.41258824	1,410,628,800	97.15
019	0168	URBAN WATER REFORM IMPLEMENTATION	600,000,000	40,000,000	639,998,333	99.99973953	637,375,990	99.59
019	0169	WATER FOR PRODUCTION	7,461,436,729	-	7,453,436,066	99.89277316	7,386,823,566	99.11
019	0947	FARM INCOME ENHANCEMENT PROJECT	557,000,000	-	556,999,667	99.99994022	553,499,667	99.37
019	1015	GULU WATER& SEWERAGE REHABILITATION	2,510,000,000	-	2,448,349,000	97.54378486	2,448,349,000	100.00
019	1021	MAPPING GROUND WATER RESOURCES	350,000,000	-	254,120,000	72.60571429	254,120,000	100.00
019	1022	STRENGTHEN CAPACITY CONCESSION/LIC	100,000,000	-	81,628,876	81.628876	81,546,908	99.90
019	1030	SECTOR INVESTMENT PLAN COORD(SIPCP)	300,000,000	-	201,904,269	67.301423	201,904,269	100.00
			38,256,536,729	10,607,828,000	47,777,087,227.000	97.77490712	46,485,993,358	97.30

Annex Table 2.6MINISTRY OF WORKS AND TRANSPORT- Releases and Expenditures July- June 2009 excl.Taxes

VOTE	PROJECT	PROJNAME	GOU-Budget	ARREARS	Releases July-June 2009	Expenditures July- June 2009	Releases as % of the budget July -June	Expenditures as % of Releases July-June
016	0261	8 DISTS. RD NETWORK - FEEDER RDS	400,000,000	-	388,414,000	388,414,000	97.1035	100
016	0262	8 DISTS. RD NETWORK - GRAVEL ROADS	100,000,000	-	97,104,000	97,104,000	97.104	100
016	0263	8 DISTS. RD NETWORK - LABOUR-BASED	1,240,000,000	-	1,240,000,000	1,240,000,000	100	100
016	0264	AAMP REHAB. DISTRICT ROADS - ADF	1,040,000,000		1,009,876,000	1,009,876,000	97.103462	100
016	0269	CONSTRUCTION OF SELECTED BRIDGES	1,194,311,641	-	727,070,000	726,999,473	60.877745	99.9903
016	0270	DEVT & STRENGTH QUALITY MANAGEMENT	700,000,000		428,242,000	428,242,000	61.177429	100
016	0271	DEV'T OF INLAND WATER TRANSPORT	1,300,000,000	-	975,000,000	975,000,000	75	100
016	0274	FEEDER ROADS REHAB. NORTHERN UGANDA	4,100,000,000	-	2,524,272,000	2,523,761,599	61.56761	99.97978
016	0297	RDP - TRANSPORT MASTER PLAN	590,000,000		367,000,000	150,000,000	62.20339	40.871935
016	0304	REHABILITATION OF UPCOUNTRY STATION	320,000,000	-	195,768,000	195,768,000	61.1775	100
016	0306	URBAN ROADS RESEALING	1,500,000,000	-	1,465,553,000	1,456,553,000	97.703533	99.385897
016	0307	REHABILITATION OF DISTRICT ROADS	5,000,000,000	-	4,855,175,000	4,855,175,000	97.1035	100
016	0308	ROAD EQUIPMENT FOR DISTRICT UNITS	1,200,000,000	-	734,129,000	495,814,521	61.177417	67.537793
016	0316	SUPPORT EARTHQUAKE DISASTER VICTIMS	100,000,000	-	100,000,000	69,468,461	100	69.468461
016	0320	UPGRAD. KAGAMBA-RUKUNGIRI ROAD	-	5,570,000.000	5,570,000,000	5,309,473,865		95.322691
016	0417	REGRAVEL DISTRICT ROADS (STABEX)	230,000,000	-	223,338,000	213,651,628	97.103478	95.662909
016	0515	REH. OF BUGEMBE WORKSHOP	200,000,000	-	122,355,000	122,355,000	61.1775	100
016	0901	STUD ON TRANSPORT REGULATORY AGENCY	80,000,000	-	80,000,000	80,000,000	100	100
016	0902	AXLE LOAD CONTROL	800,000,000	-	558,792,000	522,959,651	69.849	93.587534
016	0936	REDEVELOPMENT OF STATE HOUSE	2,000,000,000	-	2,000,000,000	2,000,000,000	100	100
016	0951	E.A.TRADE & TRANSPORT FACILITY	500,000,000	-	305,887,000	305,871,596	61.1774	99.994964

016	0965	REDEVELOPMENT OF KYABAZINGA PALACE	1,500,000,000	-	1,500,000,000	1,383,724,935	100	92.248329
016	0966	COMPLETION OF LATE GEN OKELLO RESID	400,000,000	-	244,709,000	229,763,000	61.17725	93.892337
016	0967	GENERAL CONSTRUCTION & REHAB WORKS	2,500,000,000	-	1,529,434,000	1,529,434,000	61.17736	100
016	0995	COMMUNITY AGR INFRASTRUCTURE IMPROV	640,000,000	-	640,000,000	640,000,000	100	100
016	0996	SUPPORT TOURISM INFRASTRUCTURE DEV	1,001,000,000	-	972,000,000	972,000,000	97.102897	100
016	1018	RRP-SUPPORT TO MOWT	4,780,000,000	-	2,924,277,000	2,611,348,138	61.177343	89.298932
016	1019	RRP-SUPPORT TO MELTEC	2,390,000,000	-	1,792,500,000	1,526,720,940	75	85.172716
016	1045	INTERCONNECTIVITY IMPROVEMENT ROADS	7,940,000,000	-	4,857,482,000	4,857,482,000	61.177355	100
016	1046	KYAPA-KENSORO ROAD	200,000,000	-	122,355,000	122,355,000	61.1775	100
016	1047	REDEVELOP/REHAB UPCOUNTRY AERODROME	1,260,000,000	-	770,835,000	770,835,000	61.177381	100
016	1048	INTROD & PRIV M.V.INSPECTION SERVIC	633,000,000	-	633,000,000	630,372,540	100	99.584919
016	1049	KAMPALA-KASESE RAILWAY LINE STUDY	680,000,000	-	680,000,000	675,681,049	100	99.36486
016	1050	NATIONAL TRANSPORT DATABASE	800,000,000	-	700,000,000	650,018,607	87.5	92.859801
016	1051	NEW SHIP TO REPLACE MV KABALEGA	7,320,000,000	-	4,716,774,000	4,610,154,023	64.436803	97.739557
016	1052	REHAB & RE-EQUIPPING EACAA SOROTI	6,631,058,423	-	6,231,059,000	6,095,861,909	93.967789	97.830271
016	1061	CONSTRUCTION OF GOVT. OFFICE BLOCK	-	-	-		0	0
016	1062	KARAMOJA ROAD DEVELOPMENT PROGRAMME	-	-	-		0	0
		Totals	61,269,370,064	5,570,000.000	52,282,400,000	50,472,238,935	85.324278	96.537724

ANNEX 3.1: COMMITTED FUNDS FOR MARKET INFRASTRUCTURE WORKS UNDER NLPIP AS AT 15/06/2009

				CONTRACT DETAILS			PAYMENTS			BALANCE		
Lot	**Contractor**	**District**	**Particulars**	**Contract amount**	**ADB amount**	**GOU Amounts (VAT)**	**ADB**	**GOU VAT**	**TOTAL**	**ADB**	**GOU (VAT)**	**TOTAL**
Lot 1	Mwizi	Kiruhura	Ruhengyere water works	1,055,096,593	894,149,655	160,946,937.90	388,555,482	-	388,555,482	505,594,173	160,946,938	666,541,111
Lot 2	Mulowoza	Kiruhura	Ruhengyere roads and bushes	1,754,678,094	1,487,015,334	267,662,760.12	441,796,063	-	441,796,063	1,045,219,271	267,662,760	1,312,882,031
Lot 3	Azu	Kamuli	Kasolwe water works	651,554,169	541,530,344	97,475,461.92	247,028,107	-	247,028,107	294,502,237	97,475,462	404,526,062
Lot 4	Liberty	Kamuli	Kasolwe roads and bushes	1,144,069,240	969,550,203	174,519,036.54	291,181,863	-	291,181,863	678,368,340	174,519,037	852,887,377
Lot 5	Kenvin	Bushenyi	Nyakabirisi S/shed	563,288,181	477,362,865	85,925,315.70	334,477,955	-	334,477,955	142,884,910	85,925,316	228,810,226
Lot 6	Ambitious	Ibanda	Mkts, dips and crushes	529,585,956	448,801,658	80,784,298.44	99,562,160	-	99,562,160	349,239,498	80,784,298	430,023,796
Lot 7	Remmy	Isingiro	Mkts, dips and crushes	545,679,785	462,440,496	83,239,289.28	184,161,026	-	184,161,026	278,279,470	83,239,289	361,518,759
Lot 8	Jami Constructio n Ltd	Kamwenge	Mkts, dips and crushes	374,303,139	317,206,050	57,097,089.00	-	-	-	317,206,050	57,097,089	374,303,139
Lot 9	Malt	Mubende	Mkts, dips and crushes	288,235,013	244,266,960	43,968,052.80	119,041,892	-	119,041,892	125,225,068	43,968,053	169,193,121
Lot 10	Broadway	Kibooga	Mkts, dips and crushes	361,495,583	306,352,189	55,143,394.02	149,208,534	-	149,208,534	157,143,655	55,143,394	212,287,049
Lot 11	B & T	Kyenjojo	Mkts, dips and crushes	695,964,140	589,800,119	106,164,021.42	128,922,402	-	128,922,402	460,877,717	106,164,021	567,041,738
Lot 12	Mini Max	Masindi	Mkts, dips and crushes	413,007,567	350,006,413	63,001,154.34	172,352,206	-	172,352,206	177,654,207	63,001,154	240,655,361
Lot 13	Ishaka	Ntungamo	Mkts, dips and crushes	600,846,236	509,191,725	91,654,510.50	184,744,647	-	184,744,647	324,447,078	91,654,511	416,101,589
Lot 14	RESCO	Kayunga	Mkts, dips and crushes	114,563,516	97,087,725	17,475,790.58	73,209,919	-	73,209,919	23,877,806	17,475,791	41,353,597
Lot 15	Tabula	Luweero	Mkts, dips and crushes	348,301,869	295,171,075	53,130,793.50	213,731,612	-	213,731,612	81,439,463	53,130,794	134,570,257
Lot 16	Ndora	Nakaseke	Mkts, dips and crushes	612,297,445	518,896,140	93,401,305.20	164,007,913	-	164,007,913	354,888,227	93,401,305	448,289,532
Lot 17	Mubiko	Nakasongol a	Mkts, dips and crushes	635,144,431	538,257,992	96,886,438.56	123,278,888	-	123,278,888	414,979,104	96,886,439	511,865,543
Lot 18	Rohi	Kamuli and Kaliro	Mkts, dips and crushes	562,206,472	476,446,163	85,760,309.34	390,423,568	-	390,423,568	86,022,595	85,760,309	171,782,904
Lot 19	Wako	Sembabule	Mkts, dips and crushes	655,518,164	555,523,868	99,994,296.24	179,088,627	-	179,088,627	376,435,241	99,994,296	476,429,537

Lot 24	Mukal	Kaberamaido and Kaabong	Mkts, dips and crushes	1,198,774,811	1,015,910,857	182,863,954.26	-	-	-	1,015,910,857	182,863,954	1,198,774,811
Lot 25	Mogen	Katakwi and Amuria	Mkts, dips and crushes	256,982,440	217,781,729	39,200,711.22	107,294,477	-	107,294,477	110,487,252	39,200,711	149,687,963
Lot 26	TK	Amuria	Mkts, dips and crushes	586,900,052	497,372,925	89,527,126.50	195,519,640	-	195,519,640	301,853,285	89,527,127	391,380,412
Lot 29	Coil	Bukedea and Kumi	Mkts, dips and crushes	905,720,151	767,559,450	138,160,701.00	459,671,722	-	459,671,722	307,887,728	138,160,701	446,048,429
Lot 30	Kanyangarang	Nakapiripirit and Moroto	Mkts, dips and crushes	857,810,685	726,958,208	130,852,477.44	247,795,288	-	247,795,288	479,162,920	130,852,477	610,015,397
Lot 31	Alliance	Budaaka, Sironhko	Mkts, dips and crushes	682,918,005	578,744,072	104,173,932.96	121,368,011	-	121,368,011	457,376,061	104,173,933	561,549,994
Lot 32	Akia	Lira	Mkts, dips and crushes	911,256,573	772,251,333	139,005,239.94	204,231,639	-	204,231,639	568,019,694	139,005,240	707,024,934
Lot 33	Niyo	Kiruhura	Mkts, dips and crushes	486,334,795	412,148,131	74,186,663.58	82,429,626	-	82,429,626	329,718,505	74,186,664	403,905,169
Lot 36	Buyonyi	Lyantonde	Mkts, dips and crushes	452,845,970	383,767,771	69,078,198.78	109,290,767	-	109,290,767	274,477,004	69,078,199	343,555,203
			TOTAL	**18,245,379,075**	**15,451,551,450**	**2,781,279,261**	**5,412,374,034**	**-**	**5,412,374,034**	**10,039,177,416**	**2,781,279,261**	**12,833,005,041**

Source: NLPIP Coordination Office, MAAIF

ANNEX 3.2: COMMITTED FUNDS FOR WATER FACILITIES UNDER NLPIP												
				CONTRACT DETAILS			**PAYMENTS**			**BALANCE**		
Lot	**Contractor**	**District**	**Particulars**	**Contract amount (US$)**	**ADB amount (US$)**	**GOU Amounts (US$)**	**ADB (US$)**	**GOU (US$)**	**TOTAL (US$)**	**ADB (US$)**	**GOU (US$)**	**TOTAL (US$)**
Lot 1 & 2	Spencon	Isingiro, Lyantonde, Rakai, Mubende and Kiboga	Dam construction	8,095,704.56	5,990,821.37	2,104,883.19	5,812,583.87	-	5,812,583.87	178,237.50	2,104,883.19	2,283,120.69
Lot 3	Pearl Engineering	Kamuli and Kumi	Dam construction	2,263,523.23	1,675,007.19	588,516.04	1,522,090.40	-	1,522,090.40	152,916.79	588,516.04	741,432.83
Lot 4	Dot Services	Apac and Kitgum	Dam construction	2,772,352.76	2,036,327.97	736,024.79	1,453,114.17	-	1,453,114.17	583,213.80	736,024.79	1,319,238.59
		TOTAL		**13,131,580.55**	**9,702,156.53**	**3,429,424.02**	**8,787,788.44**	**-**	**8,787,788.44**	**914,368.09**	**3,429,424.02**	**4,343,792.11**

Source: NLPIP Coordination Office, MAAIF

Annex **Table 3.3: Summaries of Work Plans, Releases, Current Expenditures and Status of Planned Outputs in the Respective Districts Visited**

District	Size of Road Network (Km)	Planned Activities for Quarter 1&2 FY 2008/09	Budget FY 2008/09 (Million Shillings)					Outputs as at end of Feb 2009		
			Annual	Releases at end of May 08/09	% Release May 08/09	Expenditure May 08/09	% Absorption at end of May 2009	Indicator	Status	Remarks
Arua	484Km	a) Routine maintenance, 398.4Km b) Periodic Maintenance of Koya - Bondo (27.6Km), Arua – Muni – Ochoko (8.5Km), Muni – Oluko (6 Km), Arivu – Ajia (6.3 Km) c) Completion of Enyau bridge on Katrini – Oroi road	383.9	364.7	95.0%	226.6	62.1%	Km maintained Km %	383.9 14Km 99%	5 cycles completed out of 6 planned Contractor on Arua –Ocoko, Arivu – Ajia, and Muni – Oluko deserted the works at about 70% completion Substantially completed
Gulu	559.6Km	a) Routine maintenance, 450 Km b)Rehabilitation of Unyama - Pageya (4.2 Km); Opit – Awoo (14.2 Km); Abera – Awach (19 Km); Lugore – Adere (20 km); Lalemu – Pugunyi (7 Km) c) Rehabilitation of Larwodo bridge on Pageya – Atoo – Omel road	1548.0	1448.2	93.6%	376.3	26.0%	Km maintained Km %	450 19Km 95%	3 cycles completed out of 8 planned Only Abera – Awach road had been completed. Works on the other roads had just commenced Substantially completed
Hoima	788Km	a) Routine maintenance, 435 Km b) Periodic maintenance of Ruguse – Bujugu (7.0Km); Bombo – Buseruka (10.1Km); Kitoba – Kyabasengya (8.0Km) c) Rehabilitation of Kiduma – Karongo (4.7Km); Kitongole – Binenezi (8.4Km) d) Repair of structural bottlenecks	357.5	298.0	83.4%	293.5	98.5%	Km Km Km	435 23 2.5	3 cycles completed out of 8 planned Ruguse – Bujugu and Bombo – Buseruka had been completed while the rest was on-going Works were in progress on Kiduma – Karongo but hadn’t commenced on Kitongole road

District	Size of Road Network (Km)	Planned Activities for Quarter 1&2 FY 2008/09	Budget FY 2008/09 (Million Shillings)					Outputs as at end of Feb 2009		
			Annual	Releases at end of May 08/09	% Release May 08/09	Expenditure May 08/09	% Absorption at end of May 2009	Indicator	Status	Remarks
		on 3 community access roads.						No.	1.5	Works were in progress
Lira	541.4 Km	a) Routine maintenance, 341Km b) Periodic Maintenance of Boroboro - Abako (14.5Km); c) Rehabilitation of Ngetta – Apach Br (4.1 Km); Boroboro – Soroti (8.1Km); Barr – Apach Br (26.4 Km); Abako – Amuria Br (18 Km) d) Construction of Orit bridge	1.843	1605.5	87.1%	647.7	40.3%	Km maintained Km Km Km	31.5Km 6Km 32 Nil	3 cycles completed out of 5 planned Works were in progress Works were in progress Was still under procurement
Masindi	818.5 Km	a) Routine maintenance, 781Km b) Periodic Maintenance of Kisorosoro – Dika (10.4 Km); Ibaralibi – Alimugonza (24.4 Km) c) Rehabilitation of Kiryandongo – Kitwala (24.7Km); Kataguruka - Kanini (9.4 Km); Kyatiri - Kitanyata (11 Km); Kigumba – Apondorwa – Mboira (22.7 Km)	543.5	516.3	95.0%	Information not availed	Information not availed	Km Km Km	781 Nil Nil	4 cycles completed out of 6 planned Activities not implemented due to change of work plans Works had commenced on Kigumba – Apondorwa – Mboira road but not on the rest of the roads
Mukono	820Km	a) Routine maintenance, 447Km b) Periodic Maintenance of Bugereka – Kasawo (19 Km); Kirowoza – Namanve (7 Km); Lubugumu – Bugigi (10.5 Km); Wakisi – Naminya (5.4 km); Kirongo – Kulwe (20.7Km). c) Rehabilitation of Bwema I – Bwema II (10Km)	665.7	658.4	98.9%	430.1	65.3%	Km Km Km	447 9 Nil	1.5 cycles out of the 3 planned Works had commenced on some roads while others were still under procurement Works hadn’t commenced
Nebbi	580Km	a) Routine maintenance, 578.1Km b) Rehabilitation of Goli – Paidha	475.4	460.7	96.9%	392.2	85.1%	Km	578.1	6th maintenance cycle (last planned cycle) was on-going

District	Size of Road Network (Km)	Planned Activities for Quarter 1&2 FY 2008/09	Budget FY 2008/09 (Million Shillings)					Outputs as at end of Feb 2009		
			Annual	Releases at end of May 08/09	% Release May 08/09	Expenditure May 08/09	% Absorption at end of May 2009	Indicator	Status	Remarks
		– Arua Border; Zombo – Zeu; Zeu – Warr; Zeu – Lorr – Ulu; Omoyo – Gamba; Nyaravur – Parombo; Parombo – Akwor – Panyimur; Erussi – Parombo; Acwera – Erussi; Akaba – Kucwiny – Pokwero; Ayila – Oweko – Erussi; Agwok – Wadelai; Pakadha – Konga – Akwanji; Parombo – Alwi – Panyango; Paidha – Otheko – Offaka; and Nebbi – Goli – Kei.						Km	25.3	Works were done in small sections of each of the roads using force account.
Wakiso	611Km	a) Routine maintenance, 270Km	843.6	799.6	94.8%	727.9	91.0%	Km	270	5 cycles out of the 6 planned
		b) Periodic maintenance of Buloba – Bukasa (4.8Km); Seguku – Kasenge – Budo (10km); Kamuli – Namayumba (19Km); Nakawuka – Kasangi (9Km); Nkokonjeru – Kaboja (1.5Km); Kisindye – Mabanba (9Km); Natete – Nakawuka (15Km).						Km	24.3	Works on Kamuli – Namayumba road were contracted out by MoWT and were in progress. Works on Seguku – Kasenge – Budo and Natete – Nakawuka had not commenced.
		c) Rehabilitation of Katandase – Kiwebwa (8.4 Km); Gobero – Magogo – Mwera (12.5 Km); Maya – Bulwanyi (5.7 Km).						Km	26.6	Works on the roads had been completed
		d) Repair of bottlenecks on Star – Bunamwaya road (2Km)								