THE REPUBLIC OF UGANDA

Annual Budget Monitoring Report

Financial Year 2013/14

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ABBREVIATIONS AND ACRONYMS

AAPG	Association of American Petroleum Geologists
AASP	Agriculture Advisory Service Providers
ACF	Agricultural Credit Facility
ADB	African Development Bank
ADF	African Development Fund
AFD	French Agency for Development
AfDB	African Development Bank
AfDB	African Development Bank
AG	Albertine Graben
AIA	Appropriation in Aid
AIC	AIDS Information Center
APL	Adaptable Program Loan
ATAAS	Agricultural Technology and Agribusiness Advisory Services
BADEA	Arab Bank for Economic Development in Africa
BCTB	Black Coffee Twig Borer
BFO	Best and Final Offers
BIRDC	Banana Industrial Research and Development Centre
BMAU	Budget Monitoring and Accountability Unit
Bn	Billion
BoQs	Bills of Quantities
BPO	Business Process Outsourcing
BTVET	Training Business Technical Vocational and educational
CAA	Civil Aviation Authority
CAIIP	Community Agricultural Infrastructure Improvement Programme
CAO	Chief Administrative Officer
CBO	Community Based Organizations
ccTLD	Country Code Top level Domain
CERT	Computer Emergency Response Team

CGV	Chief Government Valuer
CH	Chainage
CNOOC	Chinese National Offshore Oil Company
CP	Community Polytechnic
CWE	China International Waters and Electric Corporation
D	Dimension
DAO	District Agricultural Officer
DARST	District Adaptive Research Support Team
DATIC	District Agriculture Training Information center
DCDO	District Community Development Officer
DCO	District Commercial Officer
DCPT	Dynamic Cone Penetration Test
DED	German Development Service
DFP	District Focal Point Person
DICOSS	District Commercial Services Support Project
DIFACOS	Doho Irrigation Scheme Farmers Cooperative Society Limited
DIS	Directorate of Information Security
DLG	District Local Government
DLP	Defects Liability Period
DNC	District NAADS Coordinator
DPMC	District Production and Marketing Coordinator
DPMO	District Production and Marketing Officer
DRC	Democratic Republic of Congo
DRC	Democratic Republic of Congo
DSIP	Agricultural Sector Development Plan and Investment Strategy
DUCAR	District, Urban and Community Access Roads
DVO	District Veterinary Officer
DWD	Directorate of Water Development
DWO	District Water Office

DWRM	Directorate of Water Resources Management
DWSCC	District Water and Sanitation Coordination Committee
DWSDCG	District Water and Sanitation Development Conditional Grant
E&P	Exploration and Production
EA	Exploration Area
EAC	East African Community
EAP	Energy Advisory Project
EAPCE	East African Petroleum Conference and Exhibition
EATTFP	East African Trade and Transport Facilitation Project
EIA	Environmental Impact Assessments
EIPL	Energy Infratech Private Limited
EPC	Engineering Procurement and Construction
ERA	Electricity Regulatory Authority
ERD	Energy Resources Department
ERT	Energy for Rural Transformation
ESDP	Electricity Sector Development Project
ESP	Energy Service Providers
ESS	Energy Saving Stoves
EU	European Union
EVT	Escape and Ventilation Tunnel
EXIM	Export Import
FAO	Food and Agriculture Organization
FAT	Factory Acceptance Tests
FAWE	Forum for African Women Educationalists
FEED	Front End Engineering Design
FESL	Ferdsult Engineering Services Limited
FEW	Field Extension Workers
FGDs	Focus Group Discussions
FID	Farmer Institutional Development

FMD	Foot and Mouth Disease
FSF	Food Security Farmer
FY	Financial Year
GB	Giga Byte
GBOBA	Global Partnerships on Output Based Aid
GCIC	Government Citizen Interactive Centre
GDP	Gross Domestic Product
GIS	Geographical Information System
GISO	Gombolora Internal Security Officer
GIZ	Deutsche Gesellschaft fuer Internationale Zusammenarbeit
GoU	Government of Uganda
H ICT	Information and Communication Technology
Ha	Hectare
HC	Health Centre
HDD	Hard Disc Space
HOCADEO	Hoima Caritas Development Organization
HPP	Hydro Power Plant
HSE	Health Safety Environment
HTCs	Healing Talk Counseling Services
HV	High Voltage
ICT	Information, Communications Technologies
IDA	International Development Association
IDPs	Internally Displaced People
IFDC	International Fertilizer Development Center
IFMS	Integrated Financial Management System
IMSO	International Maritime Satelite Organisation
IP	Internet Protocol
IPC	Interim Payment Certificate
IPF	Indicative Planning Figure

IPv6	Internet Protocol Version Six
ISF	Information Security Forum
ISP	Internet Service provider
IT	Information Technology
ITP	Industrial Technology Park
JBIC	Japan Bank for International Cooperation
JICA	Japan International Cooperation Agency
KADP	Kasese Airport Development Project
KALIP	Karamoja Livelihoods Programme
KCCA	Kampala Capital City Authority
KfW	German Financial Cooperation (KfW Bankengruppe)
Kg	Kilogram
KIBP	Kampala Industrial and Business Park- Namanve
KIL	Kilembe Investment Limited
KIP	Karuma Interconnection Project
KIS	Kalangala Infrastructure Services
Km	Kilometer
KNNN	Kigogole-Ngege-Nsoga- Ngasa
KOICA	Korea International Cooperation Agency
KTB	Kenya Top Bar
KV	Kilo Volts
KVA	Kilo Volt Amperes
KW	Kasamene-Wahrindi
LDC	Licensed Distribution Company
LFO	High level farmer organization
LG	Local Government
LGMSD	Local Government Management and Service Development Programme
LLG	Lower Local Government
LR	Local Revenue

LV	Low Voltage
LVWATSAN	Lake Victoria Water and Sanitation
M	Metre
M&E	Monitoring and Evaluation
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
MAT	Main Access Tunnel
MBAZARDI	Mbarara Zonal Agricultural Research and Development Institute
MDA	Ministries, Departments and Agencies
MDGs	Millennium Development Goals
MDI	Micro Deposit Taking Institution
MEMD	Ministry of Energy and Mineral Development
MFPED	Ministry of Finance, Planning and Economic Development
MHP	Micro Hydro Power
MoES	Ministry of Education and Sports
MOF	Market Oriented Farmer
MoH	Ministry of Health
MoICT	Ministry of Information and Communications Technology
MoLG	Ministry of Local Government
MoTIC	Ministry of Trade, Industry and Cooperatives
MoU	Memorandum of Understanding
MoWE	Ministry of Water and Environment
MoWT	Ministry of Works and Transport
MPS	Ministerial Policy Statement
MSIP	Multi-Stakeholder Innovation Platform
MT	Metric Tonnes
MTEF	Medium Term Expenditure Framework
MVar	Mega Volt Ampere
MW	Mega Watts
MWE	Ministry of Water and Environment

NAADS	National Agricultural Advisory Services
NAGRIC&DB	National Animal Genetic Resources Center and Data Bank
NARO	National Agricultural Research Organization
NBI	National Backbone Infrastructure
NBI/EGI	National Backbone Transmission Infrastructure/E-Government Infrastructure
NCR	Northern Corridor Route
NDP	National Development Plan
NELSAP	Nile Equatorial Lakes Subsidiary Action Programme
NEMA	National Environment Management Authority
NGO	Non Government Organisation
NII	National Information Infrastructure
NIPA	National Information Technology Promotion Agency-Korea
NISAG	National Information Security Advisory Group
NISF	National Information Security Framework
NITA-U	National Information Technology Authority- Uganda
NOC	National Oil Company
NOC	Network Operating Centre
NOGP	National Oil and Gas Policy
NORAD	Norwegian Agency for Development Cooperation
NSIS	National Security Information System
NSSF	National Social Security Fund
NTCs	National Teachers' Colleges
NTR	Non Tax Revenue
NUSAF	Northern Uganda Social Action Fund
NWSC	National Water and Sewerage Corporation
O&M	Operation and Maintenance
OBA	Output Based Aid
OBT	Output Budgeting Tool
OFC	Optical Fibre Cable

OfD	Oil for Development
OHS	Occupational Health and Safety
OPM	Office of the Prime Minister
OSBP	One Stop Border Post
PAP	Project Affected Person
PAU	Petroleum Authority Uganda
PCC	Plain Cement Concrete
PCO	Physiciatric Clinical Officers
PCU	Project Coordination Unit
PDO	Project Development Objectives
PDPs	Physically Displaced and Vulnerable People
PECMEC	Pader- Abim Community Multipurpose Electric Cooperative Society
PEPD	Petroleum Exploration and Production Department
PFI	Participating Financial Institution
PIBID	Presidential Initiative on Banana Industrial Development
PIP	Public Investment Plan
PKI	Public Key Infrastructure
PMG	Production and Marketing Grant
PMO	Production and Marketing Office
PPDA	Public Procurement and Disposal of Public Assets Authority
PRDP	Peace Recovery and Development Programme
PREEEP	Promotion of Renewable Energy and Energy Efficiency Programme
PREPs	Priority Rural Electrification Projects
PSP/PIP	Public Service Provision and Public Infrastructure Provision
PTC	Primary Teachers' College
PV	Photo Voltaic
Q	Quarter
RAM	Random Access Memory
RAP	Resettlement Action Plan

RCDF	Rural Communication Development Fund
RCEO	Regional Coffee Extension Officer
RDP	Refinery Development Program
REA	Rural Electrification Agency
RESP	Rural Electrification Strategy and Plan
RHI	Reproductive Health Items
ROW	Right of Way
RRP	Rural Roads Programme
RSSP	Road Sector Support Programme
RWHTs	Rain Water Harvesting Tanks
RWSS	Rural Water Supply and Sanitation
S.C	Sub County
SESEMAT	Secondary Science Education and Mathematics Teachers
SFG	Schools Facilities' Grant
SME	Small and Medium Enterprise
SMS	Subject Matter Specialist
SNC	Sub county NAADS Coordinator
SOCO	School of Clinical Officers
SPARS	Supervise, Performance, Assessment and Reward Strategy
STIS	Sexually Transmitted Infections
STRW	Support to Rural Water
SWAP	Sector Wide Approach
SWRM	Support to Water Resources Management
T.C	Town Council
T/I	Technical Institute
T/S	Technical School
TB	Tuberculosis
TBAS	Traditional Birth Attendants
TDMS	Teacher Development and Management Systems

TDS	Technology Development Site
TIN	Tax Identification Number
TMEA	Trademark East Africa
TOT	Training Of Trainers
TPDC	Tanzania Petroleum Development Corporation
TSDP	Transport Sector Development Project
TT	Tetanus
TUOPL	Tullow Uganda Operations Pty Limited
TV	Television
TVET	Technical Vocational and Education Training
UA	Unit of Account
UBOS	Uganda Bureau of Statistics
UBTS	Uganda Blood Transfusion Services
UCC	Uganda Communications Commission
UCDA	Uganda Coffee Development Authority
UCI	Uganda Cancer Institute
UDBL	Uganda Development Bank Ltd
UDC	Uganda Development Corporation
UEDCL	Uganda Electricity Distribution Company Limited
UETCL	Uganda Electricity Transmission Company Limited
Ug shs	Uganda Shillings
UHI	Uganda Health Institute
UHMG	Uganda Health Marketing Group
UHSSP	Uganda Health Sector Strategic Plan
UIA	Uganda Investment Authority
UIRI	Uganda Industrial Research Institute
UNBS	Uganda National Bureau of Standards
UNEB	Uganda National Examinations Board
UNEPI	Uganda National Expanded Program on Immunization

UNICEF	United Nations International Children Emergency Fund
UNMHCP	Uganda National Minimum Health Care Package
UNODC	United Nations Office on Drugs and Crimes
UNRA	Uganda National Roads Authority
UPE	Universal Primary Education
UPOLET	Universal Post O' level Education and Training
UPPET	Universal Post Primary Education and Training
UPU	Universal Postal Union
URA	Uganda Revenue Authority
URF	Uganda Road Fund
US$	United States Dollar
UWA	Uganda Wildlife Authority
USE	Universal Secondary Education
UWSS	Urban Water Supply and Sanitation
VAT	Value Added Tax
VCTS	Voluntary Counseling and Testing
VF	Vote Function
VHTS	Village Health Teams
VIP	Ventilated Improved Pit latrine
WENRECO	West Nile Rural Electrification Company
WfP	Water for Production
WRMD	Water Resources Management Department
WSDF-C	Water and Sanitation Development Facility Central
WSDF-E	Water and Sanitation Development Facility East
WSDF-N	Water and Sanitation Development Facility North
WSDF-SW	Water and Sanitation Development Facility South West
ZARDI	Zonal Agricultural Research and Development Institute

FOREWORD

Government is bent on enhancing effective implementation of public programmes. In order to achieve socio-economic transformation which was the focus of the budget for FY 2013/14, the Government is investing substantially in physical infrastructure and human capital. The translation of financial resources into tangible outputs and actual service delivery requires efficient and effective implementation, supervision and monitoring of public programmes.

The Government conducts semi annual performance assessments. To that effect, regular budget monitoring reports have been produced since FY 2008/09 to provide accurate and timely information on the status of programme implementation. This is aimed at aiding decision making by policy makers. The focus continues to be on the priority areas of: Agriculture, Education, Energy, Health, ICT, Industralization, Microfinance; Roads, and Water and Sanitation.

This budget monitoring report provides an overview of the financial and physical performance for selected programmes during the FY 2013/14. The analysis is based on field observations of the various programmes that are implemented by the spending agencies, complemented by secondary data sources.

It is hoped that the implementation challenges that are identified and recommendations made thereof will guide the relevant sectors to ensure enhanced effectiveness of programme implementation and value for money for public expenditures.

Keith Muhakanizi

Permanent Secreatry and Secretary to the Treasury

Glossary

Abutment: the substructure at the end of a bridge span whereon the bridge's superstructure rests.

Allocative efficiency: The measure of the benefit one derives from distributing or investing his/her assets in one way. It occurs when there is optimal distribution of goods and services.

As-built drawings: usually the original design drawings revised to reflect any changes made in the field.

Bedrock: a solid rock underneath loose deposits such as soil.

Coagulation in water treatment: the process of removing dirt and other particles suspended in water by adding a chemical like potassium aluminum sulphate which attracts the dirt particles and they stick together.

Cofferdam: a temporary enclosure built within, or in pairs across, a body of water and constructed to allow the enclosed area to be pumped out, creating a dry work environment for the major work to proceed. It is also called a coffer.

Defects Liability Period: a set period of time after a construction project has been completed during which a contractor has the right to return to the site to remedy defects.

DN: Diameter Nominal of a pipe; The DN code is a code that rounds off the diameter of the pipe to get an even number to work with, not the exact diameter.

Fertigation: an automated fertilization process in which fertilizer is dissolved and distributed along with water in a drip or spray irrigation system

Finishes works: refers to the exterior and interior finishing of buildings and structures to enhance their service and aesthetic qualities. It can include works like: flooring, tiling, plastering, and painting.

Flocculation in water treatment: process of stirring water at a slow rate after coagulation, causing the individual dirt particles to "collide" with each other thereby sticking together to gain a weight heavy enough to sink to the bottom.

Force Account: an institution carries out the construction work with its own forces and equipments required.

Hardpan: a dense layer of soil found below the topsoil layer.

Hardware Activities: These are construction works for different technologies for instance; drilling borehole/Shallow wells, protection of springs, rehabilitation and promotion of domestic rainwater harvesting.

Hoarding: a temporary fence erected round a construction / demolition site.

Liquidated damages: sum of money (agreed-to and written into a contract) specified as the total amount of compensation an aggrieved party should get, if the other party breaches certain part(s) of the contract.

Off-farm: Development of water sources and transmission (bulk transfer) through closed conduits or canals to farm gates.

On-farm: Development of primary distribution and tertiary networks for irrigation systems and infrastructure works, and water use management.

Parapet: a low wall or railing to protect the edge of a platform, roof, or bridge.

River revetment: structures placed along the river bank to stabilize or protect the bank from erosion.

Settlement: the vertically downward movement of a structure due to the compression of the underlying soil layers because of increased load.

Software Activities; these are construction support activities to enhance the sustainability and functionality of the water technologies. These include; post construction support to formation and training of water user committees, district/Sub-County inter-coordination advocacy meetings, drama shows about hand washing, open free.

EXECUTIVE SUMMARY

BACKGROUND

This report reviews selected key vote functions, projects and programmes within the sectors, based on approved plans and significance of budget allocations to the votes. The focus is on nine areas, including: agriculture, education, energy, health, industrialization, ICT, water and sanitation, and roads. Attention is on large expenditure programmes with preference given to development expenditures, except in the cases of education, road maintenance, ICT and health where some recurrent costs are tracked.

The projects selected for monitoring were based on regional sampling, level of capital investment, annual planned output, and value of releases during the FY 2013/14. The methodology adopted for monitoring included literature review of annual progress and performance reports; interviews with the respective responsible officers or representatives; and observations at site.

FINDINGS

Overall Financial Performance

Central Government Ministries/Agencies
This report reviews selected key vote functions and programmes within the sectors noted above.

Findings
The approved development budgets for most of the selected priority central government ministries and agencies remained the same as at 30 June 2014 with the exception of Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) whose budget increased by 21%. While the budgets of Ministry of Finance, Planning and Economic Development (MFPED) and that of Ministry of Health (MoH) were reduced by 3% and 6% respectively.

The cumulative release performance as at 30 June 2014 was very good with an average release performance of 82% for the Ministries and Agencies. This performance would be 88% without the Ministry of Energy and Mineral Development whose release performance was a dismal 15% mainly affected by the delayed Karuma Hydroelectricity Power Project (which was 85% of the vote budget). The late submission of the budget framework paper (BFP) in quarter two continued to affect the votes overall release performance which was 62%.

The cumulative absorption rate for most of the ministries/agencies as at 30 June 2014 was on average 99% which was excellent.

Recommendations

- The MFPED should continue enforcing compliance to reporting deadlines by Accounting officers.
- The central government/department/agencies staff should continuously be sensitised on the new PPDA law which is meant to improve the procurement process and some avoidable unfinished works at year end.
- The MFPED should enforce observation of release schedules by all stakeholders to enable the timely implementation of development works.

Physical performance

i) Agricultural Sector

Introduction
Annual monitoring for FY 2013/14 focused on seven selected programmes in six out of the nine votes in the agricultural sector namely: 1) Kampala Capital City Authority-NAADS 2) Labour Saving Technologies and Mechnaisation for Agricultural Production 3) National Agricultural Advisory Services - NAADS 4) National Animal Genetic Resource Centre and Data Bank - NAGRIC&DB 5) Production and Marketing Grant 6) Support for Tea Cocoa Seedlings project 7) Uganda Coffee Development Authority. In addition, the Agricultural Credit Facility that is implemented under Ministry of Finance Planning and Economic Development (MFPED) was covered.

Findings

Overall, the performance of the agricultural sector in FY 2013/14 was rated as good (60% - 69%), an improvement from the ranking of fair (50%-60%) in FY 2012/13. Good performance in the sector during FY 2013/14 was exhibited in a number of ways:

A good link between financial and physical performance; resources were generally used to implement the planned activities and delivering key sector outputs. Examples are given below:

- ***Agricultural Credit Facility***: The number of farms/firms accessing the Agricultural Credit Facility (ACF) increased from 154 by 30th June 2012 to 253 by 30th June 2014. More than a half of the investments (59%) were in agroprocessing machinery for handling tea, rice, maize, cotton and wheat; followed by infrastructure for farm expansion (17%) such as poultry and piggery units and purchase of tractors (14%).
- ***Kampala Capital City Authority KCCA-NAADS***: The KCCA distributed poultry, piggery, mushrooms enterprises and value addition equipment to 1,250 farmers in the five divisions. A pig breeding unit was established at Kyanja Agricultural Resource Centre in Nakawa Division; 210 piglets that were raised at this centre were distributed to farmers in Makyindye, Nakawa and Lubaga Divisions.
- ***National Agricultural Advisory services (NAADS)***: Inputs and technologies were distributed to farmers countrywide by the NAADS programme. The following technologies were distributed by the NAADS Secretariat by 30th June 2014: 1,934 bags of cassava cuttings, 168 oxen, 16,000 tissue cultured bananas, 240,000 pineapple suckers, 40,000kgs of sunflower seeds, 747 tonnes of bean seeds, 884 tonnes of maize, 300,000 citrus seedlings, 300,000 mango seddlings, 20 milk coolers of 5,000 litres capacity, 21 maize mills and 250 motorised knapsack sprayers.
- ***Uganda Coffee Development Organisation (UCDA)***: By 30th June 2014, the UCDA had procured and distributed; 18,712,437 coffee Wilt resistant Varieties to coffee farmers, 9,752,014 coffee seedlings to war veterans, rehabilitation kits of 40 water tanks, 400 saws, 1,600 Saw blades, 800 Pangas, 800 Slashers, 800 Secateurs and 272 tarpaulins to coffee farmers and nursery operators and 3,600 liters of chemicals for controlling the Black Coffee Twig Borer.
- ***Labour Saving project***: A total of 93 water reservoirs/ponds/valley tanks were rehabilitated against a target of 40, implying overperformance by 232%.

There are several challenges that constrained implementation of agricultural sector interventions and led to lower outputs than expected:

1) **Regional imbalance in the distribution of sector programmes and outputs:** The proportion of beneficiaries accessing the ACF was highest in the central region (53%) and western region (20%) and lower in the east (18%) and the north (9%). Low access to the loans was due to limited publicity and information dissemination about the scheme, and inaccessibility to banks, suppliers of agro-inputs and equipment and advisory services. Farmers' access to the heavy earth moving equipment was highest in the central region (67%) and western region (32%) and lowest in the east (1%) and the north (only one farmer in Arua district had accessed the equipment).

2) **Poor implementation and follow up of agricultural programmes:** There was high loss or wastage of NAADS inputs due to inadequate supervision by district and sub county staff. Under the ACF, some commercial banks were reported to be extorting bribes to process the loans and were charging processing fees that were far above (1% - 7% of the total loan value) the recommended level (0.5%).

3) **Poor accountability and anomalies in the financials**: some votes/projects failed to present their financials for FY 2013/14 especially with regard to detailed expenditures. Others had several anomalies in their financials which did not link well with the physical performance.

4) **Low achievement of set targets resulting in limited outreach and service delivery**: Although funds were generally spent on planned activities, the number of farmers that were reached with inputs, advisory services, loans and heavy earth moving equipment was low. For example, the performance of the Labour Saving project was below average at about 40%; only one out of five planned outputs for FY 2013/14 was achieved. The MAAIF started procurement of 20 tractors in FY 2012/13 and the process was not concluded by the end of FY 2013/14. Expenditures for this project were not in line with delivery of key performance indicators.

5) **Poor allocative efficiency**: was noted in some programmes. More than a half of funds that were spent at the local government level for the NAADS programme were used to pay staff contracts, allowances, coordination costs and operational expenses. This poor resource allocation left limited funds (on average 30% of total expenditures) for technologies for farmers. For the PMG, some districts spent more than 70% of the resources on recurrent expenses, above the recommended threshold of 45% for recurrent expenses.

Recommendations

1) The MAAIF should ensure that agricultural sector programmes are equitably distributed in the country; affirmative action is needed for the North to benefit reasonably from the existing interventions.
2) The MAAIF should step up monitoring and supervision of agricultural programmes.
3) The MFPED and BoU should enhance publicity and information dissemination as well as supervision and monitoring of the ACF.
4) The Auditor General's office should audit the fraudulent practices and anomalies in agricultural sector programmes, expecially the ACF, KCCA -NAADS and Labour Saving Technologies and Mechanization for Agricultural production programmes.
5) The MAAIF should re-align its expenditures to focus on delivering the key performance outputs and targets.

6) The MAAIF should restructure the NAADS budget to focus expenditures on provision of inputs and technologies and advisory services to farmers. Other recurrent expenses such as review meetings, coordination costs and vehicle maintenance expenses should be integrated in the regular local government budgets.

ii) Education Sector

Introduction

Nine projects/programmes under vote 013: Ministry of Education and Sports (MoES) and two under Kampala Capital City Authority (KCCA) were monitored. Under the MoES, the projects/programmes monitored were; i) Emergency Construction of Primary Schools, ii) Development of Secondary Education, iii) Support to USE-IDA, iv) ADB IV-Support to USE, v) Development of TVET P7 Graduate, vi) Support to National Health and Departmental Training Institutions, vii) Development of PTCs, viii) Presidential Pledges and ix) Higher Education Students' Financing Scheme. Under KCCA two projects were monitored: Local Government Management and Service Development Programme and Schools Facilities' Grant.

Findings

a) Vote 013: Ministry of Education and Sports

The approved budget for Vote 013 was Ug hs 480.716 billion of which Ug shs 329.481 billion (68.5%) was released and Ug 312.093 billion (94.7%) spent. The development budget was Ug shs 339.309 billion of which Ug shs 190.35 billion (56%) was released and Ug. Shs 171.467 billion (90%) spent. There was a shortfall in the development budget largely due to donor cuts who released only 49.9% of the budget which affected all donor funded development projects.

Emergency Construction of Primary Schools (0943): By the end of FY 2013/14, release performance and absorption capacity of the project was excellent as 88.3% (Ug shs1, 647,400,650) of the approved budget (Ug shs 1.864billion) had been released and 100 % (Ug shs 1.64billion) absorbed. Although overall fund absorption was 100%, physical performance on the other hand was not commensurate with the funds disbursed. While the MoES planned to construct/rehabilitate 17 primary schools, only nine (i.e 52.9%) were constructed/ rehabilitated by the end of the financial year. In addition, three of the nine schools implemented, were **outside** the approved work/performance contract plan for FY 2013/14 (i.e. Nakikungube P/S, Usuk P/S and Mwererwe P/S). The project did not achieve all the set targets for FY 2013/14.

Development of Secondary Education (0897): The project had an approved budget of Ug shs 6.350billion of which Ug shs 5.54 billion (87.2%) was released and 100% spent by the end of the FY. Release and absorption performance was excellent. Physical performance was mixed as some of the planned outputs were achieved while others were not. For instance; the MoES re-tooled 4,464 teachers over and above the planned 3,800 under the SESEMAT programme and computer software was provided to 300 schools. However, funds for completion of administration blocks in 25 seed schools were diverted and the activity was not implemented. These funds (i.e. Ug shs 1.1 billion) were used to pay M/s Spencon Services Limited to clear accumulated certified VAT arrears accruing from works done under ADB 11 project. Other project funds were used to pay for court damages in a case involving Aboke High school in Kole district.

Support to USE-IDA (1091): The World Bank (IDA) provided US $ 150 million for the Post Primary Education and Training Adaptable Program Lending (APL1 project). The project started on January 2009 with a completion date of 30th June 2014. The IDA cumulative disbursement was US$ 140,924,633.55 (*93.9% of the loan amount*) of which 73.3% was spent by the end of FY 2013/14. GoU released Ug shs 2.323billion, for FY 2013/14 (*99.4% of the approved budget*) as counterpart funding of which Ug shs 2.276billion (97.9%) was spent by 30th June 2014. The bulk of the funding was earmarked to construction and rehabilitation of learning facilities and provision of furniture and equipment to secondary schools.

Progress on a number of targets ranged between 81% to 95% by 30th June 2014. For instance a total of 572 (87%) school were completed, 497 (81%) incomplete classrooms completed, 3,198 (90%) new classrooms constructed, 35 (85%) administration blocks constructed, 290 (84%) science laboratories constructed, 57 (84%) teachers' houses and 122 (95%) libraries were completed. Although financial and physical performance was good, project implementation was behind schedule. There was an extension of six months granted to ensure completion of the project.

ADB IV -Support to USE (1092): The African Development Bank **(ADB)** provided a loan of UA52.00 million to support USE and UPPET policies and programmes. The loan effective date was 31st August 2009 with an end date of 30th June 2014. By 25th March 2014 disbursement stood at UA 36,223,200 (69.66% of the loan amount). Overall physical performance on the other hand was estimated at 84% against an elapsed time of 91%. Out of the 68 beneficiary institutions 34 (50%) were completed, 27 (40%) attained a completion rate of 70-95%. There were seven sites (10%) that were problematic but measures had been taken to address them. Although financial and physical performance was good, project implementation was behind schedule and there was an extension of nine months granted to ensure completion of the project.

Development of TVET P7 Graduate (0971): The TVET P7 Graduate project started on 07th January 2006 and its expected completion date was 30th June 2015. By the end of FY 2013/14, 93.5 % (Ug shs 1.87billion) of the approved budget (Ug shs 2,2billion) was released and utilized. Two of the line outputs achieved the set targets (i.e. Output 070577 Machinery and equipment and 070581 Classroom construction and rehabilitation) while 070582; Construction and Rehabilitation of accommodation facilities did not achieve the set target of constructing eight units of staff houses.

Development of Primary Teachers' Colleges –PTCs (0944): This project started on 6th January 2005 with an expected completion date of 30th June 2014. The approved budget for FY 2013/14 was Ug shs 5.285billion of which 76% was released and Ug shs 3.999billion (99.5%) spent by 30th June 2014.

The project achieved at least 90% of the set targets. The on-going works for completing five PTCs (Butiti, Nokokonjeru, Bwera, Kiyoora and Kamurasi PTCs) were completed. The procurement services for construction works in the 10 PTCs were carried out and construction works started in eight PTCs.

Support to National Health and Departmental Training Institutions (1270): The project started in July 2013 and its completion date is 30th June 2017. The total budget of the project is US $ 9 million for a period of three years. The objective of the project is to rehabilitate, expand and equip Government of Uganda's Health and Departmental (Specialized) Training Institutions. The approved budget for FY 2013/14 was Ug shs 2.948billion of which 86.7% , was released and Ug shs 2.559 billion (100%) spent. The three planned outputs under this project were achieved. The fourth output of equipping the hostel at Fort Portal SOCO was not achieved because funds were diverted to pay the contractor. Therefore the project achieved at least 75% of the targets.

Presidential Pledges

His Excellency the President has hitherto made pledges to the education sector worth Ug shs 109.71 billion of which a total of Ug shs 49.522billion had been disbursed by end of FY 2013/14. The total outstanding amount under the presidential pledges is Ug shs 49.95 billion.

A total of Ug shs 4.5389 billion was budgeted and released in FY 2013/14 to fulfill presidential pledges. The disbursement were as follows: Ug shs 935,879,425 was released for the primary subsector, Ug shs 1,170,784,345 for the secondary subsector, Ug shs 817,977,524 for the BTVET sector sub sector, and Ug shs 1,614,031,795 for the Tertiary sub sector. Although the release was 100%, project performance was mixed. Some districts delayed to transfer the funds to the beneficiary institutions thus slowing down implementation.

Higher Education Students' Financing Scheme (HESFS)

The Higher Education Students Financing Scheme popularly referred to as 'The Students' Loan Scheme' is a fund intended to provide financing to Uganda students who have qualified for higher education in recognized institutions of higher learning. During FY 2013/14 Government of Uganda provided Ug Shs 5.0 billion to implement the Students' Loan Scheme. Ug. shs 2 billion was for the operations of the Higher Education Students Financing Board while Ug Shs 3 billion was for kick starting the loan grants. Findings indicate that Ug. Shs 4.4 billion (88%) was released to MoES for this activity. While 100% was absorbed for operations by end of FY 2013/14 no funds were spent on kick starting the loan grants component to students.

The key achievements during the financial year were; HESFS was officially launched by H.E the President at Kyambogo University, a Legal Frame work is in place, members of the Higher Education Students Financing Board were appointed and inaugurated, staff for the scheme was recruited and office space was secured.

b) Kampala Capital City Authority (KCCA)

Local Government Management and Service Delivery Programme (0115): The approved budget for this project for FY 2013/14 was Ug shs 1 billion. By 30th June 2014, Ug shs 86.3 % had been released and utilised. Project annual performance was mixed as some of the project targets were achieved while others were not. Construction of teachers' houses in two schools (Kigoowa St Lawrence and Kawempe C/U) was completed. Lightining conductors were installed in the four monitored schools. However some targets were not achieved for instance in Ggaba Demonstration P/S and Katwe P/S construction of toilets stalled at slab level and renovation of teachers' houses at East Kololo P/S was not carried out.

Schools' Facilities Grant (0423): The project had an approved budget of Ug shs 1.305 billion of which 80% was released and Ug shs 1,047, 272,989 (99.6%) spent. The set targets under the SFG project were achieved in the six schools visited. Three schools received furniture; renovation was completed in Kisugu P/S, a staff house completed in Naggulu-Katali and a 10-stance toilet completed at Summit View P/S.

Conclusion

The overall performance of vote 013 on the development side was good.

Out of the nine projects monitored under the Vote, the best performing was project 0944 Development of PTCs which achieved 90% of the set targets; followed by Project 1091 Support to USE-IDA and Project 1092 ADB IV Support to USE with achievement of 87% and 84% respectively. Project 1270, Support to National Health and Departmental Training Institutions performed very well with 75% of set targets achieved. Performance of Project 0897 Development of Secondary Education was mixed as part of the project funds were diverted. Two projects under the Vote did not achieve the set targets (i.e. Project 0943 Emergency Construction and Rehabilitation of Primary Schools and project 0971 Development of TVET P.7 Graduate). The set targets of the SFG project (0423) under KCCA were achieved while those under the LGMSDP (0115) were not. The MoES disbursed 100% of the Ug shs 4.5 billion for Presidential Pledges although some districts delayed to transfer these funds to the beneficiary institutions.

Recommendations

1. The MoES should adhere to the work plan/performance contract for the financial year. In instances where projects are rolled over, they should be included in the subsequent work-plans..
2. The MoPS and MoES should share the validation exercise findings with the head teachers/institution to ensure that ghost teachers are removed from payrolls.

3. For future projects, the MoES should adopt the modality used under ADB IV in procurement of contractors and disbursement of funds for civil works. Contractors were centrally procured and payments made by the centre. This will ensure that more competent firms are contracted and reduce loss of funds at the hands of head teachers.
4. The MoES should make prompt payments to local contractors in not more than three weeks to minimize rolled over expenditures. The MoES should handle each certificate as it comes. The MFPED should only return certificates with problems instead of delaying the entire batch.
5. The MoES should disburse funds for the Presidential Pledges directly to the beneficiary institutions' bank accounts instead disbursing it as SFG through districts.

iii) Energy Sector

A total of 11 projects from two votes in the energy sector were monitored. Projects that were reviewed from Vote 017 Ministry of Energy and Mineral Development included: Promotion of Renewable Energy and Energy Efficiency (PREEE); Karuma Interconnection Project (KIP); Mputa Interconnection Project; Mbarara-Nkenda/Tororo-Lira Transmission Lines; Nile Equatorial Lake Subsidiary Action program (NELSAP) (Bujagali-Tororo-Lessos and Mbarara-Mirama-Birembo); Electricity Sector Development Project (ESDP)- Kawanda-Masaka transmission line; Bujagali Interconnection Project/Bujagali Switchyard Upgrade; Karuma Hydropower plant; Isimba Hydropower plant; Management of Oil and Gas Sector in Uganda; and Construction of the Oil Refinery.

Projects that were monitored under Vote 123: Rural Electrification Agency included; West Nile Grid Extension program-GBOBA, and Rural Electrification project.

Findings

a) **Vote 017: Ministry of Energy and Mineral Development**

The Promotion of Renewable Energy and Energy Efficiency Programme

The approved Government of Uganda (GoU) development budget for the project was Ug shs 1.926 billion. All the funds were released and expenditure performance was 96%. A total of 17,147 Energy saving stoves were disseminated across the country in FY 2013/14. Efforts of increasing energy efficiency also progressed well. The Energy week was concluded, several training on energy efficiency were conducted.

The project was affected by delayed completion of the procurement process for wind measuring equipment and solar PVs. This was attributed to non-responsiveness of bidders and the lengthy GIZ procurement process respectively. The energy service providers were also, affected by limited market. This is due to lack of transport to take the stoves to distant markets, poverty of would-be buyers, and the unpopularity of the stoves in preference for the traditional three stones.

Karuma Interconnection Project (KIP): The approved GoU development budget for the project in FY2013/14 was Ug shs 1.92billion of which Ug shs 0.96billion (50%) was released and all funds spent. A total of 222 Project Affected Persons (PAPs) out of 3822 (6%) had been compensated. The slow pace of the project was due to delays in concluding disputes regarding low payment, delayed procurement of a Resettlement Action Plan (RAP) consultant, delay in approvals of the RAP valuation report by the Chief Government Valuer (CGV), land disputes among family members, poor valuation due to omission of property, and use of old rates for valuation. Procurement for the works supervision consultant had not been done.

Mputa Interconnection Project: The GoU development budget for the project was Ug shs 1.5billion of which 49% was released by the end of June, 2014. The release performance was relatively below average while expenditure performance was excellent. A total of 1,459 out of 1855 PAPs were compensated and 62 out of 90 houses had been constructed. No construction works on either the transmission line or substation had commenced. Works were still at procurement stage. Key challenges delaying project implementation included; delayed payments due to disputes over low valuation of land, land ownership, and speculation. Substandard works were noted on the seven houses sampled.

Mbarara–Nkenda/Tororo–Lira Transmission Lines: The approved budget for the project was Ug shs 5.4 billion of which Ug shs 3.562 billion (66%) was released and all spent. By the end of the FY, project implementation was at 52%. Overall RAP implementation was 67%. The major issues that were delaying the RAP implementation were; disputes over low valuation of property and delays in approval of compensation packages at the CGV's office. On the part of EPC works at the transmission network, Construction works were ongoing but at a slow pace. The substations component performed poorly as excavation works had just commenced on most of the substations. Major challenges that affected EPC works included; delayed payments to the contractors, delay in clearance of imported materials at the customs.

Nile Equatorial Lakes Subsidiary Action Programme (NELSAP): The approved budget for the project in FY2013/14 was Ug shs 3.2 billion which was all released and spent. About 50% of the project was implemented. By end of FY 2013/14, the project should have been at least over 80% complete after revising the completion date from June 2014 to January 2015. Delayed acquisition of the corridor is slowing down project implementation. Acquisition of the corridor has been delayed by late conclusion of procurements, disputes over low compensation packages, and late payments. Engineering, Procurement and Construction works have also majorly been delayed by failure of UETCL to fully hand over the line route to the contractor and late payments.

Energy Sector Development Project (ESDP): Approved budget for the project for FY2013/14 was Ug shs 12.058 billion, of which Ug shs 11.530 billion (96%) was released by the end of FY. Implementation of the project was behind schedule. The RAP implementation was still ongoing at 58%. No EPC works had commenced. The project was affected by procurement delays for the contractors, disputes from the PAPs especially over low valuation, and expiry of the contract for the RAP implementation consultant.

Bujagali Interconnection Project (BIP)/ Bujagali Switch yard Upgrade: The approved budget for the project in FY2013/14 was Ug shs 8.5 billion but Ug shs 8,633,333,333 (102%) was released. All the released funds were spent. The upgrade of switch yard was behind schedule as construction had not commenced by the end of the FY. Ongoing works included; design approvals of the switch yard, placement of orders for the equipment and commencement of the Factory Acceptance Tests. Smooth progress was hampered by the delays in processes for design approvals, lack of access road to the site, and water service point for the civil contractor.

Karuma Hydro Power Project: The approved GoU development budget for the project for FY2013/14 was Ug shs 1,096.9billionof which Ug shs 37.27billion (3%) of the budget was released. This was due to delays in finalizing the financing agreement between Uganda and the Exim bank of China. However, there was 7% progress on construction works at the power plant. The contractor had so far spent US$ 280,000 on construction. The volume of works that were ongoing and those completed were in line with the reported expenditures. The expenditures were made largely on the excavation works for the Main Access and Ventilation and Escape tunnels, tail race excavations, ground leveling and construction of access roads. Smooth implementation was interrupted by the delay in disbursement of the advance payment and finalization of RAP particularly Awoo village where various facilities for the HPP are located.

Isimba Hydro Power Plant: In FY2013/14, MEMD did not allocate any GoU development funds to the project. The contractor implemented the project using own resources to a tune of US$34.5 million for the actual cost on site. In spite the non-allocation of funds to the project, the project performed well as 70.6% of the targets were achieved. Soil investigations were completed and handed over to the consultant. Staff and equipment had been mobilized. Camps constructions and access roads construction were all ongoing. The key project challenges were delay in finalization of the financing agreement and conclusion of the RAP implementation.

Management of Oil and Gas: The GoU approved development budget was Ug shs 20.182billion, of which 81% was released and all the released funds were absorbed. A production license had been awarded to CNOOC. Tullow and Total submitted their Field Development plans and were awaiting a production license. At the petroleum department, construction of the data center was at roofing level. Construction of the data centre was affected by unexpected ground conditions and processes for completion of the structural design reviews and approval by the contract committee of MEMD. Kingfisher Development Area was constrained by delays in approval of environment permits for the activities in the oil field.

Construction of the Oil Refinery Project; By the end of FY2013/14, Ug shs 34.982 billion was released to the project and 95% of the funds were spent on processes for land acquisition. A total of 1370 (51%) of the 2708 PAPs had been compensated. The outstanding payments were majorly due to unavailability of funds to pay the PAPs. The PAPs expected compensations by end of March, 2014 but had not been paid as at 7^{th}, July, 2014. The 93 families which also require resettlement had not been catered for. This was majorly due to the non-release of funds for Q4 FY 2013/14.

b) **Rural Electrification Agency**

Rural Electrification Project: The approved development budget for the project for FY2013/14 was Ug shs 33.976billion (92%) of the budget for the vote. A total of Ug shs 14,465,919,460(43%) of the budget was released by the end of the FY. All the released funds were spent. Construction of power lines was ongoing in the districts of Sembabule/ Mbarara/ Bundibugyo/ Mubende/Kisoro /Kiruhura/ Lyantonde/ Nakasongola/ Ibanda, Kamuli/Buyende/Kayunga /Jinja, Mbale/ Manafwa/ Tororo /Butaleja/ Kapchorwa/Pallisa and construction of Masindi/Lira. Construction of lines, for lots 1 central and 8 in western had not commenced against the planned target of 60% completion by the end of the FY. The slow pace was attributed to shortage of electricity poles from the main suppliers, limited financial capacity of the contractors, and delays in the importation of the required materials for the construction.

West Nile Grid Extension Program-GBOBA: The approved development budget was Ug shs 3billion of which 49% was released All the released funds were absorbed. A total of 1803 connections were made in the districts of Arua by West Nile Rural Electrification Company (WENRECO); Iganga, Bugiri by UMEME, and in Kasese and Rubirizi by Kilembe Investments Limited (KIL). Overall, the project has not picked up to connect the poor households as expected. Delay in verification and reimbursement of funds for the connections by REA and verification team has slowed down progress. The selection criteria also leave out would be eligible customers and social institutions where the poor households' access services such as schools and health centers. In addition, there has been a slow start of the roll out of the implementation of the customer awareness campaign and communication strategy.

Conclusion

Performance for the sector was rated as fair.

Projects that performed well were: PREEEP, Management of Oil and Gas Sector in Uganda, and Construction of the oil refinery. Overall release performance for the sector was poor with only 15% of approved budget that was released. This was due to the low release of funds for Karuma hydropower plant (3%) and yet it took the largest share of the sector budget. The low release performance was because the financing agreement between GoU and the EXIM bank had not yet been finalised.

The PREEEP project performed well in enhancing access to renewable energy technologies and increasing energy efficiency. The management of oil and gas sector project was on course. Construction of the data center also progressed on track. The production license had been awarded to CNOOC, while Total and Tullow Uganda Operations Pty Ltd had submitted their field development Plans for review and award of the production licenses. In addition, the process of land acquisition for the refinery and supporting infrastructure continued. More than half of the PAPs had been compensated. Land for resettlement of the vulnerable PAPs had also been identified in Kyakaboga village near Buseruka sub-county in Hoima district. A total of 1,803 grid connections to households had been completed country wide by the end of the FY.

However, 63% of the projects were below average. The low performance was most common among transmission infrastructure projects where there were delays in acquisition of the corridors. The main causes for delays included; disputes due to low compensation rates, delays in; approval of compensation packages by the CGV, payment of the PAPs; and procurement of RAP consultants. Non release of funds affected performance of especially Oil refinery project and large hydropower plants.

Recommendations

1. Government should establish fair compensation values for all projects that use the way leave corridors.
2. The PPDA should develop the capacity UETCL Project Implementation unit to handle procurements.
3. The UETCL, MEMD should initiate procurement processes early.
4. The MEMD and MFPED should fast track the finalization of the financing agreement with the EXIM bank to expedite implementation of Karuma and Isimba Hydropower plant.

iv) Health Sector

Introduction

The annual monitoring focused on five projects under Vote 014 -Ministry of Health. These were; District Infrastructure Support Programme (Project 0216), Institutional Support to MoH (Project 1027), Health Systems and Strengthening (Project 1123), Support to Mulago Hospital Rehabilitation (Project 1187), and Global Alliance for Vaccines Initiatives (Project 1141). Other votes monitored included National medical stores (Vote 116), Mulago National Referral Hospital (Vote 161), five Regional Referral Hospitals (Jinja, Masaka Lira, Soroti and Mbarara) and Primary Health Care grants in 14 local governments1[1].

Findings

District Infrastructure Support Programme (Project 0216): The programme planned to work on 2 health units and one was visited. Kisozi HC III was completed, equipped, and was operational housing four admission rooms, OPD, maternity ward and staff houses. The HC III serves over 6,625 people in the surrounding community. Beneficiaries including staff of the health facility were happy with the quality of civil works but the equipment delivered was substandard.

Global Alliance for Vaccines Initiatives (GAVI-Project 1141); the project was on track in revitalization of immunization services in Uganda. All districts were reported to have benefited from three grant components namely; Immunisation Support Services (ISS one and two) and the Vaccine Introduction grant. Communities have greatly embraced the Pneumococcal vaccine and coverage of immunization services was improved through provision of vaccines through the NMS. Procurement processes had greatly delayed implementation of planned activities.

Institutional Support to MoH (Project 1027); the project was to facilitate retooling of the ministry with equipment, transport for top management of MoH and renovation of the Ministry. The project, did not achieve its targets for FY 2013/14; except a few activities including procurement of one vehicle for the cabinet Minister and tiling of 3rd and 4th floor of MoH were completed. Other activities were rolled into FY 2014/15. The poor performance here was attributed to the inadequate capacity of some contractors and weak controls in project implementation.

Health Systems and Strengthening (Project 1123); Four of the seven hospitals under this project were monitored namely: Kiryandongo, Nakaseke, Iganga and Mityana hospitals. All construction works visited were progressing well at physical progress (35%-45%). Ability to handle intensive care cases and reduction of floor cases beds due to availability of more beds and mattresses were some of the benefits noted at Kiryandongo General Hospital. Some equipment was however, noted to be of poor quality. Performance of other project components like Reproductive Health, Human Resource Development and Leadership Management was fair with a number of activities under procurement while others were still ongoing.

Support to Mulago Hospital Rehabilitation (Project 1187); Construction of Kawempe and Kiruddu hospitals was on track at 20% physical and time progress. Training programs were ongoing with some benefits including reduction in abroad referrals upon training of two officers in nuclear medicine, installation of a lamina floor bench and renal transplant equipment at Mulago hospital. Procurement of a contractor to rehabilitate, modernise and equip lower Mulago Hospital to provide super specialised services was underway.

National medical stores (Vote 116); over 70% of the 21 entities visited noted that the NMS had improved health service delivery through prompt delivery of essential supplies. Embossment of drugs with "UG" had greatly contributed to reduced theft and sale government drugs. A number of challenges including continuous stock outs of pharmaceuticals and health supplies, submission of inadequate procurement plans by heath facilities among others still existed. It is important to note that non availability of certain supplies at a particular time directly translates into loss of lives and underscores the public health systems.

Mulago National Referral Hospital (Vote 161); All service out puts were achieved. A total of 1,000 beds and linen were purchased, this reduced the number of floor cases in a number of wards. Space in the wards remained a challenge. Construction of the 100 unit staff house was on course at physical progress of 45%.

Although the hospital achieved much of its set targets during the financial year, it was not able to offer quality medical care required of national referral hospital. A lot needs to be done to improve the health care system in Uganda. This includes revision of the existing staff structure taking into consideration both new preventive and curative needs in the health sector.

Vote 163-176: Regional Referral Hospitals; The five referral hospitals (Lira, Masaka, Mbarara, Jinja and Soroti) monitored achieved their planned service outputs by 99%. This was mainly due to timely release of budgeted funds, over 92%, timely delivery of essential drugs and in some cases availability and utilization of the Non Tax Revenue. Construction and renovation projects of staff houses, theatres and incinerators among others were on course.

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[1] Gulu, Isingiro, Jinja, Kaberamaido Kiruhura, Kitgum, Kole, Kumi, Lira, Masaka, Namutumba, Pader, Soroti, Serere and Mityana

Vote 501-850: Local governments

PHC Wage; release performance for FY 2013/14 was excellent for all local governments visited ranged (between 80-90%). All entities visited were very happy with the new payment system noting; timely payment of salaries with health workers receiving their monthly salaries by the 27th day of the month, enhanced management of staff hence reduction in absenteeism. The easy access to the pay roll, enhanced performance and motivation of health workers due to timely response to salary issues among others. Challenges of staffing gaps for all the entities visited were noted

PHC Development grant; A number of construction and renovation projects were completed in districts, these included staff houses, Out Patient Departments (OPD), theatres, maternity wards among others. These had enormous benefits on health service delivery. More of the investments in districts visited were directed to staff housing, this made health services available to communities 24hours, seven days a week. Challenges related to inadequate capacity of local contractors with many of them doing shoddy works were noted. Shoddy works in Isingiro, Kiruhura, Kole, Gulu and Masaka were noted.

Absorption of released funds by end of June 2014 in the 14 monitored districts varied between 31% in Pader and 98% in Isingiro districts. High absorption rates in Isingiro district was attributed to expenditure on rolled over projects from FY 2012/13 while poor performance in Pader district was attributed to procurement delays.

Conclusion

Overall the sector physical performance was fairly good.

Performance was good with both the National and Referral hospitals. This is partly due to timely release of over 97% of budgeted funds, and delivery of medical supplies by NMS. Challenges related to heavy workload of health workers due to high population pressures and the abuse of the referral system were noted.

Utilization of PHC funds was good with less than 25% unspent by end of the financial year for all districts visited except for Lira and Pader districts.

The MoH progressed averagely in a number of projects including Health Systems and Strengthening (Project 1123) and Support to Mulago Hospital Rehabilitation (Project 1187) and Global Alliance for Vaccines Initiatives (GAVI). The procurement challenges undermined the ministry's performance regarding the above projects.

Recommendations:

- The Uganda National Bureau of Standards should strengthen monitoring and supervision of medical products to control substandard materials and equipment on the market
- The MoH and GAVI Alliance should fast track the procurement processes to facilitate project implementation in stipulated timelines.
- The NMS should expeditiously implement the revised basic kit taking into consideration population levels and disease burden.
- The GoU should support revitalization of the referral system to decongest referral hospitals and improve health service delivery at all levels. This could be achieved through provision of adequate staff accommodation, timely and adequate health supplies and drugs among others.

V) Information and Communications Technology Sector

Introduction

The annual monitoring in the Information and Communications Technology (ICT) sector focused on Ministry of Information and Communications Technology (MoICT), and National Information Technology Authority (NITA-U).

Findings

Ministry of Information and Communication Technology

The approved budget for the MoICT, FY 2013/14 was Ug shs 4.960 billion all of which was released. A total of Ug shs 4.920 billion (99.2%) was spent, representing an excellent release and expenditure performance. About 70% of the planned outputs were achieved during the financial year. The National ICT policy was submitted to cabinet for approval, the post code and addressing system strategy and legal framework initiated, cyber regulations developed and gazetted, country code top level domain policy disseminated among others. The preparations for construction of an ICT headquarters did not take off and migration from analogue to digital television broadcasting national deadline was not achieved.

The **National Postcode and Addressing System Pilot Project** in Entebbe had achieved about 70% of the deliverables; however, it was two years behind schedule. Out of the total pilot project budget of Ushs 975 million, Ushs 937million (96%) had been released and 832 million (89%) spent. Achievements included: - road signage installation, development of GIS database, house labelling and sensitisation meetings among others. Achievement of set targets was constrained by underfunding and poor scoping. For example, 50 mail boxes to cover 50 houses out of the targeted 1,600 houses had their mail boxes procured.

National Information Technology Authority: Two projects and two programmes were monitored under the NITA-U. These were; National Transmission backbone infrastructure, Business Process Outsourcing, and commercialisation of the NBI, and Information security respectively. The approved budget for NITA-U, FY 2013/14 was Ug shs 10.469 billion of which Ug shs 9.718 billion (92%) was released and Ug shs 9.712 billion (99.9%) of released funds expended by 30th June 2014. Both release and expenditure performances were excellent.

Under the **National Transmission Backbone Infrastructure** (NBI), The approved (GoU) budget for FY 2013/14 for project 1014 was Ug shs 1.016 billion which was revised down wards to Ug shs 863 million, all of which was released, and Ug shs 859 million (99.5%) spent by 30 June 2014. Both release and expenditure performances were excellent against the revised budget. The contract for phase III of the project was signed with M/s Huawei Technologies, however implementation did not start as had been planned.

Commercialization of the NBI was initiated and revenue had started flowing in. The remedial action on NBI vulnerabilities was taken with software on key devices upgraded. The bulk procurement of bandwidth was contracted and delivery of the same made to the data centre at Statistics House.

Under the Directorate of **Information Security**; the National Information Security Framework was drafted. The National Computer Emergency Response Team (CERT)/ Coordination Centre was established; a feasibility study on establishment of a Public Key Infrastructure was undertaken; international partnerships with the government of Korea made; Information Security awareness training/promotion campaigns held and the National Information Security Advisory Group created.

The **Business Process Outsourcing** (BPO) centre was officially launched on 19th September 2013. Two new operators M/s Dial-a -Service and M/s Cameo TECH Edge occupy the third floor of Statistics House in addition to M/s Techno-Brain who occupy fourth floor. During FY 2013/14, NITA-U supported the BPO centre with bandwidth, electricity and water. The centre was directly employing over 240 BPO executives.

Conclusion

Both the financial and physical performance for the ICT sector during FY 2013/14 were rated as excellent (80%). Delays were noted on implementation of the national postcode and addressing system, and digital migration national deadline under the MoICT and the phase III of the NBI.

Recommendations

- The ICT sector should prioritize funding to phase III of the NBI, and Business Process Outsourcing under NITA-U, and the National Postcode and Addressing System pilot project in Entebbe as the projects have outlived their life span.
- NITA-U should be allowed to use part of the funding from commercialization of the NBI to re-locate the fibre optic cables in road reserves where UNRA is expanding national roads. Alternatively, the MoWT should adequate budget for expansion of roads including relocation of service infrastructure whose installation was cleared.
- The MoICT should speed up the analogue to digital migration before the international deadline of December 2015. The public should be adequately sensitized on this migration.
- The MoICT should spear head the harmonization of cross cutting activities in Government ministries and agencies implementing ICT programmes in order to prevent duplication.

Vi) Industrialisation Sector

Introduction

During the annual monitoring exercise, the following industrialisation projects were assessed: Presidential Initiative on Banana Development (PIBID) under the Ministry of Finance, Development of Industrial Parks under Uganda Investment Authority; One Village One Product (OVOP), Warehouse Receipt System (WRS), and District Commercial Services Support Project (DICOSS) under the Ministry of Trade Industry and Cooperatives. Projects under Uganda Development Corporation (UDC) included: Soroti Fruit Factory, Luweero Value Addition Luweero fruit factory and Kalangala Infrastructure Services. The projects of Essential Oils in Luweero, Mbarara grape winery and Lira Peanut processing were monitored under Uganda Industrial Research Institute (UIRI) and Construction of Uganda National Bureau of Standards (UNBS) headquarters.

a) Presidential Initiative on Banana Industrial Development (PIBID)

The approved budget for FY 2013/14 was Ug shs 25 billion of which 90% was released and Ug Shs 12,076,343,098 (53%) expended. Release performance was excellent while expenditure performance was fair.

The civil works under the two main project deliverables namely; construction of a pilot processing plant and construction of an irrigation system were over 75% complete. Works and installation on equipment on both components were expected to be complete by October 2014 and project was expected to be launched by 31st December 2014.

b) Development of Industrial Parks

The approved budget for Development of Industrial Parks project was Ug Shs 2.6 billion and all funds were released. 90% of the released funds were expected representing excellent release and expenditure performance. Most outputs under the project were partially delivered due to inadequate funding. For example, a 2.5km graovel road was constructed in the north estate of Namanve park, roads in Luzira industrial park were maintained, however, clearing of squatter on Mbale park land was not feasible as Ug shs 4.5 billion was required. Partial servicing of industrial parks does not inspire confidence in investors to invest. The implementing agency (UIA) was spreading the resources thin by implementing a wide range of activities.

c) One Village One Product

The approved budget for the OVOP project for FY 2013/14 was Ug shs 244 million. All funds were released and absorbed by the end of the FY 2013/14. A total of four projects were monitored under this project and these were; Alemifal Famers Group in Adjumani, Mukazi Bee Keepers in Rukungiri, Labor farmers group in Serere and Side View Poultry Group in Mbale.

Though the intervention provided to the groups had the potential to improve on the processing capabilities of the beneficiary groups, the groups were beset by challenges such as lack of shelter to house the equipment, inadequate cash flow for operations, and limited access to credit.

OVOP secretariat should endeavor to link groups with other government agencies such as UNBS for certification to enable such groups achieve the much desired transformation. The OVOP secretariat should ensure that groups are ready for the equipment before it is delivered.

d) District Commercial Services Support Project

The total donor funds allocated to the project for three years are US $ 2,998,119 of which 41% had been released as of 30th June 2014. A total of US $ 1,072,351 (85% of released funds) had been absorbed. Release performance was poor while expenditure performance was excellent. Physical performance was very good as all monitored districts had been retooled and equipped, linked with other stakeholders and partially funded to execute developed work plans. Implementation was behind schedule and release of funds from the secretariat for execution of work plans was experiencing unwarranted delays. The major emerging issue was the lack of sustainability plan after the closure of the project, as most Local Governments did not have adequate revenue sources to sustain the operations.

e) Uganda National Bureau of Standards

Under Support to UNBS project (0253), Construction of UNBS Headquarters (Phase 1B) and improvement of the Verification Rig were monitored. The approved GoU development budget for project 0253 FY 2013/14 was Ugshs 3.2 billion of which Ugshs 2.7billion (82%) was released and Ugshs 2.3 billion (84% of release) expended by 30th June 2014. Both release and expenditure were excellent. Physical performance of phase 1B was estimated at 95% and UNBS was planning to relocate some of the staff to the completed section of the building in September 2014. This project serves as a best practice to institutions that need to build offices especially those that were allocated land in Industrial Parks. The verification rig on the other hand had been renovated to meet the demands of the clients, it was expected to be commissioned in October 2014.

f) Ware House Receipt System

The approved budget for the project was Ug Shs 605,778,315 and all funds were released. By 30th June 2014, expenditure was reportedly Ug shs 369,153,683 (60%) representing good absorption. Activities undertaken by the project are mainly on awareness creation and sensitization about the ware house receipt system. Though the collaboration with the Uganda Grain Council is commendable, the MoTIC should endeavor to address the core components of the project (establishing warehouses country wide) to achieve the objective of storage of surplus produce and provide farmers with a mechanism of accessing credit.

Uganda Development Corporation

g. Soroti Fruit Factory

The approved budget for Soroti Fruit Factory FY 2013/14 was Ug shs 4,760,811,655 of which, Ug shs 4,470,154,211 (94%) was released. Release performance for the year was excellent. It was observed that funds released in the previous financial year (Ug shs 3,935,214,402) had been rolled over to FY2013/14. The total available funds for the two years therefore was Ug shs 7,993,139,027 of which, a total of Ug shs 2,964,277,995 (37%) was expended. Expenditure performance was poor.

The key infrastructure deliverables on side of GoU such as construction of a road, construction of a perimeter fence and construction of a water reservoir tank were either complete or on course. Sensitizing farmers in the Teso region registered good progress. Preparation of architectural drawings for the factory had been finalized however; ground braking did not take off as planned. The Korean funders were expected to commence works in November 2014. The project has generally experienced implementation delays.

- **Value Addition Luweero**

The approved budget for Luweero Fruit Factory in FY 2013/14 was Ug Shs 181,000,000 of which Ug shs 166,060,098 (91%) was released, and all expended representing an excellent release and expenditure performance. The major output under the project was the completion of the feasibility study and the final report was received. A ten acre piece of land had also been solicited and obtained and the process was underway to transfer the same piece of land into UDC's names with a land title.

- **Kalangala Infrastructural Services**

The approved budget for KIS in FY 2013/14 was Ug Shs 320,000,000 all of which was released. By 30th June 2014, Ug Shs 317,000,000 (99%) had been expended. Both release and absorption were excellent. The major output for GOU under the project was acquiring the remaining allotted ordinary shares (2%) in KIS and all shares had been secured. Works on all infrastructural components (water, ferry, electricity and roads) under the project were progressing and all of them except road works were on schedule. The contractor handling the upgrade of the 66Km of road had subcontracted 15Km. Overall physical progress for road works was estimated at 30% against financial progress of 41% and time progress of 83%.

h) UIRI

The approved budget for UIRI for FY 13/14 was Ug Shs 13.9 billion and all funds were released and absorbed representing excellent release and expenditure performance. Allocative efficiency was good as 60% of the funds were allocated to development activities.

The monitored incubation projects were Lira peanut processing, Essential Oils in Luweero and Mbarara grape winery. Works at the grape winery had been revised from a containerized winery to a factory; however, civil works had stalled at wall plate level. The peanut plant in Lira was undergoing routine personnel and plant certification. Equipment for Luweero essential oils had been delivered pending installation and trial extraction of oils was undertaken with good results posted on some of the plants.

Vii) Roads Sector

The road network is the mostly used form of transport carrying about 95% of the country's goods and 99% of traffic. Annual monitoring for the FY2013/14 focused on: three projects under the MoWT (Vote 016), seven projects under the National Roads Construction Progarmme (Vote113) and 11 Designated Agencies under the Uganda Road Fund (Vote 118).

The road sector was monitored through three votes (016-MoWT, 113-UNRA, and 118-URF) with a combined release of Ug shs 2,211 billion representing 91% of the sector Approved Budget for the FY 2013/14. The sector spent Ug shs 2,178 billion by the end of the FY, equivalent to 89.6% of the Approved Budget and 98.6% of the releases. This was excellent budget performance and resource absorption.

Findings

The overall the performance of the roads sector in FY 2013/14 was good as most of the set targets for the programs under each of the votes were achieved and funds absorption was above 60%.

VOTE 016- MoWT

Construction of Major Bridges

This project releases by the end of the FY2013/14 amounted to Ug shs 3.19 billion (100% of approved budget) of which 79.9% was expended. Most of the targets for the FY 2013/14 were achieved, i.e Nyagak and Alla 2 bridges were completed; and the target progress of 60% for Agwa and 73% for Saaka swamp crossing Phase I were attained. However procurement delays affected the commencement of works at Kaguta Bridge (Lira) and Kabuhuuna swamp crossing (Kibaale). The Okokor Bridge (Kumi) contract was terminated and the remaining works have been repackaged for re-tendering while Agwa Bridge (Lira) was taken over by the MoWT.

The contract management of the bridges in this project has improved however, supervision must be emphasised as poor workmanship was evident especially in incidents where contracts had to be terminated.

East African Trade and Transport Facilitation Project (EATTFP)

The project had an approved budget of Ug shs 27.26 billion of which 69.5% was released in the FY 2013/14. A total of Ug shs 18.06 (95.4%) was expended by the end of the FY. The cumulative financial progress of components under EATTFP in the FY was behind schedule.

The low release performance was due to low levels of performance by contractor as a result of: partial site possession at all border posts due to the need to keep borders operational; delayed relocation of border agencies (Customs, Immigration, Police etc). For example, At Mutukula, Immigration and Police have not yet relocated; Land disputes at Mutukula OSBP and at Mukono Inland Container Depot; Low levels of mobilization by some contractors; Procurement delays for the Katuna OSBP contractor; and Contract management differences between contractors and MoWT. The projects were also affected by delayed payments to both the contractor and project managers from both the Donors and GoU.

The physical progress (45% -65%) of the construction works on all the ongoing projects was behind schedule.

Kasese Airport Development Project

The project had an approved budget of Ug shs 1.3 billion in FY 2013/14 of which 96.2% was released. A total of Ug shs 0.93 billion (74.4%) was spent by the end of June 2014. The targets for the FY 2013/14 (construction of the perimeter fence and ground maintenance of the air field) were achieved as this activity was completed. However, the funding so far is inadequate to cater for the overall expected outputs at the end of the project.

VOTE 113 – UNRA

National Roads Construction Program

In FY 2013/14, the Vote had an approved budget of Ug shs 1,933 billion of which Ug shs 1, 752 billion (90.1%) was released. 99.3% of the release was absorbed by the end of the FY. Overall, the performance of the budget was rated as excellent. However, there was an outstanding bill of Ug shs 333 billion for certificates of work certified and submitted. This was partly because the budget for the Q1, FY 2013/14 was spent paying the debt carried forward from the FY 2012/13 and the accelerated progress on the ongoing projects.

A total of 267 kms of unpaved national roads were upgraded from gravel to tarmac against an annual target of 200 km. Hence, a 133% performance was achieved. Six new bridges (60% of target) were completed out of 10 and all the three old bridges (100%) were rehabilitated.

The physical progress of the roads projects monitored by the end of the FY was as follows (Target is in brackets and achievement outside for the FY 2013/14 and overall):

- Atiak-Moyo-Afogi bridge works (30%), 27% completed; cumulative progress was 83% out of the programmed 100%.
- Kampala-Masaka Phase 2 (30%), 23% completed; cumulative progress was 88% against 100% programmed.
- Tororo- Mbale (30%), 43% completed; cumulative progress was 98% against 100% planned.
- Mbale- Soroti (30%), 25% completed; cumulative progress was 75%.against 100% planned.
- Muyembe-Moroto-Kotido (30%), 27.3% completed; cumulative progress was 33.22% out of the programmed 33.95.
- Mukono-Jinja Road (25%), 36% completed; cumulative progress was 71% out of the programmed 65%.
- Kawempe-Luwero-Kafu Overlay (28%) 28%: cumulative progress of the project was 85.7%
- Kafu-Kiryadongo (30%) 20%; cumulative progress was 20%.

In the FY 2013/14, the GoU was paying the certificates raised by the contractors on time which saw the issue of delayed payments and interest arising from this curbed. This was observed from the financial performance of the projects monitored as most of the payments for the contractors and supervising engineers were commensurate with the certificates and invoices raised.

Land acquisition still remains a challenge on most projects which was observed from cases of sections of road that have been skipped due to valuation issues. A vivid example is the Maya section along the Kampala-Masaka road. UNRA should devise a strategy that expedites the evaluation, verification and payment process for land acquisition to prevent delays that could lead to time extension and cost escalation.

VOTE 118 – URF

The FY 2013/14 approved budget for this vote was Uh shs 352.85 billion all of which was released and 99% expended which indicated an excellent budget performance. This was attributed to the good performance of the MoFPED releases for the National and DUCAR maintenance programmes and URF disbursing 100% of the funds received. The budget was allocated as follows; Ug shs 91.9 billion (26%) to DUCAR network, Ug shs 254.44 billion (72.1%) to the National Roads Maintenance (UNRA) and Ug shs 7.22 billion to the URF Secretariat.

Districts, Urban and Community Access Roads (DUCAR) maintenance program

The FY-2013/14 approved budget for DUCAR program of Ug shs 91.19 billion was realized and expended which indicated an excellent financial performance. For the annual performance of FY 2013/14, the four districts (Dokolo, Kabale, Kotido, Nebbi) and three municipalities (Bushenyi/Ishaka, Hoima, Lira) were monitored with a total network of 1283.52 km (3.4% of DUCAR road network).

Due to the exellenct financial performance of the URF, all the districts and municipalities monitored received 100% of their roads maintenance budgets for the FY 2013/14. By the end of the FY, all the funds had been spent or committed. Roads maintenance works for the FY-2013/14 were however observed to be ongoing even in the second month of the FY 2014/15. This was due to the late release of funds in the first and second quarters resulting from the IFMS system failures following the upgrading of the IFMS and the migration to the Treasury single Account system (TSA).

Maintenance works under the DUCAR maintenance program are implemented using the force account intervention only which was started in the FY 2012/13. However, the Local Governments have not been well prepared for this kind of intervention. Issues pertaining to institutional weaknesses have been observed in most of the Designated Agencies. These include: understaffing of works departments; procurement delays, which hamper implementation of maintenance programmes and absorption of funds; and weak equipment portfolio with high breakdown rates and maintenance costs.

The URF should continue to train the agency personnel and encourage early commencement of the procurement of materials for works. The URF should also coordinate with the respective relevant key players like Ministry of Public Service, MFPED, MoWT, MoLG, PPDA and other government institutions in addressing the capacity constraints at the agencies.

National Road Maintenance Program

The program implemented by UNRA stations received Ug shs 254.44 billion (100% of its budget) by the end of the FY 2013/14 which was all expended. This was an excellent financial performance.

The cumulative performance of this program by the end of the second quarter FY 2013/14 was as follows; routine manual maintenance of 18,178 kms (93.2%)out of annual target of 19,500 kms; routine mechanized maintenance of 4,762 kms (79.3%) out of annual target 6000 kms; term maintenance of 2,721 kms (54%) out of annual target of 5000 kms; periodic maintenance of 150 kms (14%) out of annual target of 1,070 kms; routine maintenance of 40 bridges (13.3%) out of annual target of 300 bridges; periodic maintenance of 7 bridges (70%) out of annual target of 10 bridges; street lighting on 47 kms of selected national roads; 200 road signage on various national roads; demarcation of 555 kms of national roads; operations and maintenance of 10 weigh bridges; operations and maintenance of 9 ferries; low cost surfacing of 53 kms of national roads; and consultancy services and supervision of periodic maintenance of paved and unpaved roads (6).

The program was monitored at four UNRA stations for the annual performance of the FY 2013/14 with a total road network of 3,541 kms (186% of national road network). These are Hoima,Kasese, Kotido and Luweero UNRA stations. The average absorption of funds released at these stations was between 80% as at the end of the second quarter which indicated an excellent performance.

This excellent performance was mainly attributed to the rolling out of term maintenance contracts which enable the stations to carry out their planned activities with minimal interference from emergency works. Maintenance activities for the FY 2013/14 were still ongoing at the end of the FY due to the late release of funds in the first and second quarters.

Inadequate equipment resource at the stations is affecting the quality of the maintenance works at stations as they don’t have full sets of equipment vital to complete the maintenance process.

Recommendations

1. MoWT should improve its supervisory function for the brigdes under construction to ensure quality control
2. UNRA should acquire land before contracting firms for road works to avoid delays
3. The Local governments should strengthen capacity of works departments to facilitate effective operations under the Force Account.
4. UNRA should facilitate acquisition of adequate equipment for roads maintenance works.

Viii) Water and Environmant Sector (WES)

Introduction
Eleven WES projects were monitored namely: 1) School and community-IDP project 2) Support to rural water project 3) Lake Victoria Water and Sanitation Projects 4) Water and Sanitation Development Facility-Central 5) Water and Sanitation Development Facility-South Western 6) Water and Sanitation Development Facility-North 7) Water and Sanitation Development Facility-East,8) Rakai Pilot bulk water project 9) Nyamiranga Valley tank 10) Installation of drip irrigation on water for production facilities, and 11) Support to Water Resources Management.

Findings

Under the **School and community-IDP project**, two sub projects were visited.

- **Construction of Alwi Dry Corridor Project (Nebbi district):** During the FY 2013/14, the approved budget for FY 2013/14 was Ug shs 10.983 billion, of which Ug shs 10.269 billion (94%) was released and Ug shs 10.262 billion (99%) expended. The construction of Singila town water and sanitation scheme was completed in May 2014 a month before its end date. The Wadelai town water and sanitation scheme was 75% against its target of 95% completed while Nyarwodho piped water scheme reached a completion level of 25% against its target of 30%. Major challenges were the delays in land acquisition, and delayed procurement of required materials which affected implementation of the activities.

- **Extension for Jezza-Muduuma piped system (Mpigi district).** The progress of construction works was at 45% compared to the annual planned target of 95% completion works. Works were behind schedule due to the redesigning of the water system due to low ground water potential and high demand. The design changes had no cost implications on the contract sum. The revised completion date was set for 15th November 2014. The contract sum for the extension works was Ug Shs 691, 276,509 of which Ug Shs 440,248,002 (64%) had been paid out by the end of the FY 2013/14.

Under the **Support to rural water project** 3 sub projects were visited.

- **Construction of Kanyampanga Gravity Flow Scheme (Kanungu district**) The overall progress of construction works was at 80% against a planned target of 95% by end of FY 2013/14. The expected completion date was 31st, November, 2014. The scheme was re-designed to meet the high water demand in the water stressed sub-counties of; Kayonza, Kihihi, Kanyantorogo, Nyakikoni, Nyanga, and the peri-urban areas of Kihiihi Town Council. The total value of contracts to Summit project and Kol Services was Ug shs 17.81 billion of which Ug shs 8,193,557,617 (46%),the consultant payment was paid 81.2% of the contract sum Ug shs 530,000,000 and a total of Ug shs 119,000,000 paid to Kanungu District Water office for implementation of software activities.

- **Construction of Ongino piped water system** (Kumi district). The contract for construction works was awarded to M/s C&G Andijes Group at Ug Shs 966,202,369 (Exclusive of taxes). An advance payment of Ug shs 192,240,474 (20%) had been paid out by July 2014. The overall physical performance was at 40% against the planned target of 95% by end of FY 2013/14.

- **District Water and Sanitation Development Grant (DWSDG).** The five districts (Luwero, Mityana, Nebbi, Rakai, and Wakiso) monitored indicated excellent physical and financial performance. By August 2014 all the five districts had excellent release performance at 100% of their approved budgets. The districts equally exhibited excellent absorption capacities at 100% of their releases and the major performance targets were achieved. The excellent performance showed progress towards achieving the major objective of the rural water supply to provide safe and adequate water supply to 77% of the rural population by 2015.

Under the **Lake Victoria Water and Sanitation Projects**, 3 sub projects were monitored.

- **Construction of Mayuge Town Water Supply System:** By July 2014, the progress of works at 75% compared to the annual planned target of 100% completion of works. The contract time elapsed was at 91%, which indicated works were behind schedule. The total value of certificates paid out to the contractor was Ug shs 6,057,439,059.79 (62%) of the contract sum.

- **Construction of NtungamoTown Water Supply System:** The overall progress of works was at 10% against the planned target of 30%. The implementation was slightly behind schedule but works were on-going by 31st July 2014. The contract sum for construction works was Ug Shs 7,566,234,568 from GoU, and AfDB of which 27% was paid out.

- **The construction of Public and Institutional Toilets in Mayuge and Ntungamo**: Construction of works for the toilets was completed. The consultant was monitoring the completed works in six months defects liability period in both towns. The toilets were constructed in taxi parks, markets, health centres, and schools

The Water and Sanitation Development Facility-Central (WSDF-C) The construction works for the piped water schemes of Nkoni (Lwengo district), Ntwetwe (Kyankwanzi district), and Zirobwe (Luweero district) were completed as planned in the FY 2013/14. These were fully functional and providing water to the communities. The construction of Kyamulibwa piped water was at 40% and was still on schedule. The overall average financial performance for piped water schemes was 77.5%.

The Water and Sanitation Development Facility-South Western (WSDF-SW): The water schemes in the towns of Kabuga, Kahunge, and Kyempene, Rutookye, Kakuuto, and Kinoni were completed as planned in the FY 2013/14. However, only three of the completed schemes; Kabuga, Kahunge, and Kyempene were fully functional and providing water to the communities. The overall average financial performance at 90% payments to the contractor.

The Water and Sanitation Development Facility-North (WSDF-N); the major performance targets were achieved. The piped water schemes in the towns or RGCs; Paidha, and Omugo piped water supply schemes were completed and these were providing water to the beneficiaries by 31st July 2014.

The Water and Sanitation Development Facility-East (WSDF-E) The major performance targets were achieved. The Kapchorwa town piped water scheme was completed and the 21km distribution pipe network was laid for Busiu town.

Construction of Rakai bulk water scheme The overall physical performance was at 95% by 4th August 2014 and the expected contractual completion date was 31st August 2014. This was an extension from original completion date of 30th June 2014.The overall financial performance was at 55% which was not commensurate with the completed level of physical works. The works were delayed by the changes in the designs due to poor feasibility studies.

Construction of Nyamiringa Valley Tank The construction works were completed as planned but with snags. The snags included: a raised slope of the water inlet than the water collection point at the Valley tank and failure of the installed pumps to generate water from valley tank. The overall financial performance was at 94% of the contract value of Ug Shs 625,976,000. The 6% was held as retention until the end of the Defects Liability period.

Installation of pilot drip irrigation system on Arechek dam and Leye dam The installation works for Arecheck dam in Napak district were contracted at Ug shs 307,161,792 (with Longolomit dam in Kaboong district) of which Ug shs 52,760,784 (17.1%) was paid out. Balton Limited was contracted for installation works on Leye dam in Kole district (with Akwera dam in Otuke district) at a sum of Ug shs 294,000,000 out of which 17% was paid out as an advance. The progress of physical works for Arecheck dam was rated at 89% with a second round of vegetables was being grown for demonstration purposes. However no works had started yet for Leye dam due to delays in land acquisition.

Construction of Awoja and Mpologoma Surface Water Monitoring stations; the physical progress of works was at 40% against the planned 100% completion by end of FY 2013/14. The approved budget for the construction works was Ug shs 58,356,000, which was realized and spent on the developments works

Conclusion

The overall performance of the WES sector during the FY 2013/14 was rated as good (60% - 70%). Good performance was exhibited in the completion of Singila water scheme under the Alwi project in Rural Water Supply Sanitation, Nkoni, Ntwetwe, Zirobwe ,Kyempene, Kahunge, Kabuga, Omugo, Paidha, and Kapchorwa water schemes under the Water and Sanitation Development Facilities in Urban Water Supply and Sanitation Vote function. The Water for Production Vote function completed construction of Nyamiringa valley tank and 80% of the pilot Rakai bulk water scheme.

Key challenges affecting implementation

- There were variations between the approved donor budgets and the actual releases in the sector
- Delays in land acquisition affected the progress of construction works for the piped water schemes
- Poor feasibility studies conducted by MWE lead to frequent design changes after commencement of construction works.
- Delayed procurement of materials due to the slow disbursement of funds to the contractor lead to lags in implementation.
- Untimely disbursement of funds delayed implementation of the planned activities leading to lags in the schedule

Recommendations

1. The MFPED should reconcile the approved budget estimates with the donors
2. The MWE should effectively budget for land acquisition to avoid delays during implementation.
3. The MWE should carryout comprehensive feasibility studies to reduce on the design changes after commencement of works.
4. The MWE and MFPED should make timely disbursement of funds to allow for early procurement of the necessary materials by the contractors.

PART 1: INTRODUCTION

CHAPTER 1: BACKGROUND

The mission of the Ministry of Finance, Planning and Economic Development (MFPED) is *"To formulate sound economic policies, maximize revenue mobilization, ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development"*. It is in this regard that the Ministry gradually enhanced resource mobilization efforts and stepped up funds disbursement to Ministries, Departments, Agencies and Local Governments in the past 25 years to improve service delivery.

Although significant improvements have been registered in citizens' access to basic services, their quantity and quality remains unsatistisafactory, particularly in the sectors of health, education, water and sanitation, agriculture and roads. The services being delivered are not consumerate to the resources that have been disbursed, signifying accountability and transparency problems in the user entities.

Although there are several institutions in the accountability sector mandated to monitor and audit public resources, they have not provided comprehensive information for removing key implementation bottlenecks to enhance transparency and accountability and consequently improve service delivery. It is against this background that the Budget Monitoring and Accountability Unit (BMAU) was established in FY 2008/09 in the Ministry of Finance Planning and Economic Development, under the Budget Directorate, to address this challenge.

The BMAU is charged with tracking implementation of selected government programmes or projects and observing how values of different financial and physical indicators change over time against stated goals and targets (how things are working). This is achieved through regular field monitoring exercises to verify receipt and application of funds by the user entities. Where applicable, beneficiaries are sampled to establish their level of satisfaction with the public service.

The BMAU prepares quarterly and annual monitoring reports of selected government programmes and projects. The monitoring is confined to levels of inputs, outputs and intermediate outcomes in the following areas:

- Agriculture
- Infrastructure (Energy and Roads)
- Industrialization
- Information and Communication Technologies
- Social services (Education, Health, and Water and Sanitation); and
- Microfinance

CHAPTER 2: METHODOLOGY

2.1 Process

This report is based on selected programmes in the sectors mentioned in chapter one. Selection is 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 is given to development expenditure; except in health, education, ICT and road maintenance where some recurrent costs are tracked.
- The programmes that had submitted progress reports by the end of Quarter three in FY 2013/2014 were followed up for verification as they had specified output achievements.
- Programmes that had been monitored in previous quarters but were having major implementation concerns were also re-visited.

2.2 Methodology

Across all the projects and programmes that were monitored, the key variables included: performance objectives and targets; inputs and outputs, implementation processes and the achievement of intermediate outcomes and beneficiary satisfaction, where feasible.

2.2.1 Data Collection

Data was collected through a combination of approaches:

- Review of secondary data sources including: Ministerial Policy Statements for FY 2013/14; National and Sector Budget Framework Papers; Sector project documents and performance reports in the Output Budgeting Tool (OBT), MFPED Budget Documents, Budget Speech, District Performance Reports; Sector Quarterly Progress Reports, Work plans, and Public Investment Plans.
- Review and analysis of data in the Integrated Financial Management System (IFMS); Quarterly Performance Reports (Performance Forms A and B) and bank statements from implementing agencies.
- Consultations and key informant interviews with project managers in implementing agencies both at the Central and Local Government level;
- Field visits to project areas involving discussions with local government officials (the Chief Administrative Officers, Chief Finance Officers, sector heads of departments; and beneficiaries. Observation and photography were key data collection tools during the monitoring exercise. In some cases call-backs were done to triangulate information.

2.2.2 Sampling

The sampled outputs were randomly selected from the information provided in the Ministerial Policy Statements and progress reports of the respective departments. Priority was given to monitoring outputs that were physically verifiable.

Outputs to be monitored are selected so that as much of GoU development expenditure as possible is monitored during the field visits. Districts are selected so that as many regions of Uganda as possible are sampled throughout the year.

Physical performance of projects and outputs was assessed through monitoring a range of indicators and linking the progress to reported expenditure. The variables monitored depended on whether an output was complete or ongoing and if implementation was according to budget and schedule. For completed projects, monitoring focused on utilization and beneficiary satisfaction.

2.3 Limitations of the report

- Information on donor releases was not readily available for most of the programmes and hence financial performance may have been underestimated or not captured at all.
- Some projects in Ministries, Departments and Agencies (MDAs) receive funds and subsequently transfer them to the spending entities but these transfers are reflected as payments on the Intergrated Financial Management System (IFMS). As a result this might overstate the absorption rates of some projects and/or a given Ministry or MDA.
- There was limited scope in many cases because of the inadequate time and funding (35 days) allocated to field work. This was worsened by poor responses in some ministries and local governments. On a few occasions, some project managers and officers failed to keep appointments made with the BMAU teams.
- There were cases of incomplete information especially in cases where the responsible officers were new in office or relevant documents not being readily available.

2.4 Structure of the report

The report is arranged into four parts with a total of twelve chapters. Part one covers introduction and methodology, part two covers financial performance in central governments, part three covers physical performance in nine sectors, and part four outline the key conclusions and recomenadations. Chapter 1 presents the introduction; while the second chapter outlines the methodology. Chpaters 3 gives financial performance of the central government. Physical performace of the sectors of agriculture, education, energy, health, ICT, trade and industry, microfinance, roads, water and sanitation constitute chapters 4-11 respectively. Chapter 12 gives the conclusion, while chapter 13 has recommendations.

2.5 Performance assessment and rating

For purposes of this report, the guide below is used to assess and rate performance.

Assessment Guide

Physical and financial performance was rated in percentages according to achievement of the planned set targets and the overall utilization of funds for multi-year projects. The table 2.1 shows the assessment guide for measuring the achieved targets and expenditures.

Table 2.1: Assessment guide used for measuring achieved targets and expenditures

SCORE	***COMMENT***
80% and above	*Excellent (All set targets achieved and funds well utilized)*
70% - 79%	*Very good (Most of the set targets achieved and funds absorption is 70% and above)*
60%-70% 79	*Good (Some core set targets achieved and funds absorbed to 60%)*
50-60% 59	*Fair (Few targets achieved and funds absorption is average-50%)*
Less than 50%	*Below average (No targets achieved and funds absorption is less than 50%)*

Source: BMAU

PART 2: FINANCIAL PERFORMANCE

CHAPTER 3 FINANCIAL PERFORMANCE OF CENTRAL GOVERNMENT

3.1 Introduction

The financial performance analysis for central government primarily focuses on the selected priority sectors of agriculture; education; energy; health; accountability (Finance); roads; water, environment and sanitation; ICT and NITA-U.

3.2 Scope and Methodology

This section reports on Government of Uganda (GoU) domestic development approved budget, in some cases the revised approved budgets, releases and expenditures for the period July 2013-June 2014 of the selected priority Ministries and Agencies. These include Ministry of Agriculture Animal Industry and Fisheries; Ministry of Education and Sports; Ministry of Energy and Mineral Development; Ministry of Finance, Planning and Economic Development; Ministry of Health; Ministry of Works and Transport; Ministry of Water and Environment; Ministry of Information, Communication and Technology; Ministry of Trade, Industry and Cooperatives; and the National Information Technology Authority

The financial analysis largely used the Integrated Financial Management Systems (IFMS) data.

3.3 Financial Performance of Ministries and Agencies

3.3.1 Vote 010 Ministry of Agriculture, Animal Industry and Fisheries

The Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) GoU approved development budget was Ug shs 40,551,218,966 subsequently revised to Ug shs 49,027,080,755 at 30 June 2014.The subsequent revision was attributed to a supplementary budget to project 1195-Vegetable Oil Development Phase II Ug shs 5,000,000,000,

The cumulative release to MAAIF as at 30 June 2014 was 87% (See Table 3.1) which was below the revised budget with the 13% shortfall arising from revenue realised

The cumulative absorption rate was 100% which was remarkable.

Noted were total payments exceeding releases by Ug shs 42,347,788 that awaits explanation from IFMS

Table 3.1 MAAIF Budget Performance as at 30 June 2014 (Figures in Ug shs)

Project Code	Project Name	GoU Revised Annual Budget	Cumulative releases as at 30/6/2014	Cumulative Payments as at 30/6/2014	% of Budget Released	%of Release Spent
76	Support for institutional Development	5,470,519,866	4,120,519,866	4,139,533,865	75	100
90	Livestock Disease Control	4,125,000,000	3,825,000,000	3,824,340,000	93	100
91	National Livestock Production Improvement	1,500,000,000	1,500,000,000	1,500,000,000	100	100

94	Supervision, Monitoring and Evaluation	669,000,000	669,000,000	669,000,000	100	100
97	Support to Fisheries Development	3,775,861,789	3,775,861,789	3,775,861,789	100	100
104	Support to the Cocoa Seedlings	2,471,931,700	2,471,931,700	2,489,128,700	100	101
970	Crop disease and Pest Control	3,933,000,000	3,483,000,000	3,482,999,998	89	100
1007	Improvement of Food Security in Cross Boader Dist.	79,999,915	79,999,915	79,999,915	100	100
1008	Plan for National Agriculture Statistics	560,000,000	560,000,000	559,961,865	100	100
1010	Agriculture, Prodn, Mkting & Regulation	400,000,000	400,000,000	397,408,774	100	99
1012	Integrated Pest and Disease Management	200,000,000	200,000,000	200,000,000	100	100
1083	Uganda Meat Exports Development Project	701,556,970	701,556,970	701,367,722	100	100
1084	Avian and Human Influenza Preparedness	800,000,000	400,000,000	400,000,000	50	100
1085	MAAIF Cordination/U Growth	1,207,000,000	1,207,000,000	1,206,895,516	100	100
1086	Support to Quality Assurance Fish Marketing	281,660,000	281,660,000	281,660,000	100	100
1117	Export Goat Breeding and Production	1,220,000,000	1,220,000,000	1,220,000,000	100	100

1165	Increasing Mukene for Human Consumption	561,000,000	561,000,000	561,000,000	100	100
1166	Support to Fisheries Mechanisation	170,000,000	170,000,000	170,000,000	100	100
1170	Kabale Tea Factory	800,000,000	800,000,000	799,090,000	100	100
1194	Labour Saving Tech & mech for Agri production	7,427,106,000	5,627,106,000	5,625,543,000	76	100
1195	Vegetabke Oil Development Project Phase 11	9,432,442,519	7,632,442,519	7,644,636,231	81	100
1238	Rice Development Project	900,000,000	500,000,000	499,999,999	56	100
1239	Technical Assistance to Improve Animal Disease Diagnostic	200,000,000	200,000,000	200,000,000	100	100
1264	Communication of Agriculture in Northern Uganda	200,000,000	200,000,000	200,000,000	100	100
1266	Support to Agro processing & Mkting in Agriculture	200,000,000	200,000,000	200,000,000	100	100
1267	Construction of MAAIF	1,200,000,000	1,200,000,000	1,200,000,000	100	100
Grand Total		49,027,080,755	42,527,079,583	42,569,427,371	87	100

Source: IFMS

3.3.2 Vote 013 Ministry of Education and Sports

The GoU approved annual development budget for the Ministry of Education and Sports (MoES) for the FY 2013/14 was Ug Shs 55.265 billion of which Ug shs 47.319 billion (86%) was released as at 30 June 2014. The 14% that was not released to the Ministry was attributed to a shortfall in the revenue resource envelope as well as a shortfall in the Donor funding to the vote that was only 50% of that planned.

Noted were some projects that experienced low budget releases these were project 1232-Karamoja Primary Education (27%), Project 1233-Training of BTVET Instructor (40%) and project 1093-Nakawa Vocational Training Institute (68%). The overall absorption rate was 99% that was excellent, however noted were some unspent balances on some of the projects highlighted below

944- Development of PTCs Ug shs 18,585,000 (less than 1% of this project budget) - There was delayed commencement of construction works of eight PTCs whose works were still on going

1091-Support to USE (IDA) Ug shs 26,987,748(1% of this project budget) - This was due to funds withheld by the MoES from the implementing contractors for failure to submit accountability of funds transferred earlier to them.

1092- ADB IV Support to USE Ug shs 28,114,464 (less than 1% of this project budget)- There was a delay in the construction at some of the sites, a formal extension of six months for the completion of work was given.

Table 3.2: MOES Budget Performance as at 30 June 2014 (Figures in Ug shs)

Project Code	Project Name	GoU Approved Annual Budget	Cumulative Releases as at 30/06/2014	Cumulative Payments as at 30/06/2014	% of Budget Released	% of Release Spent
897	Development of Secondary Education	6,350,500,000	5,540,020,933	5,540,020,933	87	100
942	Development of BTVET	8,452,462,000	8,111,295,333	7,955,330,172	96	98
943	Emergency Construction of Primary School	1,864,900,000	1,647,400,650	1,647,400,650	88	100
944	Development of PTCs	5,284,938,400	4,017,401,555	3,998,815,556	76	100
971	Development of TVET P7 Graduate	2,200,000,000	1,914,302,076	1,914,302,076	87	100
984	Relocation of Shimoni PTC (0984)	992,061,600	715,958,539	715,958,539	72	100
1091	Support to USE (IDA)	2,834,600,000	2,371,519,646	2,309,907,437	84	97
1092	ADB IV Support to USE (1092)	9,543,900,000	8,840,672,941	8,762,254,230	93	99
1093	Nakawa Vocational Training	1,013,553,000	693,476,312	693,476,312	68	100

Project Code	Project Name	GoU Approved Annual Budget	Cumulative Releases as at 30/06/2014	Cumulative Payments as at 30/06/2014	% of Budget Released	% of Release Spent
	Institute (1093)					
1136	Support to Physical Education and Sports	2,079,800,000	1,741,327,390	1,741,327,390	84	100
1232	Karamoja Primary Education Project	600,000,000	160,000,000	160,000,000	27	100
1233	Training of BTVET Instructor	400,000,000	158,235,864	155,734,264	40	98
1241	Development of Uganda Petroleum Institute Kigumba	10,500,000,000	8,648,574,983	8,648,574,983	82	100
1270	Improving the training of BTVET Technical Instructors	2,948,000,000	2,558,581,317	2,558,581,317	87	100
1273	Support to Higher Education (Science & Technology)	200,000,000	199,866,080	199,866,080	100	100
Total		55,264,715,000	47,318,633,619	47,001,549,939	86	99

Source: IFMS

3.3.3 Vote 017 Ministry of Energy and Mineral Development

The GoU approved annual development budget for the Ministry of Energy and Mineral Development was (MEMD) for the FY 2013/14 was Ug shs 1,298,647,895,032 of which Ug shs 188,155,887,414 (15%) of the budget was released by 30th June 2014.The low release performance for the vote was attributed to the poor release on project 1183-Karuma Hydroelectricity power that contributes 85% of the budget. The average release performance with the exclusion of Karuma project was 75%.

The overall absorption rate was 100% and was excellent with almost all projects absorbing 100% of the funds released. From the unspent balances it was observed that some projects were still ongoing for example: Project 1200 Airborne Geophysical survey Mapping and Project 1212 Electricity Sector Development.

Table 3.3: MOEMD Budget Performance as at 30 June 2014 (Figures in Ug shs)

Project Code	Project Name	GoU Approved Annual Budget	Cumulative Releases as at 30/06/2014	Cumulative Payments as at 30/06/2014	% of Budget Released	% of Release Spent
325	Energy for Rural Transformation II	2,337,000,019	2,331,200,019	2,330,317,148	100	100
940	Support to Thermal Generation	68,000,000,000	35,730,000,000	35,730,000,000	53	100
1023	Promotion of Renewable Energy	1,926,893,500	1,926,893,500	1,855,697,953	100	96
1024	Bujagali Interconnection Project	8,500,000,000	8,633,333,333	8,633,333,333	102	100
1025	Karuma International Project	1,920,000,000	960,000,000	960,000,000	50	100
1026	Mputa Interconnection Project	1,500,000,000	741,666,667	741,666,667	49	100
1137	Mbarara Nkenda/Tororo-Lira Transmission Lines	5,400,000,000	3,561,872,379	3,561,872,379	66	100
1140	NELSAP	3,200,000,000	3,200,000,000	3,200,000,000	100	100
1142	Mgt of the Oil & Gas Sector in Uganda	20,182,440,099	18,332,266,588	18,110,945,742	91	99
1144	Hoima-Kafu Interconnection	3,000,000,000	2,195,833,333	2,195,833,333	73	100
1183	Karuma Hydroelectricity Power Project	1,096,900,000,000	37,270,000,000	37,270,000,000	3	100
1184	Construction of Oil Refinery	34,982,279,998	25,560,607,382	25,521,467,107	73	100
1198	Modern Energy from Biomas for Rural Dev't	2,930,000,000	2,882,343,332	2,836,401,019	98	98

1199	Uganda Geothermal Resources Dev't	3,296,999,999	2,910,268,175	2,880,244,523	88	99
1200	Airborne Geophysical Survey Geo Mapping	3,599,000,001	3,325,782,272	3,233,088,667	92	97
1212	Electricity Sector Dev't Project	12,057,552,981	11,530,031,689	11,419,754,948	96	99
1221	Opuyo Moroto Interconnection Project	1,000,000,000	1,000,000,000	1,000,000,000	100	100
1222	Electrification of Industrial Parks Project	3,040,000,000	2,866,528,059	2,866,528,059	94	100
1223	Institutional Support to Ministry of Energy and Mineral	17,875,728,435	17,875,728,435	17,665,217,159	100	99
1258	Downstram Petroleum Infrastructure	5,000,000,000	3,846,248,778	3,740,792,438	77	97
1259	Kla-Entebbe Expansion	2,000,000,000	2,000,000,000	2,000,000,000	100	100
Total		1,298,647,895,032	188,680,603,941	187,753,160,475	15	100

Source: IFMS

3.3.4 Vote 008 Ministry of Finance, Planning and Economic Development

The Ministry of Finance, Planning and Economic Development (MFPED) total approved development budget was Ug shs 199,198,726,247. This was however revised downwards to Ug shs 195,383,993,894 as at 30 June 2014 the cumulative development release for the vote by 30 June 2014 was Ug shs 189,328,767,321(97%) and was remarkable. Project 54 Support to MFPED improved at 86% level of performance by 30 June 2014.
The overall vote absorption rate as at 30 June 2014 was 100% with only four projects out of 25 performing at 99 % with the rest at 100% .(See table 3.4)

Table 3.4: MFPED Budget Performance as at 30 June 2014 (Figures in Ug shs)

Project Code	Project Name	GoU Revised Budget	Cumulative Releases as at 30/06/2014	Cumulative Payments as at 30/06/2014	% of Budget Released	% of Release Spent
15	Microfinance Support Centre Ltd	4,433,379,000	4,433,379,000	4,433,379,000	100	100
31	Rural Financial Services	2,753,650,200	2,753,650,200	2,753,650,200	100	100
46	Support to NEC	600,000,000	600,000,000	600,000,000	100	100
54	Support to MFPED	41,391,330,849	35,391,330,849	35,391,330,849	86	100
59	Support to Poverty Action Fund	2,549,841,000	2,500,000,000	2,489,541,036	98	100
61	Support to Uganda National Council for Science	835,000,000	835,000,000	835,000,000	100	100
65	Support to Uganda Investment Authority	500,000,000	500,000,000	500,000,000	100	100
745	USAID Trust Fund	870,502,182	870,502,182	870,502,182	100	100
933	Support to Population Secretariat	1,922,000,000	1,922,000,000	1,919,080,974	100	100
945	Competitiveness & Investment Climate Secretariat	86,455,531,563	86,450,217,815	86,450,217,815	100	100

978	Presidential Iniative on Banana Industry	22,677,483,297	22,677,483,297	22,677,483,297	100	100
988	Support to other Scientists	4,071,688,386	4,071,688,386	4,071,688,386	100	100
994	Development of Industrial Parks	2,690,000,000	2,690,000,000	2,690,000,000	100	100
997	Support to Microfinance	2,856,981,952	2,856,981,952	2,855,084,158	100	100
1003	African Development Foundation	2,340,109,811	2,340,109,811	2,340,109,811	100	100
1017	Rural Roads Programme Cordination	389,009,974	389,009,974	389,009,974	100	100
1059	Value Addition Tea Industry	550,000,000	550,000,000	550,000,000	100	100
1060	GEF Country Support Programme	60,000,000	60,000,000	59,800,000	100	100
1063	Budget Monitoring and Evaluation	2,379,534,999	2,379,534,999	2,366,118,086	100	99
1080	Support to Macroeconomic Management	2,276,130,379	2,276,130,379	2,275,241,665	100	100
1197	FINMAP Comp 6 Management Support	2,276,130,379	2,276,130,379	2,276,130,379	100	100
1208	Support to National Authorising Officer	200,000,000	200,000,000	198,079,467	100	99
1209	Appropriate Renewable Technologies for Rural Ug.	465,001,614	465,001,614	465,001,614	100	100
1211	Belgo-Ugandan Study & Consultancy Fund	299,889,691	299,889,691	297,537,631	100	99
Total		195,383,993,894	189,328,767,321	189,217,635,373	97	100

Source: IFMS

3.3.5 Vote 014 Ministry of Health

The Ministry of Health (MoH) approved development budget for the FY 2013/14 was Ug shs 24.1 billion but was revised to Ug shs 22,649,782,874 of which 62% was released by 30 June 2014. Some projects continued to register very low release performance for example project 1123-Health Systems strengthening at 29%, this was attributed to the delayed submission of the Budget Frame Work Paper (BFP). The absorption rate was good at 94% but with some unspent balances at 30 June 2014.

Table 3.5: MOH Budget Performance as at 30 June 2014 (Figures in Ug shs)

Project Code	Project Name	Revised Budget	Cumulative Releases as at 30/06/2014	Cumulative Payments as at 30/06/2014	% of Budget Released	% of Release Spent
216	District Infrastructure Support Programme	1,075,865,000	1,075,865,000	679,530,437	100	63
220	Global Funds for AIDS, TB and Malaria	8,277,112,100	4,477,112,100	4,286,800,357	54	96
980	Development of Social Health Initiative	588,035,000	588,035,000	572,332,750	100	97
1027	Institutional Support to MOH	2,096,320,774	1,336,320,774	1,227,597,016	64	92
1094	Energy for Rural Transformation Programme	150,750,000	150,750,000	147,750,000	100	98
1123	Health Systems Strengthening	5,344,450,000	1,544,450,000	1,541,998,746	29	100
1141	Gavi Vaccines & HSSP	3,200,000,000	3,200,000,000	3,200,000,000	100	100
1148	TB Laboratory Strengthening Project	584,000,000	324,000,000	323,939,500	55	100
1185	Italian Support to HSSP & PRDP	76,000,000	76,000,000	74,127,302	100	98
1187	Support to Mulago Hospital Rehabilitation	1,257,250,000	1,257,250,000	1,181,732,390	100	94
Total		22,649,782,874	14,029,782,874	13,235,808,498	62	94

Source: IFMS

3.3.6 Vote 113 Uganda National Roads Authority

The Uganda National Roads Authority (UNRA) approved development budget for the FY 2013/14 was Ug shs 1.253 trillion of which Ug shs 1.244 trillion (99%) was released as at 30 June 2014 which was excellent. The overall absorption rate was 99% with individual project absorptions ranging between 93% to 100%. Project 1180- Kampala Entebbe Express Highway least absorbed at 93% due to some land disputes that were pending settlement.

Table 3.6: UNRA Budget Performance as at 30 June 2014 (Figures in Ug shs)

Project Code	Project Name	GoU Approved Annual Budget	Cumulative Releases as at 30/06/2014	Cumulative Payments as at 30/06/2014	% of Budget Released	% of Release Spent
265	Uganda-Atiak-Moyo-Afoji (104 Km)	7,000,000,000	7,000,000,000	6,657,208,202	100	95
267	Improvement of Ferry Services	20,000,000,000	20,000,000,000	20,000,000,000	100	100
293	Construction of RD Agency HQs	1,000,080,000	1,000,080,000	1,000,080,000	100	100
295	Upgrade Kampala-Gayaza-Zirobwe (44.3 Km)	10,000,000,000	10,000,000,000	9,999,973,000	100	100
302	Reconstruct Jinja-Bugiri (72Km)	2,000,000,000	2,000,000,000	2,000,000,000	100	100
315	Reconstruct Masaka-Mbarara (154 Km)	10,000,000,000	10,000,000,000	10,000,000,000	100	100
321	Upgrade Fort Portal-Bundibugyo-Lamia (104 Km)	20,000,000,000	20,000,000,000	20,000,000,000	100	100
952	Design Masaka-Bukakata Road	5,000,000,000	5,000,000,000	5,000,000,000	100	100
953	Rehabilitation Kawempe-Luwero-Kafu road (166 Km)	40,000,000,000	40,000,000,000	40,000,000,000	100	100
954	Design Muyembe-Moroto-Kotido (290 Km)	40,000,000,000	40,000,000,000	40,000,000,000	100	100

955	Upgrade Nyakahita-Ibanda-FortPortal (208 Km)	15,000,000,000	15,000,000,000	15,000,000,000	100	100
957	Design the New Nile bridge at Jinja	12,500,000,000	12,500,000,000	12,500,000,000	100	100
1031	Upgrade Gulu-Atiak-Bibia/Nimule (104 Km)	3,200,000,000	3,200,000,000	3,200,000,000	100	100
1032	Upgrade Vurra-Arua-Kiboko-Oraba (92 Km)	3,500,000,000	3,500,000,000	3,500,000,000	100	100
1033	Design Hoima-Kaiso-Tonya (85 Km)	67,000,000,000	67,000,000,000	67,000,000,000	100	100
1034	Design of Mukono-Katosi-Nyenga (72Km)	40,000,000,000	40,000,000,000	40,000,000,000	100	100
1035	Design Mpigi-Kabulasoka-Maddu (135Km)	60,000,000,000	60,000,000,000	60,000,000,000	100	100
1037	Upgrade Mbarara-Kikagata (70 Km)	67,000,000,000	67,000,000,000	67,000,000,000	100	100
1038	Design Ntungamo-Mirama Hills	5,000,000,000	5,000,000,000	5,000,000,000	100	100
1041	Design Kyenjojo-Hoima-Masindi-Kigumba (238Km)	21,000,000,000	21,000,000,000	21,000,000,000	100	100
1042	Design Nyendi-Sembabule (48Km)	23,000,000,000	23,000,000,000	23,000,000,000	100	100
1044	Design Ishaka-Kagamba (35 Km)	32,000,000,000	32,000,000,000	32,000,000,000	100	100
1056	Transport Corridor Project	357,547,400,000	352,097,400,000	345,035,615,440	98	98

1104	Costruct Selected Bridges (BADEA)	36,296,000,000	36,296,000,000	36,296,000,000	100	100
1105	Road Sector Institution Capacity Dev project	42,154,200,000	38,604,200,000	38,604,200,000	92	100
1158	Reconstruction of Mbarara-Katuna Road (155 Km)	25,000,000,000	25,000,000,000	25,000,000,000	100	100
1180	Kampala Entebbe Express Highway	90,000,000,000	90,000,000,000	84,104,274,718	100	93
1274	Musita-Lumino-Busia/Majanji Road	55,000,000,000	55,000,000,000	53,159,372,274	100	97
1275	Olwiyo-Gulu-Kitugumu Road	70,000,000,000	70,000,000,000	70,000,000,000	100	100
1276	Mubende-Kakumiro-Kagadi Road	25,000,000,000	25,000,000,000	25,000,000,000	100	100
1277	Kla Nothern Bypass Phase 2 (Land Acquisition)	40,000,000,000	40,000,000,000	39,999,054,565	100	100
1278	Engineering & Design Kampala-Jinja Expressway	5,000,000,000	5,000,000,000	4,980,135,171	100	100
1279	Design Seeta-Kyaliwajjala-Matugga-Wakiso-Buloba-Nsangi	1,000,000,000	1,000,000,000	1,000,000,000	100	100
1280	Engineering and Design-Najjanankumbi-Busabala and Nambole-Namilyango-Seeta	500,000,000	500,000,000	500,000,000	100	100

Project Code	Project Name	GoU Approved Annual Budget	Cumulative Releases as at 30/06/2014	Cumulative Payments as at 30/06/2014	% of Budget Released	% of Release Spent
1281	Enginneing and Design Tirinyi-Pallisa-Kumi/Kamonkole Road	1,500,000,000	1,500,000,000	1,500,000,000	100	100
Total		1,253,197,680,000	1,244,197,680,000	1,229,035,913,370	99	99

Source: IFMS

3.3.7 Vote 015 Ministry of Trade Industry and cooperatives

The Ministry of Trade, Industry and Cooperatives (MTIC) approved development budget for FY 2013/14 was Ug shs 8.1 billion, the Ministry received 88% of the annual budget as at 30 June 2014. The vote absorbed 100% of the released budget with 100% absorption registered on almost all projects except for one at 98%

There was low funding on project 248-Goverment Purchases and Taxes at 58% of the planned budget with preference given to the other major field projects in nature

Table 3.7: MTIC Budget Performance as at 30 June 2014 (Figures in Ug shs)

Project Code	Project Name	Revised Annual Budget	Cumulative Releases as at 30/06/2014	Cumulative Payments as at 30/06/2014	% of Budget Released	% of Release Spent
248	Government Purchases and Taxes	1,583,440,000	923,243,813	921,863,157	58	100
1111	Soroti Fruit Factory	4,760,811,655	4,470,154,211	4,470,153,477	94	100
1128	Value Addition-Luwero	181,578,553	166,060,098	166,060,098	91	100
1162	Quality Infrastructure and Standards Prog.	134,578,869	127,890,079	127,889,482	95	100
1164	One Village One Product Programme	244,685,792	240,834,967	240,832,422	98	98
1202	Enhancement of Market Access	232,346,253	227,035,412	227,035,412	98	100

1203	Support to Warehouse Reciept System	609,000,000	605,778,315	603,083,094	99	100
1240	Kalangala Infrasture Services Project	320,000,000	303,254,079	303,254,079	95	100
1246	District Commercial Services Support Project	25,050,000	20,032,190	20,000,000	80	100
Total		8,091,491,122	7,084,283,164	7,080,170,221	88	100

Source: IFMS

3.3.8 Vote 019 Ministry of Water and Environment

The Ministry of Water and Environment (MWE) approved development budget for the FY 2013/14 was Ug shs 153.782 billion. The cumulative release was 135.5 billion (88%) of the annual budget as at 30 June 2014 which was good. The overall cumulative absorption rate was 100% with individual project absorption rates ranging between 95%-100%.

Project 1192- Lake Victoria Water and sanitation suffered significant low release at 47% only out of the planned Ug shs 852,533,039 this was partly attributed to the delay in the commencement of the procurement process

Table 3.8: MWE Budget Performance as at 30 June 2014 (Figures in Ug shs)

Project Code	Project Name	GoU Approved Annual Budget	Cumulative Releases as at 30/06/2014	Cumulative Payments as at 30/06/2014	% of Budget Released	% of Release Spent
124	Energy for Rural Transformation	195,101,881	195,101,609	192,919,012	100	99
137	Lake Victoria Envim Mgt Project	1,471,422,187	1,270,233,133	1,270,233,133	86	100
140	Meteorological Support for PMA	4,036,708,896	3,519,996,917	3,452,785,200	87	98
146	National Wetland Project Phase II	3,342,170,816	2,740,907,100	2,707,438,732	82	99
149	Operational Water Res. Mgt NBI	265,141,334	265,132,184	250,997,848	100	95

151	Policy and Management Support	10,191,815,706	10,096,470,226	10,082,350,255	99	100
158	School and Community Water - IDPs	11,083,000,000	10,369,243,710	10,361,635,367	94	100
163	Support to WRM	15,237,000,000	14,921,153,736	14,914,529,675	98	100
164	Support to Small Town WSP	3,660,224,335	3,589,723,675	3,573,151,692	98	100
165	Support to WRM	4,031,758,621	3,264,086,216	3,217,147,679	81	99
168	Urban Water Reform	804,076,652	651,589,750	642,043,261	81	99
169	Water for Production	20,001,732,808	19,216,192,106	19,034,785,291	96	99
947	FIEFOC-Farm Income Project	17,909,501,328	17,286,425,297	17,228,118,169	97	100
1021	Mapping of Ground Water Resource	138,610,229	138,600,250	135,199,632	100	98
1074	Water and Sanitation Facility-North	1,677,078,844	1,616,987,045	1,616,987,045	96	100
1075	Water and Sanitation Facility-East	1,797,837,962	1,710,974,604	1,710,974,604	95	100
1102	Climate Change Project	1,039,291,104	837,260,833	823,869,504	81	98
1130	WSDF Central	4,115,931,833	2,964,931,311	2,964,931,311	72	100
1188	Protection of Lake Victoria-Kla Sanitation Prog.	34,919,433,677	25,591,015,000	25,591,014,327	73	100
1189	Sawlog Production Grant Scheme Project	1,227,761,531	926,760,951	925,760,951	75	100
1190	Support to Nabeya Forestry College Project	692,979,518	642,978,901	642,978,901	93	100

Project Code	Project Name	GoU Approved Annual Budget	Cumulative Releases as at 30/06/2014	Cumulative Payments as at 30/06/2014	% of Budget Released	% of Release Spent
1191	Provision of Improved WS of Returned IDP	674,000,000	624,000,000	611,479,494	93	98
1192	Lake Victoria Water and Sanitation	852,533,039	399,782,754	390,005,942	47	98
1193	Kampala Water Lake Victoria Water & Sanitation Prog.	11,174,000,000	9,519,005,659	9,516,805,585	85	100
1231	Water Management & Dev't Projects	1,789,446,510	1,700,971,500	1,611,621,451	95	95
1283	Water & Sanitation Dev't Facility-SW	1,454,000,000	1,402,882,800	1,402,882,800	96	100
Total		153,782,558,811	135,462,407,267	134,850,548,856	88	100

Source: IFMS

3.3.9 Vote 016 Ministry of Works and Transport

The Ministry of Works an Transport (MoWT) approved development budget for FY 2013/14 was Ug shs 86.1 billion of which Ug shs 63.7 billion (74%) was released as at 30 June 2014. The slightly above average release performance was attributed to the very low release under project 951- East Africa Trade and Transportation facilitation at 26% only and Project 1061- Construction of Government Office blocks at 9% only.
The overall absorption rate was 100% with individual project absorption performance ranging between 94% and 100% and this was very good.

Table 3.9: MWT Budget Performance as at 30 June 2014 (Figures in Ug shs)

Project Code	Project Name	GoU Approved Annual Budget	Cumulative Releases as at 30/06/2014	Cumulative Payments as at 30/06/2014	% of Budget Released	% of Release Spent
42	Institutional Support to URC	1,000,000,000	909,893,145	909,893,145	91	100
269	Construction of selected bridges	3,190,000,000	3,189,998,636	3,183,311,382	100	100
271	Development of inland water transport	1,870,000,000	1,672,849,340	1,672,788,460	89	100

304	Upcountry Stations Rehabilitation	500,000,000	499,999,603	497,701,915	100	100
306	Urban Roads Re-sealing	3,420,000,000	3,419,999,931	3,419,999,673	100	100
307	Rehab. Of District Roads	2,000,000,000	1,999,999,060	1,999,959,397	100	100
308	Road Equipment for District Units	5,153,000,000	5,152,997,659	5,152,986,109	100	100
515	Rehabilitation of Bugembe Workshop	2,154,000,000	2,010,878,074	2,009,258,506	93	100
902	Axle Load Control	500,000,000	421,906,545	419,899,187	84	100
936	Redevelopment at State House at Entebbe	600,000,000	572,256,441	570,905,706	95	100
951	East African Trade & Transportation Facilitation	11,910,000,000	3,057,076,832	3,051,721,391	26	100
965	Redevelopment of Kyabazinga's Palace at Iganga	400,000,000	375,530,587	375,528,981	94	100
966	Late Gen Tito Okello's Residence	250,000,000	238,511,975	238,511,060	95	100
967	General Construction and Rehabilitation Works	796,000,000	789,987,428	789,930,788	99	100
1045	Interconnectivit y Project	5,090,000,000	5,031,237,089	5,028,825,249	99	100
1047	Rehabilitation of Devept of Upcountry Aerodr	2,770,000,000	2,525,951,112	2,525,950,570	91	100
1048	Motor Vehicle Inspection Services	1,873,000,000	1,622,056,707	1,621,124,621	87	100

1049	Kampala-Kasese Railway Feasibility Project	2,650,000,000	2,540,555,426	2,540,457,697	96	100
1050	Establishment of the National Transport Data Bank	2,148,058,787	1,843,471,711	1,841,940,371	86	100
1051	New Ferry to replace Kabalega	2,134,000,000	2,076,472,502	2,076,420,307	97	100
1052	Rehabilitation and re-equiping of EACAA-Soroti	533,333,333	520,259,646	520,255,104	98	100
1061	Construction of Gov't Office Blocks	9,607,000,000	833,860,188	833,849,900	9	100
1062	Karamoja Roads Development Programme	2,719,360,000	2,703,668,679	2,701,480,607	99	100
1096	Support to Computerized Driving Permits	1,980,000,000	1,545,349,459	1,545,348,503	78	100
1097	New Standard Gauge Railway Line	5,050,000,000	4,836,430,689	4,836,377,192	96	100
1105	Strengthening Sector Coord, Planning & ICT	2,190,250,000	1,931,012,413	1,854,172,338	88	96
1159	Kasese airport Dev't project-KADP	1,300,000,000	1,245,780,022	1,245,779,480	96	100
1160	Transport Sector Development Project (TSDP)	1,493,000,001	1,181,155,619	1,163,007,101	79	98
1171	U-Growth Support to MELTC	5,140,000,000	4,685,767,309	4,685,767,309	91	100
1172	U-Growth Support to DUCAR	2,235,640,000	2,043,201,802	2,043,201,802	91	100

1173	Construction of MoWT Headqters Building	2,433,000,000	1,455,721,103	1,454,788,620	60	100
1284	Development of New Kla Port in Bukasa	1,000,000,000	768,025,206	721,064,798	77	94
Total		86,089,642,121	63,701,861,938	63,532,207,269	74	100

Source: IFMS

3.3. 10 Vote 020: Ministry of Information and Communication Technology

The Ministry of Information and Communication Technology (MoICT) approved development budget for FY 2013/14 was Ug shs 2.488 billion, as at 30 June 2014. The release was 2.488 billion (100%) of the budget which was excellent.
The overall absorption 100% which was excellent

Table 3.10: MoICT Budget Performance as at 30 June 2014 (Figures in Ug shs)

Project Code	Project Name	GoU Approved Annual Budget	Cumulative Releases as at 30/06/2014	Cumulative Payments as at 30/06/2014	% of Budget Released	% of Release Spent
900	E-government ICT Policy Implementation	1,518,059,527	1,518,059,526	1,505,085,880	100	99
990	Strengthening Ministry of ICT	970,611,473	970,611,473	967,116,335	100	100
Total		2,488,671,000	2,488,670,999	2,472,202,215	100	99

Source: IFMS

3.3. 11 Vote 126 National Information Technology Authority

The National Information Technology Authority (NITA) approved development budget was 1.83 billion but revised to 1.58 billion as at 30 June 2014.The cumulative release was 1.58 billion (100%) which was excellent. The overall absorption rate was 99% and that was equally excellent

Project Code	**Project Name**	**Revised Budget**	**Cumulative Releases as at 30/06/2014**	**Cumulative Payments as at 30/06/2014**	**% of Budget Released**	**% of Release Spent**
1014	National Transmission Backbone Project	1,373,826,175	1,373,826,175	1,364,567,783	100	99
1055	Business Process Outsourcing	210,000,000	210,000,000	209,946,099	100	100
Total		**1,583,826,175**	**1,583,826,175**	**1,574,513,882**	**100**	**99**

Source: IFMS

3.4 Conclusion

3.4.1 Central Government GoU Development Budgets

The approved development budgets for most of the selected priority central government ministries and agencies remained the same as at 30 June 2014 with the exception of MAAIF whose budget increased by 21% . The development budgets for MFPED and that of MoH were reduced by 3% and 6% respectively.

The cumulative release performance as at 30 June 2014 was good with an average release performance of 82% for the Ministries and Agencies. This performance would have been 88% without the Ministry of Energy and Mineral Development whose release performance was a dismal 15% mainly because of the delayed Karuma Hydroelectricity Power Project (which was 85% of the vote budget. The late submission of the budget framework paper (BFP) in quarter two continued to affect the votes overall release performance which was 62%.

The cumulative absorption rate for most of the ministries/agencies as at 30 June 2014 was on average 99% which was excellent. The MoH had the least absorption rate of 94% with the rest of the ministries absorption rates being between 99%-100% which was absolutely commendable.

3.5 Recommendations

The recommendations below are mainly focused on improving the release and strengthening the absorption performance of the central government ministries/agencies.

- The MFPED should continue enforcing compliance to reporting deadlines by Accounting officers
- The central government/department/agencies staff should continuously be sensitised on the new PPDA law which is meant to improve the procurement process and some avoidable unfinished works at year end.
- The MFPED should enforce observation of release schedules by all stakeholders to enable the timely implementation of development works.

PART 3: PHYSICAL PERFORMANCE

CHAPTER 5: AGRICULTURE

4.1 Introduction

4.1.1 Agriculture sector priorities

The Government of Uganda (GoU)'s target for the agricultural sector is: *"To transform two million (50%) subsistence agricultural households to market oriented production through sustainable commodity value chains by 2020"*[2]. The sector budget priorities in FY 2013/14 focused on enhancing agricultural production and productivity through the commodity approach that prioritized 11 commodities namely: maize, beans, rice, bananas, cassava, cattle, meat, fish, coffee, tea, and market fruits and vegetables[3].

Investments were channeled into seed multiplication; research and extension; provision of planting, stocking and breeding materials; value addition and labour saving technologies; establishment of water for production infrastructure; and agricultural mechanization. The government also planned to reform the National Agricultural Advisory Services (NAADS) to create a single spine extension system at the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) and local governments.

To finance these priorities, the government allocated a total budget of Ug shs 405.38 billion exclusive of taxes and arrears to the agricultural sector in FY 2013/14. The funds were allocated to the nine votes in the sector as follows: MAAIF Ug shs 83.56 billion (21%); Dairy Development Authority Ug shs 5.04 billion (1.2%); Kampala Capital City Authority Ug shs 1.35 billion (0.3%); National Animal Genetic Resource Centre and Data Bank Ug shs 4.05 billion (1%)[4].

Others were: National Agricultural Research Organisation Ug shs 85.87 billion (21%); NAADS Secretariat Ug shs 47.12 billion (12%); Uganda Cotton Development Organisation Ug shs 6.53 billion (1.6%); Uganda Coffee Development Authority Ug shs 21.14 billion (5.2%) and Local Governments NAADS/District Production Services Ug shs 150.71 billion (37%). The NAADS programme at central and local government level was allocated the bulk of total resources in the sector Ug shs 178.37 billion (44%).

4.1.2 Scope

The report presents progress in implementation of selected projects/programmes by MAAIF and its agencies, and local governments during FY 2013/14. The monitoring work covered seven selected programmes in six out of the nine votes in the sector. A total of 36 out of 112 districts and several sub counties were visited at the local government level. In addition, one agricultural programme implemented under Ministry of Finance Planning and Economic Development (MFPED) was covered (Table 4.1).

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[2] MAAIF, 2013; MAAIF 2010.

[3] MFPED, 2013.

[4] MFPED, 2013/14.

Table 4.1: Agricultural programmes monitored for FY 2013/14

Vote	Programme	Sampled districts/institutions
Vote 008	Agricultural Credit Facility (ACF)	Bank of Uganda (BoU), Amuru, Bushenyi, Gulu, Iganga, Jinja, Kabarole, Kyenjojo, Lwengo, Masaka, Mbarara, Mubende, Wakiso
Vote 122	Kampala Capital City Authority (KCCA) NAADS	KCCA NAADS Office, Kyanja Agricultural Resource Centre, Lubaga and Makindye Divisions
Vote 010 Project 1194	Labour Saving Technologies and Mechanization for Agricultural Production	Butaleja, Isingiro, Kiruhura, MAAIF, Mbarara, Moroto, Nakaseke, Nebbi
Vote 152 Vote 501-850: VF 0181	National Agricultural Advisory Services (NAADS)	Abim, Apac, Bugiri, Kamwenge, Kanungu, Kotido, Lira, Masaka, Mbarara, Moroto, NAADS Secretariat, Napak, Nebbi, Otuke
Vote 125	National Animal Genetic Resource Centre and Data Bank (NAGRIC&DB)	Apac, Buikwe, Kamuli, Kiruhura, NAGRIC&DB Headquarters
Vote 501-850: VF 0182	Production and Marketing Grant (PMG)	Abim, Bugiri, Busia, Butaleja, Kamwenge, Kotido, Kyenjojo, Lira, Lwengo, Masaka, Mityana, Moroto, Napak, Otuuke
Vote 010 Project 0104	Support for Tea Cocoa Seedlings Project	Kamuli, Kyenjojo, Luuka, MAAIF, Mayuge, Mpigi
Vote 160	Uganda Coffee Development Authority (UCDA)	Bushenyi, Gulu, Iganga, Jinja, Kabarole, Kamuli, Kamwenge, Kanungu, Kyenjojo, Mityana, Ntungamo, UCDA Headquarters, Zombo

Source: Authors' compilation

The following criteria guided selection of the programmes and districts that were monitored:

- Priority expenditure areas in the budget strategy for FY 2013/14
- High potential to contribute to the sector and national priorities
- Regional representation
- Annual and multi-year investments

4.1.3 Methodology

The report utilised primary and secondary data that was collected during July to August 2014. The data that was collected focused on financial and physical performance of agricultural sector programmes and projects in FY 2013/14, implementation challenges and proposed remedial measures.

The secondary data used was from implementing agencies, the Integrated Financial Management System (IFMS) and MFPED budget documents. Primary data was collected through field visits to project areas involving discussions with district and sub-county officials, MAAIF field staff and beneficiaries. Observations and photography were key data collection tools during the monitoring exercise.

Programme performance was rated on the basis of the following criteria:

- 80% and above: Excellent (all set targets achieved and funds well utilized)
- 70% - 79%: Very good (most of the set targets achieved and funds absorption is 70% and above)
- 60%-69%: Good (some core set targets achieved and funds absorbed to 60%)
- 50-59%: Fair (Few targets achieved and funds absorption is 50%)
- Less than 50%: Below average (no targets achieved and funds absorption is less than 50%).

4.1.4 Limitations

The monitoring work was constrained by the following factors:

- Insurgency in the Rwenzori region during July 2014. The affected districts (Bundibugyo, Kasese and Ntoroko) originally to be visited were eliminated from the sample and replaced with others.
- The Dairy Development Authority (DDA) assented to being monitored late in August 2014 when the monitoring exercise had already been concluded. The DDA will be considered in the next monitoring round.
- Difficulty in accessing NAADS information following the termination of services of NAADS Coordinators in July 2014.

4.2 Agricultural Credit Facility

4.2.1 Background

Access and use of credit by agricultural households in Uganda has stagnated at 11.3% since 2000[5]. Financial institutions consider agriculture a risky business and lend to farmers at high interest rates (over 24%). As a result, most farmers are unable to access loans to purchase key inputs, mechanize and expand production and value addition.

To address this challenge, the GoU in 2009 set up the Agricultural Credit Facility (ACF) to offer financial support to farmers and agro-processors through a loaning scheme. The scheme is financed under MFPED Vote 008. The ACF is implemented in phases according to a memorandum of understanding (MoU) that is periodically reviewed. Box 4.1 provides the ACF project profile.

Box 4.1: Profile of the Agricultural Credit Facility

Objective: Facilitate provision of medium and long term loans to farmers/firms engaged in agriculture and agro-processing on more favourable terms for commercializing the sector.

Implementing agencies: Lead agency is Bank of Uganda (BoU), working with commercial banks, Uganda Development Bank Ltd (UDBL), Micro Deposit Taking Institutions (MDIs) and credit institutions - all referred to as Participating Financial Institutions (PFIs).

Eligible purpose: Agricultural machinery and equipment for agro-processing, mechanization and post harvest handling equipment; storage facilities; and agricultural inputs (not to exceed 20% of the total project cost). Ineligible expenditures include: working capital for trading in agricultural commodities, purchase of land, forestry and refinancing existing loan facilities.

Terms and conditions: The maximum loan amount for a borrower varies between Ug shs 2.1 billion and Ug shs 5 billion; maximum loan period is eight years and minimum six months; grace period at a maximum of three years. Facility fees charged by PFIs to eligible borrowers are not expected to exceed 0.5% of the total loan amount.

ACF Phases: ACF 1: October 2009-June 2010 (10% interest rate); ACF II: July 2010-June 2011 (12% interest rate); ACF III: July 2011-February 2013 (10% interest rate); ACF IV: March 2013-date (12% interest rate).

Source: Bank of Uganda MoUs and Addendums

Planned activities/outputs for FY 2013/14: The project had no set performance targets or outputs. Implementation follows the overall project objective.

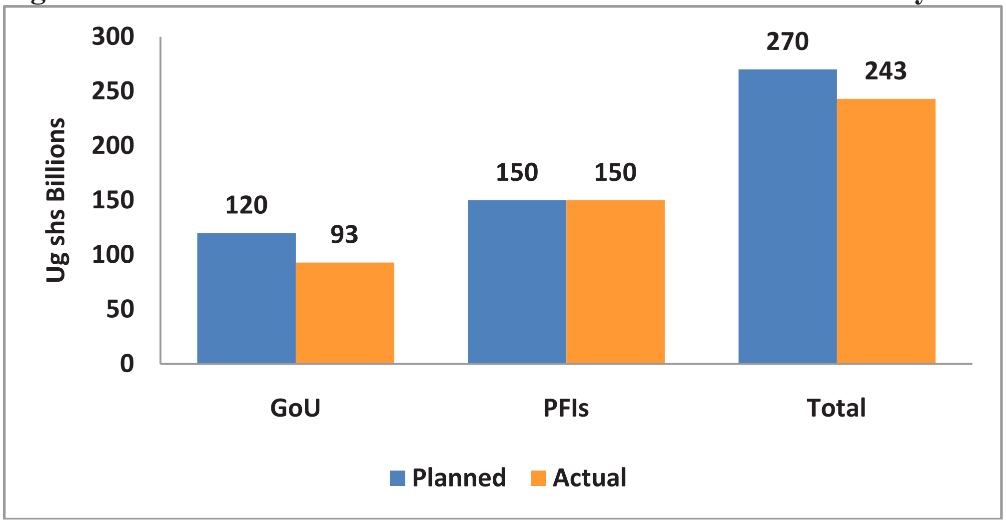
[5] Munyambonera et al, 2012.

4.2.2 Findings

i) Financial performance

It was planned that between 2009 and 30th June 2014, the ACF would be capitalized with Ug shs 270 billion, contributed in the proportion of Ug shs 120 billion by GoU[6] and Ug shs 150 billion by PFIs. The actual cumulative performance in capitalizing the fund by end of FY 2013/2014 is shown in Figure 4.1. The government's contribution is lower as loan repayments (Ug shs 27 billion) by beneficiaries have been returned in the revolving scheme thus reducing the request for funds by BoU.

Figure 4.1: Planned and actual cumulative releases of ACF funds by 30th June 2014



Source: BoU, 2014a

A total of Ug shs 162 billion (67%) of the released funds were expended on ACF projects by 30th June 2014 (including committed funds). Investments in agro-processing machinery accounted for more than a half of the expenditures (59%), followed by farm expansion infrastructure (17%) and purchase of tractors and farm equipment (14%) - Table 4.2.

Table 4.2: ACF expenditures by investment areas by 30th June 2014

Investment area	**Total Amount spent (Ug shs)****	**Proportion of total expenditure (%)**
Agro Processing Machinery (including wheat, tea, rice, maize, milk, cotton)	95,744,369,873	59
Tractors and Farm Equipment	23,450,288,787	14
Irrigation and Green House Facilities	4,258,000,000	3
Farm Expansion (Poultry houses, piggery, farm structures, modernization of the farm)	27,874,816,250	17
Storage Facilities, Refrigerators and Recycling Plants	6,427,000,000	4
Other Agricultural Machinery and Activities (such as hatcheries, generators)	4,731,019,464	3
TOTAL	162,485,494,374	100

*****Note: The total amount spent includes actual disbursements and commitments***

Source: BoU, 2014a.

[6] Deposited in an Escrow Account at Bank of Uganda.

Out of the total release by GoU of Ug shs 93 billion, Ug shs 73.79 billion had been disbursed to projects of which Ug shs 2.122 (2.9%) for six projects was classified as delinquent[7]. The BoU was facing a challenge of being unable to recover these funds as the MoU (governing the relationship between GoU and PFIs) does not provide for specific measures and a framework that would be used to manage or repay any loans in default. By 30th June 2014, a total of Ug shs 27 billion had been paid back by the respective PFIs and reinvested.

ii) Physical performance

a) Multi-year performance

The ACF was monitored twice, in FY 2011/12 and FY 2012/13[8]. The number of firms/farmers accessing the ACF increased from 154 by 30th June 2012 to 253 by 30th June 2014. A comparison of proportions of beneficiaries accessing the loan over the two year period by region shows a slight decline in the central region while in the Eastern region it doubled (Figures 4.3 and 4.4).

Fig 4.3: ACF beneficiaries by region by Feb 2012

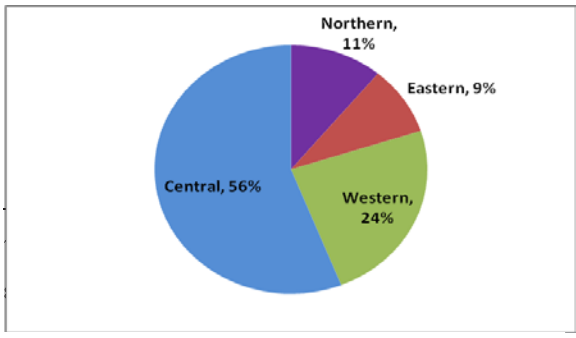
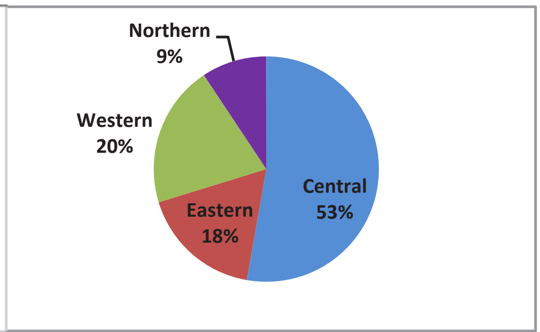


Fig 4.4: ACF beneficiaries by region by 30th June 2014



Source: BoU financial data

The proportion of beneficiaries accessing loans was higher in the central region due to easy access to information, commercial banks, suppliers of agro inputs and equipment and agricultural advisory services.

b) Field Findings

Between 2009 to 30th June 2014, a total of 253 farmers/firms benefitted from the ACF. About 40 farmers were monitored in previous rounds. During July to August 2014, 17 beneficiary farmers/firms in 12 districts were monitored and the findings are presented below.

Amuru District
Mr. D. Acaye's farm

Background

The BoU records indicate that Mr. Acaye's ACF investments are in Gulu district. On the contrary, the monitoring team found that the loan was used on a farm located in Ongayo 1 village, Lakanga parish, Lamogi sub-county in Amuru district. Prior to acquiring the loan, the farmer had 250 acres of land but with no resources to utilize it. He applied for a loan in 2011 to purchase a tractor. The BoU records show that he accessed Ug shs 81,587,250 for procurement of a tractor for farm expansion.

Implementation progress

Mr. Acaye confirmed receipt of an ACF financed tractor Holland type in 2011 from Cooper Motors Corporation. The beneficiary did not have records to show the loan details. However, he estimated that the tractor was valued at around Ug shs 100 million including interest payments and processing fees; the loan period was 2011 to 2013. He paid monthly installments of Ug shs 3.9 million.

The beneficiary ploughed and planted about 100 acres of cassava, simsim, groundnuts and millet every season on his farm. Mr. Acaye earned on average Ug shs 1 million net every month from tractor hire services offered to other farmers. The farmer had paid off the loan by June 2014.

Challenges

1) The process of accessing the loan was too lengthy and costly; the farmer reported that he paid bribes to the commercial bank officials and valuers to quicken the approval process.
2) The interest rate and processing fees were too high bringing the total cost of the tractor at about Ug shs 100 million. The same tractor could be sourced at Ug shs 70 million at market value.
3) The loan repayment was problematic due to low returns from the investment associated with lack of agricultural advisory services, storage facilities and high prevalence of pests and diseases.
4) Poor records keeping.

Recommendations

1) The BoU and commercial banks should simplify and shorten the steps of accessing ACF loans.
2) The Government Valuer should improve supervision of property valuers and ensure that they complete their work on time without extorting money from the loan beneficiaries.
3) The BoU should reduce the interest rate and processing fees further.
4) The MAAIF should strengthen provision of agricultural advisory services and storage facilities to farmers.
5) The BoU and commercial banks should train loan beneficiaries on proper record keeping.

Ms. R. Okot's farm

Background

The BoU records indicate that Ms. Okot's ACF investments are in Gulu district. The monitoring found that Ms. Okot had invested the funds in her farm in Ome village, Amuru sub-county, in Amuru district. She applied for a loan to purchase a tractor to expand cultivation from 10 acres to 50 acres. The BoU records indicate that she was given Ug shs 96,425,940 to purchase farm equipment.

Implementation progress

Ms. Okot confirmed receipt of a tractor Sonalika type with a plough and trailer all costed about Ug shs 105 million. She did not have records to show the exact amount of the loan facility and the interest rate. The loan period was four years and she was about to complete the payments by 7th August 2014. The tractor and implements were noted to be of good quality.

About 50 acres of land were ploughed and planted with rice and cassava on a commercial scale. The farmer was earning a gross income of at least Ug shs 30 million from crop sales per season from her farm. In addition, she was earning on average Ug shs 8 million every season from hiring out the tractor to neighbours. She considered the investment as very profitable.

Challenges

1) Stringent and complex rules and procedures of accessing the ACF; it was difficult to understand all the terms and conditions in the loan contract.
2) The lending bank provided limited information about the ACF as they preferred to lend commercial loans with high interest rates.
3) Delayed loan repayment in some months due to low crop production associated with procurement of fake seeds on the open market.

Recommendations

1) The BoU and commercial banks should simplify the processes of accessing the ACF and publicise it widely.
2) The BoU should establish farmers' bank with appropriate loan conditions for small and large scale farmers.
3) The MAAIF should improve inspection and regulation of the seed industry. Seed supply should be restricted to a few certified companies.

Bushenyi District

<u>Z&K Business Associates Ltd</u>

Background

The proprietor of Z&K Business Associates Ltd Mr. Z. Karokora owns a farm in Kyamabale village, Mashonga parish, Kyamuhanga sub-county in Bushenyi district. He applied in July 2011 for an ACF loan worth Ug shs 390 million to expand his tea shamba by planting an additional one million seedlings. He also planned to purchase some dairy animals to expand the existing herd. The BoU financial records indicate that the applicant was provided with Ug shs 275 million for expanding the tea plantation.

Implementation progress

Mr. Karokora confirmed receipt of Ug shs 275 million from the commercial bank on 28th October 2011, less by Ug shs 115 million from what he had applied for. The bank recommended that the beneficiary should scale back on the number of tea seedlings purchased. The funds for procuring dairy animals were not provided.

The loan terms were: 10% interest rate as expected for ACFIII beneficiaries; one year grace period and eight years loan period ending in 2017. In total, the beneficiary paid Ug shs 7 million (2.5% of the total loan amount) as processing fees. The fees were 2% above the recommended value (0.5%).

The funds were used to set up a nursery of 500,000 seedlings and he planted 30 acres of tea shambas. He used his own resources to plant an additional 12 acres of tea in 2013. Although not fully grown, the tea came into production starting 2013. As a result of the expansion of the shambas, production of green leaf from the farm more than tripled from 3,000kgs per month to 10,000kgs per month.

Loan repayments had been going on smoothly until January 2014 when the beneficiary's spouse got a health problem that necessitated seeking treatment in India and cost Ug shs 60 million. The beneficiary failed to raise sufficient funds to repay the loan and by 15thJuly 2014, he was in arrears by Ug shs 30 million.

Challenges

1) Inability to clear the loan due to lack of cash. The farmer acknowledged poor cash flow planning for the project on his part as he had reinvested his profits from the ACF investment into opening up an additional 12 acres.
2) Poor performance of the project due to lack of extension services and fertilizers to enhance crop productivity.

Recommendations

1) The BoU and lending commercial bank should mentor the beneficiaries on better project and cash management before disbursing the loans.
2) The MAAIF should improve availability of extension services to tea growers.
3) The BoU and commercial banks should step up monitoring and supervision of ACF investments.

<u>Kabeihura Farmers Ltd</u>

Background

The farm is located in Byatende village, Mashonga parish, Kyamuhanga sub-county in Bushenyi district. It deals in mixed farming of tea, fish, dairy and poultry. The farmer applied for a loan in April 2012 to expand the fish farming enterprise. The BoU financial records indicated that the farm was lent Ug shs 99,315,000 to construct 21 fish tanks and one water reservoir.

Implementation progress

The MD confirmed receipt of Ug shs 99,315,000 on 11th December 2012 under the following terms: 10% interest rate (as expected for ACFIII); six years loan period (the beneficiary had applied for an eight year loan); and one year grace period. The loan processing fees amounted to Ug shs 4.10 million (4.12% of the total loan amount). The processing fees were 3.62% above the recommended value (0.5%). The loan was to be paid in 72 installments from 28thJune 2014 to 11th December 2018.

The MD reported that the loan was insufficient to construct 21 tanks and a reservoir as was planned. The loan was used to purchase 12 tanks each costing Ug shs 8.3 million; total amount spent was Ug shs 99,600,000 slightly above what was provided. The farmer also expanded the fish ponds as part of this project.


Middle; Rehabilitated fish ponds, right; newly constructed tanks at Kabeihura Mixed Farm Bushenyi district

The additional tanks enabled the farmer to increase the fish stocking capacity from 20,000 to 44,000 fish on the farm. The farmer applied for a commercial loan which he accessed at a higher interest rate (over 20%). He was in the process of constructing the remaining 9 fish tanks and had completed the water reservoir.

Note: The monitoring team noted that the project was approved without a good business plan and hence the problem of cash flows." "I am a farmer, I do not have much ideas on how to prepare good proposals; we should be supported by Government to prepare bankable business proposals" said the MD/farmer.

Challenges

1) The delay by the commercial bank to process the loan (9 months) resulted in change in the input prices as proposed in the application and inadequacy of the funds.
2) The non-flexibility of the ACF scheme with regard to agricultural inputs not to exceed 20% of the total project cost was negatively affecting the viability/profitability of the project. The cost of fish feeds and labour was accounting for 60% of the total project outlays.
3) Low profitability of the investment as it had to be complimented with a commercial loan that was borrowed at a very high interest rate (over 20%).
4) It was becoming increasingly difficult to repay the loan due to the low profits from the project and the reduction in loan period by the bank from what the farmer requested (8 years) to 6 years.

Recommendations

1) The BoU and commercial banks should fasten the process of reviewing and approving loan applications, within two months of the requests.
2) The BoU/MFPED should flex the ACF conditions so that at least 50% of the total loan amount can be spent on agricultural inputs. The application of this clause would be on a case by case basis depending on the nature of enterprise.
3) The BoU and commercial banks should respect the requests by the applicants and provide the loan period that is indicated in the applications. The loan period greatly affects viability of the project and ability for the farmer to pay back.

Gulu District

Mr. G. Kinyera's farm

Background
Mr. Kinyera's farm is located in Layibi Industrial Area, Layibi Techo parish, Layibi division, Gulu municipality. The farmer lacked capital to mechanize his farm; only 10 acres out of the 100 acres on the farm were under cultivation. He applied for a lease facility for a tractor in February 2010. The BoU records indicate that Mr. Kinyera accessed a lease facility amounting to Ug shs 53,244,000 for purchasing a tractor.

Implementation status
Mr Kinyera reported that he received a Massey Ferguson tractor with a disc plough and a disc harrow in April 2010. The lease offer letter from the lending commercial bank had two components:

- A lease facility of Ug shs 50,400,000 for purchasing the tractor and discs at 10% interest rate and a loan period of 36 months; the terms also included a clause that the tractor belonged to the bank and would only be transferred to the beneficiary after clearing the loan and paying a residual value of 0.5% of the loan value.
- Revolving Insurance Premium Facility (IPF) of Ug shs 5,040,000 for a 10 months period. This amount was deducted from the beneficiary's personal account. The beneficiary expressed reservation that he did not get a proper explanation from the bank on the relevance of this deduction.

In addition, every month, Ug shs 48,000 was deducted from his account for 36 months to cover his life insurance. This was not part of the offer letter and the beneficiary felt that the bank was cheating him.

Mr. Kinyera was requested by the bank to make an initial payment of 20% of the proforma invoice to the supplier before the tractor was delivered. He paid Ug shs 12,600,000 in advance which brought the total tractor value to Ug shs 63,000,000 excluding the interest payments. While processing the loan, Mr. Kinyera was requested to pay Ug shs 540,000 (1% of the lease facility) as documentation fees.

The farmer reported that the tractor was a very lucrative investment. He had ploughed all the 100 acres on his farm and planted maize, sorghum rice and beans on a commercial basis. On average, he was earning Ug shs 30 million gross or Ug shs 18 million net from sale of crops on his farm every season. From his farm alone, he was earning a gross income of Ug shs 60 million per year. Every season he was ploughing about 150 acres each at Ug shs 70,000 giving him gross income of Ug shs 10.5 million.

Note: The monitoring team noted that the commercial bank imposed extra costs on the farmer that were not part of the offer letter. This raised the value and cost of the lease, far above what is recorded in BoU data base.

Challenges

1) Lack of transparency by the commercial bank with regard to deductions for life insurance and the IPF facility.
2) Frequent breakdown of the tractor in hilly areas and heavily forested areas; the farmers lacked heavy earth moving equipment to even the land/open it up before deploying the tractors.
3) The loan scheme was not flexible to allow farmers to pay on a seasonal basis when income from the investment was assured.

Recommendations

1) The BoU should safe guard customers' interests by ensuring that they get the right terms and conditions in the contracts that they sign with the commercial banks.
2) The MAAIF should avail heavy earth moving equipment services to farmers at subsidized rates to enable them open up the land before use of tractors.
3) The BoU should flex the ACF to allow farmers to pay back on a seasonal rather than a monthly basis.

Iganga District

<u>Mr. C. Bukyabubi's farm</u>

Background
Mr. C. Bukyabubi's farm is located in Mutambala village, Nkono parish, Northern division, Iganga district. He applied for a loan in December 2010 from a commercial bank, hereby named A for confidentiality, to purchase a tractor and plough. Bank A informed Mr. Bukyabubi that the maximum amount that could be accessed under the ACF scheme was Ug shs 20 million. This would not be sufficient for the purchase of a tractor and implements, therefore the farmer decided to try out other banks.

He applied for the loan in another commercial bank named B in FY 2010/11. He failed to get the loan as he was asked by officials of bank B to pay a bribe of Ug shs 10 million to expedite access to an ACF loan. He declined to pay the bribe and went to the third commercial bank in his area, hereby named C. Bank C expedited the process of loaning within two months; the BoU financial records indicate that Mr. Bukyabubi was a given a loan amounting to Ug shs 89,100,000 for a tractor and implements.

<u>Note</u>: This case illuminates the problems that farmers face while trying to access ACF loans: i) limited information on the maximum amount that can be loaned to an individual borrow ii) commercial banks not providing accurate information on the ACF iii) bribery to access ACF loans.

Implementation progress
The farmer confirmed receipt of the loan in form of a tractor Mahindra type valued at US$ 37,000 and a heavy duty disc plough that costed US$ 4,250. The total loan value before including interest payments was US$ 41,250 or Ug shs 107,250,000[9].

ACF financed tractor and disc plough at Mr. Bukyabubi's residence in Mutambala village, Iganga district

[9] The farmer reported that the exchange rate was US$ 1 to Ug shs 2,600.

The tractor was delivered on 16th August 2011 and the monitoring team saw the goods delivery note. It is noted that the loan amount that was received by the beneficiary when converted to local currency (Ug shs 107,250,000) was far above the value that was recorded at BoU (89,100,000) by Ug shs 18,150,000. The cause of this anomaly could not be established; this is an area for further audit work.

The beneficiary reported the loan terms as follows: 13%[10] interest rate (3% above the expected rate of 10% for ACFIII beneficiaries); 5 year loan period ending 15th July 2016; and he had repaying monthly installments of Ug shs 2,148,395. The tractor was procured from a firm-ETC Agro Tractor & Implements (U) Limited on the advice of the commercial bank.

The tractor was used to plough and plant 15 acres of sugar cane on Mr. Bukyabubi's farm as well as cultivating other farms on a hire basis. The tractor was raising on average Ug shs 1.5 million per month and this was insufficient for meeting the monthly installments. The farmer was complementing the returns from the tractor with other personal resources to pay off the loan. Hence, he considered the investment none profitable.

Challenges

1) The inflexibility of the ACF with regard to provision of a larger proportion of funds for working capital constrained effective use of the tractor. The farmer lacked working capital such that the tractor was redundant in some seasons.
2) Limited transparency and advice from the commercial bank on the type of tractor and supplier; the tractor had no spares for over a month and the sole supplier of the Mahindra type lacked competency to source and supply the spares in time.
3) Insufficient information provided by the bank about the loan terms and lack of support/guidance to beneficiary when experiencing problems with the investment.

Recommendations

1) The BoU should restructure the ACF to allow access to a larger proportion of working capital (from 20% to 40% of the total loan value).
2) The BoU, commercial banks and MAAIF should assess competence of suppliers of tractors and provide sufficient evidence to the beneficiaries on the best sources of equipment.
3) The BoU and commercial bank should work with the MAAIF to provide technical guidance and agricultural advisory services to the beneficiating farmers.

[10] The beneficiary lacked records for verifying this information.

Jinja District

Mr. S.J. Kiige

Background

Mr. Kiige's farm is located in Namaganga village, Kisasi parish, Busede sub-county in Jinja district. He is a sugar cane outgrower and registered farmer of the Madhivani Sugar Workers and Transporters Ltd. In 2010, the Madhivani Sugar Corporation advertised for suppliers of tractor hire services. Mr. Kiige applied for asset financing in August 2011 for purchase of a tractor. The BoU financial records indicate that Mr. Kiige was provided a loan worth Ug shs 68,640,000 for purchase of the tractor.

Implementation status

In August 2011, Mr. Kiige presented to the commercial bank a proforma invoice of US$ 33,000 from the Cooper Motors Corporation (CMC) for the tractor. The bank instructed him to pay in advance 20% of the tractor value in Uganda currency plus the processing fees and stamp duty. He deposited Ug shs 22 million in the bank in August 2011. The New Holland tractor was delivered to the farmer by CMC in October 2011.

The loan terms were as follows: 10% interest rate (in line with ACFIII beneficiaries); 48 months loan period ending in 2015 and no grace period. The beneficiary was paying monthly installments of Ug shs 1.97 million. However, due to low business, the beneficiary was behind schedule in repaying the loan by one month.

The beneficiary appreciated the quality of the tractor from CMC. He started offering tractor hire services to Madhivani Sugar Corporation in February 2012 up to date. He also used the tractor to expand his sugar cane acreage from 20 acres in 2011 to 41 acres in 2014. The proceeds from the tractor hire services were used for purchasing more land for his farm.

Challenges

1) Low returns to the project in some months due to tractor breakdown and expensive/unavailable spares. The sole supplier of Holland type tractors CMC had capacity problems in availing spare parts; at one time the farmer had to wait for one month before accessing hydraulic oil.
2) Inadequate working capital (inputs and labour) under the ACF scheme.
3) The increase in the loan value due to the new taxes imposed on commercial banks beginning 1st July 2014.

Recommendations

1) The Ministry of Works and Transport should license more suppliers of New Holland tractors and spares.
2) The BoU should consider increasing the proportion of funds earmarked for working capital under the ACF.
3) The MFPED could consider waiving taxes on agricultural inputs.

Kabarole District

<u>Tooro Dairy Cooperative Society</u>

Background

Registered in 1966, Tooro Dairy Cooperative Society was inactive for some years and rejuvenated in 2009. The cooperative society offers services to 325 members of bulking, processing and marketing their milk. In a bid to expand operation capacity, the cooperative society in 2010 applied for the ACF to purchase milk processing equipment. The BoU records indicated that the beneficiary was provided a loan totaling Ug shs 193,000,000.

Implementation progress

The Accountant of Tooro Dairy Cooperative Society confirmed that the organization borrowed Ug shs 193,000,000 in early 2010 at 10% interest rate, six months grace period and 60 months loan period. The society was repaying the loan in installments of Ug shs 4,523,908 per month and was remaining with a balance of Ug shs 55,350,298 by 14th June 2014.

The loan was used to purchase four vehicles (milk tanker, two refrigerated trucks and one pick up), over 100 plastic milk crates, eight freezers, five generators, two milk coolers, 21 milk cans and office equipment (computers and photocopier). The funds were also used to meet the equipment installation costs. The monitoring team saw the equipment at the cooperative society's premises.

ACF Plastic crates and one of the refrigerated trucks at Tooro Dairy Cooperative Society

Milk being drawn from the ACF financed cooler at Tooro Dairy Cooperative Society

The additional equipment encouraged the members to produce and market more milk through the cooperative society. The number of active members delivering milk for processing increased from 35 in 2010 to 100 in June 2014; the daily volume of milk delivered at the plant by farmers increased from an average of 1,100 litres to 3,000 litres over the same period. The increased income from milk sales enabled the cooperative society to set up a farm supply shop, provide farm equipment and drugs to members on credit. The cooperative society graduated from the cash system to paying through the bank for farmers' milk sales. This increased the credit worthiness of the members.

Challenges

1) Poor communication and delayed action by the local commercial bank that referred all problems raised by the beneficiary to Kampala Head Office.
2) Lack of transparency by the bank on the loan terms, installments to be paid and deductions. For example, an insurance fee amounting to Ug shs 9.3 million was deducted from the loan without prior notice or explanation to the beneficiary.
3) Complicated loan agreements made it difficult for beneficiaries to understand the terms and conditions contained therein.
4) The bank was deducting more funds from the beneficiary' account than what was due as monthly installment leading to losses to the cooperative society. *"For example, on 6th June 2013, the bank deducted Ug shs 105,542,469 instead of Ug shs 105,359,172 leading to a loss to the Society of Ug shs 183,297 that was not refunded"*.
5) The commercial bank was continuously changing the loan schedules without justification and notifying the beneficiary.

Recommendations

1) The Kampala based commercial bank head office should empower local branches to take quick action to solve financial problems that affect loan implementation.
2) The commercial banks should exercise more transparency when dealing with the clients, notifying them when any changes are made to the loan terms and conditions.
3) The Bank of Uganda should collaborate with commercial banks to simplify the ACF loan access forms and agreements.
4) The Bank of Uganda should step up monitoring and supervision of commercial banks to ensure that they observe the loan terms and do not cheat the beneficiaries.

Kyenjojo District

<u>Mabale Growers Tea Factory Limited</u>

Background

Located in Mabale village in Kyenjojo district, Mabale Growers Tea Factory Ltd was formerly a government facility established in 1969 to process and market farmers' green leaf. The factory was privatized and taken over by farmers in 1994. The factory has a total membership of 300,000 shareholders from Kyenjojo and Kabarole districts. The company management applied for the ACF in 2010 to expand the factory processing capacity. The BoU financial records indicated that the company accessed Ug shs 1,365 million for purchasing tea processing machinery.

Implementation progress

The factory management confirmed accessing the ACF loan amounting to Ug shs 1,365 million in April 2010 at the following terms: 10% interest rate; 6 months grace period; and 66 months (5 years) loan period. It was appreciated that the loan was easily accessible within 3 weeks since the date of lodging the application in the commercial bank. The factory was repaying Ug shs 26,971,990 every month, including the interest payments.

The funds were used for purchase and installation of a weathering and steam distribution unit and overhaul and upgrading of the dryer. Originally, the factory was processing 60,000 tonnes of green leaf every day. The new weathering unit enabled the factory to step up processing capacity to 100,000 tonnes of green leaf daily. The additional equipment led to an improvement in product quality.

ACF financed weathering troughs (left) and overhauled dryer (right) at Mabale Growers Tea Factory in Kyenjojo

Packed tea at Mabale Growers Tea factory in Kyenjojo district

It was noted that whereas the aim of acquiring the loan was to scale up processing capacity and production of made tea, production of made tea declined from 4,644,000kgs in 2010 to 3,562,726kgs (23% reduction) in 2013.

Challenges

1) Difficulty of repaying the loan as the prices of made tea collapsed to US$ 1.2 per kg (company had budgeted US$ 1.8 per kg in their proposal to the bank) and the cost of production was high.
2) The quality of green leaf at farm level and made tea at factory level was deteriorating due to lack of supervision and regulation of production processes by government.

Recommendations

1) The MFPED and MAAIF should provide subsidies to agro-processing factories on generator fuel, electricity bills, machines for packaging and branding and farm inputs to reduce the cost of production.
2) The MAAIF and Ministry of Trade, Industry and Cooperatives (MTIC) should improve supervision of tea production and processing and enforce regulations for quality assurance.

Mr. P. Kisembo

Background

The beneficiary resides in Kyenjojo Municipality in Kyenjojo district. He applied for a loan in 2009/10 for acquiring a tractor to expand his farm. The BoU records indicated that he was provided with an ACF loan worth Ug shs 52 million.

Implementation progress

Mr. Kisembo confirmed receipt of a tractor and a disc plough worth Ug shs 52 million in 2009/10. The loan period was 5 years and the beneficiary was supposed to repay monthly installments of Ug shs 1,150,000 to the commercial bank. The beneficiary could not recall further details about the loan (interest rate, grace period, earnings from tractor use) as he had not kept records.

He was able to repay part of the loan (Ug shs 30 million) for the first 3 years and thereafter defaulted. The commercial bank issued an instruction on 7th February 2013 to the beneficiary indicating that the tractor and disc plough would be impounded to recover the outstanding balance (Ug shs 33,569,199). The tractor was impounded by auctioneers and sold off for Ug shs 25 million at a public auction on 16thMarch 2013. The beneficiary paid the outstanding balance (Ug shs 8,569,199) by selling off his lorry.

Challenges

The key challenge reported by the beneficiary was that the Pakistan made tractor was of poor quality with an engine that required frequent repair. This increased cost of operation leading to low returns from the investment.

Recommendations

The beneficiary recommended that the MAAIF should be involved in the project to quality assure the tractors that are provided to the farmers under the loan scheme.

Masaka District

Mr. S. Katama's farm

The farm of Mr. S. Katama is located in Mwalo village, Kyabakuza parish, Kimanya Kyabakuza Division, Masaka Municipality. A poultry farmer since 2005, Mr. Katama wanted to expand his stock from 20,000 to 40,000 birds but lacked the finances. He applied for an ACF loan (Ug shs 220 million) in January 2010. The BoU financial records indicate that Mr. Katama was provided with the funds that he requested for to purchase farm inputs.

Implementation status
Mr. Katama confirmed receipt of Ug shs 220 million in March 2010 at the following terms: 10% interest rate (in line with ACFI rate), six months grace period and loan tenure of three years. The beneficiary paid the following for processing the loan: Ug shs 1,164,000 as registration fees; Ug shs 2,986,000 as legal fees; Ug shs 4,400,000 arrangement fees and Ug shs 250,000 as professional fees. The processing fees totaled Ug shs 8.8 million (4% of the total loan value) and were 3.5% above the recommended value by BoU.

The three months delay by the bank in processing the loan affected project viability; the funds were availed at a time when prices of chicks and feeds had escalated. The farmer used the loan to purchase 10,500 day old birds instead of the planned 20,000, constructed one storied poultry house, a building to house the feed mill and piggery units and purchased a feed mixer.

He sold off the birds during May - August 2010 when there was a scarcity of poultry feed but the earnings (Ug shs 35.75 million) could not cover repayment of the loan.

The feeder mixer that was procured from Tonnet Agro Industries in Kampala was inappropriate as it had low mixing capacity than what was required on the farm and had weak blades that required frequent replacement. The mixer was abandoned and the farm relied on manual labour to mix the feeds.

The farmer tried to reschedule the loan but the terms were not flexible. In August 2013, he borrowed a commercial loan amounting to Ug shs 220 million at 24% interest rate that was used to construct more pig pens and restocking. By 30th July 2014, he had 45,000 chicken and 500 pigs. He used personal resources to pay off the ACF loan by September 2013. In the beneficiary's view, the loan was not effectively used due to the prevailing unfavourable economic situation and the poor quality of equipment that was procured

Challenges

1) Alteration of the interest rate to 17% for seven months in 2012 that increased the monthly installments. The beneficiary complained officially to the bank and he received a refund for the extra resources paid and the 10% interest rate was reinstated.
2) Non-flexibility of the ACF scheme to grant the farmers more time to pay the loan in times of economic crisis.
3) Lack of expertise in commercial banks to offer useful advice for agricultural investments.

ACF financed poultry house (top left), piggery (top right) and house for feeder mix (bottom) at Mr. Katama's farm in Mwalo village Masaka district

Recommendations

1) The BoU should improve supervision of commercial banks to ensure that they do not overcharge the loan recipients.
2) The BoU should constantly monitor ACF implementation progress and allow for flexibility in MoU terms for farmers experiencing challenges, on a case by case basis.
3) The MAAIF and agencies should get more involved in the ACF project and offer advisory services to farmers.

Mbarara District

<u>Abato Dairy Farm</u>

Background

Abato Dairy Farm is located in Kamatarisi cell, Rwenjuru parish Biharwe subcounty in Mbarara district. Its proprietor Mr. D. Kajugiire applied in 2011 for Ug shs 40 million to construct a spray race, valley tank and paddocks on this farm. The BoU records indicate that Mr. Kajugiire accessed Ug shs 40 million for farm improvement.

Implementation progress

Mr. Kajugiire confirmed receipt of about Ug shs 37 million, less Ug shs 3 million that was retained as processing fees and for covering bank charges. The processing fees were 7.5% of the total loan amount, in excess by 7% of the recommended value (0.5%). The loan that was received in early 2011 had the following terms: initially 11% for the first year, then 12% for the remaining period; five year loan period; and no grace period.

According to the MoU governing the ACF disbursements, this loan should have been disbursed at 12% throughout the lending period. The beneficiary did not receive an explanation as to why the interest rate was varied by the bank. This is noted as an anomaly as it implies a loss of 1% interest returns during the first year of implementing this project.

ACF financed spray race (top right), paddocking/fencing (bottom left) and valley dam (bottom right) at Abato Dairy Farm in Mbarara district

The beneficiary reported that the funds were inadequate; hence the planned activities were accomplished partially. He constructed a spray race, valley dam and half of the paddocking that was planned. Paddocking required an additional Ug shs 2 million to be completed which was not requested in the loan application. The beneficiary also reported that he needed a pickup that costs about Ug shs 18 million but he had not included it in the application.

The beneficiary estimated that overall, 80% of the planned investments were accomplished. With the increased accessibility to water and tick control services on the farm, less animal mortalities were recorded and the milk production levels had increased from 100litres per day in 2011 to 300litres per day in 2014. The beneficiary was about to complete the loan repayments, with remaining unpaid balance at Ug shs 8.66 million.

Challenges

1) Lack of guidance from BoU/commercial bank to prepare viable project proposals resulting in inadequacy of funds requested.
2) Escalation in unit cost of inputs and materials contributing to the inadequacy of funds.

Recommendation

1) The BoU/commercial should provide support to ACF applicants to prepare well costed project proposals.

Mr. E. Rutahigwa

Background

The beneficiary Mr. Rutahigwa owns two farms, one in Mbarara district and the other in Isingiro district. He applied for a loan to provide water for production facilities on the two farms. The BoU financial records indicated that Mr. Rutahigwa's farm accessed Ug shs 100 million for constructing a spray race and valley dams in Isingiro district. The monitoring team visited the farm located in Kamatarisi Nyanga village, Biharwe parish, Biharwe subcounty in Mbarara district where the bulk of loan funds were utilised.

Implementation progress

Although the BoU records indicated that Mr. Rutahigwa had accessed one loan (Ug shs 100 million), field findings showed that he had accessed two loans totalling to Ug shs 250 million as follows:

- Loan 1: Ug shs 100 million was accessed in March 2011 at 10% interest rate for a loan period of 5 years. The bulk of funds were paid back and only Ug shs 36 million remained to be paid.
- Loan 2: Ug shs 150 million was accessed on 11th October 2013 at 12% interest rate for a 3 year loan period. The beneficiary reported that the loan was accessed one year after lodging in the application in the commercial bank. He had started repaying the loan at a rate of Ug shs 4.98 million per month.

The first loan was used to construct a spray race and paddocks with chain links on six acres that were used as the sleeping area for calves. The second loan was used for constructing three valley dams and four goat houses, bush clearing and fencing the two farms and establishment of paddocks for expectant heifers.

ACF financed spray race (left) and one of the water troughs (right) at Mr. Rutahigwa's farm in Kamatarisi Nyanga village Mbarara districtLeft; ACF financed tea shamba and right; tea nursery at Mr. Karokora farm in

Challenges

1) High loan processing fees, including bribes for the commercial bank officers and valuers. *"To access the second loan of Ug shs 150 million, I paid Ug shs 1.2 million against the land title, Ug shs 10 million as lunch and facilitation for bank officials and land valuers, Ug shs 2.5 million as bank legal fees and Ug shs 1 million for verification of the land title. My total loan processing fees totaled to Ug shs 14,700,000 or 9.8% of the loan value"*.
2) Delayed implementation of the project due to the small/staggered installments of the loan that are disbursed by the bank. For both loans, the beneficiary got the funds in two installments, the last installment received one month later.
3) Unprofitability of the investment and difficulty of repaying the loan on time due to the short credit period (five to eight years).

Recommendations

1) The BoU should improve supervision of commercial banks to ensure that they do not extort money from beneficiaries and keep the processing fees low within agreed limits.
2) The BoU should supervise commercial banks to ensure that they loan lumpsum.
3) The BoU should restructure the ACF by extending the loaning period for agricultural investments to 25 years.

Mr. S. Bantu

Introduction

The ACF beneficiary Mr. Bantu resides in Nkonkonjeru-Kyamugolonyi village, Nkonkojeru parish, Kamukuzi Division in Mbarara district. He applied for a loan to expand his poultry business. The BoU financial records indicated that Mr. Bantu accessed Ug shs 120 million for construction of a poultry house.

Implementation progress

Mr. Bantu confirmed receipt of Ug shs 120 million in 2012 for construction of a poultry house. The terms of the loan were: 12% interest rate, five year loan period and no grace period. The process of accessing the loan was noted to be bureaucratic and lengthy; the loan was accessed from the commercial bank one year from the date of lodging in the application. The reason given was that the bank was doing due diligence to ensure that the project was bankable.

The funds were sufficient for constructing one poultry house that was housing 5,000 birds. He had six additional poultry houses that were built using personal resources.

The farmer had stocked all the houses with a total of 30,000 mature chicken and 3,000 chicks. About 20,000 hens were mature layers producing 600 trays of eggs every day. Each tray was sold at Ug shs 7,000 implying a daily gross income of Ug shs 4,200,000. Most whole sale buyers of the eggs were from neighbouring countries particularly Rwanda and Burundi.

Construction of poultry house (extreme right) at Mr. Bantu's farm in Kamukuze Division Mbarara district was financed by the ACF

Challenges

1) The commercial bank officials were not customer friendly; their lack of a business culture led to the delay in access to the loan.
2) Low returns to the investments due to the high cost of feeds.

Recommendations

1) The BoU and commercial banks should improve customer relations and expedite release of the loans to the beneficiaries. If the applicant is successful, the loans should be released at most two to three months from the date of lodging the application in the bank.

2) The MAAIF should offer advisory services to farmers on how to generate animal feeds on farm using modern cost effective methods.

<u>Mr. C. Kagombe</u>

Background

The farmer resides in Kitooma cell Nyakayojo sub county, Rwampara county, Mbarara district. He is a commercial farm for dairy cows, fish, bananas and other crops. By 2010, he had 80 acres of banana plantations which he wanted to expand by an additional 20 acres but did not have the required capital. He applied for Ug shs 120 million to expand his plantation. The BoU records indicate that Mr. Kagombe borrowed Ug shs 40 million for planting 25 acres of banana plantation.

Implementation status

Mr. Kagombe reported that only Ug shs 35 million was approved and received in July 2010. It is observed that the amount the beneficiary reported as having been received was Ug shs 5 million less than what was recorded at BoU. The loan terms were: 10% interest rate (not in line with the 12% interest rate expected during ACFII); 48 months loan period and no grace period. The farmer spent Ug shs 1 million (2.9% of the total loan value) as processing fees. The processing fees were above the recommended value (0.5%) by 2.4%.

The funds were utilized for opening up, planting and fencing off 10 acres of banana plantations; the farmer used his personal resources to plant an additional 10 acres of bananas to meet his desired target. The farmer reported that the expanded plantation resulted in increased banana production levels by 60% between 2010 and 2014. Every week, the farmer was able to sell a lorry of 400 bunches in the market. The farmer paid off the loan by July 2014.

Challenges

1) The commercial banks were making it difficult for farmers to access the subsidized loans. They were instead promoting commercial loans with 25% interest rate.
2) Difficult to repay the initial installments due to lack of a grace period yet there was no other income source.
3) Delayed payment of loan in some months due to the bacterial wilt disease (BBW) that led to reduced production and income from banana sales.

Recommendations

1) The BoU should enhance supervision and monitoring of commercial banks to ensure that they publicize and make available the ACF loans to interested farmers.
2) The BoU/commercial banks should provide a grace period of at least one year for large ACF investments.
3) The MAAIF and District Production Office should be more actively involved in offering advisory services to ACF beneficiaries.

Mubende District

Kabunyansi Farm

Background

Kabunyansi farm is located in Kirume village Kirume Parish Kiganda-Kasambya subcounty in Mubende district. In 2008, the proprietor of the farm Mr. G. Rubaihayo purchased 550 acres of land for mixed farming. He established 30 acres of banana plantations which were later destroyed by the Banana Bacterial Wilt (BBW) disease. In 2011, he applied for an ACF loan (Ug shs 300 million) for bush clearing, constructing five dams and fencing off the land in preparation for livestock rearing. In parallel, he also applied for a commercial loan (Ug shs 200 million) for restocking the farm with 1,000 heads of cattle and goats. The farm had 30 cows at that time.

The BoU financial records indicate that Mr. G. Rubaihayo accessed the ACF loan worth Ug shs 260 million for fattening cattle for sale.

Implementation status

Mr. Rubaihayo confirmed receipt of Ug shs 260 million from the commercial bank in May 2011. The application for the commercial loan was rejected. The loan terms were: 12% interest rate, 60 months loan period, no grace period and monthly installments of Ug shs 5.8 million. Processing the loan lasted five months including review of the farm's books of accounts by the bank and valuations done by officials from Kampala.

The beneficiary reported that he paid Ug shs 20 million to the farm valuers to hasten the process of valuation and approval of the loan. He reported that the loan repayment was on schedule. The funds were used in 2011 for:

- Clearing bush on Kabunyansi Farm as well as two other farms owned by Mr. Rubaihayo in Mubende district;
- Fencing 580 acres of land on the three farms using green planting material (locally known as '*Ruyenje*');
- Constructing 5 small dams.

After failing to access the commercial loan for restocking the farm, Mr. Rubaihayo sold other assets to purchase some animals. By 10th July 2014, he had 125 cows and 760 goats. The beneficiary reported that he was selling off some of the stock to pay off the loan. The bushes that had been cleared had started to grow back due to the low animal stocking rate. About 85% of the farm was free of bushes and had good grass.

Challenges

1) Unfavourable terms of the scheme that do not support commercialization and farm expansion. For example, the farm was underperforming because the ACF could not be used to purchase inputs and livestock.
2) High taxation of agricultural inputs that increased the cost of production, reduced returns from the farm and made the ACF investment unproductive.
3) High cost of labour that escalated expenditures on bush clearing resulting in the loan being inadequate.

Recommendations

1) The BoU and MFPED should restructure the ACF to allow 100% expenditure of loan funds on inputs and livestock.
2) The MFPED could consider waiving taxes on agricultural inputs.

Wakiso District

MMacks Investments Ltd

Background

The farm MMacks Investments Ltd. is located in Buloba village Nsangi parish in Wakiso district. The proprietors of the farm Ms. Rwakajra and Mr. Kashumba explained that by 2011, they had expansive land and buildings that they desired to use for industrial development but they lacked funds to capitalize the project. In early 2011, they applied for an ACF loan to purchase a maize milling machine. The BoU financial records indicated that the firm accessed Ug shs 280 million to purchase two maize mills.

Implementation progress

The firm proprietors confirmed receipt of the loan but could not recall the exact amount and there were no records to refer to. The loan terms were 10% interest rate, no grace period and five year loan period. The loan was used to purchase a milling machine of about US$ 90,000 in 2011. The proprietors reported that repayments were on schedule; the remaining unpaid balance was Ug shs 170 million. The machine was noted to be of excellent quality, processing 50 tonnes of maize flour per day.

ACF financed milling machine for at MMacks Investments Ltd premises in Wakiso district

Challenges

1) The interest rate was too high making the agricultural investment unprofitable.
2) Project implementation slowed down due to lack of an industrial power line. The firm invested Ug shs 250 million to acquire the power line in 2011.
3) Lack of complimentary funds to install the maize mill at the factory premise. The proprietor lacked support from the commercial bank to properly package the project proposal to ensure that these funds were also included in the loan request.
4) Lack of guidance to and monitoring of the beneficiary by BoU to help in unblocking constraints to project implementation, some caused by poor relations with the lending commercial bank.

Recommendations

1) The BoU and MFPED could reduce the ACF interest to 5%.
2) The Ministry of Energy and Mineral Development (MEMD) and MFPED should support ACF beneficiaries who are investing in value addition with subsidized power lines.
3) The BoU and commercial banks should provide business development services to ACF applicants to internalize all required funds in their applications.
4) The BoU and MFPED should become more actively involved in following up the ACF investments from procurement to implementation.

Overall challenges to the ACF

1) Bribes extorted by commercial banks and valuers.
2) Lack of transparency by commercial banks on the terms and conditions of the loan resulting in over billing the loan recipients.
3) Investments undertaken without proper assessment of costs, benefits and risks leading to project failure.
4) Lack of agricultural advisory services to the loan beneficiaries. Many farmers were experiencing problems with the tractors and lacked guidance on how to address the challenges.

4.2.3 Analysis

Link between financial and physical performance

A total of Ug shs 243 billion was disbursed to ACF between 2009 and 30th June 2014. Of the released funds, Ug shs 162 billion (66%) was expended on the projects indicative of good absorption of disbursed funds.

The released funds were well utilized for project investments by farmers. More than half of the expenditures (59%) were spent on purchasing agro machinery, followed by infrastructure for farm expansion (17%) and procurement of tractors and farm equipment (14%).

All the 17 farms/firms that were visited in July to August 2014 had received the ACF funds. The funds were applied to the purpose that was stated in the applications for the loan. There was evidence of farm expansion, increased crop production and enhanced value addition as a result of investment in tractors and processing machines. Financial physical and performance was varied with some projects performing well and others failing.

Achievement of set targets

The ACF programme does not have measurable performance targets. Other proxies of measuring performance are used: the extent to which the objectives of the loan are being achieved; whether the loans are being used for eligible purposes and whether the terms and conditions of the ACF are being adhered to.

Objective of the loan: The commercial banks were performing well in providing loans to farmers with the number of farmers/firms accessing the ACF increasing from 154 by 30th June 2012 to 253 by 30th June 2014.

Eligible purposes: All the sampled farmers used the loans for eligible purposes (refer to Box 5.1).

Adherence to terms and conditions: This is one area where the implementers are performing poorly. The clause of the processing fees not exceeding 0.5% is abused with many banks charging between 1% - 7% of the total loan value; some banks were reported to be taking bribes and charging extra costs like life insurance which were not part of the offer letters – examples in Gulu, Iganga and Mbarara districts; some beneficiaries were charged interest rates that were above the rate that was prescribed for the ACF phase – example in Iganga.

Comparative analysis

The majority of ACF beneficiaries by 30th June 2014 were located in the central region (53%), followed by Western region (20%), Eastern region (18%) and Northern (9%). This represents a slight improvement in regional balance from the situation that was recorded in FY 2011/12. Access to the ACF was highest in regions with good communication means and where information dissemination was higher; in areas with a high presence of commercial banks, suppliers of agro inputs and equipment and agricultural advisory services.

4.2.4 Conclusion

The ACF performance is rated as good (at about 65%) during FY 2013/14. The number of farmers accessing the ACF have increased. The loans were being used by farmers for the intended purposes. There was evidence of farm expansion, increased commercialization and enhanced value addition arising from the ACF investments.

A key challenge of the ACF relatively low absoprtion of released funds, implying low project outreach. The following field findings explain this performance:

- The commercial banks were not publicising the ACF adequately, preferring to disburse the commercial loans that have higher interest and profits.
- The process of accessing the loans was reported to be too complex and protracted with many conditions and terms that are not well understood by the beneficiaries. Cases of farmers who got the loans six to nine months after lodging the application were noted in Bushenyi and Iganga districts.
- The processing fees were higher in many cases (up to 4%) than the recommended 0.5% of the total loan value. This issue was also noted in FY 2012/2013 whereby the cost incurred in processing the loan were up to 11.3% of the loan value[11].

Policy issues of major concern in FY 2012/13 were: the unexplained variances (up to 40%) in the amounts allocated to beneficiaries and actual funds received; high cost of processing the loan (up to 11.3% of the loan value); and low transparency of commercial banks in terms of availing information on the loan terms to the beneficiaries. Many of these problems have persisted into FY 2013/14 indicating low action by the implementing agencies.

The poor record keeping practices at the farms/firms constrains follow up of project performance by the farmers and the monitors.

4.2.5 Recommendations

1) The BoU/MFPED should step up supervision of the ACF to ensure that the terms and conditions in the MoU with participating financial institutions are adhered to.
2) The BoU/MFPED should undertake a census/evaluation of the ACF to assess progress made in all projects and identify cases that require mentoring and support.
3) The Auditor General should audit the fraudulent practices that are highlighted in this report including changes in interest rates, bribery and increased loan processing fees.
4) The BoU should take affirmative action to ensure that other regions – especially the North – also benefit equally from the ACF.

[11] Annual Budget Monitoring Report FY 2012/13.

5) The BoU should increase publicity and information dissemination about the ACF in local media.
6) The commercial banks should train all ACF beneficiaries in proper record keeping for the investments.

4.3 Kampala Capital City Authority – NAADS

4.3.1 Background

The Kampala Capital City Authority (KCCA)'s mandate is to facilitate the delivery of quality services to the City in a manner that ensures value for money. The KCCA is divided into five administrative units: Lubaga, Central, Kawempe, Nakawa and Makindye divisions. Agricultural production levels in the city have remained low due to limited access by farmers to improved technologies and advisory services.

To address this challenge, the government introduced the National Agricultural Advisory Services (NAADS) in Kampala in FY 2011/12. The NAADS is aimed at transforming subsistence farming to commercial agriculture through increased access by farmers and key stakeholders in the sector to knowledge, information and technology. Refer to section 5.5 for the detailed NAADS project profile.

Since FY 2011/12, the government has been disbursing a development budget of about Ug shs 1.22 billion to KCCA annually for NAADS interventions. These funds are for purchase of inputs only; the cost of recurrent expenses such as salaries and wages are met directly from the KCCA Vote 122. The FY 2013/14 marked the third year of implementing the NAADS programme in Kampala city.

The key outputs of KCCA for the NAADS programme in FY 2013/14 were:

1) Inputs and technologies distributed to at least 12 farmers in every parish
2) The Pig Artificial Insemination services and production of breeding stock at Kyanja Agricultural Resource Centre operationalised.
3) A mother unit established at Kyanja to brood 10,000 day old Kuroiler chicks for a period of three weeks before distributed to farmers.
4) Value addition of mushrooms for farmers in Makindye Division supported.

4.3.2 Findings

i) Financial performance

The approved budget for the KCCA NAADS programme for FY 2013/14 was Ug shs 1,220,019,000[12]. The MFPED released Ug shs 1,202,281,325 (99% of the budget) for NAADS development activities. All the funds were expended by the KCCA by 30th June 2014, indicating excellent resource absorption.

All incomes, expenditures and procurements for the NAADS programme are centrally handled by the KCCA Finance Department at headquarters. Table 4.3 summarizes the expenditures incurred during FY 2013/14.

Table 4.3: NAADS expenditures in KCCA by 30th June 2014

Expenditure Location	Items supplied	Amount spent (Ug shs)	% of total amount spent
Kyanja Project	Construction of pig breeding unit, staff houses	189,373,611	
	Training of staff on pig insemination and semen collection	10,872,865	
	12 improved breeder pigs (2 Land Boars and 10 Large Whites)	26,571,116	
	Installation of water harvest and storage system	21,257,233	
	2800 day old broilers and feeds for farmers	130,721,400	
	499 sachets of growth booster for farmers	9,980,000	
	670 one day old chicks, 428 bags-broiler starter feeds, 8 bags of chick mash, 209 bags of broiler finisher and 130 bags sows and weaners	69,700,200	
	660 layer pullets, 17,200 day old broilers	29,368,000	
	Brooder Kuroiler chicks by NAGRIC&DB	3,556,000	
	Mushroom trial starter packages	4,260,000	
Sub-total		***495,660,425***	***41%***
Nakawa Division	Fish and chick feeds to farmers	198,860,200	
	Poultry feeds	49,875,600	
	One day old chicks and vaccines	25,803,000	
Sub-total		***274,538,800***	***23%***
Central Division	Chicken feeds for farmers	25,925,400	
	Broilers, broiler starter and finisher	16,718,900	
	Three heavy duty juice extractors	6,000,000	
	Popcorn machines	3,960,000	
	Day old broilers	8,000,000	
	Vaccines, pesticides and other inputs	4,517,500	
Sub-total		***65,121,800***	***5%***
Makindye Division	Mushroom seeds, cotton husks and firewood	8,250,000	
	Chicken feeds	1,032,200	
	Vaccines, and other operational costs	1,650,000	
Sub-total		***10,932,200***	***1%***
Lubaga Division	Assorted chicks feeds	94,505,500	
	Day old broilers and layers	33,812,000	
	Broiler starter feeds and broiler finisher feeds	20,297,800	
	36 piglets, 3 pigs, sow, weaner and vaccines	15,032,000	
Sub-total		***163,647,300***	***14%***
Kawempe Division	One day old broiler chicks and layers	90,696,000	
	Broiler starters, duck mash	82,941,800	
	5,000 one day old kuroiler chicks	9,000,000	
	Growth boosters and other inputs	9,743,000	
Sub-total		**192,380,800**	**16%**
Grand total		**1,202,281,325**	

Source: KCCA Finance Department, August 2014

[12] MFPED, 2013/14.

Analysis of the expenditure data shows that almost a half of the funds (41%) were spent on establishing piggery and poultry units at Kyanja Agricultural Resource Centre. At the lower local government level, the bulk of funds were spent in Nakawa Division (23%); and the least in Makindye and Central Divisions. The District NAADS Coordinator explained that Central Division was highly urbanized with limited land for farming.

ii) Physical performance

a) Past performance

The cumulative approved budget for the NAADS programme in FY 2011/12 and FY 2012/13 was Ug shs 2.71 billion of which Ug shs 2.22 billion (82%) was released. A total of 1,814 farmers received inputs worth Ug shs 875,000 each. Most beneficiaries (94%) opted for the poultry enterprise.

b) Field Findings

During FY 2013/14, a total of 1,250 farmers were supported with inputs as shown in Table 4.4. Poultry was the most popular enterprise engaged in by 1,168 (93%) of the farmers.

Table 4.4: NAADS inputs distributed in Kampala in FY 2013/14

Division	Number of farmers benefitting from input				
	Poultry	Piggery	Mushrooms	Value addition	Total
Lubaga	196	17	5	0	218
Makindye	230	12	110	0	253
Kawempe	300	0	0	0	300
Nakawa	376	23	0	0	399
Central	66	0	0	14	80
Total	1168	52	16	14	1250

Source: KCCA NAADS Office

The monitoring team sampled three out of the five divisions in Kampala city to assess NAADS performance during FY 2013/2014. In Nakawa Division, focus was on Kyanja Agricultural Resource Centre while in other divisions, the team sampled farmers and NAADS Coordinators.

Nakawa Division

Kyanja Agricultural Resource Centre

Introduction

Kyanja Agricultural Resource Centre (KARC) is located in Walufumbe Zone, Kyanja parish, Nakawa Division in Kampala district. The centre is focusing on training farmers in methods of keeping pigs in an environmentally friendly manner, providing breeding stock and empowering people economically. It is supported by the NAADS program and Production and Marketing Grant (PMG). Under the NAADs component, a pig breeding unit has been established on the KCCA land in Kyanja as an adaptive research trial.

Implementation progress

In the FY 2013/2014, the KCCA spent Ug shs 495,660,425 on interventions at Kyanja Agricultural Resource Centre (refer to Table 5.3 for detailed expenditures).

Pig breeding unit

The breeding unit was established although the pig artificial insemination services were not operationalized. Construction of five new pig houses started in FY 2012/13 and was completed by 30th June 2014; a perimeter fencing was constructed around the houses. Twelve adult pigs were procured from Kenya in FY 2013/14 to add to the parent stock that was purchased in FY 2012/13. By 11th June 2014, the breeding unit had 25 adult pigs (5 male and 20 female) that constituted the breeding stock.

The adult pigs had produced 337 piglets of which 210 were distributed to NAADS beneficiaries in Makindye, Nakawa and Lubaga Divisions during FY 2013/14. The problem of lack of water was addressed with the installation of two 10,000 litre water harvesting tanks.

Mother unit for Kuroiler chicks

Construction works of three brooder houses for Kuroiler chicks were at foundation level. Once completed, the houses were expected to host 5000 birds in total. It was planned that construction would be completed by end of August 2014. The KCCA had ordered for 5,000 Kuroiler chicks from NAGRIC&DB each costing Ug shs 1,800.

Supporting Makindye Division farmers in mushroom value addition

The monitoring team interacted with a group of 30 farmers from Makindye Division, who had come for training at Kyanja Centre, to assess whether they were benefitting from the project (Box 4.2).

Box 4.2: Case study of farmers learning at Kyanja Agricultural Resource Centre

"We are farmers from Kasanga Parish Makindye Division. Most of us are members of Heritage Joint Farmers Association while a few are non-members. We came to this centre to learn about vegetable growing and how to keep pigs that do not emit odour. We are satisfied with the knowledge and skills that we have gained from the trainers.

However, we face so many challenges that may make it difficult to implement the ideas that we have gained at this centre. The most important ones are: fake drugs and herbicides on the market; high cost of inputs due to taxes; lack of extension advice and limited ideas on how to use the land we have efficiently. The government should support us with affordable loans; advisory services including skills for developing viable business proposals; better regulation of input stockists and waiver taxes on agricultural inputs".

Source: Focus Group Discussion with Farmers from Kasanga Parish Makindye Division

Challenges

1) The high overhead costs of establishing the pig breeding unit.
2) The low supply of breeding pigs compared to demand due to the small size of the breeding stock.
3) Lack of a power supply.

Recommendation: The KCCA should liaise with UMEME to connect a power supply to the centre.

Pictorial of KCCA NAADS interventions at Kyanja Agricultural Resource Centre


Left: New pig houses Right: Young pigs bred at Kyanja Centre


Left: Imported adult pigs Right: Construction of foundation for structure to house Kuroiler chicks


Left: Makindye farmers at a training session Right: modern tomato gardening at Kyanja Centre

Kawempe Division

Implementation progress

A total of Ug shs 192,380,800 was spent by the KCCA in Kawempe Division during FY 2013/14 on NAADS inputs (Table 4.3). Three hundred farmers benefitted from various inputs including poultry, piggery, mushrooms and value addition technologies (Table 4.4). However, the NAADs coordinator reported that there were corrupt tendencies among farmers; the ones who benefitted in previous years changed their names or registered in other people`s names for more support from the program.

Three case study farmers in Kawempe Division were sampled to verify receipt of inputs. All the three farmers received the NAADS inputs during FY 2013/14.

Case study farmer 1: Mrs. Annette Namudu Baliyagga

The farmer, who joined the NAADs program in 2014, resides in Kawempe 1, Kyadondo cell, Keti Falawo Zone. She acknowledged receipt of 152 layers on 3rd March 2014; of which 60 died. On 24th March 2014 she got a replacement of 91 birds (layers) of which 3 died. She had a total of 180 birds by 15th August 2014.

Mrs. Namuddu feeding chicken under NAADS program in Kawempe I parish

The birds had started laying eggs; she collects a maximum of two trays a day sold at Ug shs 6,000 per tray. Her key challenge was the expensive feeds. She recommended that NAADS should provide farmers with more feeds.

Case study farmer 2: Mr. Kahweza Joseph

Residing in Lower Nsooba C in Mulago III parish, the farmer joined the NAADs program in 2014. He received 100 birds (broilers) of which 11 died; 2 bags of 70kgs of starter feeds; 4 bags of finisher feeds and 1kg of booster in late May 2014. He raised and sold the birds at an average unit price of Ug shs 8,500. By 15th August 2014, he was in the process of restocking. His key challenge was the rising prices of feeds yet the unit price of chicken in the market remained fixed at Ug sh 8,000. He recommended that the NAADs program should continue giving them additional feeds.

Case study farmer 3: Mrs. Nalongo Sempa

Residing in Kilokole zone, Kawempe Parish, Mrs. Sempa confirmed receipt of 4 bags of 70kgs starter feeds, one kg of booster and 200 birds in February 2014 (of which 25 died). She sold the NAADS birds at Ug shs 1,225,000 and restocked three times.

Chicks at Mrs. Sempa's farm in Kawempe parish

During the second and third round, she restocked with 200 birds; in the current round, she had restocked 400 birds using her own funds from other businesses. She did not have any challenge in managing the poultry business.

Overall challenges in Kawempe Division

1) Lack of market for the birds.
2) Low threshold of funds for market oriented farmers (Ug shs 750,000); this is not sufficient to establish a viable production unit.
3) Inadequate land/space for farming in Kampala.
4) Low sustainability of the program as the farmers who are given inputs to start poultry keeping do not restock after selling the NAADS consignment.

Recommendations

1) The MAAIF should support the KCCA to organize the farmers into Division Farmers Fora to market their products and achieve high bargaining power.
2) The MAAIF should increase the allocations to MOFs to at least Ug shs 1.5 million to cater for a full production package.
3) To enhance program sustainability, the MAAIF should target resources to the fewer progressive farmers than many people who were wasting resources as farming was not treated as a business.

Lubaga Division

A total of Ug shs 163,647,300 was spent by the KCCA Finance Department in Lubaga Division during FY 2013/14 on NAADS inputs (Table 4.3). Field findings indicated that the KCCA distributed a total of 28,940 broiler and layer chicks, and 604kg of feeds to 151 beneficiaries in the 13 parishes of Lubaga Division (Table 4.5). In addition, nine piglets, and six adult sows and weaners were distributed in Mutundwe and Lubaga parishes.

Table 4.5: NAADS poultry inputs distributed to Lubaga Division farmers in FY 2013/14

Parish	No. of beneficiaries	No. of chicks	Feeds – Starter (Kg)	Feeds – Finisher (kg)
Nateete	15	3,530	28	20
Lubaga	12	1,650	24	40
Najjanankumbi II	8	1,700	28	4
Kabowa	12	3,200	19	18
Ndeeba	8	800	16	32
Nakulabye	12	1,700	37	18
Kasubi	11	1,950	33	16
Namirembe Bakuli	13	2,610	35	12
Lungujja	12	2,350	32	16
Najjankumbi I	10	1,500	30	18
Lubya	14	2,780	22	28
Mutundwe	11	2,470	15	20
Busega	13	2,700	39	4
Total	**151**	**28,940**	**358**	**246**

Source: Lubaga Division NAADS office

Note: The Kampala District NAADS Coordinator indicated that 196 farmers benefitted from the poultry and 17 farmers benefitted from the pig enterprises; the Lubaga Division NAADS Coordinator reported that 151 farmers benefitted from poultry and three farmers got pig enterprises. The source of these variations could not be established.

A comparison of the expenditures incurred by the KCCA Finance Department (Table 4.3) with the cost of inputs that were actually delivered in Lubaga Division as reported by the Division NAADS Coordinator (Table 4.6) reveals some unexplained variances.

For example, the total feeds that were distributed amounted to 604kg; equivalent to an expenditure of Ug shs 55,747,000. In the KCCA Finance Department data, the actual expenditure for assorted chicks' feeds, broiler starter feeds and broiler finisher feeds for Lubaga Division amounted to Ug shs 114,803,300. There is a variance of Ug shs 59,056,300 that is billed against Lubaga Division.

Table 4.6: Comparison of expenditures at KCCA Finance Department and Lubaga Division input distribution

Item	Costs at Division level			Total expenditures incurred at KCCA headquarters (Ug shs)	Variance (Ug shs)
	Total inputs distributed	Unit cost (Ug shs)	Total cost (Ug shs)		
No of chicks (broilers)	25,500	1,600	40,800,000		
No of chicks (layers)	3,440	2,800	9,632,000		
Sub-total	**28,940**		**50,432,000**	**33,812,000**	**16,620,000**
Feeds- Starter (kg)	358	92,500	33,115,000		
Feeds Finisher (kg)	246	92,000	22,632,000		
Sub-total	**604**		**55,747,000**	**114,803,300**	**(59,056,300)**

Source: Authors'analysis of KCCA Finance department and Lubaga Division data

The monitoring team held discussions with the NAADS Coordinators and five beneficiaries to assess progress in programme implementation.

<u>Perspectives of Mutundwe Parish NAADS Coordinator</u>

Mr. Balamage David Livingstone reported that Mutundwe parish had about 45 NAADs farmers engaged mainly in piggery, poultry, and mushroom growing. A total of 39 farmers benefitted from the NAADS programme between FY 2011/12 to FY 2013/14.

Key challenges

i) Lack of advisory services for farmers before giving them technologies leading to loss of the enterprises
ii) Poultry diseases and high prices of drugs
iii) Unsustainability of the NAADS interventions among most farmers in the parish. The farmers sold the technologies to raise school fees.

Recommendations

i) The District and Division NAADS Coordinators should ensure that all farmers are trained before receiving technologies and inputs.
ii) The MAAIF should provide animal drugs to farmers at subsidized prices.
iii) The MAAIF/NAADS Secretariat should intensify programme monitoring to ensure continuity of the projects among the farmers.

Case studies of NAADS poultry beneficiaries in Lubaga Division

Five farmers who were listed as having benefitted from NAADS inputs were visited. All the five beneficiaries confirmed receipt of inputs. Their main challenge was the high cost of feeds.

Mr. Nsubuga Henry of Mutundwe Kigagga zone, Mutundwe parish in Kampala district joined the NAADs program in 2013. He acknowledged receipt of 450 day old chicks (broilers) and one kilogram of booster to mix in feeds in the first week of July 2014. He lost 80 chicks and attributed the loss to the poor quality of the breed. His key challenge was the high prices of feeds; he recommended that the MFPED should scrap or lower taxes on poultry feeds.

Ms. Namuli Rebecca of Mutundwe Kigagga zone of Mutundwe parish joined the NAADs program in 2013 as a food security farmer (FSF). She acknowledged receipt of 450 day old chicks (broiders) and one kilogram of booster in March 2014. She also received training on poultry keeping in February 2014 conducted by the KCCA -NAADS officials at Ndeeba church. She raised the birds for a period of seven weeks, lost 18 of them and sold the rest for Ug shs 3,200,000.
In August 2014, she restocked 700 chicks, of which 15 died. Her key challenges were the fluctuating prices of feeds and unavailability of ready market for birds. She recommended the government to reduce taxes on poultry feeds. She reported that her success in this business was attributable to the advisory services and training offered by the NAADS officials.

Ms. Ndiwalana of Kitebi zone in Mutundwe parish joined the NAADs program in 2013. She acknowledged receipt of 250 chicks (layers) and one kg of a booster in March 2014. The chicks were growing well; she had lost 15 birds to diseases. Her key challenge was the high price of feeds.

Ms. Kamya Rose of Mutundwe Zone 1 in Mutundwe parish joined the NAADs program in 2013. She confirmed receipt of three piglets and two bags of feeds in May 2014. In the month of December 2013 and January 2014, she was trained in pig rearing at Kyanja trial site. She appreciated the work done by the NAADs program of giving them these technologies.

NAADS financed pigs at Ms. Kamya's farm in Mutundwe parish

Mr. Busa James of Mbawo Zone Mutundwe parish joined the NAADs program in 2013. He acknowledged receipt of three piglets and two bags of feeds in May 2014. He was also trained in pig rearing at Kyanja trial site in December 2013 and January 2014. His key challenges were: the pig enterprise was too labour intensive in terms of cleaning the houses and the feeds were expensive. He recommended that the MFPED should lower taxes on animal feeds.

Implementation challenges in Lubaga Division

1) Ineffective supervision of NAADS activities due to lack of transport at division level. One vehicle at KCCA was shared in all the divisions leading to high vehicle maintenance costs.
2) Low adoption of NAADS technologies in divisions that are highly politicized.
3) Low outreach of the NAADS programme as only 12 farmers are targeted every year in each parish.
4) Poor implementation of NAADs due to selection of low income earners who can not sustain the enterprise.
5) The high and variable costs of animal feeds that render the package (worth Ug shs 750,000) given to MOFs unviable.

Recommendations

1) The KCCA should provide two additional vehicles to the NAADS program.
2) The MAAIF/NAADS Secretariat collaborating with KCCA should sensitize political leaders and the public about the importance and role of the NAADS programme.
3) The NAADS Secretariat should double the budget for beneficiaries so that at least 24 are targeted in every parish annually.
4) The MAAIF/NAADS Secretariat should revise the NAADS implementation guidelines to ensure that farmers who are able to sustain the enterprises are the ones who are selected to benefit from program support.
5) The MAAIF/NAADS should increase the allocation to MOFs to at least Ug shs 1 million per farmer.

4.3.3 Analysis

Link between financial and physical performance

All the funds that were released to this project were expended fully indicating excellent absorption performance. There was a weak link between financial and physical performance as the activities that were implemented at Kyanja Agricultural Resource Centre were not consumerate with the funds that were used.

Inputs and technologies and technologies were distributed to farmers in the five divisions; five houses for piggery were constructed at Kyanja Centre and work was ongoing to establish the poultry unit. Farmers acknowledged receipt of training at the centre. However, there were discrepancies in the quantities of inputs provided to farmers in the figures presented by the Division Coordinators as opposed to the data at the KCCA Finance Department.

Achievement of set targets

The KCCA exhibited very good performance of 75% as many outputs for FY 2013/14 were achieved and resource absorption was 100%. Inputs and technologies were distributed in all parishes; production of breeding stock was ongoing and construction of the five pig houses was completed. The establishment of the mother unit to brood 10,000 day old kuroiler chicks had just commenced. Farmers were trained in vegetable growing but the monitoring team did not find evidence of support in the area of value addition as had been envisaged.

Comparative analysis

Delivery of inputs and technologies in Kampala was excellent when compared to other districts where NAADS is being implemented (refer to section 5.5 below). The main explanation for the good performance was that all the funds that were provided under the programme were for inputs and technologies; other costs (staff salaries and wages, operational expenses) were largely met directly by the local government under its recurrent budget. In other districts, more than 50% of the resources spent on NAADS were on staff contracts and allowances, and workshops.

4.3.4 Conclusion

The KCCA received 1,202,281,325 (99% of the budgeted funds) and spent all the funds (100%) for FY 2013/2014. The bulk of funds (41%) was spent on activities that were implemented at the Kyanja Agricultural Resource Centre in Nakawa Division. However, there was no direct correlation between the funds spent and the activities that were implemented.

The NAADS Coordinators at division level could not account for the funds that were disbursed in their areas as all procurements and suppliers were directly handled by the KCCA Finance Department. Discrepancies were noted in the data presented at the KCCA headquarters on the number of farmers who benefitted from the inputs in Lubaga Division when compared with the data presented by the Lubaga Division NAADS Coordinator.

4.3.5 Recommendations

1) The MAAIF/NAADS Secretariat should work with KCCA to decentralize procurements and expenditures for the five divisions from KCCA Finance Department to be handled at division level. This will enhance transparency and accountability in the use of the funds.
2) The Auditor General's Office should scrutinize the procurements and expenditures by KCCA for the NAADS programme during FY 2013/14 to ascertain the causes of financial discrepancies.
3) The KCCA should fast track implementation of the NAADS activities to ensure that the key performance targets are met.
4) The MAAIF/NAADS Secretariat should restructure the NAADS budget to focus on purchase of inputs and technologies only. The recurrent expenses should be financed through the mainstream local government budget.

4.4 Labour Saving Technologies & Mechanization for Agricultural Production

4.4.1 Introduction

It is estimated that over 90% of activities in the agricultural sector are currently done using rudimentary, inefficient and labour intensive hand tools[13]. Many households are responding to their shortage of farm power by scaling down the area under cultivation and growing/rearing a limited range of crops/animals.

To address this challenge, the GoU introduced the *Labour Saving Technologies and Mechanization for Agricultural Productivity and Enhancement Project* in July 2011 to promote appropriate farm mechanization, value addition and labour saving technologies in the country. The project is scheduled to end in August 2016.

The project has three components namely: Component 1: Procurement of Heavy Earth Moving Machinery Component; 2: Farm Mechanization; and Component 3: Small irrigation/Water harvesting demonstrations.

The project outputs over the five year period are to: a) promote appropriate technologies for labour saving, mechanization and value addition b) develop water for production infrastructure c) establish an Agricultural Mechanization Unit d) Operationalise four regional mechanization workshops e) procurement of heavy earth moving equipment and f) at least 20,000 farmers (households) benefitting from the project by 2014.

The key performance outputs for FY 2013/2014[14] were:

- 30 small scale harvesting/irrigation structures constructed for demonstration at district level ;
- Water taken down stream in 25 districts;
- 20 tractors for distribution as grants to farmer groups;
- 40 crop, livestock and fisheries water for agricultural production facilities rehabilitated using the heavy earth moving equipment; and
- Rehabilitated schemes (Doho, Agoro, Mubuku) maintained.

4.4.2 Findings

i) Financial performance

The approved budget for the Labour Saving Technologies and Mechnization project for FY 2013/14 was Ug shs 6,927,106,000; this was revised to take account of re-allocations to Ug shs 7,427,106,000[15].

Table 4.7 shows financial performance of project for FY 2013/14. The IFMS data seemed inconsistent; Ug shs 5,625 billion was expended by the project which was three times more than the release (Ug shs 1.625 billion). The expenditure was close to 100% of the warrant. The MAAIF officials confirmed getting releases every quarter. *These anomalies point to the malfunctioning of the IFMS system whereby the transactions relating to releases were not fully captured.*

Table 4.7: Financial performance of the Labour Saving Technologies project by 30th June 2014

Quarter	Warrant (Ug shs)	Release (Ug shs)	Payment (Ushs)
Q1	1,625,702,001	1,625,702,001	338,852,937
Q2	932,799,809	-	976,600,944
Q3	2,613,244,442	-	2,257,339,867
Q4	455,359,748	-	2,052,749,252
Total	**5,627,106,000**	**1,625,702,001**	**5,625,543,000**

Source: IFMS

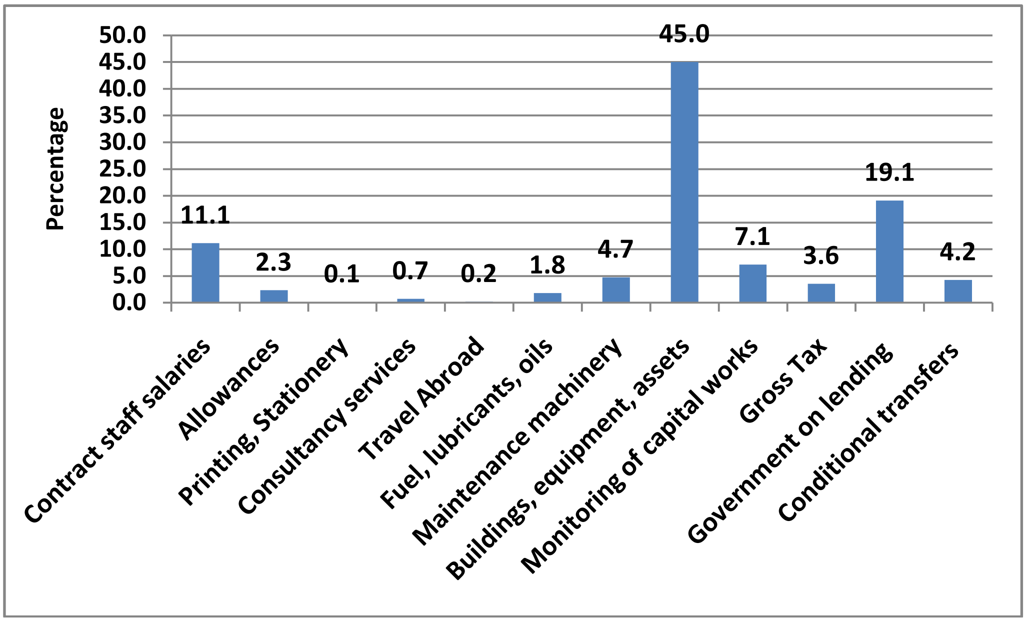
[14] MAAIF, 2013.

[15] IFMS data.

The key expenditures of the project during FY 2013/14 based on IFMS data are shown in Figure 4.2. Close to a half of the funds (45% or Ug shs 2.53 billion) were spent on buildings, equipment and other assets. Field findings did not reveal any major buildings or equipment that was acquired by the project in FY 2013/14. Information was not available on the state enterprises that benefitted from the Ug shs 1.08 billion.

It is recommended that the Auditor General's office should further scrutinize expenditures in this project.

Figure 4.2: Proportion of expenditures for the Labour Saving project by 30th June 2014



Source: IFMS data

Non-Tax Revenue: Between 29th July 2013 and June 30th 2014, the heavy earth moving equipment under this project generated non-tax revenue (NTR) totalling Ug shs 405,746,000; by 18th July 2013, the NTR had risen to Ug shs 418,476,000. It was reported by MAAIF officials that these funds were all banked on the Uganda Revenue Authority (URA) account to be channeled to the Consolidated Account.

ii) Physical performance

a) Multi-year performance

Monitoring work in the past three financial years revealed that the project was underperforming on most targets[16]. Below is a summary of the project performance:

Farm mechanization: The purchase of 20 tractors started in FY 2012/13. By May 2013, the contract for supply of the tractors had been awarded to M/S Farm Engineering Industrial Limited for a total constract sum of US$ 412,032. The purchase stalled as the contractor was not pre-qualified. The procurements were rolled over to FY 2013/14.

Procurement of equipment and development of water for production infrastructure: Three sets of earth moving equipment were procured by MAAIF in FY 2010/11 using a US$ 5 million grant from Government of Japan. By 15th August 2013, the Lwengo set had excavated five dams, desilted three dams, opened on farm access road and undertaken bush clearing on various farms. The Nakasongola unit had excavated/desilted five valley tanks and cleared 14.5 acres of bush on two farms.

Small irrigation/water harvesting demonstration sites: In FY 2011/12, the MAAIF developed 7 (21%) of the planned 33 sites. In FY 2012/13, procurements were made for 7 (20%) out of the 35 planned sites.

Taking water down stream in 25 districts: procurement processes for 6 districts (Moroto, Napak, Kabong, Kole, Isingiro and Otuuke) were concluded and contract was awarded to M/S BAATA Engineering Co. Ltd at a contract sum of Ug shs 775,873,080 (VAT inclusive). Works were expected to commence in August 2013 and completed by December 2013.

Operationalising 4 regional workshops with mobile repair and maintenance services by 2013: this performance indicator was not achieved.

b) Field findings

Component 1: Procurement of Heavy Earth Moving Machinery

The key performance target for FY 2013/14 was to make/rehabilitate 40 crop, livestock and fisheries water for agricultural production equipment using the heavy earth moving equipment. A total of 93 water reservoirs/ponds/valley tanks were rehabilitated by 30th June 2014. The MAAIF over performed by 232% on this indicator. The details are presented below.

Rehabilitation works completed

Table 4.8 shows that the three sets of machines worked for a total of 6,348.4 hours between July 2013 and July 2014. On the basis of the hours worked, the machines should have generated Ug shs 388,797,000; the actual non-tax revenue generated was Ug shs 418,476,000 (an additional Ug shs 29,679,000 above the expected amount).

Table 4.8: Hours worked by the three sets of machines July 2013 – July 2014

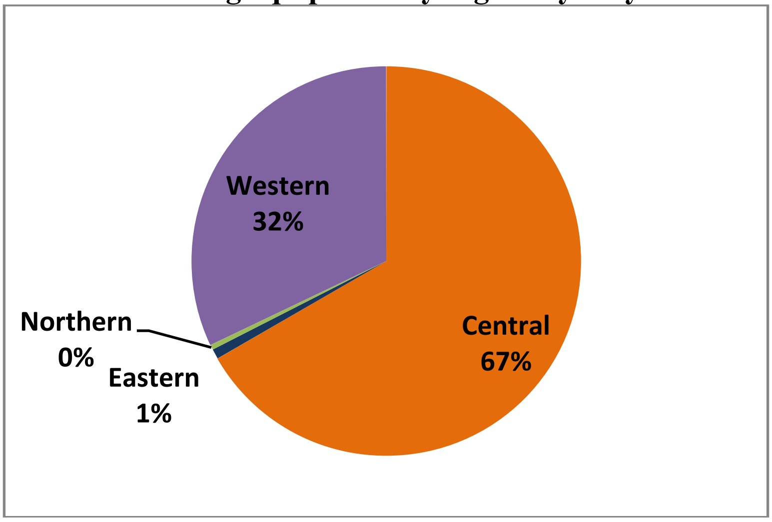
Machine type	Dry lease rate (per hour)	Hours worked	Revenue (Ug shs)
Bulldozers	60,000	2420.9	145,254,000
Excavators	60,000	1796.8	107,808,000
Wheel loaders	50,000	940.8	47,040,000
Motor graders	50,000	701.9	35,095,000
Compactors	250,000	32	8,000,000
Dump trucks	100,000	273	27,300,000
Water Bowsers	100,000	183	18,300,000
Total		**6,348.4**	**388,797,000**

Source: Derived from MAAIF financial data

By July 2014, the three sets of equipment had been accessed and used by 243 farmers in 15 districts; the majority of the beneficiary farmers were located in the Central region followed by the Western region (Figure 4.3). The Ministry of Water and Environment (MWE) borrowed one piece of equipment to complement its units that are working in Karamoja region.

[16] Annual Budget Monitoring Report FY 2012/13;

Figure 4.3: Proportion of farmers who accessed the MAAIF heavy earth moving equipment by region by July 2014



Source: MAAIF data

By 30th June 2014, a total of 1703.1 acres of bush had been cleared; 93 water reservoirs/ponds/valley tanks with about 182,473 Cubic meters of water were opened up or rehabilitated and 90km of access roads were established. By July 2014, 96 water reservoirs/valley tanks with about 187,633 Cubic meters of water were established; 1,723.1 acres of bush cleared and 103.1km of access roads opened up.

Challenges

1) Low outreach of the project at farm level compared to the rising demand for the equipment.
2) Inadequate and late release of funds for operations by the ministry.
3) Lack of petty cash coupled with long bureaucratic processes at MAAIF delaying repairs on the equipment in the field.
4) Non-adherence to work targets and schedules that are set by MAAIF at field level due to muddy conditions in the rain season, political pressure and excessive demand for the equipment by farmers at each location.
5) Limited guidance and advisory services to farmers due to the weak link between them, the district extension and MAAIF.
6) Low understanding among farmers of the operational guidelines for the equipment; many refuse to pay the set rates and for increased scope of work.

Recommendations

1) The MAAIF should procure two additional sets of equipment, focusing mainly on excavators and bulldozers which have a high demand. Each unit should also have two dump trucks, a pickup, service vehicle and a wheel loader.
2) The MAAIF should ensure timely release of funds, including petty cash for project operations.
3) The MAAIF Accounting Officer should expedite payments for operational expenses incurred by field staff. The system of accessing funds in the ministry should be made simpler and faster.
4) The MAAIF working closely with the District Production Office should provide advisory services and technical guidance on how to use the water for production facilities effectively.
5) The MAAIF should publicise the operational guidelines for the heavy earth moving equipment.

The monitoring team visited the five districts were the three sets of excavation units were in operation (Nakaseke, Lwengo, Kiruhura, Mbarara, Isingiro) to assess project performance. In addition, the team visited the Karamoja region where part of the MAAIF equipment that had been loaned to MWE was operating.

Excavation Unit 1 in Central region - Nakaseke district

Implementation progress

The first excavation unit was operating in Nakaseke district by 4th August 2014. The Engineering Assistant in charge of the unit reported that his equipment had previously worked in Nakasongola, Luweero, Wakiso, Mukono, Buikwe and Kiruhura districts starting July 2013. In these districts, a total of 34 valley dams/tanks were established; 674.5 acres of bushes were cleared and 33.6kms of access roads were opened up by 30th June 2014. The unit generated Ug shs 153,083, 500 that was banked on the URA account.

Two beneficiary farms were visited in Nakaseke district to verify this information.

Mr. Hillary Kakeeto's farm

Mr. Kakeeto's farm is located in Kakinzi village Wakayamba parish Kikamulo sub county in Nakaseke district. The farmer requested for a tractor or bull dozer to clear 100 acres of bush on his farm in preparation for maize growing and animal grazing. He paid Ug shs 4.8 million for 80 hours of work.

Bush clearing ongoing at Mr. Kakeeto`s farm in Kikamulu Sub County Nakaseke district

The bull dozer started work on 27th July 2014; the farmer estimated that about 50 acres of bush had been cleared by 4th August 2014. The farmer appreciated the work being done at his farm

Challenges: i) small size of machine that could not clear large trees ii) poor facilitation of MAAIF field staff by the ministry. Farmer had to provide food and transport for the equipment operators iii) Inadequate skills of the machine operators in handling the equipment iv) poor maintenance of the machines.

Recommendations i) The MAAIF should procure larger machines with supporting equipment like planters and herbicide applicators ii) the MAAIF should pay field staff allowances on time iii) the MAAIF should continuously skill its staff to ensure proper use of the machines iv) the MAAIF should ensure proper servicing of the machines.

The monitoring team on 4th August 2014 also interacted with the machine operators who reported that they had not been paid their allowances since April 2014 and were last paid salaries in June 2014. They reported a challenge of slow response by MAAIF headquarters to their requests for petty cash to repair the machines which leads to low outputs.

AMFRI FARMS Ltd

AMFRI FARMS Ltd is located in Kyampisi estate village, Kisoga parish, Wakyato sub county in Nakaseke district. The 60-year-old farm is involved in organic farming of mangoes, pineapples, apples, bananas, passion fruits and herbs for export. The MAAIF reported that 10,020 cubic metres of valley tanks were established; 153 acres of bush were cleared and 11 km of access road were opened up on this farm.

The manager reported that the MAAIF commenced work on the farm in November 2013 with a bulldozer, a grader and a water bowser. The target in the first season was to clear 500 acres of land; 400 acres were cleared. In the second season starting July 2014, the target was to clear 300 acres; 200 acres were cleared by 4th August 2014. The machines were also used to excavate four dams/valley tanks.

Left to Right: A cleared piece of land and a bulldozer clearing the thickets at AMFRI FARMS Ltd in wakyato sub county, Nakaseke district

Challenges: i) The schedule of work was negatively affected by frustrated machine operators who had not received their allowances from MAAIF. ii) Limited access to MAAIF equipment due to the excessive demand by other farmers in the region.

Recommendations: i) The MAAIF should pay field staff salaries and allowances on time. Ii) The MAAIF should procure more machines, especially the bull dozers, wheel loaders and excavators.

Overall project challenges in Nakaseke district

1) Cumbersome mode of payment for services rendered by the project. Farmers in remote areas had no access to internet services to download payment forms from the URA website.
2) Lack of security for the machines on farms; security cannot be guaranteed by farmers who live far away from the fields where the equipment is deployed.
3) Delayed salaries and allowances for workers by three to four months.
4) Lack of imprest to make minor repairs on the machines. *"For a tyre punch that requires no more than Ug shs 50,000 to repair, you have to travel to Kampala to make a requisition. We usually get a reponse a month later"* said the Engineering Assistant MAAIF.
5) Delays in implementing works associated with the project having one low bed (vehicle that moves heavy equipment from one area to another) that is too long to be used in small roads. Sometimes, it takes two to three weeks before the low bed is accessed to move equipment from one site to another.

Recommendations

1) The MAAIF should design a different payment mode for remote hard to reach areas. For example a casher should be attached to each unit to receive and bank the funds.
2) The MAAIF should attach at least two security guards on each unit.
3) The MAAIF should pay the allowances and salaries for engineering assistants and turn men promptly.
4) The MAAIF should provide an imprest of at least Ug shs 500,000 per month to each unit for minor repairs.
5) The MAAIF should procure a low bed for each excavation unit. These must be of smaller sizes such that they can maneuver in small places and sharp corners on farms.

Excavation Unit 2 in Central and Western Region

Implementation progress

The second excavation unit was operating in Kiruhura district by the time of the monitoring visit on 16th July 2014. The Engineering Assistant reported that excavations had been undertaken since June 2013 in six districts of Lwengo, Mukono, Sembabule, Kiruhura, Mbarara and Gomba using an excavator, bulldozer, grader, compactor, dump truck and a pick up. The total revenue generated on dry hire charges was Ug shs 140,918,000,000 as at the end of 30th June 2014.
The monitoring team visited beneficiaries in Lwengo, Kiruhura and Mbarara districts to assess project performance.

Kiruhura District

The unit was deployed in Kiruhura district for one month ending 14th July 2014. The work that was done is shown in Table 4.9.

Table 4.9: Valley dams excavated and de-silted in Kiruhura district in FY 2013/14

No	Name of Valley Dam/Location	Original size	New Size	Cubic meters of water	Dry hire charges (Ug shs)	Comments
1	Kacwampare Valley Dam	80m x 30m x 1m deep	100m x 50 m x 2m deep	17,700	14,960,000	*The three dams are located at NAGRIC&DB Ruhengyere field station*
2	Kibimbiri Valley Dam	50m x 30m x 2m deep	60m x 40m x 4m deep	8,100	11,700,000	
3	Kyataano Valley Dam	50m x 25m x 2m deep	60m x 50m x 4m deep	10,300	6,400,000	
4	A valley dam at Kigakadwenge Village	-	40m x 35m x 4m deep	-	480,000	*These dams belong to individual farmers in Kitatsi sub county.*
5	A Valley dam at Lwakabyambi Farm was desilted and expanded	-	-	-	2,880,000	
Total Revenue collected					**36,420,000**	

Source: Field findings

The monitoring team sampled two of the farms that benefitted from the MAAIF heavy earth moving equipment and the findings are presented below.

Case study one: Lwakabyambi farm

The farm is located in Kayonza village Kikatsi sub county in Kiruhura district. Mr. Kyamanyanga Erias the proprietor received a quotation of Ug shs 15,300,000 (fuel charges) for excavation of a valley tank of 40metres by 35metres by four meters deep. He paid the first installment of Ug shs 7,000,000. He also paid the dry hire rate for the excavator for 48 hours.

Excavation of a Valley tank ongoing at Lwakabyambi farm in Kikatsi Sub County

The dam excavation started on 15th July 2014; by 16th July 2014 the bulk of work had been accomplished. The farmer's key challenge was too much water in the area hindering the machine from proper excavation of the tank due to the slippery surface. He is very grateful to the Government for having put such project in place.

Cases study two: Ruhengyere Field Station

The NAGRIC&DB station is located in Kiruhura district. The station requested and received a quotation of Ug shs 33,060,000 dry hire charges for de-silting/expansion of three valley tanks on this station. These were Kacwampare, Kibimbiri and Kyataano valley tanks, with holding capacity of 27.4 million liters of water.

Kyataano valley tank excavated and completed at Ruhengyere field station in Kiruhura district

By 16th July 2014, excavation of the three valley tanks were complete. The beneficiaries reported that the total cost of the three valley tanks was Ug shs 99,000,000 including dry hire charges. They were waiting for the rains to fill the valley tanks.

Lwengo District

The MAAIF unit was deployed in Lwengo district during 8th July to December 2013; works done included excavation of four valley dams, opening of three access roads, clearing 90 acres of bush and transporting water on farms. The monitoring team visited one farmer in Lwengo district to verify the works that were accomplished.

Mr. Atukwasi Bernard of Kanoni Village, Kakoma Parish in Kyazanga Sub County confirmed having accessed the MAAIF unit to excavate a dam on his farm. Field findings indicated that the dam was fully excavated and water harvesting during the rain season for farm use.

Mr. Atukwasi 's Valley tank in Kyazanga Sub County in Lwengo district

Mbarara District

The MAAIF unit was deployed on Mbarara Zonal Agricultural Research and Development Institute (MBAZARDI) during February to June 2014. The target was to open up 36km of farm access roads, excavate two fish ponds and one dam and clear the bush. The MBAZARDI paid Ug shs 42,290,000 for the work as per the MAAIF quotation.

By 17th July 2014, the valley tank and the two fish ponds of 30m by 20m by 2m deep each had been excavated and completed; 19kms of roads of the planned 36kms were opened up.

Left to Right: Completed valley tank and a fish pond at MBAZARDI in Mbarara Municipal council Mbarara district

The Engineering Assistant of the western region reported that all work on this site had been satisfactorily completed. However, the Acting Director and staff of the MBAZARDI expressed dissatisfaction with the quality of work that was undertaken on the farm by MAAIF staff:

- Only 53% of the agreed road length was opened up and no explanation was given why the rest of the work was not done;
- The road was not compacted and hence was already overgrown with weeds. The monitoring team noted that the compactor was not part of the Bills of Quantities for the work that MAAIF undertook on the farm.
- The soils that were dug out of the valley tanks were not compacted; they were left heaped around the facilities. The MBAZARDI tried to source the compactor from the National Agricultural Research Organisation (NARO) but failed due to the high hire costs.
- A valley tank was constructed instead of a valley dam that the client needed to store water for the fish ponds. The valley tank had very steep slopes, was far above the level of fish ponds and would not feed the ponds with water. The MAAIF staff left the site without officially handing over the facilities to the client.


Left to Right: opened access road with murram/stones not compacted and volume of uncompacted soil materials around the valley tank and the fish pond at Mbazardi

The key challenge to implementation of works at MBAZARDI was delayed completion of works due to the machines breakdown and delayed repair as well as the intermittent movement of some equipment to other neighbouring farms. It took six months to complete works at the farm instead of the planned two months.

The MBAZARDI staff recommended that the MAAIF should i) complete all the tasks especially opening the access roads ii) compact the soils on roads and the valley tank area iii) officially hand over the completed work to the client.

<u>Note:</u> The monitoring team observed that project performance was constrained by i) inadequate understanding and interpretation by MBAZARDI staff of the Bills of Quantities (BoQs) from MAAIF; more work was expected to be accomplished than what had been paid for. And the staff did not understand the differences between valley dams and valley tanks when the BoQs were being drawn up. ii) The MBAZARDI staff did not effectively supervise the work and hence did not see the problems until the equipment was redeployed to other sites.

Excavation unit 3: Isingiro district

Implementation progress

The third excavation unit was deployed in Isingiro district. During FY 2013/14, the following work was accomplished: excavation of 40 valley tanks, clearing bushes at nine farms and opening of access roads on eight farms. The unit was benefitted 64 households and farms in five sub counties and two town councils in Isingiro district. It was further reported that the total revenue generated from dry hire charges in Isingiro district was Ug shs 64,882,000 which was all banked on the URA account.

The monitoring team sampled two farmers in Isingiro district to assess progress in project implementation:

Case study one: Kakama & Farm Ltd

The farm is located in Kafunda village Nyarubungo parish in Masha sub county in Isingiro district. The farm owner requested for the machines to excavate a valley tank of 2,420 cubic meters. She received a quotation from MAAIF of Ug shs 2 million as dry hire charges for 35 hours. The money was banked on 9th December 2013 directly on URA account.

A valley tank excavated at Kakama & Farm Ltd in Masha Sub County in Isingiro district

Field findings revealed that the valley tank was excavated and completed in March 2014.

Case study two: Mr. Batisibwa farm

Mr. T. Batisibwa's farm is located in Nyakasharara village Nyakakoni parish Macha sub county in Isingiro district. He requested for excavation of a 4,500 cubic meters valley tank and bush clearing on 34 acres of land. The MAAIF made a Local Purchase Order (LPO) of Ug shs 3 million; the farmer banked this money on 18th January 2014 on the URA account.

A valley tank excavated at Mr. Batisibwa`s farm in Macha Sub County

Field findings revealed that the valley tank was excavated and bush clearing was done according to specification. Both activities were completed in early February 2014. The beneficiary appreciated the MAAIF services as the vlley tank was providing water to his farm as well those of the neigbouring farmer.

Key achievements

The Engineering Assistant operating in Isingiro district noted that the Labour Saving project had improved tremendously in FY 2013/14 in terms of financial management over the past two financial years. Earlier findings in FY 2012/13[17] highlighted difficulties in management of the non tax revenue (NTR) generated in this project as farmers lacked financial literacy. The process of farmers travelling to Namaleere Mechanization Unit in Kawanda to make payments for MAAIF services was cumbersome and costly.

During FY 2013/14, the Engineering Assistants would make job assessments at the sites, generate bank payment advice forms from the URA web portal, prints it out and hand it to the client for payments. The farmers made payments to any commercial bank on the URA account. After providing proof of payment, the works would be executed on the client's farm without exchange of cash.

Challenges

1) Non-functionality of the MAAIF technical team that is supposed to verify sites and cost the jobs before equipment is deployed and works commence. The verification was being done by the Engineering Assistant.
2) Relatedly, there were delays in verification works by the Engineer Assistant due to capacity constraints. Many clients were complaining that the assessments were not accurate.
3) Delays in payment of salaries and allowances that demoralised the field staff.
4) Delays in executing works (by two to three days at a time) due to lack of imprest to make minor repairs on the machines when they break down.
5) Loss of working time of about two to three weeks due to lack of a low bed to move heavy machines from one site to another.
6) Inadequate allocation of fuel - 200 liters per month – for the equipment which lasts for two weeks only. The field staff were using their salaries to fuel the machines.
7) Slow procurement processes at MAAIF attributed to the low capacity of the ministry's Procurement and Disposal Unit (PDU). The field team had not got any response from MAAIF to requisitions made six months ago.

Recommendations

1) The MAAIF Technical team should become operational to verify works at the various sites in the country.
2) The MAAIF should recruit more competent field staff to support the Engineering Assistants in verification of works.
3) The MAAIF should pay staf salaries and allowances on time.
4) The MAAIF should allocate petty cash of between Ug shs 500,000 to Ug shs 1 million to each unit to address minor repairs in time.
5) The MAAIF should procure a low bed for each unit for timely execution of works.
6) The MAAIF should allocate about 500litres to 600litres to each unit every month.
7) The Public Procurement and Disposal of Public Assets Authority (PPDA) should strengthen the capacity of the MAAIF PDU to handle procurements expeditiously.

[17] Annual Budget Monitoring Report FY 2012/2013.

Excavation Unit parts in Karamoja region
Introduction

The MAAIF loaned a water browser and a wheel loader in April 2013 to the Ministry of Water and Environment (MWE) and Office of the Prime Minister (OPM) to implement the water for production component of the Karamoja Livelihoods Programme (KALIP). These machines were drawn from the three MAAIF units of heavy earth moving equipments. They were to complement the two excavation units that were provided by MWE (one unit) and KALIP (one unit) in excavating 21 valley tanks.

The main source of financing for the excavation of the 21 valley tanks was the European Union (EU). Each valley tank costs between Ug shs 250 million and Ug shs 300 million; the total cost of the 21 valley tanks was estimated at 1.5 million Euros (Ug shs 34,979,903.850). The MAAIF was paying salaries for the attached field staff while the MWE was paying their allowances. The excavation work was undertaken during FY 2013/14.

Implementation progress

By 30th June 2014, construction was completed for 11 (52%) valley tanks. Construction works for the remaining 10 valley tanks were still ongoing; the completion date was set at December 2014 (Table 4.10). All the valley tanks were being sized to have a capacity of 10,000m^3.

Table 4.10: Progress in construction on Valley tanks in Karamoja region by 30th June 2014

No.	District	Planned No. of Valley Tanks	Actual No. completed
1	Amudat	3	3
2	Nakapiripirit	3	2
3	Abim	3	2
4	Kotido	3	2
5	Moroto	3	2
6	Kabongo	3	0
7	Napak	3	0
Total no. of sites		**21**	**11**

Source*: *Field findings

The monitoring team sampled four out of the 11 sites that were reported by KALIP and district officials as completed verify project performance. Field findings indicated that by 3rd July 2014, the four valley tanks were completed, with access roads and perimeter fencing. These are:

- Akwapuwa valley tank in Nadunget sub county and Lokithelei valley tank in Rupa sub county in Moroto distict.
- Waliwal valley tank in Rengen sub county in Kotido district.
- Puno valley tank in Lotuke sub county in Abim district.

Akwapuwa valley tank in Moroto District **Lokithelei valley tank in Moroto district**

Waliwal valley tank in Kotido district **Puno valley tank in Abim district**

The overall progress of the sampled valley tanks was at 95% completion, pending planting grass around the facilities. It was reported that the grass would be planted by the respective water user committees.

Challenges

1) Slow implementation of the project due to MAAIF`s provision of only two machines that were considered to be less critical to the excavation works.
2) Some dams were at risk of having a short life span due to lack of technical assessments by MWE before the works were implemented. For example some sites in Amudat district were excavated without technical assessment yet changes had been made on the facility designs.

Recommendation

1) The MAAIF should provide one full unit to Karamoja sub region to quicken project implementation.
2) The MWE should always carry out technical assessment before excavating the valley tanks ensure that all key hydrological parameters will support longevity of the facility.

Component 2: Farm mechanisation

The key performance targets for FY 2013/14 were to purchase 20 tractors for distribution as grants to farmer groups; facilitating the maintenance of the rehabilitated schemes. The MAAIF did not achieve any of these performance targets.

Purchase of 20 tractors

The MAAIF commenced the purchase of 20 tractors in FY 2012/13 for distribution to farmer groups. The procurement process was not concluded in that year and hence rolled over to FY 2013/14. By 30th June 2014, the tractors had not been purchased. The MAAIF officials explained that the Local Purchase Order (LPO) was issued to the supplier Farm Engineering Ltd but the company had not yet delivered the tractors.

Maintainance of rehabilitated schemes

The GoU completed rehabilitation and commissioning of three irrigation schemes (Doho, Mobuku, Agoro) in FY 2012/13. It was planned that once the rehabilitation is completed by MWE, the MAAIF would maintain the rehabilitated schemes to ensure that they were fully operational starting in Fy 2013/14.

The monitoring team had planned to visit Doho and Mobuku irrigation schemes. However, it was not possible to visit Mobuku irrigation scheme due to the insurgencies in the Rwenzori region that concided with the monitoring exercise. The team visited Doho irrigation scheme to assess progress by MAAIF in supporting the rehabilitated scheme.

Doho Irrigation scheme – Butaleja district

Implementation progress

The District Production and Marketing Coordinator (DPMC) reported that the technical commissioning of Doho irrigation scheme was done in March 2014. A tractor, an excavator, a motorcycle and some bicycles were handed over to Doho Irrigation Scheme Farmers Cooperative Society Limited (DIFACOS). The scheme had a total of 4,380 farmers at the time of technical commissioning.

It was planned that a Memorandum of Understanding (MoU) would be signed after the technical commissionung between MWE, MAAIF, Butaleja District Local Government (DLG) and the Cooperative Society to officially handover the scheme to MAAIF/district. Field findings revealed that the MoU was signed by the district and MWE; the MAAIF declined to sign the MoU due to some operational issues that were not clear. It was agreed that temporarily, the DIFACOS would take care of the scheme operations for a contract period of two years, under the supervision of the district.

By 23rd July 2014, the Butaleja DLG was not playing any active role in the affairs of the scheme; and the MAAIF had not implemented any activities at the scheme. There was a MAAIF staff at the scheme but he did not have much say in the ongoing activities. The DIFACOS was carrying out minimal maintenance of the scheme. The society had signed an MoU with International Fertilizer Development Center (IFDC) in April 2014 and VECO East Africa.

The IFDC disbursed a grant amounting to Ug shs 47,256,156 to the societyas part of the first installment and farmers' contribution was Ug shs 48,843,150[18]. These funds were expended by the DIFACOS on public works at the scheme. In addition, a total of Ug shs 107 million was secured from IFDC in FY 2013/14 and was used for training farmers, constructing drying yards and levelling the 100 acres of land at the scheme.

Challenges

1) Lack of clarity on the roles of key stakeholders (district, MAAIF and the Cooperative society) in the management/maintenance of the scheme. This was largely attributable to the lack of a signed MoU between the key stakeholders.
2) Lack of transparency in handling of financial transactions and procurements by the Society. The MAAIF staff and district officials were not involved in handling public funds that were being sourced by the Society.
3) Late payment of Management staff and machine operators by the Society was negatively impacting on the scheme performance. The Society Accountant estimated that the scheme had arrears of about Ug shs 16 million that was due to workers as salaries for the last four to ten months.
4) Some parts of the scheme were not productive because the DIFACOS had inadequate capacity to maintain the rehabilitated works.

Recommendation

1) The MAAIF and other key stakeholders should expedite the signing of the MoU governing management and maintainance of Doho Irrigation Scheme.
2) The MAAIF should collaborate with the DIFACOS to streamline procurement and financial management systems at the scheme.
3) The MAAIF should be more actively involved in maintaining the rehabilitated works and overseeing management of the scheme.

Component 3: Small irrigation/water harvesting technologies

The key performance targets for FY 2013/14 were: Construct 30 small scale harvesting/irrigation structures for demonstration at district level; taking water down stream in 25 districts

Taking water downstream

Field findings indicated that no progress was made on this performance target. The MAAIF staff explained that the available funds were not sufficient to implement this sub-component.

Small scale irrigation/water harvesting schemes

Table 4.11 summarises the schemes that were constructed from FY 2011/12 to 30th June 2014. The sub-component under performed during FY 2013/14; only five (17%) of the planned irrigation schemes were completed.

Table 4.11: MAAIF small scale irrigation schemes constructed by 30th June 2014

FY	Host farmer	Location
FY 2011/12 *(33 planned sites, 7 done 21% performance)*	**Mr. Buleezi Joseph**	**Luhimbo Village, Kamuli Ward, Isingiro District**
	Marian Brothers	**Odokebo Immaculate Training Centre, Yumbe District**
	Mr. Byaruhanga	**Buswekera, Horticultural Modern Farmer's Group, Hoima District**
	Mr Ongom Krispus	**Olamy A Dam Site, Apac District**
	Mr.Peter Masiko	**Nyakibande village, Kitumba sub-county, Kabale District**
	Mr.Lugolobi Buhran	**Ntooke village, Kayunga Town Council, Kayunga District;**
	Mr.Chemonges Micheal	**Kaplobotwo village Ngenge sub-county, Kween District**
FY 2012/13 *(35 planned, 4 done 11% performance)*	**Mr. Ogobi Alex**	**Wadelei Sub-county, Pakwinyo Parish, Apar-ariyo village, Nebbi district**
	Mr. Yakobo Farencio	**Maracha Town Council in Bura Ward, Worogbo Cell, Maracha district**
	Mr. Lokumu Fred	**Biiso Sub-county, Biiso Parish, Bulisa district**
	Kafuro- Katonya Hoticulture Farmers	**Katerera Sub-county, Katerera Parish, Katonye Village, Rubirizi district**
FY 2013/14 *(30 planned, 5 done 17% performance)*	**Mr. Ochan Ben**	**Bungatira sub county, Agonga Parish, Latyeng Village, Gulu District**
	Mr. Anywar Dick	**Panyok Village, Pudo Parish, Mucwini Sub county, Kitgum district**
	Mr.Olanya Lawrence	**Ojufa Village, Paibwor Parish, Lagute sub county, Pader Ditrict**
	Mr. Ajungo Peter	**Gweng Abara Village, Angwetangwet Parish, Adekokwok sub-county, Lira Ditrict**
	Mrs. Okello Joyce	**Awangi Village, Orupo Parish, Iceme Sub county Oyam District**

Source: MAAIF data; Field findings

Procurement under a framework contract was finalized for demonstrations in the districts of Kapchorwa, Mayuge, Tororo, Jinja, Ngora, Buyende, Mbale, Mukono, Buvuma, Mityana, Buikwe, Kiboga, Luweero and Mubende. By 7th August 2014, additional installation works had commenced at the following sites:

i) Nyamarund sub county Buronze B village, Kibaale District .
ii) Maddu sub- county, Kyayi Parish, Kyayi village, Gomba District.
iii) Kitanda sub county, Ndeeba parish, Katengeeto village, Bukomansimbi District.
iv) Katooke Town Council, Mwaro parish, Kitwetwe village, Kyenjojo District.
v) Buyanja sub county, Nyakaina parish, Kibombo cell, Rukungiri District.
vi) Bugarama parish, Bisheeshe sub-county, Ibanda District.

Challenges

1) Inadequate funds allocated to the small scale irrigation sub-component. There were no dedicated budgets for irrigation activities by MAAIF and the districts.
2) Limited outreach and impact of the project as few farmers can access the one demonstration that is set up in each district.
3) Poor planning and implementation of the irrigation projects at district level due to failure by the local governments to fill the vacant posts of Agricultural Engineers.
4) High unit costs of each demonstration site due to the taxes on irrigation equipment and contracting of small scale irrigation.
5) Poor location of small scale irrigation technologies in some cases due to limited information at MAAIF on the irrigation needs of farmers and suitability of different locations to the recommended technologies.

Recommendations

1) The MFPED/MAAIF should provide a conditional grant to support districts to implement irrigation development activities.
2) The MAAIF should allocate more funds to the project to enable setting up of at least one demonstration site in each parish.
3) The districts should fill the vacant positions of Agricultural Engineers to support implementation of irrigation activities at local government level.
4) The MFPEDcould consider giving tax waivers on irrigation equipment.
5) The MAAIF should undertake a national baseline survey to establish the status and actual needs of the irrigation sector in the country.

4.4.3 Analysis

Link between financial and physical performance

A total of Ug shs 5,625,543,000 (100% of the warrant) was paid out in FY 2013/14 for services under the Labour Savings Technologies and Mechanization project. There were anomalies in the IFMS that indicated that only Ug shs 1,625,702,001 was released yet the project expended three times that amount during the year.

There was no direct link between the financial and physical performance of this project. Close to a half of the funds (45% or Ug shs 2.53 billion) were spent on buildings, equipment and other assets; about 19% or Ug shs 1.08 billion was spent through onlending to state enterprises. The monitoring team did not find any major buildings or equipment that was acquired by the project in FY 2013/14. Information was not availed on the state enterprises that received funds from the project.

Only one out of the three components of the project performed well. A total of 93 water reservoirs/valley tanks were rehabilitated by 30th June 2014 under the Heavy Earth Moving Machinery Component. The implementers of the small irrigation and water harvesting demonstration sites reported that their sub-component under performed due to lack of funding. The MAAIF did not provide detailed information on each of the sub-component to enable further analysis and verification of this claim.

Achievement of set targets

The project performance was below average at about 40%. Only one out of the five planned outputs for FY 2013/14 was fully achieved; one output was partially achieved: A total of 93 (232%) water reservoirs/valley tanks were rehabilitated against a target of 40 reservoirs; five (17%) out of the 30 planned schemes were constructed. Other planned outputs were not achieved.

The key challenges to project implementation included:

1) Delayed payment of salaries and allowances for field staff that were operating the heavy earth moving equipment.
2) Inadequate understanding of the roles and responsibilities of key stakeholders (district, MAAIF and the Cooperative Society) in managing and maintaining the rehabilitated Doho irrigation scheme.
3) Lack of transparency in handling public resources at Doho Irrigation Scheme by the Cooperative Society.
4) Inadequate funding allocated by MAAIF to the farm mechanization and small scale irrigation schemes components of the Labour Saving project.

Comparative analysis

The component of the heavy earth moving equipment was well implemented relative to the others. The main explanatory factor was that this component was better funded than the other two components; the MAAIF was not giving sufficient attention and funds to the farm mechanization and small scale irrigation technologies components that underperformed. There are no justifiable reasons for the process of procuring 20 tractors having taken more than two financial years without being concluded.

Field findings show that farmers'access to the heavy earth moving equipment was highest in the central (67%) and western (32%) and lowest in eastern (1%) and northern (only one farmer in Arua benefitted) regions. There is need to increase access to equipment in the under served areas.

4.4.4 Conclusion

The Labour Saving Technologies and Mechanization for Agricultural Production project performed below average during FY 2013/14; only one out of the five key performance indicators was achieved. This is despite the fact that Ug shs 5.62 billion was spent by the project. The fact that the bulk of expenditures (64%) were on items that were not directly linked to the key performance targets might greatly explain the under performance of this project.
The heavy earth moving equipment was well utilized; 93 water reservoirs were rehabilitated against a target of 40 water reservoirs. The machines generated a total of Ug shs 405,746,000 as NTR by June 30th 2014 and this was banked on the URA account. There is a need to ensure regional balance in farmers'access to this equipment.

4.4.5 Recommendations

1) The Auditor General's office should audit the expenditures of the Labour Savings project incurred in FY 2013/14.
2) The MAAIF should re-align the expenditures under this project to focus on delivering the key performance indicators.
3) The MAAIF should expedite the process of procuring 20 tractors; the MFPED/PPDA should support the MAAIF to conclude this process.
4) The MAAIF should ensure that the northern and eastern parts of the country also access the heavy earth moving equipment to enhance agricultural production and productivity.
5) The MAAIF should pay salaries and allowances for field staff on time.
6) The MAAIF should collaborate with the Cooperative Society at Doho Irrigation Scheme to streamline procurement and financial management systems.
7) The MFPED/MAAIF should provide a conditional grant to support districts to implement irrigation development activities.

4.5 National Agricultural Advisory Services

4.5.1 Background

The proportion of farmers in Uganda who use improved inputs remains low. Household panel data from the Uganda Bureau of Statistics (UBOS) shows that proportion of farmers using improved seed declined from 18.8% in FY 2009/10 to 9.5% in 2011/12; use of pesticides reduced from 15.2% to 10.0% over the same period[19].

To address these challenges, the GoU since 2001 is implementing the National Agricultural Advisory Services (NAADS) programme to increase farmers' access to knowledge, information and technology. The first phase ended in June 2010; the second phase (2010/11-2014/15) is being implemented under the Agricultural Technology and Agribusiness Advisory Services (ATAAS) project[20].

Up to the end of FY 2013/2014, some of the key features of the programme included:

- NAADS Coordinators at zonal, district and sub county level;
- Agriculture Advisory Service Providers (AASPs) at Sub-county level;
- Multi-Stakeholder Innovation Platforms (MSIPs) to address farrmer constraints;
- District Adaptive Research Support Teams (DARSTs) to train farmers;
- Farmer Institutional Development (FID) to build capacity of farmers and farmer groups to demand for advisory services and become business oriented.
- Grants to Food Security Farmers (FSFs), Market Oriented Farmers (MOFs) and commercializing farmers.

The planned outputs for FY 2013/14 were:

- Technologies for priority commodities promoted at farm level.
- Farmer groups strengthened through institutional development.
- Capacity built of subcounty extension workers and district NAADS Coordinators.
- Joint planning and enterprise prioritization meetings held.
- Research-extension-farmer linkages strengthened through DARSTs.
- Agri-business development and market linkages strengthened.

The NAADS is implemented in all districts and sub-counties of Uganda. The programme was last monitored during February to March 2014 covering 16 districts. The detailed findings are contained in the Budget Monitoring Report Quarter 3 FY 2013/14. A repeat monitoring exercise was conducted in July – August 2014 covering the work of the NAADS Secretariat (handling delegated procurements) and local governments in 13 districts. The findings are presented;

4.5.2 Findings

i) Financial performance

The approved budget for the NAADS programme during FY 2013/14 was Ug shs 178.37 billion. Of this, Ug shs 47.12 billion (26%) was for the NAADS Secretariat and Ug shs 131.25 billion (74%) was for local governments[21]. A supplementary of Ug shs 30 billion was provided to the programme; the revised budget was Ug shs 208.37 billion.

The financial transactions in the NAADS programme are undertaken separately by two votes: Vote 152 NAADS Secretariat and Vote 501-850 Local Governments in VF 0181.

Table 4.12 shows the financial performance of the NAADS Secretariat during FY 2013/14. The project exhibited excellent release and absorption of resources.

Table 4.12: Financial performance of the NAADS Secretariat by 30th June 2014

Item	Recurrent budget	Development budget	Total
Revised budget	6,185,392,712	71,433,483,567	77,618,876,279
Total release	6,185,391,711	67,884,807,097	74,070,198,808
Total payments	5,922,111,341	65,817,107,440	71,739,218,781
Payments as a % of releases	95%	97%	97%

Source: NAADS Secretariat Accounts Department

<u>Vote 501-850 Local Governments in VF 0181: Agricultural Advisory Services</u>

The IFMS data shows that the total release to local governments during FY 2013/14 was Ug shs 131,247,122,113 (100% of the approved budget). All the funds were fully aborbed with Ug shs 104, 342,403,411 (80%) being spent on technologies and advisory services while Ug shs 26,904,735,000 (20%) was expended on contract staff salaries.

ii) Physical performance

a) Multi-year performance

Over the last three financial years, the government has provided advisory services and inputs and technologies in all sub-counties in the country[22]. Highlights of the inputs delivered since FY 2011/12 are provided below:

In FY 2011/12, a total of 365,785 food security farmers (FSFs), 30,408 market oriented farmers (MoFs) and 2,696 commercial model farmers were supported countrywide with various technology inputs. In addition, through delegated procurements, the government distributed 415 female Boer goats, 13,305 local goats, 20 milk coolers, 25 mobile milking machines, juice processing equipment, 100,000 pineapple suckers, 15,088 bags of cassava, and several tons of beans, soya bean, sunflower and millet seeds.

In FY 2012/13, 650,000 FSFs received food security related technologies for multiplication and 26,000 MOFs received improved technologies to enhance market access. Among the delegated procurements that were distributed by the NAADS Secretariat were: 250,000 tissue cultured bananas; 40,000kg of upland rice seed; 80,000kg hybrid maize seed; 8000 coffee seedlings; 12,500 mango seedlings; 250,000 day old chicks; 50,000 layer chicks; 1,500kg of assorted fertilizers; 1,820 local goats and 15 tractor drawn planters.

During July 2014, the MAAIF issued a directive terminating the services of NAADS Coordinators and AASPs. This was in response to several concerns raised at technical and political level regarding programme effectiveness.

[22] MAAIF Ministerial Policy Statements, NAADS Secretariat Progress Reports and BMAU Monitoring Reports for various years

b) Field Findings

NAADS Secretariat

Key informant interviews held with officials of the NAADS Secretariat, field findings and progress reports[23] revealed that the Secretariat implemented several activities that were in line with the expected outputs for FY 2013/14.

Technology promotion

The NAADS Secretariat was directly involved in distributing inputs to local governments during FY 2013/14 (Table 4.13). Many sampled districts and sub counties confirmed having procured these inputs on behalf of the NAADS Secretariat as presented below in the local government section.

Table 4.13: Technologies distributed by NAADS Secretariat by 30th June 2014

Zone	Techologies
1. Abi	• 1,934 bags of Cassava cuttings were procured and distributed to beneficiary farmers on approximately 322 acres in seven districts of Arua, Zombo, Adjumani, Moyo, Yumbe, Koboko and Nebbi. • 168 Oxen, 84 ploughs, 84 spray pumps, 84 Litres of Acaricide were supplied to the seven districts named above.
2. Ngetta	• 135 Pairs of Oxen and Ox Ploughs were supplied to 135 neneficiaries in 15 districts - Lira, Gulu, Amuru, Kitgum, Lamwo, Nwoya, Pader, Agago, Alebtong, Amolatar, Apac, Dokolo, Kole and Otuke. • 270 bags of NASE 14 cassava variety were distributed to three farmer groups of 30 farmers each in Lira district.
3. Buginyanya	• A total of 16,000 tissue cultured bananas were distributed to 10 districts namely: Jinja, Luuka, Iganga, Mayuge, Mbale, Manafwa, Bududa, Bulambuli, Kapchorwa and Kween in an effort to curtail the effects of Banana Bacterial Wilt.
	• Bananas, Apples and Cassava were promoted in Kween and Kapchorwa districts.
4. Bulindi	• 240,000 pineapple suckers were given to farmers in Kibaale district. • 15 Tons of Maize seed were supplied to Bulindi ZARDI.
5. Rwebitaba	• Cassava NASE 14, Mangoes, Beans NABE 16 & 17, improved groundnuts and Kuroiler birds were promoted.
6. Nabuin	• 70 bags of cassava were procured to plant 10 acres in Soroti district. • 40,000 Kgs of Sunflower seed were distributed in Kotido and Kaabong. • 10 tonnes of maize seed were delivered in Napak district.

6. Kachwekano	• Cassava, Rice, Tea, goats, vegetables and Apples were promoted.
7. Muzardi/ Buginyanya /Nabuin/Ngetta	• A total of 747 tonnes of bean seed; 884 tonnes of maize were provided to support food security and income generating activities for civilian veterans and various constituencies. • A total of 300,000 citrus seedlings; 300,000 mango seedlings and 50,060 bags of cassava variety nase 14 planting material cuttings were provided to farmers and veterans.
8. NAADS Secretariat	• Supported 20 dairy farmer groups with 20 milk coolers of 5000litres capacity. The 16 benefitting districts were: Mbarara, Rukungiri, Kiruhura, Ntungamo, Kamwenge, Kaberamaido, Serere, Apac, Busia, Buliisa, Nakasongola, Kiboga, Kyankwazi, Sembabule, Kiryandongo and Kalungu. • Distributed 21 Maize Mills for use in 16 districts (Ntungamo, Kiryandongo, Masindi, Kibaale, Hoima, Buliisa, Kamwenge,, Mbarara, Tororo, Wakiso, Luwero, Kyankwanzi, Butambala, Kiboga, Amuru, Nakaseke). • Procured 250 Motorized Knapsack Sprayers for distribution to farmers involved in production of fruits across the country

Source: Discussion with NAADS officials; NAADS, 2014; Field findings

Farmer institutional development

Capacity building of farmer institutional development (FID) implementers at district level was carried out in 111 local governments covering a total of 222 district staff (111 District Community development officers and 111 District commercial Officers). At sub county level, 941 Agricultural Advisory Service Providers (AASPs) and Sub county NAADs Coordinators (SNCs) were trained drawn from districts in three zones covered by Mbarara ZARDI (221), Buginyanya (415) and in Ngetta ZARDI (234). All the sampled districts and sub-counties confirmed having received training from NAADS Secretariat on FID.

Local government level

The monitoring team visited 13 out of 112 districts to assess performance of the NAADS programme. The assessment focused on interventions financed directly from the local government budgets and those funded by the NAADS Secretariat (delegated procurements). In some cases, the programme was followed up sub-county and farmer level to verify receipt of funds and inputs. The findings are presented below.

Abim district

Introduction

Abim district is comprised of six subcounties namely Abim, Alerek, Nyakwae, Morulem, Lotuke and Abim Town Council.The monitoring team assessed performance at district level as well as in Lotuke sub-county.

Financial performance

The approved budget for Abim district in FY 2013/14 was Ug shs 694,569,370 of which Ug shs 694,589,000 (100%) was released and fully expended by 30th June 2014. A total of Ug shs 138,435,000 (20%) was spent on contract staff salaries and Ug shs 556,134,370 (80%) was spent on technologies and advisory services. The NAADS Coordinators were no longer available to provide detailed information on these expenditures.

Physical performance

The following activities were implemented in Abim district by 30th June 2014:

- Technologies were distributed to 175 MOFs and 1,225 FSFs. Information was not available on the quantities of inputs that were distributed.
- Held MSIPs for goats and cassava
- Trained farmers and farmer groups under the FID component
- Advisory services were provided to farmers in all sub counties
- Undertook joint monitoring of NAADS programme by the technical and political leaders at the district
- Held the World Food day on 16th November 2013 to promote technologies and sensitize stakeholders about modern agricultural practices.

Challenges

1) Limited coverage of the NAADS programme as only 35 FSFs were given inputs and technologies in every parish.
2) Low production and high household food insecurity as the input package to FSFs of Ug shs 100,000 was too small.
3) Poor and uneven implementation of NAADS guidelines that were frequently changing within the year.
4) It was reported that theft of NAADS inputs was common under the community procurement system due to connivance between the beneficiaries and suppliers. *"In some sub counties, farmers borrowed goats from their neighbours that would be presented to the auditors for verification. The funds that were earmarked for procurement of goats would then be shared between the farmers and input suppliers"* District Production and Marketing Coordinator.
5) Poor attendance of farmers in training sessions leading to low adoption of improved technologies.

Recommendations

1) The NAADS Secretariat should increase the number of FSFs to at least 100 per parish.
2) The NAADS Secretariat should consider increasing the FSFs input package to Ug shs 500,000 worth.
3) The NAADS Secretariat should ensure that the guidelines are not changed for at least three years to allow consistency in program implementation.
4) The MAAIF/NAADS Secretariat should strengthen monitoring and supervision of the programme.
5) The district technical and political leaders should continue encouraging farmers to participate in NAADS trainings.

The monitoring team visited Lotuke sub-county to assess progress in programme implementation.

Lotuke sub county

Financial performance
The sub-county received Ug shs 91,290,000 for NAADS activities during FY 2013/14. The final accounts to show detailed expenditures were not yet compiled by 3rd July 2014.

Physical performance
The sub-county implemented the following activities by 3rd July 2014:

- Farmers and other key stakeholders were sensitized about the NAADS guidelines
- Farmer groups were strengthened through the FID component
- Advisory services were provided to farmers by the AASPs, CBFs and sub county NAADS Coordinator.
- A total of 280 FSFs and 35 MOFs were supported with technologies. Each FSFs was given one female local goat valued at Ug shs 100,000 and each MOF received a heifer worth Ug shs 750,000.

The monitoring team visited three farmers to verify receipt of inputs as reported by the subcounty:

Case studies:

- **Mr. Micheal Ogira**: resides in Ganming North village in Ganming parish. He is a member of a group for elders which had 30 members. He confirmed receipt of a heifer in May 2014 as the host farmer for the elders group. He provided co-funding of Ug shs 52,000. The heifer was reported to be of good quality. By 3rd July 2014, he had repaid Ug shs 62,000 of the 70% co-funding value for the heifer.

NAADS heifer at Mr. Okello's farm in Achangali parish

- **Mr. Peter Ali Okello**: resides in Gulopono North East village in Achangali parish. He is a member of Gwoklim Farmers Group. He confirmed receipt of a heifer from the NAADS programme in May 2014. He paid co-funding amounting to Ug shs 52,000. He appreciated the good quality of the heifer.

- **Ms. Janet Awilli**: resides in Obokoloth village in Awach parish. She is a member of Pit Teek Farmers Group. She acknowledged receipt of a heifer worth Ug shs 750,000. She paid co-funding amounting to Ug shs 52,000. She reported that the heifer was of good quality. She was also trained by extension workers on modern methods of cattle rearing.

Challenges

1) Farmers rejected the enterprises (rice and cassava) that were promoted by the NAADS Secretariat. The reasons given were that these crops were not favoured by the climate in their area and land was insufficient for expansive farming.
2) Inadequate monitoring of the NAADS programme by subcounty officials due to lack of transport. The two NAADS motorcycles were dilapidated.
3) Poor and inconsistent implementation of the NAADS guidelines as they are frequently changing.
4) Loss of NAADS inputs due to connivance between farmers and suppliers.

Recommendations

1) The district technical and political leaders should sensitize farmers on the importance of growing food security crops like cassava and rice.
2) The NAADS Secretariat should bond off the two old motorcycles and provide new ones.
3) The NAADS Secretariat should issue NAADS guidelines that span a two year period.
4) The MAAIF/NAADS Secretariat should strengthen programme monitoring and supervision in the lower local governments.

Apac district

Introduction
Apac district is composed of nine sub counties and two sub counties namely: Akokoro, Ibuje, Chegere, Inomo, Aduku, Nambieso, Abongomola, Chawente, Apac, Aduku Town Council and Apac Town Council.

Financial performance
The approved budget for Apac district for FY 2013/14 was Ug shs 1,155,467,000 of which Ug shs 1,155,468,250 (100%) was released by MFPED. The district, sub-county and farmers contributed co-funding amounting to Ug shs 13,844,683. The total funds available for expenditure (including MFPED and district contribution) amounted to Ug shs 1,169,312,933 of which Ug shs 1,119,646,784 (96%) was spent

The detailed expenditures are shown in Table 4.14. Contracts, allowances and programme coordination costs accounted for more than a half (55%) of the the expenditures.

Table 4.14: NAADS expenditures in Apac district by 30th June 2014

No.	Activity	Amount spent (Ug shs)	Percentage of total amount spent (%)
1	Contracts for NAADS Coordinators, NSSF, allowances for AASPs	418,090,364	37
2	Programme coordination expenses, monitoring and evaluation	204,897,558	18
3	Sub county technology promotion and development	379,982,262	34
4	Farmer Institutional Development	72,246,200	7
5	Joint planning and priority setting in MSIPs	29,547,400	3
6	Adaptive research trials, DARSTs	14,883,000	1
	Total	**1,119,646,784**	100

Source: Apac district NAADS Financial reports

Physical performance

The following activities were implemented in Apac district by 30th June 2014:

- MSIPs for cassava, rice, dairy, coffee and cage fish farming were formed
- FID was done in all sub counties by District Community Development Officer (DCDO), District Commercial Officer (DCO) and AASPs.
- Joint monitoring and evaluation of NAADS activities in all the sub counties was conducted by the district technical and political leaders.
- Adaptive research sites for organic piggery at Ibuje sub county were expanded
- Joint research and action against cassava and citrus diseases was undertaken with Ngetta ZARDI.
- Training of farmers on management of different enterprises was undertaken by the AASPs with support from the Subject Matter Specialists (SMS).
- Three higher level farmer organisations (HLFO) for cassava, dairy and cageculture were trained by the DCO.
- The district established market linkages with Mukwano industries for sunflower and Mount Meru industries for soya bean, sunflower and groundnut.
- A total of 2,432 FSFs and 192 MOFs were supported with inputs and technologies.

Challenges

1) Slow programme implementation due to delays in fund disbursement from the District General Account to the NAADS Department Account under the IFMS.
2) Low programme outreach and impact as few farmers are targeted with small input packages.

Recommendations

1) The Chief Administrative Officer (CAO) should include the District Production and Marketing Coordinator (DPMC) among the signatories on the IFMS to quicken NAADS transactions.
2) The MAAIF/NAADS Secretariat should reprioritise the budget to provide more funds for technology grants to FSFs.

Bugiri district

Introduction

Bugiri district is composed of 11 sub counties namely: Buwunga, Kapyanga, Nabukalu, Nankoma, Bulesa, Muterere, Buluguyi, Iwemba, Bugiri Town Council, Bulidha and Budhaya. The monitoring team assessed performance at district level and in Kapyanga sub-county where the NAADS Secretariat had supported delegated procurements.

Financial performance

The approved budget for Bugiri district in FY 2013/14 was Ug shs 1,184,170,081. These funds were fully released and expended by 30th June 2014. A total of Ug shs 221,685,000 (19%) was spent on contract staff salaries, Ug shs 329,493,100 (28%) was spent on technologies and Ug shs 632,991,981 (53%) was expended on advisory services[24]. Refer to Table 5.15 for the technologies that were procured and distributed to farmers.

Physical performance

The following activities were implemented in Bugiri district by 30th June 2014:

- A total of 1,471 farmer groups were trained by the DCA under the FID component.
- Four existing HLFOs were trained. These are: BAIDA in Nankoma subcounty, Nkaiza Baligema Kumunwa and Isegero Commercial Farmers in Nabukalu sub county and Lwemba produce in Lwemba sub county.
- A total of 1,930 farmer groups were trained by AASPs.
- A demonstration garden for groundnuts was set up in Nankoma sub county.
- A farmer field school (FFS) was established in Buluguyi sub county in collaboration with NARO.
- The district collaborated with an NGO PRIDE to train 150 farmers in rice production; the NGO provided 1kg of NERICA four rice seed variety to each of the 150 farmers for seed multiplication in the sub counties of Buluguyi, Nabukalu, Nankoma, Muterere and Buwunga. In addition, 200kg of improved soya bean seed and 6kg of sunflower seed were given to farmers in Nankoma sub county for setting up demonstration sites.
- The district collaborated with the International Fertilizer Development Centre (Catalyst Uganda) to set up seven demonstration sites for fertilizer use in low land rice production in Kapyanga and Bulesa sub counties.
- Table 4.15 shows the inputs and technologies that were distributed to farmers during the year. The bulk of funds for technology provision to farmers were spent on maize seed (25%), heifers (24%) and banana suckers (20%).

Table 4.15: NAADS technologies distributed to farmers in Bugiri district by 30th June 2014

Item	Quantity	No. of beneficiaries	Amount spent (Ug shs)
Bananas	26,855 suckers	382	65,160,000
Coffee	11,726 seedlings	118	20,598,000
Dairy	77heifers	70	79,050,000
Maize	14,034kg	1,298	85,427,100
Cassava	201 bags	93	9,210,000
Fish	5,394 fingerlings	8	5,090,000
Beans	7,924kg	283	27,734,000
Soya	810kg	27	2,430,000
Dap fertilizer	1,124kg	20	435,000
Dimetiote	24 litres	24	600,000
Dusbun	20 litres	4	4,725,000
Carbofurran	80	8	1,440,000
Local pullet	576	96	8,820,000
Indian Kroilers	216	46	10,890,000
Iron sheets	20	1	2,500,000
Tools (Wheelbarrows/rakes)	52	52	3,810,000
Fish feed	200kg	2	300,000
Other inputs (fertilizers, animal drugs, acaricides)		53	1,274,000
Total			**329,493,100**

Source: Bugiri District NAADS office

Challenges

1) Failure to promote some of the enterprises under the commodity approach due to limited funds allocated to MoFs. For example, setting up viable fish and dairy enterprises required at least Ug shs 2 million.
2) Low production at farm level due to provision of incomplete demonstration and input packages to farmers; and poor turn of farmers at training sessions.
3) Poor implementation of the NAADS programme due to conflicting instructions from different political and technical heads.
4) The NAADS guidelines were changing too frequently creating inconsistences in funds disbursement and implementation approaches in the sub counties.
5) Lack of funding in the programme to promote value addition to the commodities that are produced in large volumes.

Recommendations

1) The NAADS Secretariat/MAAIF should reallocate funds from FID to MOFs so that each farmer is given Ug shs 2 million.
2) The NAADS Secretariat/MAAIF should target fewer farmers with inputs and ensure that complete technology demonstrations are implemented to promote commercialization.
3) The MAAIF should restructure and streamline the NAADS to ensure that implementation is guided by the programme guidelines with a single spine reporting instruction.
4) The MAAIF should ensure that the NAADS implementation guidelines are not changed at least for two financial years to allow growth of enterprises, skills and knowledge.
5) The MAAIF should earmark funding in the NAADS for promoting value addition technologies and agri-business.

NAADS Secretariat Delegated procurements

Implementation status

Bugiri district undertook one procurement that was delegated by the NAADS Secretariat during FY 2013/2014. A total of Ug shs 32,600,000 was received in March 2014 for supporting Bugiri Needy Youth Association to establish a fish and poultry project in Kapyanga Sub County. The officials reported that the group was supported as follows:

- Four fish ponds were rehabilitated, stocked with 30,000 fish fingerlings and the site fenced off; and 1,000kg of fish feeds were provided. These items cost Ug shs 16.1 million and procurements of suppliers/contractors was done at district level.
- A temporary poultry structure was constructed costing Ug shs 5,765,700.
- Chicken feeds, 1,000 Kroiler birds and drugs were provided costing Ug shs 10,734,250.

Challenges

1) The district was not notified about these procurements at planning stage and hence funds were received prior sensitization of the recipients. Approval of expenditure of these funds by the District Council was difficult.
2) Inability by the district to generate a Local Purchase Order (LPO) in the IFMS without funds.
3) Limited transparency on how the projects and beneficiaries were selected by the NAADS Secretariat resulting in inequity in distribution of technologies.

Recommendations

1) The NAADS Secretariat should incorporate funds for delegated procurements within the normal district budget.
2) The NAADS Secretariat should communicate information about the delegated procurements at the start of the FY during planning and should indicate criteria of selection of beneficiaries.

The monitoring team sampled Kapyanga sub county to verify implementation of the delegated procurement.

Kapyanga sub county

Introduction

The Chairperson of Bugiri Needy Youth Association (BUNYA) confirmed that their organization had received the items purchased by the district under the delegated procurements, albeit with some challenges. The Association, composed of 124 members (65 males and 59 females), started in 2010 to address youth unemployment. The group confirmed receipt of Ug shs 62 million in 2012 from NAADS Secretariat.

Physical performance

The BUNYA Chairperson confirmed receipt of the grant by the group with the District, NARO and NAGRIC&DB undertaking the following activities starting February 2014:

- Four fish ponds were rehabilitated and stocked with 30,000 fingerlings
- A medium size poultry house that could comfortably house an average of 600 birds was constructed, made of wood and roofed with iron sheets. It was stocked with 1,000 Kroiler birds in June 2014 and some feeds were provided from NAGRIC&DB. Some feeders and drinkers were provided.
- Drugs were purchased and stored by the District Veterinary Officer (DVO).


Left: stocked fish pond Right: poultry house in Kapyanga sub county Bugiri district

Kuroiler chicken in Kapyanga sub county

Challenge: Poor implementation of the project due to insufficient poultry drugs and feeds that were provided by NAADS Secretariat.

Recommendation: The NAADS Secretariat should ensure that beneficiary groups of delegated procurements are well prepared to sustain the project beyond the grant period.

Kamwenge district

Financial performance

The approved budget for Kamwenge district for FY 2013/14 was Ug shs 1,377,251,371 of which Ug shs 1,377,180,000 (99.99%) was released and Ug shs 1,376,981,460 (99.98% of the release) was spent by 30th June 2014. The district had an unspent balance of Ug shs 198,540 on the NAADS account by the end of the FY. Of the total expenditure, Ug shs 288,285,000 (21%) was spent on contract salaries while Ug shs 1,088,696,460 (79%) was expended on technologies and advisory services[25].

Physical performance

The following activities were implemented in Kamwenge district by 30th June 2014:

- Five HLFOs were strengthened through training: two were located in Bihanga sub county and they were dealing in dairy and maize; two were located in Biguli sub county also focusing on dairy and maize; and one was located in Kahunge sub county and was dealing in the dairy enterprise.
- The district and subcounty undertook quarterly supervision, monitoring and technical and financial audits.
- Six adaptive research trials on various enterprises were established in six subcounties as follows: Kahunge (irish potatoes); Nyabani (irish potatoes); Kicheche (cassava); Busiriba (irish potatoes); Machyoro (rice) and Bwizi (bananas). The yields were poor in three sub counties (Kahunge, Nyabani and Busiriba) and hence the seeds were not multiplied.
- Inputs and technologies were distributed to farmers. The MOFs were given goats, heifers and coffee seedlings enterprises while the FSFs received improved planting materials for beans, maize, groundnuts, bananas and cassava.
- A total of 4,015 farmers were provided with agricultural advisory services.

Challenges

1) Poor implementation of the NAADS programme due to inadequate staffing. The contracts of the DNC and 10 out of 13 sub county NAADS Coordinators (SNCs) had expired. The DPMC had died.
2) Slow implementation of the programme due to delayed release and transfer of funds by MFPED and the district respectively in some quarters.

Recommendations

1) The district working with the Ministry of Public Service should fill the staffing gaps in the District Production Department.
2) The MFPED and CAO should ensure timely release and transfer of funds to the NAADS accounts.

The monitoring team visited Kamwenge Town Council to assess progress in programme implementation in the LLGs.

Kamwenge Town Council

Financial performance

The total release to Kamwenge Town Council (TC) for FY 2013/14 was Ug shs 84,143,724. All funds were expended by 30th June 2014 and the key expenditures that were incurred are summarized in Table 4.16. More than a half of the available funds (61%) were spent on operational costs and programme coordination.

Table 4.16: NAADS expenditures in Kamwenge Town Council by 30th June 2014

Item	Beneficiaries/enterprises	Amount spent (Ug shs)	% of total spent
Technologies for MOFs	18 MOFs each got one heifer at Ug shs 750,000	13,500,000	33%
Technologies for FSFs	98 FSFs each got 15kg beans and two hand hoes. Package was valued at Ug shs 94,000	14,340,600	
	55 FSFs each got 10kg of groundnuts, two hoes and one forked hoe; package was valued at Ug shs 89,800		
	Two FSFs each got 40 banana suckers, two hoes and I forked hoe; package was valued at 94,800		
Staff contracts	Two AASPs and SNC	2,970,000	4%
Field allowances	For two AASPs at Ug shs 75,000 per month	1,800,000	2%
Office running expenses, fuel, motor cycle repair and insurance, setting up field trails, monitoring and supervision		51,533,124	61%
Total		**84,143,724**	

Source: Kamwenge TC NAADS office

The monitoring team visited two farmers to verify receipt of inputs and technologies:

NAADS heifer on Mrs. Tushabe's farm in Kamwenge TC

- **Mrs. Peace Tushabe** of Galiraya village, Kitonzi ward confirmed receipt of an incalf heifer from the NAADS programme in June 2014 as a MOF. The heifer was noted to be of good quality and had produced a calf. The farmer reported that she cofunded the project with Ug shs 35,000

- **Mr. Lawrence Mayanja** of Kabingo 1 village, Masaka Ward is a FSF and a member of Kabingo 1 Gamba Nokola Farmers Group. He received 50 banana suckers, two hoes, one forked hoe and 10kg of bean seeds. He harvested 150kg beans out of which 15kg were given back to the group and the rest was still in storage. He noted one major challenge of low production due to soil infertility and late supply of inputs when the rains were almost ending. He recommended that the MAAIF should provide fertilizers to farmers at subsidized costs.

Challenges

1) Low outreach of advisory services due to the inadequate funds that are allocated to field allowances for AASPs. With the limited funds, the AASPs provide advisory services to nine out of 120 groups in any given month.
2) Mishandling of NAADS inputs by farmers. Most farmers were poorly selected and had no resources to feed and treat the animals; some ate the seeds.
3) Low adoption of improved technologies due to their high costs on the open market. For example, the local beans could be sourced at Ug shs 1,000 per kg while improved varieties like K132 and NABE4 were sold at Ug shs 3,000 per kg.

Recommendations

1) The MAAIF/NAADS Secretariat should prioritise advisory services and allocate them more funds.
2) The district and sub county production staff should get more actively involved in supervising the processes of farmer selection.
3) The MAAIF should provide support to seed companies to sell improved planting materials to farmers at subsidized costs.

Kanungu district

Introduction

The NAADS programme in Kanungu district is implemented in 13 sub counties and 4 town councils. The monitoring team assessed the mainstream interventions that were financed by the district and the presidential pledges that were handled as delegated procurements and funded by the NAADS Secretariat.

Financial performance

The approved budget for the NAADS programme in Kanungu district for FY 2013/14 was Ug shs 1,389,770,964, of which Ug shs 1,389,771,000 (100%) was released and expended by 30th June 2014. Out of the total funds expended, Ug shs 1,277,378,178 (92%) was spent at sub-county of which Ug shs 345,852,977 (27%) was spent on inputs and technologies for farmers and Ug shs 931,525,201 (73%) was for staff contracts and allowances, MSIPs and operational expenses. A total of Ug shs 112,392,822 (8%) was utilized for district level activities [26].

In addition, a total of Ug shs 85,714,000 was received by the district for controlling the banana bacterial wilt (BBW). These funds were fully expended, with Ug shs 26,214,000 being spent on district level activities while Ug shs 59,500,000 was utilized to interventions in the lower local governments (LLGs).

Physical performance

The following activities were implemented in Kanungu district by 30th June 2014:

- A total of 41 MSIPs were undertaken for different enterprises at sub county as follows: coffee (13), fish (4), rice (5), banana (4), tea (2), irish potatoes (3) and dairy (10). At district level, coffee and fish MSIPs were undertaken.
- Six plots for adaptive research on tea were established in Kihihi and Nyanga sub counties. Two of the sites were showing signs of good performance.
- FID activities were conducted in all sub counties by the NAADS Secretariat, CDOs and AASPs.
- A total of 2,706 farmers were supported with inputs and technologies worth Ug shs 345,852,977. These included 2,475 FSFs, 224 MOFs and 7 commercial farmers. The farmers were supported with inputs for the strategic commodities including fish, coffee, rice, beans, banana, tea, dairy, cattle and maize.
- One District Adaptive Research Support Team (DARST) meeting was held. Areas for research that were identified included: breeding of clarias fish, use of fertilizer on climbing beans, vaccines for controlling the East Coast Fever and value addition to bananas.
- Interventions were undertaken to control BBW. These included: training of trainers for AASPs and SNCs; sensitization of political and technical leaders and farmers; radio talk shows; two rounds of technical backstopping in 13 heavily affected sub counties; setting up of 27 mother gardens for clean planting materials in Rugyeyo and kambuga sub counties; formulation and enforcement of byelaws and formation of BBW taskforces.
- The incidence of BBW in the district was reported to have declined from 15% at the beginning of the FY to less than 5% by 30th June 2014.
- Advisory services were provided for the strategic commodities.
- The JICA collaborated with the sub counties to promote rice growing in the sub counties of Nyamirama, Kihihi, Kanyantorogo and Kihihi TC.

Challenges

1) Low outreach of advisory services due to lack of motorcycles for the AASPs. The field allowances that were provided were inadequate.
2) Slow multiplication of NAADS technologies due to beneficiaries'failure to pay back part of their harvest to the groups revolving funds.

Recommendations

1) The MAAIF/NAADS Secretariat and the district should provide motorcycles to the production department field staff.
2) The NAADS Secretariat should revise the implementation guidelines to include enforcement mechanisms for farmers to pay back the technologies. For example, there should be a clause on having MoUs between host farmers and the group members.

Delegated procurements by the NAADS Secretariat

The district handled two presidential pledges as delegated procurements on behalf of the NAADS Secretariat including a) Goats for the youth and b) Tea project. These were multi year projects that are still under implementation and the progress by 31st July 2014 is presented below.

Goats for the youth

Physical performance

As part of fulfilling presidential pledges, the district procured with finances from NAADS Secretariat 250 goats worth Ug shs 29.5 million in June 2013 and distributed them in FY 2013/14 to 18 youth groups. The project performance is shown in Table 4.17. By 30th June 2014, the goats had increased to 368.

Table 4.17: Performance of NAADS goats distributed to youth groups by June 30th 2014

Sub county	Benefitting group	Goats given	Goats dead/stolen/ sold	Young goats produced	Total goats
Rutenga	Rutenga S/C General youth Ass	14	1	14	27
Kambuga TC	Kambuga United youth group	14	-	12	26
Kanungu TC	Eastern Ward youth group	14	1	8	21
Kanungu TC	Western Ward youth group	12	1	4	15
Kanyantorogo	Kihanda youth	14	1	4	17
Kanyantorogo	Twimukye group**	14	-	-	-
Nyamirama	Kayenje youth development	14	1	7	20
Kayonza	Bwindi Youth development Assoc.	14	0	5	19
Nyanga	Kamahe youth development Ass.	14	2	6	18
Rugyeyo	Kashojwa youth bee keepers	14	1	4	17
Butogota TC	Kyabuyorwa youth group	14	3	5	16
Nyakinoni	Samaria youth group	14	2	18	30
Mpungu	Mpungu Tukwatanise	14	1	0	13
Kambuga TC	Bwanga youth project	14	0	15	29

Kihiihi	Kihihi youth savings devt assoc.	14	2	12	24
Kirima	Kirima youth development group	14	2	9	21
Kihihi TC	Bihomborwa youth group	14	2	9	21
Katete	Muyenga youth group	14	2	5	17
Kinaaba	Kinaaba Agricultural youth assoc.	14	1	4	17
Total		**250**	**23**	**141**	**368**

Source: Kanungu District NAADS office; field findings

Note** There was no information on the performance of this group.

Challenge: By 31st July 2014, the supplier of goats had not been paid for a delivery that was made one year ago. Four requisitions had been made by the district to the NAADS Secretariat but no response had been received on the matter.

Recommendation: The NAADS Secretariat should expedite payment of the supplier of goats Mr. Agaba Augustine of Kanungu district.

Tea project

Introduction

As part of fulfilling presidential pledges, Kanungu district has received support from the NAADS Secretariat to procure and distribute tea seedlings since FY 2008/2009. For example, the district was recorded by NAADS Secretariat as having received Ug shs 7 billion worth of tea seedlings in FY 2013/14.

Physical performance

A total of 56,730,040 tea seedlings were procured and distributed to about 10,000 farmers in Kanungu district between FY 2008/09 and FY 2013/14 (Table 4.18). Ten sub counties benefitted from the project namely: Mpungu, Kinaba, Rutenga, Rugyeyo, Kanungu TC, Kambuga, Kirima, Kanyantorogo and Butogota.

Table 4.18: NAADS tea seedlings distributed in Kanungu district by 30th June 2014

Period	Lead agency	No of seedlings	Amount involved (Ug shs)
2008 – 2011	Kinkizi	5,713,345	2,000,000,000
April 2012	Kayonza	1,850,949	647,832,150
June 2012	Kinkizi	6,052,631	2,300,000,000
March 2013	Kayonza	1,184,211	367,105,410
	Kinkizi	4,289,362	1,630,000,000
May 2013	Kayonza	1,095,645	500,000,000
	Kinkizi	4,210,526	1,600,000,000
June 2013	Kayonza	2,651,578	1,000,000,000
	Kinkizi	10,526,315	4,000,000,000
FY 2013/14	Kinkizi and Kayonza	11,155,478	4,239,081,640
FY 2013/14	Kinkizi and Kayonza	8,000,000	3,040,000,000
Grand total		**56,730,040**	**21,324,019,200**

Source: Kanungu district NAADS office; field findings

By 31st July 2014, the NAADS Secretariat had paid Ug shs 14,044,937,560 for 37,574,673 seedlings that were distributed by June 2013. The other seedlings were yet to be paid for.

Challenge: Delayed payment of suppliers by the NAADS Secretariat; although the suppliers started distributing seedlings to farmers in 2008, payments commenced in 2011.

Recommendation: The MAAIF/NAADS Secretariat should ensure that suppliers are paid not later than one month after making deliveries to farmers.

The monitoring team visited Makiro Parish which was one of the major beneficiaries of the tea seedlings over the years to assess performance.

Case study: Makiro Parish Tea Project

Background

Makiro Catholic Parish located in Southern Ward, Kanungu TC started a tea growing project in October 2010. The project was estimated to cost Ug shs 700 million for bush clearing, planting weeding and fertilizer application. The parish applied to government for support to procure tea seedlings and meet some of the operational costs.

Physical performance

Between FY 2010/11 and FY 2013/14, the Makiro Parish benefitted from 7 million tea seedlings worth Ug shs 2.1 billion. The parish has planted 700 acres of tea plantations, 300 acres of which were in production. The parish borrowed Ug shs 5 million every month starting October 2010 from Kinkizi Development Company to plant and maintain the tea plantations. By December 2013, the loan had accumulated to 300 million.

NAADS supported tea project in Makiro parish Kanungu district

In June 2014, the parish applied to the government to provide a grant of Ug shs 500 million that would partly settle this outstanding loan and also be used to purchase a lorry, fertilizers and herbicides. No response had been received yet by the parish on this matter.

Kotido district

Introduction

Kotido district benefitted from delegated procurements from NAADS Secretariat since FY 2012/13 up to date. Hence, the monitoring work focused on the district financed interventions as well as the delegated procurements.

Financial performance

The approved budget for the NAADS programme in Kotido district in FY 2013/14 was Ug shs 666,150,288. The budget was fully released and expended with Ug shs 138,435,000 (21%) being spent on contract salaries and Ug shs 527,715,288 (79%) being utilized for technologies and advisory services[27]. The district and sub county NAADS Coordinators were not available to provide detailed financial perfoamcne data on the programme.

Physical performance

The following activities were implemented in Kotodo district by 30th June 2014:

- A total of 1,320 FSFs and 120 MOFs were supported with inputs and technologies. The FSFs were each given 10kg of either sorghum, maize, simsim and bean seeds, three hoes and a panga all worth Ug shs 100,000. The MOFs were each given three to five goats and 90kg of either maize, beans, groundnuts and simsim seeds all valued at Ug shs 750,000. This implies a total of Ug shs 222 million (42% of total expenditures at sub county lvel) was spent on technologies and inputs for farmers.
- Demonstration sites were set up for beans and sunflower technologies.
- FID was conducted for all the registered farmer groups in the district.
- Joint monitoring and supervision of the programme was undertaken by political and technical officials at district and sub county level.
- Advisory services were provided to farmers by the AASPs.
- Six MSIPs were held in six sub counties as follows: Kotido (maize), Rengen (groundnuts), Nakapelimoru (millet), Panyanagara (simsim), Kacheri (sunflower) and Kotido TC (beans).

Challenges

1) Delayed implementation of the programme due to the lengthy community procurement processes handled by people who lack capacity.
2) Limited reach of advisory services due to the inadequate funds allocated to the extension workers.

Recommendations

1) The District Community Development office should intensify adult literacy at the community level.
2) The NAADS Secretariat should prioritise provision of advisory services to farmers and allocate more resources to this function.

Delegated procurements by the NAADS Secretariat

Kotido district handled four delegated procurements for the NAADS Secretariat for goats, cassava, oil press mill and sunflower seed. Some projects started in FY 2012/13 and where still ongoing in FY 2013/14.

Goats project

In May 2013, Kotido district forwarded a request to NAADS Secretariat to support youth in five sub-counties (Kotido, Panyangara, Kachyera, Rengen and Kotido TC) with goats. The district received an order from NAADS Secretariat within the same month to purchase and distribute 250 goats to youth in the five sub counties. A contract was awarded to a local supplier and the 250 goats were procured in June 2013.

Distribution of the goats started in July – August 2013; 50 youth in Kotido TC each received one goat. However, the supplier was not paid. He did not supply to the other sub counties and withdrew the goats that had been distributed in Kotido TC. By 2nd July 2014, the supplier had not been paid but the youth were demanding for their goats.

Recommendation: The NAADS Secretariat should be reconsider concluding this procurement, paying the supplier and providing goats to the youth.

Cassava project

Kotido district officials acknowledged receipt of 100 bags of cassava planting materials in August 2013 from the NAADS Secretariat. The cassava cuttings where distributed to a group of farmers in the wet belt in Kotido sub county.

The monitoring team visited the beneficiaries who were located in Kotidany village, Lokitelabu parish, Kotido sub county. The group leaders acknowledged receipt of 97 bags of cassava cuttings; they reported that three bags disappeared during transit. The cuttings were distributed among 97 members each receiving one bag in August 2013. The quality of the cassava cuttings were noted to be of good quality by the beneficiaries. The cuttings were planted and were still young. The beneficiaries also benefitted from training by extension workers from the district and sub county

Challenges: Termites that were destroying the crop, inadequate planting materials and advisory services and lack of farm tools.

Recommendations: The MAAIF should provide oxen and ox-ploughs and more advisory services to the farmers.

Cassava gardens in Kotidany village Kotido sub county

Oil press mill project

The district requested the NAADS Secretariat in December 2012 to provide an oil press mill to farmers for squeezing oil from sunflower. The NAADS Secretariat wrote to the district by March 2013 indicating that they could go ahead to procure the press mill. The district identified land in Kanawad parish to construct the structure that would house the mill. The district did not have a contracts committee and hence the procurement stalled for one year.

In May 2014, the district contracts committee was formed; it awarded a contract for constructing the structure that would house the mill. However, the FY 2013/14 ended before the NAADS Secretariat had availed funds for the construction to commence. The oil press mill was procured by the NAADS Secretariat and stored at the Nabuin ZARDI in Moroto district.

Recommendation: The NAADS Secretariat should avail funds to the district in FY 2014/15 for construction of the structure for housing the mill.

Sunflower seed project

Kotido district officials acknowledged receipt of 10,000 kg of sunflower seed in June 2014 from the NAADS Secretariat. The sunflower growing sub counties were allocated 1,600 kg of seed each for distribution to farmer groups. By 2nd July 2014, the sub counties of Kotido TC, Rengen, Kotido, Panyagara and parts of Nakaperemor had collected their allocations from the district.

The monitoring team noted that the district lacked proper storage facilities for the treated sunflower seeds. They were stored in the District Production Department offices, posing a health hazard to the workers as they emitted chemical substances. The officers were noted to have developed coughs and flu from these chemicals.

Left: Sunflower seeds from NAADS Secretariat stored at the Kotido district production offices Right: Officer working beside the seeds that were stored in his office

Challenges

1) Late planting of sunflower seed due to delayed procurement processes/lack of a contract committee.
2) Poor implementation of the project due to lack of communication from NAADS Secretariat to the district about the award of the procurement. The beneficiary groups had not yet been sensitized or trained by the time the seeds were delivered abruptly to the district.
3) Some of the seeds were not collected from the district as farmers in remote sub counties lacked transport means.

Recommendations

1) The district should have a functional contracts committee to handle procurements in a timely manner.
2) The NAADS Secretariat should inform the districts about the technologies that would be distributed at the beginning of the FY so that they are planned for.

Lira district

Introduction

Lira district is composed of 13 sub counties namely: Adekokwok, Ngetta, Amach, Agali, Aromo, Barr, Lira, Ogur, Agweng, Adyel, Central, Ojwina and Railways. The monitoring team assessed NAADS performance at district and sub county level and visited Ngetta sub-county.

Financial performance

The approved budget for the NAADS programme in Lira district in FY 2013/14 was Ug shs 1,350,785,794; the funds were fully disbursed and expended by 30th June 2014. The funds were spent as follows: Ug shs 254,985,000 (19%) on contract salaries, Ug shs 564,000,000 (42%) on technologies and inputs for farmers and Ug shs 531,800,794 (39%) on agricultural advisory services. Of the funds that were spent on technologies, Ug shs 339 million was for FSFs while Ug shs 225 million was for MOFs[28].

Of the total releases, Ug shs 116,942,000 (9%) was spent on district level interventions while Ug shs 1,233,843,794 (91%) was utilised at the sub county level.

Physical performance

The following activities were implemented in Lira district by 30th June 2014:

- Four adaptive trial sites of cassava variety NASE 14 were established in Barr, Lira, Ogur and Aroma sub counties.
- Six adaptive research trials for banana multiplication were established in Adekokwok, Ngetta, Amach, Agali and Barr sub counties.
- Established six MSIPs for cassava, banana, citrus, apiary, maize and rice
- Nine training sessions were conducted for SNCs and AASPs by the district officials
- A total of 375 farmer groups were trained under the FID component
- A total of 1,693 farmer groups were trained and provided with advisory services by AASPs
- Seven HLFOs were registered and functional under NAADS
- A total of 3,391 FSFs and 300 MOFs were supported with technologies. The technologies that were distributed to farmers are summarized in Table 4.19.

Table 4.19: NAADS inputs/technologies distributed in Lira district by 30th June 2014

	Inputs/technologies	**Quantity**	**No of beneficiary farmers**
1	Beans	24029kgs	1,033
2	Maize	1995.5 kgs	78
3	Rice	641 kgs	26
4	Banana	23,267 combs	920
5	Local chicken	1016	51
6	Hand hoes	2,882 pieces	1408
7	Piggery	127	21
8	Cassava cuttings	123 bags	61
9	Improved beehives- KTB	158	92
10	Fish fingerlings	1951	
11	Assorted inputs-feeds, wormicides, barbed wire	Various quantities depending on type	
12	Anti-biotics, acaricides	Various quantities	

Source: Lira district NAADS office

Challenges

1) Non-functional Savings and Credit Cooperative Organisations (SACCOs) in most sub counties limited repayment by MOFs. The MOFs were supposed to refund 70% of the worth of the technologies that they received to their groups through SACCOs.
2) Delayed implementation of the programme due to the late release of technology funds that are provided in small tranches.

3) Late procurement and programme implementation due to untimely preparation of workplans and budgets and reporting, especially by the lower local governments.

Recommendations

1) The NAADS Secretariat could consider changing the implementation guidelines such that MOFs repay the technologies inkind back to their groups.
2) The MFPED/NAADS Secretariat should ensure timely release of technology funds. The bulk of funds should be released by quarter two.
3) The NAADS Secretariat should enforce a reward and sanction system to enhance competitiveness and performance among the spending entities.

The monitoring team visited Ngetta sub county and some farmers to assess implementation progress.

<u>Ngetta sub county</u>

Financial performance

The approved budget for the NAADS programme in Ngetta subcounty for FY 2013/14 was Ug shs 100,890,000 of which Ug shs 93,641,132 (93%) was released and fully spent. The sub county and farmers co-funded Ug shs 1,411,793 such that the total amount spent, including the MFPED transfers was Ug shs 95,052,925[29]. The available funds were spent as shown in Table 4.20. Most funds were spent on technology promotion (38%) and delivery of advisory services (38%).

Table 4.20: NAADS expenditures in Ngetta sub county by 30th June 2014

No.	Item	Amount spent (Ug shs)	Proportion of total spent (%)
1	Agricultural advisory services (staff contracts, NSSF, field allowances)	36,457,500	38
2	Technology development and promotion for FSFs and MOFs	35,999,920	38
3	Programme coordination and monitoring and evaluation	16,639,405	18
4	Joint planning, priority setting in MSIPs	1,196,500	1
5	Farmer institutional development	3,060,000	3
6	Support to farmer fora and community based facilitators	1,699,600	2
	Total	**95,052,925**	

Source: Ngetta sub county NAADS office

Physical performance

The following activities were implemented in Ngetta sub county by 30th June 2014:

- Three MSIPs were formed, one each for bananas, citrus and aquaculture
- Training and advisory services were provided to farmer groups
- Technologies and inputs were distributed to farmers during March and May 2014 (Table 4.21). *Information was not availed on the number of beneficiaries.*

Table 4.21: NAADS inputs and technologies in Ngetta sub county by 30th June 2014

Farmer category	Inputs	Quantity	Unit price (Ug shs)
Food security farmers	Hand hoes	210 pieces	12,000
	Improved bean seeds	3,102kgs	4,000
	Cassava cuttings	34 bags	44,000
	Improved banana suckers	1,525 suckers	3,000
Market oriented farmers	Apiary – improved bee hives and stand	10	
	Apiary –smokers, overall, veil, air tight buckets	1 of each	40,000
	Apiary – gum boots	1	20,000
	Citrus seedlings	110	
	Fencing barbed wire	1 Roll	151,000
	Knapsack sprayer	1 piece	100,000
	Fungicides and insecticides		
	Improved banana suckers	4,000	3,000

Source: Ngetta sub county NAADS office; field findings

Case studies

The monitoring team visited two farmers in Ngetta sub county to verify receipt of NAADS inputs in FY 2013/14:

- Mr. Apolo Maxwell residing in Ongura village, Ongura parish confirmed receipt of 250 banana suckers as a MOF from the NAADS programme during March 2014. The bananas were planted and were growing well.

Banana garden at Mr. Maxwell's farm in Ongura village Ngetta sub county

- Ms. Christine Otim, a MOF residing in Teatura village, Anyanggapuc parish confirmed receipt of 250 banana suckers from the NAADS which were planted in May 2014. Some of the banana suckers were rotten at the time of delivery and the farmer lost 30 stems. The supplier Ngetta United Bananas Growers Association replaced 20 out of the 30 rotten suckers. The farmer faced two key challenges: stray animals that destroyed the plants and labour constraints.

Challenges in Ngetta sub county

1) Delayed supply of inputs to farmers due to the low capacity of the suppliers that are contracted.
2) Low turn up of farmers at training venues due to poor mobilization by the CBFs who are not well facilitated.
3) Slow multiplication of technologies due to failure by farmers to pay back and co-fund as per the NAADS guidelines.

Recommendations

1) The sub county procurement committee should contract competent suppliers who can deliver inputs and technologies in time.
2) The district leaders should ensure that all stakeholders (local council leaders, politicians and technical staff) are involved in mobilizing farmers to attend agricultural trainings.
3) The NAADS Secretariat should review the implementation guidelines to include mechanisms for enforcing payback and co-funding of technologies by farmers.

Masaka district

Introduction

Masaka district has six rural sub counties and three municipality divisions namely: Buwunga, Kabonera, Mukungwe, Kyanamukaaka, Kyesiga, Bukakata, Katwe-Butego and Kimanya-Kabakuza.

Financial performance

The approved budget for the NAADS programme in Masaka district for FY 2013/14 was Ug shs 854,412,000 of which Ug shs 854,410,990 (99.99%) was released.

Total local government co-funding was Ug shs 25,269,500 of which Ug shs 7,151,000 (28%) was contributed by the district and Ug shs 18,118,500 (72%) was from the sub counties. The total funds available in the district for expenditure (including MFPED and district contributions) therefore amounted to Ug shs 879,680,490[30]. By 30th June 2014, Ug shs 872,035,070 (99% of total available funds) had been spent (Table 4.22). Half of the funds (50%) were spent on staff contracts, field allowances and other statutory expenses.

Table 4.22: NAADS expenditures in Masaka district by 30th June 2014

No.	Expenditure item	Amount spent (Ug shs)	Proportion of total spent (%)
1	Agricultural advisory services (staff contracts, NSSF, field allowances, media)	431,701,509	50
2	Technology development and promotion for FSFs and MOFs	242,780,150	28
3	Joint planning, priority setting (MSIP)	24,233,814	3
4	Farmers institutional development (FID)	25,635,000	3
5	Support to Farmers For a	14,075,500	2
6	Programme coordination, M&E and audits	106,054,397	12
7	Research/extension and DARST teams	10,527,650	1
8	Other activities – planning/review meetings, market information, human capacity strengthening	17,027,050	2
	Total	**872,035,070**	**100**

Source: Masaka district NAADS office

Physical performance

The following activities were implemented in Masaka district by 30th June 2014:

- A total of 8,699 farmers received advisory services, out of whom 1,776 farmers received technical backstopping.
- Technical support was provided to three HLFOs participating in coffee, piggery and pineapples
- Coffee MSIPs were held in all the nine sub counties
- Financial and technical audits were undertaken in all the sub counties on a quarterly basis
- Two adaptive trials on improved bananas and coffee wilt disease resistant varieties were established in Mukungwe and Buwunga sub counties.
- One training meeting was conducted for 18 AASPs and nine CDOs
- A total of 1,230 FSFs and 151 MOFs were supported with inputs and technologies. The enterprises that they benefitted from are summarized in Table 4.23.

Table 4.23: NAADS enterprises distributed to farmers in Masaka district by 30th June 2014

Enterprise	Number of farmers benefitting from the enterprise	
	FSFs	MOFs
Maize	619	-
Beans	301	-
Piggery	193	26
Poultry	107	25
Banana	1	3
Sweet potatoes	9	
Goats	-	1
Coffee	-	89
Pineapple	-	6
Vegetable	-	1
Total	**1,230**	**151**

Source: Masaka district NAADS office

Challenges

1) Failure to involve other staff in the district production office in implementing the programme as they are not renumerated as well as the NAADS officers.
2) The stakeholder reviews at all levels were considered irrelevant and reduced available funds for technologies for farmers.
3) Low production and productivity of crop technologies that were distributed late when rains had reduced. The late delivery of technologies was attributable to delays in commencing the procurement processes.
4) The HLFO were not sustainable as they lacked continuous mentoring and support from Government.
5) Inadequate attention to achievement of set targets for the programme by district officials due to the poor reporting lines. The district production department was reporting to the Ministry of Local Government (MOLG) which was not paying any attention to achievement of targets in the agricultural sector.

Recommendations

1) The MAAIF should implement the single spine system and mainstream the NAADS in the general production department programmes.
2) The NAADS Secretariat should reduce funds for stakeholder reviews and re-allocate it to technologies. The reviews should be held only at the district and sub county level.
3) The district should start technology procurements early and distribute them at the start of the rain season.
4) The districts should link HLFOs to the Uganda Cooperative Alliance (UCA) that can enhance their capacity and sustainability.
5) The Ministry of Public Service should review and streamline the reporting lines in the agriculture sector; a direct reporting line between MAAIF and the District Production Departments should be established.

Mbarara district

Introduction

Mbarara district is composed of 17 sub counties. The NAADS program in Mbarara district and Bubare sub county was last monitored in Q3 of FY 2013/14. The key challenges that were noted were late receipt of funds, lengthy procurement and funds requisition processes leading to delayed programme implementation; too much paper work and movement to the district by Sub county NAADS Coordinators reducing their effectiveness; high politisation of NAADS program and low pay back of technologies by farmers[31].

During this monitoring round, the focus was at district level and Ndeija sub-county was visited. The findings are presented below.

Financial performance

The approved budget for the NAADS programme in Mbarara district for FY 2013/14 was Ug shs 1,518,213,711. A total of Ug shs 1,710,021,250 (113%) was released for NAADS in FY 2013/14, including special funds (Ug shs 93,245,000) for salaries for Q4 FY 2012/13 and allocations for controlling the BBW (Ug shs 85,714,000)[32].

Funds transfer from the District NAADS Account to the sub counties was slow, taking almost two months in the second quarter and 15 days in the third quarter. This led to slow programme implementation at the sub-county level. The expenditures that were incurred in Mbarara district in FY 2013/14 are summarized in Table 4.24.

Table 4.24: NAADS expenditures in Mbarara district in FY 2013/2014

Item	Amount spent (Ug shs)
District level	
District NAADS Coordinator and 17 SNCs contracts	30,354,000
Multi Stakeholder Innovation Platforms	9,042,000
District operational and vehicle maintenance	24,656,169
Review meetings	3,660,000
District adaptive research	3,220,000
Technical and financial audits	7,709,000
Support for FID implementation	2,000,000
Other activities (M&E, Communication)	4,388,000
Sub-total	**85,029,169**
Sub county level	
Technologies for FSFs and MOFs	452,233,000
Operational costs	869,310,000
CBF Training funds	6,798,000
Wages	70,780,000
Banana bacterial wilt activities	59,500,000
Sub-total	**1,458,621,000**
Grand total	**1,543,650,169**

Source: Mbarara district NAADS office

Note: The district level expenditures were as at 20th May 2014 while the sub-county level expenditures were as at 30th June 2014.

Physical performance

The following activities were implemented in Mbarara district by 17th July 2014:

- Set up 12 sites for adaptive research in the sub counties of Rugando, Ndeija, Nyamutanga Division, Bubare, Rubindi, Biharwe, Rwanyamambe, Mwizi, Kamukuzi Division, Nyakayojo, Kagongi and Rubaya. Training in adaptive research management was conducted for 24 NAADS Coordinators and AASPs for the 12 sites in November 2013. Twenty four bags of fertilizer were purchased and applied at the sites in August 2014.
- Adaptive research on bananas, coffee and fertilizers was conducted at two of the above sites (Rwanyahembe and Mwizi sub counties).
- Five MSIPs were held at district level, one each for dairy, bananas, tea, fruits and coffee. Subsequently, MSIP committees for fruits and coffee were formed at district level; the Ankole Banana Innovation Platform was formed at regional level with support from Bill Gates Foundation. This was done as a partnership between Mbarara ZARDI, Mbarara District Farmers Association, local governments and an NGO involved in value addition/processing Excel Hort Consult.
- Technical backstopping and supervision of NAADS activities was conducted in all sub counties.
- Held coffee show for all sub counties in Ndeija sub county.
- Carried out training for HLFOs in agriculture business market linkages and farmer organization development in the sub counties of Nyamitanga Division, Ndeija, Kamukuzi, Rubaya, Kashare and Kagongi.
- Received 3 motorcycles from NAADS Secretariat.
- Launched artificial insemination programme for Western Uganda in Kiruhura district.

- Held two field days, one of Kiggaga seed producers in Mwizi sub-county; and another in Mbarara ZARDI.
- All the 16 motorcycles for the sub counties were engraved and insured. The motorcycle belonging to Nyakayojo sub county was stolen.
- Technologies and inputs were procured and distributed to a total of 2,172 FSFs, 113 MOFs and 4 Commercializing farmers. The technologies that were distributed are presented in Table 4.25.

Table 4.25: NAADS technologies distributed in Mbarara district in FY 2013/2014

Enterprise	Quantity provided	Beneficiary category
Hand hoes	887 pieces	Food Security
Beans	34,500 kgs	Food Security
Groundnuts	4,300kgs	Food security
Cabbage seeds	437 sackets	Food security
Coffee seedlings	43,444 seedlings	Market oriented
Herbicides	84 litres	Food security
Goats	372	Market oriented
Goat structures	23	Market oriented
Galvanized wire	6 rolls	Market oriented
Heifers	7	Market oriented
Fertilizers	35 bags	Market oriented
Apple	1,505 seedlings	Market oriented
Knapsack sprayers	69 pieces	Market oriented
Watering cans	33 pieces	Market oriented
Bio gas technology	2 units	Commercial
Maize	20 kgs	Food security
Pesticides	33 litres	Food security
Fungicides	280 litres	Market oriented
Wheel barrows	14 pieces	Market oriented
Tarpaulins	42 pieces	Market oriented
Piglets	8	Food security
Forked hoes	39 pieces	Market oriented
Irish potatoes	11 bags	Food security

Source: Mbarara District Performance Reports; Field findings

With regard to the banana bacterial wilt (BBW) disease, a number of interventions where undertaken in the district which led to reduction in the prevalence rate from 15% in October 2013 to 1.5% in June 2014. These included:

- Formation of BBW taskforces at district and sub county level.
- Training of trainers, distribution of training materials to farmers and implementation of BBW campaigns and sensitization of stakeholders in all the sub-counties.
- Arrest of all farmers who were not abiding by the bylaws, including uprooting infected plants.

Challenges

1) Slow funds disbursement due to frequent IFMS breakdown and non-functionality during the first three quarters of FY 2013/14.
2) Poor programme performance due to low staff morale associated with anticipation of termination of contracts.
3) Poor payback of technologies by MOFs at 65% performance level.
4) Re-emergency of BBW in some parts of the district as control activities were one off rather than continuous.
5) Low crop productivity due to high soil infertility.

Recommendations

1) The MFPED should ensure proper functionality and maintenance of the IFMS system.
2) The MAAIF should complete the restructuring process of the District Production Units and implement the single spine structure.
3) The district officials should sensitize farmers about the importance of paying back technologies and enforce the MoUs that were signed between farmer groups and sub counties.
4) The MAAIF should budget for and release funds to the districts on a quarterly basis for BBW control.
5) The MAAIF should incorporate sustainable soil, water and land management in all farm level interventions.

The monitoring team visited Ndeija sub county to verify receipt of funds and assess progress in programme implementation. The findings are presented below.

Ndeija Sub County

Introduction

Ndeija subcounty in Mbarara district is composed of eight parishes namely: Kakigani, Kongoro, Nyeihanga, Ndeija, Kibare, Nyakikare, Bujaga and Rwensinga.

Financial performance

The sub county officials confirmed receipt of Ug shs 98,287,624 from MFPED for the NAADS programme in FY 2013/14. This was complimented with co funding from the sub-county (Ug shs 3 million) and farmer groups (Ug shs 1.6 million). Total available funds for expenditure totaled Ug shs 102,887,624.

The funds were expended as shown in Table 4.26. More than a half (52%) of the available funds were spent on procurement of technologies of farmers followed by payment of NAADS Coordinator and AASPs Contracts (31%).

Table 4.26: NAADS Expenditures in Ndeija sub county by 30th June 2014

Item	Amount spent (Ug shs)
NAADS Coordinator and AASP Contracts/Gratuity	32,214,600
NAADS Coordinator and AASP 10% NSSF	3,675,000
Technologies for FSFs and MoFs	54,110,459
Farmer Institutional Development	2,160,000
Holding MSIPs	1,250,000
Sub-county farmers M&E activities and field days	2,380,000
Facilitation allowances for AASPs and CBFs	3,801,478
Training CBFs	650,000
Meetings and other operational costs	4,400,000
Total expenditures**	**104,641,537**

Source: Ndeija sub county NAADS office

Notes: One of the AASPs was transferred from the sub-county in December 2013; his salary and 10% NSSF for the remaining 7 months was reallocated to technologies for MOFs (Ug shs 11,675,400), BBW meetings (Ug shs 592,000) and adaptive research activities (Ug shs 1,740,000).

***Total expenditures were in excess of available revenue by Ug shs 1,753,913. The Sub-county NAADS Coordinator explained that there were other sub-county revenues that were also realized from co funding and spent on farmer field days but had not been receipted in NAADS records.*

Physical performance

The key activities that were implemented by the sub county during FY 2013/14 included the following:

- Trained of Sub county NAADS Coordinator, AASPs and CBFs in programme guidelines and procurement processes;
- Farmer field days were held to enhance adoption of technologies
- Farmer groups were formed
- Farmers were selected to benefit from technologies; the FSFs benefitted from planting materials of beans, groundnuts and vegetable seeds while the MOFs got were bananas, coffee and livestock enterprises.
- Technologies were distributed to a total of 160 FSFs, 27 MOFs and 02 farmer field schools.

Challenges

1) High mortality of crop enterprises due to the late release of funds by MFPED and transfer from the general fund account; as a result, inputs were procured and distributed late in the drought season.
2) Inadequate funds allocated to advisory services resulting in low outreach by AASPs.
3) Inconsistent implementation of the NAADS due to the complicated guidelines and procurement documents that were chaning frequently.
4) Reduced quantities of technologies given to farmers due to their high cost as a result of imposition of the 6% withholding tax.
5) Implementation of the NAADS was slower due to the low morale of staff linked to the politicization of the programme.

Recommendations

1) The MFPED and district should release the bulk of development funds to sub counties early in July-August in time for the main rains.
2) The MAAIF/NAADS Secretariat should restructure the district/subcounty budgets to provide more funds for farmer training, advisory services and demonstrations.
3) The MAAIF/NAADS Secretariat should consider delegating the technology procurement function to SACCOs.
4) The MAAIF should simplify the NAADS implementation guidelines. The guidelines should remain consistent for at least 2 years.
5) The MFPED could consider exempting agricultural inputs from taxation.

Moroto district

Introduction

Moroto district in Karamoja region is composed of six sub-counties namely: Tapac, Nadunget, Rupa, Kitikekile, Rupa, North Division and South Division. The monitoring team assessed performance at district level and sampled Nadunget and North Division for follow up of program implementation.

Financial performance

During FY 2013/14, Moroto district received a total Ug shs 701,463,922 from MFPED, of which Ug shs 580,871,000 (83%) was transferred to sub counties and Ug shs 120,594,000 (17%) was retained for district level activities[33]. Table 4.27 summarizes the utilization of these funds at the district and sub-county level.

Table 4.27: NAADS expenditures in Moroto district for FY 2013/14

Expenditure items/level	Amount spent (million Ug shs)
District level	
District Coordinator contract and NSSF	38,472
District MSIP	9,272
Planning meetings	8,561
Adaptive research trials	2,353
Facilitation allowances for various activities	15,374
Dissemination of advisory services and market information	7,399
FID implementation	3,632
District NAADS M&E activities	11,152
Motor vehicle expenses	13,238
Others	11,141
District sub-total	**120,594**
Sub county level	
Technologies for FSFs	153,400
Technologies for MOFs	86,450
Sub county Coordinators and AASPs contracts and NSSF	256,500
Sub-county MSIP	6,828
Facilitation allowances for various activities	56,460
Training of CBFs	2,129
Motorcycle running expenses	8,736
Others	10,373
Sub county sub-total	**580,871**
Grand Total	**701,464**

Source: Moroto District NAADS office

At district level, the DNC contract attracted the largest proportion of expenditures (40%) followed by facilitation allowances for DARST teams, District Farmer Fora and other technical teams (13%). At sub county level, staff contracts attracted almost a half (44%) of the funds spent, followed by technologies distributed to farmers (41%) and facilitation allowances (10%). Overall, the bulk of funds spent by Moroto district during FY 2013/14 under the NAADS program were on staff contracts (42%), technologies for farmers (37%) and facilitation allowances (12%).

Physical performance

The key activities that were implemented in Moroto district by 30th June 2014 included the following:

- Demonstration sites for pasture production and preservation and good livestock management practices were set up. The district undertook this activity in collaboration with the National Agricultural Research Organisation (NARO) Nabuin ZARDI.
- Formed farmer groups and sensitized farmers on methods of forming High Level Farmer Organisations (HLFO).
- Farmer groups and farmer organisations were established and empowered. This included trainings on improved technologies and methods.
- Procured and distributed inputs/technologies to 1,742 farmers (1,607 FSFs and 135 MOFs). The majority of farmers received goats which accounted for 69% of the total value for technologies (Table 4.28).

Table 4.28: Technologies distributed to farmers in Moroto district by 30th June 2014

Sub-county	Farmer category	Types/No of technologies	Total value* (Ug shs)	No. of beneficiaries
Nadunget	FSF	Maize (312kg), beans (130kg), hoes (52), goats (354)	38,000,000	380
	MOF	Goats (210), Vet kits (30)	22,500,000	30
Tapac	FSF	Goats (354), Vet kits (354)	37,400,000	354
	MOF	Heifers (30), vet kits (30)	21,750,000	30
Katikekile	FSF	Maize longe5 (2,950kg), beans (3,540kg)	29,500,000	295
	MOF	Goats (120), vet kits (24), maize longe5 (384kg), beans (288kg)	18,000,000	24
Rupa	FSF	Maize (264kg), beans (264kg), goats (273)	27,210,000	295
	MOF	Goats (204), vet kits (24)	20,268,000	34
North Division	FSF	Goats (120), turkeys (48), female pig (1), Hens (4), cock (1), vet starter kits (146), maize (30kg), beans (30kg), pesticides/fungicides (2 litres)	25,900,000	148
	MOF	Goats (46), heifers (2), vet kits (9)	6,465,000	9
South Division	FSF	Goats (146), turkeys (12), vet starter kits (135)	20,280,000	135
	MOF	Goats (56), vet kits (8)	6,880,000	8
Total			274,153,000	

Source: Moroto District NAADS office; field findings

Note Total value expended was higher than what was allocated for technology as it includes co-funding by sub-county and farmers and re-allocations of salaries for sub-county NAADS Coordinators and AASPs who were not in post.*

Challenges

1) Poor programme implementation due to inequitable/inadequate funds for motor vehicle running and other operational costs for hard to reach areas *"Remote districts in Karamoja region are allocated the same amount for motor running expenses as Jinja and Masaka that are near Kampala. All districts are mandated to travel to Kampala four times a year for meetings and to deliver reports which is too costly for remote districts*" DNC, Moroto district.
2) Low monitoring and supervision of the implementation processes as the program vehicle was dilapidated.
3) Low outreach and impact of the NAADS program as few beneficiaries were being targeted per parish with small input packages.
4) There was increasing food insecurity as the majority of farmers opted for the goat enterprise and few chose food security crops.

Recommendations

1) The NAADS Secretariat should review the allocation formula for operational expenses to include a markup for remote hard to reach districts.
2) The NAADS Secretariat should provide a new vehicle to Moroto district to enhance program follow up.
3) For enhanced impact, the MAAIF/NAADS should redesign the NAADS program to support few model/nucleus farmers with substantial investment focusing on irrigation, mechanization and value addition equipment.
4) The district and local leaders should sensitize farmers and encourage them to engage in mixed farming as a means of increasing household income while enhancing food security,

The monitoring team visited Nadungeti sub county and North Division to assess progress in NAADS implementation at the lower local government (LLG) level.

<u>Nadungeti subcounty</u>

Financial performance

The sub county received Ug shs 110,699,381 for the NAADS program for FY 2013/14. The sub-county added co-funding amounting to Ug shs 2,956,000 bringing the total available income to Ug shs 113,655,381.

Expenditures were as indicated in Table 4.29. Technology procurement attracted more than a half (53%) of the funds that were spent in Nadungeti sub county in FY 2013/14 followed by payment of contract salaries and gratuity (32%).

Table 4.29: NAADS expenditures in Nadungeti sub county by 30th June 2014

Item	Amount spent (Ug shs)	% of total expenditure
Technologies and inputs for farmers	60,500,000	53
Staff Contracts, NSSF and gratuity	36,345,000	32
Facilitation expenses for officers and farmers and MSIP	11,606,000	10
Training expenses	2,130,000	2
Operational expenses	3,074,381	3
Total	113,655,381	100

Source: Nadungeti sib-county NAADS office

Physical performance

The following activities were implemented in Nadungeti sub-county by 30th June 2014:

- Technologies were distributed to 380 FSFs as follows: 354 FSFs (93%) received goats worth Ug shs 100,000 each all totaling to Ug shs 35,400,000; 26 FSFs (7%) received maize and hand hoes worth Ug shs 100,000 per farmer and all totaling to 2,600,000. Total amount spent on FSFs was Ug shs 38,000,000.
- A total of 30 MoFs received 7 goats and a starter veterinary kit each valued at Ug 750,000. Total amount spent on MoFs was Ug shs 22,500,000.
- Four MSIPs were held for setting priorities, especially for pest and disease control.

Demonstration garden for maize and beans in Lotirir parish Moroto district

- A demonstration plot for maize and beans was established in Lotirir parish
- Vegetable gardens were set up in schools.

Challenges

1) Poor performance of goat enterprises due to failure by farmers to purchase the necessary drugs. Failure was associated by the dependency syndrome promoted by NGOs where by all inputs are distributed for free. Farmers expected GoU to provide a full package for managing the goat enterprises.
2) Low production and productivity from NAADS technologies due to erratic rains and drought spells.
3) Ineffectiveness of farmer foras due to the inadequate budget that is allocated to this activity.

Recommendations

1) The MAAIF, districts and LLGs should harmonise implementation approaches with NGOs to ensure that handouts are not given to farmers. Political leaders should sensitise and promote mindset change of farmers to engage in agriculture as a business.
2) The MAAIF should promote affordable irrigation systems as an integral part of agricultural sector interventions at farm level.
3) The NAADS Secretariat should review the relevance of the farmer foras.

North Division

The monitoring team visited two case study farmers in North Division to verify receipt of NAADS inputs:

Ms. Ayot Regina

The farmer resides in Junior Quarters. She joined the NAADS programme in 2013 with the expectation that she would access improved technologies to increase production and household income. In FY 2012/13, she received four goats as a FSF. In March 2014, she received a heifer valued at Ug shs 400,000 and she co-funded Ug shs 67,500 as a MOF.

Goats provided by NAADS at Ms. Ayot Regina's farm in Moroto district

In addition, she received two goats worth Ug shs 100,000 each but they died after eating polythene. The goats that she received in FY 2012/13 had multiplied and by end of June 2014, she had 13 goats in total. Key challenges: high incidence of pests and diseases, poor housing and polythene that had led to loss of 7 goats in FY 2013/14. Recommendation: The MAAIF should support poor farmers with materials to construct animal shelters.

Mr. Ichumar Jimmy The farmer is a Police Officer who resides in Moroto High Village in the police quarters. He acknowledged receipt of four goats as a FSF in FY 2012/13 and six goats in FY 2013/14 as a MOF, each valued at Ug shs 110,000/=. The goats were all in good health condition.

Goats provided by NAADS at Mr. Ichumar's residence in the police quarters, Moroto district.

Napak district

Introduction

Napak district was formed on 1st July 2010 and is composed of seven sub counties and one town council (TC) namely: Ngoleriet, Matany, Lotome, Lopeei, Lokopop, Lorengechora, Iriiri sub counties and Lorengechora Town Council. The monitoring team assessed performance at district level, including procurements that were delegated by NAADS Secretariat; and sampled Iriiri sub county for program follow up.

Financial performance

The approved budget for Napak district for the NAADS programme for FY 2013/14 was Ug shs 880, 695,410. These funds were fully released and expended by 30th June 2014. A total of Ug shs 171,735,000 (19% of the release) was spent on staff contracts while Ug shs 708,960,410 (81%) was expended on technologies and advisory services for farmers[34].

Physical performance

Data was limited on physical performance in Napak district as the NAADS Coordinators were no longer in office by 1st July 2014. The available information in the district production office indicated that the following had been done by 30th June 2014:

- Review meetings were held at district and sub county level
- Farmer training was conducted by the CDO, AASPs and SNCs
- Distributed inputs and technologies to 2,060 FSFs and 153 MOFs during April to June 2014. The key enterprises that were distributed were sheep, goats, cows, maize, beans, sunflower, turkeys, pigs, ox-ploughs and veterinary kits.
- As part of the delegated procurements from NAADS Secretariat, the district received 10 tonnes of maize longe 7 seed that was distributed to farmers in four sub-counties namely: Iriiri (4,550kgs), Lorengechora (2,900kgs), Matany (860kgs) and Lorengechora TC (1,690kg).
- In addition, a contract was signed on 2nd June 2014 with Lasa General Enterprises for Ug shs 29,615,250 to construct a maize mill house in Iriiri sub county. The construction was expected to commence in July 2014.

Challenges

1) Poor distribution of inputs from NAADS Secretariat due to lack of operational funds in the district budget; this expenditure item had not been planned for in the district workplan.
2) Late distribution of inputs to farmers due to the lengthy procument processes.

Recommendations

1) The NAADS Secretariat should provide operational funds for facilitating distribution of delegated inputs.
2) The PPDA should simplify further the procurement steps for goods and services.

The monitoring team visited Iriiri sub-county to assess performance of the district financed and delegated procurements by NAADS Secretariat.

Iriiri Sub County

Financial performance

The sub county received Ug shs 88,150,043 for implementing the NAADS programme, of which Ug shs 40,045,000 (45%) was spent on technologies (Table 4.30) and Ug shs 48,105,043 (55%) was expended on contract salaries, advisory services and other operational expenses. The funds were fully spent in the three parishes (Iriiri, Tepeth and Nabwal) by 30th June 2014.

Physical performance

The following activities were implemented in Iriiri sub county by 30th June 2014:

- All stakeholders in the sub county, parishes and villages were sensitized about the new implementation guidelines
- Sixty new farmer groups were established and trained in crop and animal husbandry
- Distributed inputs and technologies to 177 FSFs and 18 MOFs as shown in Table 4.30.

Table 4.30: NAADS inputs distributed in Iriiri sub county by 30th June 2014

Farmer category	No. of beneficiaries	Technology	Quantity of technology	Unit cost (Ug shs)	Total cost (Ug shs)
FSFs	153	Goats	153	95,000	14,535,000
	26	Piglets	52	50,000	2,600,000
	2	Turkeys	2	50,000	100,000
	1	Beans (kgs)	20	4,000	80,000
	8	Groundnuts (kgs)	160	4,000	640,000
MOFs	5	Heifers	5	650,000	3,250,000
	13	Bullocks	13	750,000	9,750,000
FSFs & MOFs	199	Veterinary kits			9,090,000
Total					**40,045,000**

Source: Iriiri subcounty NAADS office; field findings.

- As part of delegated procurements from NAADS Secretariat, the sub county received and distributed to farmer groups 4,500kgs of maize Longe 7 in May 2014. Groups took varying quantities of seed depending on the size of land owned, ranging between 20kgs and 120kgs per group. The monitoring team visited two of the groups that were recorded as having benefitted from the maize seed.

Case study farmers

Nakedo Farmers Group: the host farmer for the group Mr. Omayo Paul residing in Godown village in Iriiri Parish confirmed that the group received 20kgs of maize longe 7 in May 2014. The group first planted 10kgs that was destroyed by pests; then planted the remaining 10kgs that were partly destroyed by water logging. By 1st July 2014, the maize garden was not in good condition; the rain water had just dried, weeding had commenced and some plants had yellowed.

Poorly performing NAADS supported maize garden in Godown village Napak district

Okisim farmers group: the group members acknowledged receipt of 40kg of maize longe 7 variety from the sub county that was planted in May 2014 in Kasile village in Iriiri parish. The crop was growing well by 1st July 2014.

NAADS supported maize garden in Kasile village Napaka district

Challenges in Iriiri sub county

1) Low crop production and productivity due to flooding and high incidence of pests and diseases.
2) Poor implementation of the NAADS delegated procurements as inputs were delivered without prior preparation and training of beneficiaries.
3) Some farmers did not plant the seeds that were provided to them due to lack of equipment for ploughing the land.

Recommendations

1) The MAAIF should offer advisory services to farmers on better environment management and pest and disease control.
2) The NAADS Secretariat and district should communicate early at the beginning of the FY about delegated procurements so that farmers are well seclected and adequately trained.
3) The MAAIF and district should provide subsidized tractor hire services to farmers.

Nebbi district

Introduction

Nebbi district is composed of 15 sub counties namely: Akworo, Kucwiny, Erussi, Nyaravur, Nebbi, Nebbi TC, Pakwatch, Pakwatch TC, Parombo, Alwi, Ndhew, Atego, Wadelai, Panyango and Panyimur. The monitoring team last monitored Nebbi district and the two sub counties Nebbi and Nebbi TC in Q3 FY 2013/14[35]. This monitoring exercise focused on performance of the district by 30th June 2014.

Financial performance

The approved budget for the NAADS programme in Nebbi district for FY 2013/14 was Ug shs 1,406,147,285[36]. The district received Ug shs 1,406,146,510 (99.99% of the budget) which was fully spent as shown in Table 4.31. Most funds (39.9%) were spent on staff salaries and contracts and technologies for farmers (35.3%) by 30th June 2014.

Table 4.31: NAADS expenditures in Nebbi district by 30th July 2014

No.	Activity implemented	Total amount spent (Ug shs)	Proportion of total amont spent (%)
1.	Farmer fora meetings, sub county review meetings	21,645,896	1.5
2.	SNC Salaries, AASP contracts and NSSF	561,476,878	39.9
3.	Farmer training by FID service provider, AASPs, CBFs	67,261,733	4.8
4.	Technology distributed to FSFs and MOFs	496,501,415	35.3
5	MSIPs and field days	30,051,780	2.1
6	Reporting by CBFs and sub counties	50,897,500	3.6
7	Programme coordination and other operational expenses	178,312,083	12.8
	Total	**1,406,147,285**	**100%**

Source: Nebbi district NAADS office; Field findings

The district, in addition received Ug shs 85,495,000 as a special release for salaries for FY 2012/13.

Physical performance

The following activities were implemented in the district and sub counties by 30th June 2014:

- Forty one HLFOs were trained in agribusiness and market linkages. The HLFOs were mainly engaged in cassava, rice, simsim, bee keeping, goats, irish potatoes and maize.
- A total of 1,166 farmers (19%) out of the targeted 6,150 in the year benefitted from advisory services.
- A total of 2,603 FSFs were supported with technologies, especially cassava, beans, groundnuts and rice planting materials.
- A total of 317 MOFs were supported with technologies, especially grafted mangoes and citrus, fish fingerlings, coffee seedlings, rice and simsim seeds, goats and heifers.

- Farmer Institutional Development was implemented in all sub counties.
- A total of 15 sub county farmers' fora were facilitated.
- A total of 26 MSIP meetings were held in all sub counties and three MSIPs were held at district level focusing on cassava and rice.

Challenges

1) Weak farmer groups due to inadequate/ineffective training and advisory services as FID funds were limited and were released late in Q4. The NAADS Secretariat failed to contract the service providers for FID and told the district to undertake this role in Q4.
2) Low production and impact of the NAADS programme due to the inadequacy of technology packages.
3) Ineffective extension structure and slow implementation of the NAADS programme as the traditional extension staff were not facilitated and the NAADS staff had been laid off.
4) Poor planning and budgeting for the agriculture sector as the data collection and information systems were not well developed and facilitated.

Recommendations

1) The MAAIF/NAADS Secretariat should allocate sufficient funding for FID and leave the district to contract the service providers.
2) The NAADS Secretariat should provide full input packages to farmers; the FSFs could be given Ug shs 300,000 and MOFs Ug shs 2,250,000 worth of inputs for establishing viable enterprises.
3) The MAAIF/MOPS should implement the single spine structure and mainstream the NAADS programme in the District Production Department.
4) The MAAIF working closely with the Uganda Bureau of Statistics (UBOS) should support districts to establish Management Information Systems (MIS) for the agricultural sector.

Otuuke district

Introduction

Otuuke district was formed in FY 2009/10 and the NAADS programme started in FY 2010/11. The district is constituted by five sub counties and one town council namely: Okwang, Adwari, Ogor, Orum, Olilim and Otuuke TC. The monitoring team assessed the interventions that were financed directly by Otuuke district and the delegated procurements from the NAADS Secretariat.

Financial performance

The approved budget for the NAADS programme in Otuuke district for FY 2013/14 was Ug shs 626,041,341 which was fully released and spent by 30th July 2014[37].

Physical performance

The following activities were implemented in Otuuke district by 30th June 2014:

- Six adaptive research trials were set up for rice, one in each sub county
- The CDO and AASPs conducted FID and offered advisory services in all sub counties to build the capacity of farmers groups
- Six HLFOs were formed, one in each sub county. They were mainly focused on rice production and marketing.
- Technology promotion was undertaken in the sub counties. The FSFs received rice, groundnuts and simsim planting materials and two hoes each while the MOFs received goats, heifers, apiary, pineapples, cassava, citrus and banana technologies.
- Handled delegated procurements as indicated below.

Delegated procurements

The district handled two delegated procurements from NAADS Secretariat:

- A total of 18 bulls and nine ox ploughs were distributed to nine farmers in Okwang, Orum and Adwari sub counties.
- A milling machine and other requisite equipment were provided to Orum St. Paul Church of Uganda

The monitoring team visited three farmers who were reported as having benefitted from the delegated procurements to ascertain project performance.

Orum St Paul Church of Uganda

The church officials in Akaoidebe cell, Barodugu ward, Otuuke TC acknowledged receipt of a milling machine including a vacuum seeling machine, huller, diesel generator, potato slicer, solar drier and tool box in FY 2012/13.

Abandoned NAADS maize huller in Otuuke TC

However, there were no prior communication to and mentoring of the beneficiary with regard to when the equipment would be delivered and how it was to be used. The receipients were not trained and did not have information on where the spares could be sourced. The machine worked for three months, broke down and was abandoned therafter. By 4th July 2014, it was no longer in use.

The beneficiaries reported that the machine was missing some parts when it was delivered and was very noisy. It broke down frequently and was too expensive to maintain. The beneficiaries recommended that MAAIF should repair the machine and offer advisory services on its efficient use.

Ms. Hellen Ogwang

Ms. Hellen Ogwang resides in Obel village, Okee parish, Adwari sub county in Otuuke district. She had received two oxen and ox-plough in November 2013 and 40 bags of cassava planting materials in April 2014. She reported that the animals had helped her to expand cultivated land. She planted the cassava in three acres but they were not growing well due to the drought.

The monitoring team noted that the oxen were emaciated and of poor quality.

Emaciated oxen from NAADS at Ms. Hellen Ogwang's farm in Otuuke district

Mr. Ayo Micheal

The farmer resides in Akailor village, Okei parish, Awari sub county. He confirmed receipt of a plough and a pair of oxen from the NAADS programme in November 2013. He used the oxen and plough to open up land and plant three acres of rice, two acres of groundnuts and two acres of beans. His challenges were the lack of funds for weeding the expanded gardens and procuring drugs for the animals.

Challenges in Otuuke district

1) Programme implementation and supervision was poor due to the inadequate funds allocated to advisory services and operational expenses.
2) Poor handling of delegated procurements due to insufficient communication from NAADS Secretariat on when deliveries of inputs would be made and lack of operational funds to follow up on the beneficiaries.
3) Loss of NAADS technologies as farmers sold the goats and did not plant some of the seeds due to lack of funds for opening up land and weeding.

Recommendations

1) The NAADS Secretariat should consider allocating more funds to advisory services, training materials and transport.
2) The NAADS Secretariat should work with the district to mainstream delegated procurements in the local government planning and budgeting cycle.
3) The NAADS Secretariat should strengthen supervision of the programme and institute measures for penalizing stakeholders who do not comply with the guidelines.

4.5.3 Analysis

Link between financial and physical performance

A total of Ug shs 74,070,198,808 was released to the NAADS Secretariat which was 95% of the approved budget. A total of Ug shs 71,739,218,781 (97% of the released funds) was spent indicating excellent release and absoption of resources. A total of Ug shs 131,247, 122,113 (100% of the approved budget) was released to the local governments for the NAADS programme and they were fully absorbed.

There was a good link between the financial and physical performance as the NAADS Secretariat and local governments spent the funds as planned. Technologies for priority commodities were promoted at farm level; farmer groups were formed/strengthened; advisory services were provided; MSIPs held for the priority enterprises, review meetings were held and capacity was built for the key implementers.

However, the delivery of these outputs did not result in improved service delivery in many districts and sub counties that were visited due to the following reasons:

- Districts and beneficiaries were not prepared adequately before the NAADS Secretariat delivered some of the inputs and technologies. Some of the technologies were wasted.
- More than a half of the funds at local government level were used to pay for staff contracts, allowances, coordination costs and operational expenses leaving limited funds (on average 30% of total expenditure) for technologies for farmers.
- Low outreach of advisory services and monitoring and supervision resulting in theft and loss of inputs.
- Delayed release and transfer of resources coupled with late initiation of procurements that resulted in low production and productivity. Cases were common were inputs were distributed in the dry season and got wasted.

Achievement of set targets

The key targets distributing inputs and technologies to the selected farmers, providing advisory services, setting up adapative research trials and holding MSIPs were achieved for FY 2013/14. There was limited evidence of strengthening research-extension-farmer linkages through DARSTs and strengthening market linkages. Many farmer groups that did not receive inputs were reported to have disintegrated.

Comparative analysis

There was a noticeable difference in the way technologies were handled and sustained at farm level, depending on their source of financing (district or NAADS Secretariat). The inputs and technologies that were purchased through the community, sub-county and district procurement processes were better utilized, owned and sustained than those that were handled through delegated procurements from the NAADS Secretariat.

For the district financed interventions: Farmers were properly selected, mentored and trained by the district officials before providing them with inputs and technologies. There was constant follow up of the beneficiary farmers by the AASPs and CDOs to ensure that the enterprises were planted or looked after since there was a condition of payback after harvest.

For the NAADS Secretariat funded interventions: the method of beneficiary selection was not clear as many of these were a result of presidential pledges. Some inputs were delivered when the beneficiaries were not known and hence the sub counties were left to identify them as short notice. In most cases, there was no supervision and follow up by district/sub county officials of the technologies that were distributed by NAADS Secretariat. Thus, many technologies got wasted.

4.5.4 Conclusion

The performance of the NAADS programme during FY 2013/14 is rated as very good at 70% as most of the set targets were achieved and funds absorption was excellent. The disbursed funds were spent on the planned activities and all the beneficiaries that were visited confirmed having received the inputs. However, service delivery under the NAADS programme remains below average as few farmers are reached with technologies and advisory services and many inputs are wasted. The delegated procurements from the NAADS Secretariat that are handled by the districts have not yielded positive results in many cases.

4.5.5 Recommendations

1) The MAAIF should review the NAADS implementation guidelines to remove irrelevant structures and include clauses for enforcing compliance to agreed rules by the beneficiary farmers (including punitive measures for non-complaince).
2) The MFPED/MAAIF should restructure the NAADS budget to focus specifically on provision of inputs and technologies and advisory services to farmers. Other recurrent expenses such as review meetings, coordination costs, and vehicle maintenance should be financed through the regular local government budgets.
3) The MAAIF should ensure that the procurements that are delegated to local governments by NAADS secretariat should be mainstreamed in the district planning and budgeting systems at the start of the FY.
4) The MAAIF ensure that the NAADS programme is properly integrated in the mainstream local government structures with adequate staff to implement, monitor and supervise the programme

4.6 National Animal Genetic Resource Centre and Data Bank

4.6.1 Background

The Animal Breeding Act 2001 established the National Animal Genetic Resources Centre and Data Bank (NAGRC&DB) in 2003 as a body corporate under MAAIF mandated to establish and operate a National Animal Breeding Programme in Uganda[38]. The key objectives of NAGRC&DB for the period 2010/11 to 2015/16 are to[39]:

1) Establish and develop breeding structures.
2) Establish, develop and maintain well managed farms.
3) Recruit and retain competent and trained personnel.
4) Establish sound financial systems to provide sustainability and public accountability
5) Generate earnings to sustain operations through a 30% sales growth per year.
6) Establish sound governance and oversight of the Centre's activities.

The NAGRC&DB has 10 farms/ranches and Satellite Centres; the purpose and roles of the farms are shown in Table 4.32. The farms were last monitored in FY 2011/12 and FY 2012/13 and detailed findings can be accessed in the respective Budget Monitoring reports. In this monitoring round, seven out of 10 farms and one satellite centre were visited (see Table 4.32).

Table 4.32: NAGRC&DB Farms and Ranches

Stock Farm/Ranch	Location	Breeding Purpose/Acreage	Visited in this monitoring round
Njeru Farm	Buikwe	High producing Friesian and Brown Swiss Cattle (750 acres)	Yes
Nshaara Farm	Kiruhura	Conservation of Ankole cattle (10,240 acres)	Yes
Ruhengyere Farm	Kiruhura	Beef & dairy crossbreeding; conservation of Black and spotted Mubende goats (13,500 acres)	Yes
Sanga Farm	Kiruhura	Brahman and Charlais cattle breeds and pure Mubende goats (900 acres)	Yes
Rubona Farm	Kabarole	Breed pure Friesian and Ayrshire breeds; pure Boer goats (750 acres)	No
Maruzi Farm	Apac	Dairy and beef cattle breeding – Borans, Sahiwal, Freisian and Ayrshire; fish breeding (19,200 acres)	Yes
Lusenke Farm	Buikwe	East African Short Horn Zebu (4,340 acres)	No
Bulago Farm	Bulambuli	Holstein Friesian breeds, Jersey cattle and goat breeding (180 acres)	No
LES Farm	Entebbe	Dairy cattle, Cambrough pigs, Kuroiler and local indigenous birds, training on Artificial Insemination (originally 109 acres some of which has been allocated).	Yes
Kasolwe Farm	Kamuli	East African Short Horn Zebu and Jersey cattle (2,000 acres)	Yes
Head Office/Bull Stud	Entebbe	Animal breeding Centre, Laboratories, Liquid Nitrogen Plant	Yes

Source: NAGRC & DB Strategic Plan; NAGRC&DB offices

The key planned outputs for FY 2013/14 were[40]:

- One hundred fifty calves from pure dairy breeds (Friesian, Gursey, Jersey, Brwon Swiss and Ayrshire) produced
- Three hundred cross bred calves born from both dairy and beef cattle produced
- Six hundred calves from the elite local cattle herd produced
- A minimum of 840,000 commercial kuroiler chicks produced
- A total of 1,000 cross bred goats produced
- A total of 200 piglets born
- A total of 57,300 doses of semen produced
- Four hundred twenty tons of con produced

4.6.2 Findings

i) Financial performance

The approved budget for NAGRC&DB for FY 2013/14 was Ug shs 4,050,000 billion, including taxes, arrears and appropriation in aid[41]. The budget was revised to Ug shs 5,450,000,000 of which Ug shs 5,448,504,400 (99.97%) was released and Ug shs 5,371,605,096 (98.59% of the releases) was spent by 30th June 2014[42].

Through its various ranches, the NAGRC generated non tax revenue equivalent to Ug shs 575,989,050 from sale of various animals and related products (Table 4.33).

Table 4.33: Non-tax revenue generated at NAGRC&DB by 30th June 2014

Station	Source of income	Amount (Ug shs)
NAGRIC Head quarters	Artificial Insemination (AI), Semen, Liquid Nitrogen, meat, study tours, bid documents, eartags	113,267,550
LES	Milk, hay, pigs, piglets, culled cows	39,900,900
Sanga	Steers, Mubende goats, castrate goats, culled goats, culled cows	69,044,500
Nshaara	Bulls and bull calves, sports hunting, castrate goats, culled goats, heifers, milk	57,513,100
Ruhengyere	Steers, castrate goats, culled goats, bulls and bull calves, heifers	24,240,000
Rubona	Milk, goats (bucks), culled cows, culled goats, cows	9,785,000
Njeru	Royalities, piglets, milk, study tours, culled cows, pigs	181,748,000
Lusenke	Cows, steers, bulls and bull calves, culled cows	22,030,000
Kasolwe	Culled cows, culled goats, milk	42,150,000
Bulago	-	0
Maruzi	Culled cows, milk	16,310,000
Aswa	-	0
Total		**575,989,050**

Source: NAGRC&DB headquarters; field findings

The expenditures that were incurred for infrastructure development by NAGRC&DB are presented in Table 4.34.

Table 4.34: NAGRC&DB expenditures on infrastructural development by 30th June 2014

No.	Infrastructure constructed	Amount spent (Ug shs)	Amount spent (US$)
1	Water reticulation at LES	58,000,000	
2	Rehabilitation of pig sty at LES	8,000,000	
3	Fencing LES	8,850,000	
4	Rehabilitation of hatchery unit at LES	565,988,800	
5	Laboratory at LES		115,000
6	Feed troughs at Njeru stock farm	769,000	
7	Rehabilitation of milking unit at Njeru stock farm	800,000	
8	Fencing and repair of animal zero grazing unit structures at Jinja show ground	3,400,000	
9	Liquid Nitrogen Plant		1,300,000
10	Rehabilitation of four bunkers of silage at Njeru and Les farms	11,002,400	
11	Rehabilitation of spray race and office, four workers houses at Aswa Ranch	96,860,000	
12	Fencing at Aswa Ranch	30,800,000	
13	Poultry unit established by NAGRC-NAADS	150,000,000	
14	Desilted three valley tanks at Ruhengyere	99,000,000	
15	Three model goats houses at Sanga and Jinja Agriculture show	13,800,000	
	Total	**1,047,270,200**	**1,300,000**

Source: NAGRC&DB Headquarters

ii) Physical performance

a) Overall performance

The overall performance of the NAGRC&DB in its breeding programme during FY 2013/14 is summarised in Table 4.35.

- **Cattle**: The cattle stock increased by a net of 622 animals, although most stations underperformed: seven out of 12 stations posted negative performance with the closing stock on 30th June 2014 being less than opening stock on 1st July 2013. Cattle deaths and transfers were the most important reasons for the declining stocks on the stations. Ruhengyere station performed best in terms of increasing its herd stock by 997 while Maruzi and Nshaara performed worst with stock declining by 164 and 159 animals, respectively.

- **Goats**: The goat stock decreased by 174 during the course of the year. The main reasons for the decline in goat stock were deaths (435) and sales (445). Worst performance/ decline in number of animals was at Sanga (declined by 149) and Ruhengyere (declined by 61 goats).

- **Pigs**: production was only recorded for Njeru station where the opening stock was 64 pigs and the closing stock was 56 pigs, implying a decline of eight pigs. The main causes of the decline were sales, deaths and transfers.

b) Field findings

The monitoring team visited seven out of the 10 ranches to assess physical performance.

Apac district – Maruzi Ranch

Introduction

Maruzi Ranch is located in Akokoro sub county Apac district and it is involved in breeding dairy and beef cattle for distribution to farmers and for genetic conservation.

Physical performance

The staff at the ranch acknowledged receipt of drugs and chemicals for treating animals. No direct funds had been transmitted to the station.

Table 4.35: Changes in cattle and goats stocks at NAGRIC farms between 1st July 2013 – 30th June 2014

CATTLE

	Njeru	Kasolwe	LES	Maruzi	Bullstud	Nshara	Ruhengere	Rubona	Sanga	Lusenke	Bulago	Aswa	Total
Opening stock	199	734	195	853	26	3201	2645	208	263	423	39	0	8786
Births	28	127	29	134	0	467	302	46	17	108	4	0	1262
Transfer in	0	0	0	0	0	0	1145	1	0	0	0	0	1146
Sale	3	109	0	36	0	50	26	4	34	65	1	0	328
Deaths	16	14	6	162	1	576	415	18	11	35	5	0	1259
Stolen	0	0	0	100	0	0	17	0	1	0	0	0	118
Transfer out	0	7	59	0	0	0	44	3	20	0	0	0	133
Closing stock	208	731	159	689	25	3042	3642	230	214	431	37	0	9408
Change in stock	**10**	**-3**	**-36**	**-164**	**-1**	**-159**	**997**	**22**	**-49**	**8**	**-2**	**2**	**622**

GOATS

	Njeru	Kasolwe	LES	Maruzi	Bullstud	Nshara	Ruhengere	Rubona	Sanga	Lusenke	Bulago	Aswa	Total
Opening stock	46	471	0	0	0	329	1689	145	523	0	0	0	3203
Births	0	60	0	0	0	251	257	83	97	0	0	0	748
Transfer in	3	0	0	0	0	0	2	0	0	0	0	0	5
Sale	0	35	0	0	0	104	126	5	175	0	0	0	445
Deaths	2	36	0	0	0	144	182	20	51	0	0	0	435
Stolen	0	6	0	0	0	0	5	0	20	0	0	0	31
Transfer out	0	6	0	0	0	0	7	3	0	0	0	0	16
Closing stock	47	448	0	0	0	332	1628	200	374	0	0	0	3029
Change in stock	**1**	**-23**	**0**	**0**	**0**	**3**	**-61**	**55**	**-149**	**0**	**0**	**0**	**-174**

Source: NAGRC&DB Headquarters MAAIF

Some limited work was undertaken at Maruzi station by 30th June 2014 including:

- Bush clearing and repairing of crushes using local materials
- Setting up a cattle sleeping area using local materials
- Night patrols and foot patrolling during day time.
- Routine spraying of animals; it was reported that the tick borne diseases had reduced resulting in less animal deaths.
- The station had about 840 animals by 30th June 2014 (Table 4.36) out of which 380 (45%) were breedable. *It is noted that the figures of cattle herds at Maruzi farm (840 by 30th June 2014) were different from what was reported by NAGRC&DB headquarters (689 in Table 4.35). The source of difference of 151 animals that were not accounted for in the NAGRC&DB accounts could not be established.*

Table 4.36: Maruzi cattle opening stock as on 1st July 2013 and closing stock as on 30 June 2014

Type		Milking cows	Dry cows	Heifers	Yearling (F)	Yearling (M)	Steers (M)	Calves (M)	Calves (F)	Bulls	Total
Friesian	Opening stock	25	20	16	22	24	0	25	16	1	149
	Closing stock	23	22	16	22	24	0	28	18	1	154
Boran	Opening stock	36	52	35	41	24	0	29	35	5	257
	Closing stock	41	46	35	41	24	0	32	37	5	261
Ankole	Opening stock	84	76	39	55	64	0	52	44	9	423
	Closing stock	87	71	39	55	63	0	56	45	9	425
Total opening stock		**145**	**148**	**90**	**118**	**112**	**0**	**106**	**95**	**15**	**829**
Total closing stock		**151**	**139**	**90**	**118**	**111**	**0**	**116**	**100**	**15**	**840**

Source: Maruzi stock farm; field findings

Key: M – male F-female

Challenges

1) Lack of credible financial information at the station due to poor data collection and record keeping methods.
2) The station lacked basic infrastructure and equipment for office, staff housing and herd management. The herd productivity was low due to lack of crushes, dip tanks and paddocks.
3) Reduction in cattle herds due to thefts by squatters on the ranch.
4) High deaths of animals due to thickets and bushes that covered 95% of the ranch; the grasses were of poor quality leading to animal starvation.
5) Low animal productivity; about 50% of the herd was old.
6) Poor monitoring of programme activities due to lack of transport means.

Recommendations

1) The NAGRC&DB should strengthen data collection and storage systems at the station.
2) The NAGRC&DB should provide basic infrastructure and equipment.
3) The NAGRC&DB should remove squatters and fence.
4) The NAGRC&DB should provide tractor hire services to clear the bushes and plant good quality grass.
5) The NAGRC&DB should restock the station with younger good quality animals. The Artificial Insemination (AI) services should be strengthened to improve the quality of stock.
6) The NAGRC&DB should provide a pickup and motorcycle to improve monitoring of the ranch activities.

Buikwe district – Njeru Farm

Introduction

The farm is located in Kiryowa village Njeru TC in Buikwe district. Originally, the farm had one sq mile of land. The Njeru TC had encroached on the land and the farm currently had 560 acres of which 400 acres were accessible. The station is involved in breeding and multiplication of dairy animals, goats and pigs.

Financial performance

The farm received Ug shs 67,841,000 from NAGRC&DB headquarters which was all spent on various activities by 30th June 2014. The farm received support in kind including drugs, animal feeds, building materials, liquid nitrogen, semen and other breeding materials. Other inputs received included: 575kgs of maize seed MM3 variety, 500kgs of maize seed longe 5 variety, 100kg of soyabean seed, 21kgs of desmodium grass, 5kgs of Boma Rhode grass and potato vines for planting.

Physical performance

The cattle, goats and pigs opening and closing stocks were as reported by NAGRC&DB headquarters (Table 4.35). The farm received 56 heifers from LES farm in Entebbe which were all incalf and had started delivering. Several activities were implemented at the farm by 30th June 2014 as outlined below:

<u>Trainings</u>

- Sixty farmers were trained in feeding, nutrition and management of herds in December 2013
- Forty youth were trained in January 2014 in pasture management with support from a project EAAPP
- Forty students from Makerere University were trained in February 2014 in farm management
- Sixty students from Gayaza High School were trained in April 2014 in farm management.

Infrastructure development

- Constructed five silos for storing silage, four of which could store 135 tonnes of feed each and one could store 40 tonnes.
- Construction was ongoing for two feed troughs that could accommodate 50 animals each.
- Constructed one water trough and repaired four water troughs
- Repaired 1km access road
- Rehabilitation was ongoing for the calf pen, milking parlour, administrative block, gate house and fencing.

Left: Silo filled with silage and covered Right: silage being put into the newly constructed silos at Njeru stock farm

Left: In calf heifers received from LES farm in Entebbe Right: Newly constructed water trough at Njeru stock farm

Forage establishment

Forage banks (or gardens for crops that would be mixed in animal feeds) were established including: 230 acres of maize, nine acres of soyabean, 5.25 acres of Napier grass, 5.75 acres of lablab grass; 0.75 acres of centrocema grass, 0.25 of Bricaria Brizantha grass, 0.75 acres of potato vines and 0.75 acres of desmodium legumes. In addition, eight acres of beans were planted for feeding staff. The crops were still in field by 26th July 2014.

Challenges

1) Less land available for farm activities as a large part of the ranch was encroached on by the Njeru TC.
2) Low farm productivity due to inadequate infrastructure; most of the existing infrastructure was dilapidated.

3) About 1/3 of the farm was under bush leading to low animal productivity.
4) Slow implementation of planned activities due to inadequate staffing.
5) The community was not benefitting from the station as the animals were few and could not be sold. The farm was under stocked.

Recommendations

1) The Ministry of Lands, Housing and Urban Development should expedite the action of redeeming the land from encroachers.
2) The NAGRC&DB should rehabilitate the staff quarters, water system, water troughs, access roads and fencing.
3) The NAGRC&DB should provide tractor services to clear the bush on the farm.
4) The NAGRC&DB should mechanise the farm by providing tractors, combine harvestor, silage cutter and other basic equipment.
5) The NAGRC&DB should restock the farm with 200 heifers, 50 goats and 50 pigs to increase productivity.

Kamuli district – Kasolwe farm

Introduction

Located in Kasolwe parish Balawoli sub county in Kamuli district, Kasolwe farm is mandated to breed and multiply the East African Short Horn Zebu and Jersey cattle. The farm is on 2 square miles, of which 700 acres are accessible and without bushes.

Financial performance

The farm received assorted drugs and chemicals and imprest from NAGRC&DB for operational expenses. All funds were spent by 30th June 2014 as indicated in Table 4.37.

Table 4.37: NAGRC&DB expenditures at Kasolwe farm by 30th June 2014

Expenditure item	Amount spent (Ug shs)
Fuel for generator to pump water	3,438,150
Construction of goats house	1,812,000
Repairs and maintenance	1,200,000
Total	**6,450,150**

Source: Kasolwe farm records

Note: The farm records were poorly kept; the staff did not have full information on funds received from NAGRC&DB. Expenditures were derived from the files.

The farm had raised NTR from sale of 104 cattle, 35 goats and 2,336 litres of milk. Total revenue raised by 30th June 2014 was Ug shs 43,195,000 which was banked on the NAGRC&DB account. *The amount reported by the staff at Kasolwe farm (Ug shs 43,195,000) was varying from records in NAGRC&DB financial accounts (42,150,000), implying an unexplained difference of Ug shs 1,045,000 between the two data sources*.

Newly constructed goat house at Kasolwe farm

Physical performance

The following activities were implemented at Kasolwe farm by 30th June 2014:

- Constructed a goat house: A house for 200 goats was constructed during March to May 2014, with support from NAGRC&DB headquarters. The house was noted to be of good quality, although it was not adequate for the existing stock.
- Rehabilitated two farm roads
- Fenced two calf grazing paddocks and one night paddock
- Expanded the grazing area by 30 acres
- Made 700 bales of hay for feeding animals during dry seasons
- Planted 40 acres of maize for making silage; but all the crop was eaten up by the animals as there was no fencing.
- Continued breeding cattle and goats. The opening and closing stocks for FY 2013/14 are shown in Table 4.38 and Table 4.39.

Table 4.38: Kasolwe cattle opening stock as on 1st July 2013 & closing stock as on 30th June 2014

Type		Cows	Heifers	Yearling (F)	Yearling (M)	Steers	Calves (M)	Calves (F)	Bulls	Total
Zebu	Opening stock	271	152	31	10	48	65	69	1	647
	Closing stock	228	121	49	45	23	02	78	70	616
Boran	Opening stock	22	09	10	1	6	4	7	0	59
	Closing stock	21	11	05	07	02	0	05	02	53
Crosses	Opening stock	10	02	05	1	0	4	6	0	28
	Closing stock	07	10	11	06	07	0	15	06	62
Total opening stock		**303**	**163**	**46**	**12**	**54**	**73**	**82**	**1**	**734**
Total closing stock		**256**	**142**	**65**	**58**	**32**	**2**	**98**	**78**	**731**

Source: Kasolwe stock farm; field findings
Key: M – male F-female

Table 4.39: Kasolwe goat opening stock as on 1st July 2013 & closing stock as on 30th June 2014

Type		Bucks	Does	Nannies	Growers (F)	Growers (M)	Castrate	Kids (F)	Kids (M)	Total
Total opening stock		12	203	41	40	20	40	64	51	471
Total closing stock		177	06	33	71	43	44	41	33	448

Source: Kasolwe stock farm; field findings
Key: M – male F-female

Challenges

1) Low productivity of animals due to insufficient pastures.
2) Poor management of the breeding programme due to lack of paddocks and fencing.
3) Loss of goats due to diahorrea, pneumonia and stray dogs
4) Poor monitoring of farm activities due to lack of transport means

Recommendations

1) The NAGRC&DB should provide funds or seeds for developing new pastures on the farm.
2) The NAGRC&DB should fence off and establish paddocks to facilitate the breedining programme.
3) The NAGRC&DB should provide motorcycles to aid monitoring the farm.

Kiruhura district – Nshaara, Ruhengyere and Sanga Farms

Nshaara farm

Introduction

The farm is located inn Nyakashita parish, Nyakashashara sub county in Kiruhura district. The farm is mandated to conserve indigenous Ankole cattle and boran crosses. It also rears multipurpose goats for crossing with local breeds.

Financial performance

The station received imprest for fuel and other operational expenses. However, due to poor record keeping, information was not available on how much was received. The station generated NTR amounting to Ug shs 57,298,100 from sale of bulls and goats and sport hunting, and this was remitted to the NAGRC&DB headquarters account.

The station received several farm inputs from NAGRC&DB headquarters including acaricides, drugs, dewormers, 144 bags of cattle nuts, 380 bags of Katwe salt, 3 hand spray pumps, eight thermometers, 200 eartags, fuels and lubricants.

Physical performance

Animal breeding was undertaken on the farm during FY 2013/14. The opening stock for cattle as of 1st July 2013 was 3,201 and the closing stock as of 30th June 2014 was 3,037, implying a decline of 164 animals. These figures were generally in agreement with what was presented by NAGRC&DB headquarters with small variations in the closing stock. The main reason given for the reduction in stock were high mortality attributed to bush fires that burnt down the pastures.

Other activities implemented included: bush clearing of night paddocks, desilting of some valley tanks, maintenance of the animal herds and bush clearing.

Challenges

1) Poor data collection and record keeping at the station
2) Lack of pastures due to droughts, bush fires leading to animal starvation and death.
3) Insufficient water for animals leading to death
4) Loss of animals due to predators from the game reserve. The wild animals compete for pastures, water and salt for the livestock on the farm.
5) Poor housing for staff who lack access to clean water sources.
6) Poor supervision of ranch activities due to the poor road network.

Recommendations

1) The NAGRC&DB should improve data collection and storage systems at the station
2) The NAGRC&DB should open up the ranch roads to act as fire breaks and improve pastures and hay making.
3) The NAGRC&DB should desilt all the valley dams and tanks on the farm.
4) The NAGRC&DB should increase allocations of farm inputs to take into consideration the wild life.
5) The NAGRC&DB should improve staff housing by constructing more permanent structures and also provide a bore hole.

Ruhengyere farm

Introduction

Located in Kayonza village, Kayonza parish, Kikatsi sub county, Ruhengyere farm undertakes beef and dairy cross breeding and conservation of black and spotted Mubende goats.

Financial performance

The station lacked proper records of income and expenditure during FY 2013/14. The station received inputs from NAGRC&DB including acaricides, drugs, salt, fencing materials, water pumps, tractor and tyres. In addition, funds were received for fuel, fencing, bush clearing, maintenance and repairs and salaries.

The station generated NTR amounting Ug shs 23,240,000 from sale of 20 steers, one bull and 117 goats that was banked on the NAGRC&DB account.

Physical performance

The main activities that were implemented at Ruhengyere station by 30th June 2014 were:

- The breeding programme for cattle and goats. Opening and closing stocks for cattle and goats at this station were as reported by NAGRC&DB (Table 4.35).
- The station received 1,145 animals for restocking including 452 cows, 507 heifers, 21 yearling heifers, 76 bull calves, 69 heifer calves and 20 breeding bulls.
- The station issued out 55 cattle (heifers, steers, breeding bull) for various functions including the Jinja Agricultural Show, World Food Day celebrations and Christmas celebrations.
- Undertook pasture conservation including production of hay; and planting 170 acres of maize and cloris gayena grass for hay making.
- Sixty artificial insemination (AI) technicians were trained at the centre
- The animals were branded
- Three valley tanks out of the existing 11 were desilted using the MAAIF heavy earth moving equipment.
- Fenced off seven km of the ranch
- Undertook some bush clearing

Left: Cattle being branded at Ruhengyere station Right: Goats at Ruhengyere station

Challenges

1) Low animal conception rate (49%) using AI as it was difficult to identify cattle that were on heat on such a large ranch with many bushes. Other contributory factors to the low conception rate were the few bulls and inadequate experience of AI technicians.
2) Loss of animals due to liver flukes in the silted valley dams and lack of water for production.
3) Rampant theft of animals due to lack of security guards and perimeter fencing. The two security guards that were hired at the farm could not ensure security for the large area.
4) Low animal productivity due to the poor quality of pasture.
5) Dilapidated farm infrastructure.

Recommendations

1) The NAGRC&DB should provide an additional 15 bulls to enhance the animal conception rate.
2) The NAGRC&DB should step up efforts to train/skill AI technicians.
3) The NAGRC&DB should desilt all the valley dams.
4) The NAGRC&DB should hire an additional four security guards for the farm.
5) The NAGRC&DB should collaborate with MAAIF to provide the heavy earth moving equipment to undertake bush clearing on the farm. Thereafter, good quality pastures should be planted.
6) The NAGRC&DB should rehabilitate the basic farm infrastructure including access roads, staff houses and cattle crushes.

Sanga farm

Introduction

The farm is located in Kabaale village, Sanga parish, Sanga sub county in Kiruhura district. The farm is mandated to conserve the black Mubende goats and breed beef animals. The farm was undergoing restructuring and the staff were relatively new (seven months on station). Record keeping was poor and hence information on financial and physical performance was scanty. Information was provided for the half year period January to June 2014.

Financial performance

The farm had not received any funds for the six months period January to June 2014. The farm received assorted drugs and chemicals for maintaining the animal herd. In May 2014, the farm disposed of 34 cattle and 175 old goats that generated NTR amounting to Ug shs 38,869,000. A total of 4,977 litres of milk was sold at an average price of Ug shs 600 thus generating Ug shs 2,986,200. The total NTR generated during the six months period was Ug shs 41,855,200. All the funds were banked on the NAGRC&DB account.

Physical performance

The following activities were implemented at Sanga farm by 30th June 2014:

- A goat house for 200 animals was constructed and was under use. The finances for the constructon work were handled directly by NAGRC&DB headquarters.
- Continued maintaining the existing stock. The opening and closing stocks for cattle and goats are summarized in Table 4.40 and Table 4.41, respectively.

New goat house at Sanga farm Kiruhura district

Table 4.40: Sanga cattle opening stock as on 1st Jan 2014 & closing stock as on 30th June 2014

Type	Bull	Cows	Heifers	Yearlings (F)	Yearlings (M) & steers	Bull calves	Heifer calves	Total
Total opening stock	11	93	24	18	38	32	47	263
Total closing stock	6	83	17	20	6	36	49	217

Source: Sanga stock farm; field findings
Key: M – male F-female

Table 4.41: Sanga goat opening stock as on 1st Jan 2014 & closing stock as on 30th June 2014

Type	Bucks	Does	Nannies	Growers (F)	Growers (M)	Castr ate	Kids (F)	Kids (M)	Total
Total opening stock	4	204	14	45	51	101	54	50	523
Total closing stock	4	105	38	-	-	83	65	78	373

Source: Sanga stock farm; field findings
Key: M – male F-female

Challenges

1) Poor record keeing and data management due to lack of office equipment like computers.
2) Poor management of goats due to understaffing
3) Low animal productivity due to lack of water for production
4) Land wrangles arising from encroachment by Captain Bashaiza who grabbed one square mile. The case was in courts of law.
5) Workers morale and productivity was low because all the farm structures were dilapidated.

Recommendations

1) The NAGRC&DB should strengthen the data collection and management systems including availing computers to the farm
2) The NAGRC&DB should hire two additional herdsmen in the goats section
3) The NAGRC&DB should desilt the valley dams on the farm
4) The NAGRC&DB should ensure that the court case on the land problem is concluded and proper boundaries established around the farm
5) The NAGRC&DB should rehabilitate all the farm structures.

4.6.3 Analysis

Link between financial and physical performance

There was a good linkaged between financial and physical performance of the NAGRC&DB as most funds were spent on infrastructure development by 30th June 2014. There was evidence of desiltation of valley tanks, rehabilitation of silage bunkers, fencing and repairs, bush clearing and goat breeding at the various farms.

Achievement of set targets

It was difficult to measure achievement of planned targets by NAGRC&DB as most farms lacked complete records of the animals by type that had been produced. Overall the cattle stock increased by 622 animals, the goat stock decreased by 174 animals while the pig stock declined by eight pigs.

4.6.4 Conclusion

The performance of the NAGRC&DB is rated as good (60% - 69%). Resource absorption was excellent at 98%; but physical performance at some stations was below average. Most stations had dilapidated infrastructure and the pastures were of poor quality leading to low animal productivity. There were anomalies in the number of animals reported by the farm managers when compared to the data provided by NAGRC&DB Headquarters.

4.6.5 Recommendations

1) The NAGRC&DB should strengthen the data collection and storage systems at the various ranches
2) The NAGRC&DB should rehabilitate the basic infrastructure on the ranches through seeking competitive grants.
3) The NAGRC&DB should re-access the number of animals on each station for correctness of information and relevance of interventions.

4.7 Production and Marketing Grant

4.7.1 Background

The Production and Marketing Grant (PMG) was initiated in FY 2010/11 to support implementation of MAAIF related functions at the local government level. It replaced the Plan for Modernization of agriculture Non-Sectoral Conditional Grant. The main purpose of the PMG is to:

1) Strengthen disease, pest and vector control and quality assurance services in Local Government; and
2) Strengthen the agricultural statistics and information system in Local Governments.

The grant is used to support capital development and recurrent expenditures in all local governments in the livestock, crop, fisheries and entomology sub sectors and the agricultural statistics and information system. In the Northern districts, the PMG is combined with the Peace Recovery and Development Programme (PRDP) funds to address infrastructure bottlenecks in the eligible sub-sectors. The grant that is received in Northern Uganda is named PMG-PRDP while that disbursed in other regions is PMG-Normal.

5.7.2 Findings

i) Financial performance

The approved budget for PMG in FY 2013/14 was Ug shs 14,249,674,696, of which 14,249,618,124 (99.99%) was released by 30th June 2014. These funds were released in four quarterly installments of Ug shs 3,562,420,000 to the different local governments[43]. The final accounts were not yet available to show how these funds were absorbed by the respective local governments.

Spending guideline: Local governments were guided to utilize the grant as follows: 55% for development or capital expenditure and 45% for recurrent expenditure excluding the wage component. The monitoring team assessed the extent to which the local government

ii) Physical performance

Overall performance

In FY 2013/14, the local governments that received the PMG (including PRDP funds in Northern Uganda) invested in the following areas by sub-sector:

- *Agriculture*: activities focused on enhancing food security, training and demonstrations on food multiplication, pest and disease surveillance, community mobilization and supervision and monitoring.

- *Entomology sub-sector*: activities included tsetse/entomological monitoring, trap procurement and deployment and supervision and monitoring.

- *Veterinary sub-sector*: activities included inspections and setting up mobil checkpoints, follow up of demonstration units, establishment of zero grazing demonstrations, rabies surveillance, construction of mini laboratories, and installation of equipment.

- *Fisheries sub-sector*: activities focused on land and lake patrols against fishing illegalities, advisory and statistical data collection, field visits to fish farmers and landing sites, training of fisher communities and stocking fish ponds and dams.

- *Production and management services*: activities included visual aid information collection, agriculture data collection, soil analysis, supervision and monitoring, staff meetings, producing work plans and quarterly progress reports, technical back stopping, and corroboration with MAAIF and other organizations.

Field Findings

The monitoring team visited 16 out of 112 districts to assess progress in implementation of the PMG during FY 2013/14.

Abim district

Implementation progress

Abim district received Ug shs 114,874,900 from MFPED of which Ug shs 78,040,000 was PMG-PRDP and Ug shs 36,834,900 was PMG-Normal.

Both release and expenditure performance was excellent. All the PMG-PRDP monies were expended on development activities (construction of two market shades) while PMG-Normal was expended on both recurrent and development activities. As shown in Table 4.42, 82% of the available PMG funds were spent on development activities.

Table 4.42: PMG/PRDP performance in Abim district by 30th June 2014

Sub sector	Activities implemented	Amount Spent (Ug shs)
Production	Constructed 2 market shades at Makathin market-PRDP funds	74,000,000
Livestock	8000 heads of cattle Vaccinated against CBPP	5,000,000
Crops	Procured 200 bags of cassava 4271 variety (NASE14) that were distributed to 100 selected house holds	12,000,000
Entomology	Procured and distributed 40 KTB Bee hives and 20 sets of harvesting gear distributed in two sub counties	3,259,195
	Subtotal for development activities	**94,259,195 (82%)**
	Recurrent activities implemented include: Quarterly sub mission of accountability, travel inland, monitoring and Evaluation, world food celebration and investment in servicing and vehicle maintenance.	16,575,705
	Subtotal for recurrent activities	**20,615,705 (18%)**
Total expenditure		**114,874,900**

Source: Abim DLG; field findings

The monitoring team visited the two market stalls at Makathin market in Abim sub County to assess progress in program implementation.

Construction of two market shades at Maklathin market

Maklathin market is located in Aninata North LC1, Aninata parish, Abim town council in Abim district. This market serves traders from the neighboring districts of Acholi, Kotido and Katakwi districts. In FY 2013/14, the local government planned to construct two market shades at Maklathin market. It was noted that the district allocated Ug shs 74,000,000 for this activity.

The district local government contracted two firms to construct the two market stalls; M/s Mergath Uganda Ltd was contracted at a sum of Ug shs 36,664,100 while M/s OHMs Solutions Ltd was contracted at a sum of Ug shs 35,995,520. The three months contracts were signed on 24th March 2014 and civil works started on 31st March 2014, with the expected completion date set on 1st June 2014.

By 3rd July 2014, civil works on the first market stall under M/s OHMs Solutions Ltd was estimated to be at 68% completion level, pending finishes works of casting the working tables, flooring, and clearing the back filling. The second market stall under M/s Magath Uganda Ltd was estimated to be at 85% completion level, pending plastering the working table, completing the stirs and backfilling.


Left: Old market stalls Right: New market shades yet to be completed at Maklathin market in Abim sub County

Challenges

1) Delayed implementation of development activities due to untimely release of funds, especially for quarter four.
2) Low crop production due to unfavourable and erratic weather conditions.
3) High cost of inputs due to long distances to sources of planting materials. For example, the bag of cassava cuttings was procured at Ug shs 60,000 from neighbouring districts instead of Ug shs 20,000 locally. The improved cassava varieties were not available locally.

Recommendations

1) The MFPED should release the quarter four funds by 20th April to allow timely planting.
2) The MAAIF should train communities on small scale water harvesting and irrigation methods and technologies.
3) The MAAIF should be provide improved cassava cuttings to farmer groups for multiplication.

Bugiri district

Implementation progress

The approved budget for the PMG in Bugiri district in FY 2013/14 was Ug shs 125,924,357 which was 100% released and absorbed by 30th June 2014. The district observed the spending guideline with 52.7% of the resources being spent on development activities while 47.3% was utilized for recurrent expenses. The key expenditures incurred and activities that were implemented in Bugiri district during FY 2013/14 are summarized in Table 4.43.

Table 4.43: PMG performance in Bujiri District by 30th June 2014

Sub sector	Activities implemented	Amount spent (Ug shs)
District production	Vehicles and two motorcycles were repaired	14,839,000
	Retention on construction of a Weighting shade at Namatu paid and painted the dormitory block at Namayemba.	4,100,000
	Fumigated the dormitory block, training hall, wash rooms and Askari`s premises. Also sealed bat entry points	1,600,000
	Procured a printer, 5 electric tubes& tube holders, 5 padlocks. Procured a drawer and being used to store books of accounts.	1,150,000
Veterinary	Newcastle vaccine was procured and indigenous chicken were vaccinated against Newcastle disease	2,788,000
	Rabies vaccine was procured and vaccination of pets against rabies commenced	3,770,000
	Vaccinated 2000 dogs and 300 cats.	1,908,000
Crop	Demonstration sites were set up on recommended coffee cultivation practices and high yield coffee varieties were accessed to farmers.	11,768,000
Entomology	Deploy and Monitor 350 traps	2,724,000
	Control trypanosomosis in specific areas with high tsetse challenges	11,092,000
	Repaired and serviced entomology motorcycle.	1,000,000
Fisheries	Procured 6260 Tilapia and 5624 catfish fingerlings of claries & stocked fishponds to establish fish farming learning centers in the community	9,663,000
Development Subtotal		**66,402,000(52.7%)**
Recurrent activities: Meetings, Trainings, monitoring and Evaluation and surveys		**59,522,357**
Recurrent sub-total		**59,522,357(47.3%)**
Total expenditure		**125,924,357**

Source: Field Findings

Implementation challenges

1) Inefficiency in the implementation of the PMG due to under staffing. The district has been relaying on the NAADs staff in the sub counties and their contracts had expired.
2) The trade and commerce sub-sector was not benefitting from the grant.
3) Delays in making contracts decisions/requisitions and local purchase orders due to slow processes in the district and non-functionality of IFMS in some periods.

Recommendations

1) The MAAIF and district should expedite the transition to single spine agriculture extension services and address the staffing gaps.
2) The MAAIF and district should prioritize and provide funding for the commercial services sector under PMG.
3) The district should improve the processes of contracting service providers.

Butaleja district

Implementation progress
The approved budget for the PMG in Butaleja district for FY 2013/14 was Ug shs 61,570,000 and it was fully released by 30th June 2014. The funds were well spent as per guideline with 56.5% spent on development activities and 43% on recurrent expenses (Table 4.44).

Table 4.44: PMG performance in Butaleja district by 30th June 2014

Sub sector	Development activities	Activity	Amount spent (Ug shs)
Live stock	Promoting live stock by way of artificial inseminations	Secured a motorcycle (Yamaha ET 125) facility for semen delivery to farmers by the technician	13,915,000
	Nagana disease	Procured of veterinary drugs, mass treatment of Nagana in three sub counties and treated 4,108 heads of cattle.	6,375,500
Crops	Fighting Brown stick cassava disease	Procured 120 bags of cassava cuttings that and were distributed to 36 host farmers in the 12 sub counties.	3,786,000
Fisheries	Promotion of fish farming/aquiculture	Procured 13,049 fingerlings, distributed to: Friends' integration agencies for development in Butaleja T/C and three fish farmers in 2 sub counties and 1 Town council.	6,263,500
	Promotion of communication and Data bank	Procured two Ipad tablets (Sum sung) for internet access and storing information.	6,000,000
Sub Total			**34,802,500(56.5%)**
Recurrent activities for all sub sectors		Office furniture and equipment maintenance, consultation meetings, support staff allowances, study tour with farmers and members of the executive committee to three districts, training of farmers, data collection, quarterly and monthly staff review meetings	**26,767,500(43.5%)**
Total expenditure			**61,570,000**

Source: Butaleja DLG

The monitoring team visited a group in Butaleja TC that benefitted from fish fingerlings to assess project performance.

Case Study: Friends' integration agency for development group

The group which was started in May 2013 operates in Relesi cell, Bungagi parish, Butaleja Town Council in Butalenja district. It aims at reducing poverty levels in the community and initiating income generating activities for the youth. The group had 15 members (5 are females and 10 males).

Mr. Higenyi Michel, the patron of the group reported that, the group dug three ponds, of which two had the capacity of 6,000 fish each. They acknowledged receipt of 3,000 cut fish and 3,000 tilapia fingerlings from the district, which was received in May 2014. The fish was in the ponds by 23rd July 2014. Key challenges were the expensive feeds and theft for the fish.

A group member feeding the fish fingerlings in Butaleja Town Council Butaleja district

Challenges

1) Low project impact as the funds were inadequate for development/capital projects
2) Lengthy procurement processes resulting in delayed implementation of the programme. Most activities were implemented in the third and fourth quarters of the FY.

Recommendations

1) The MFPED should amalgamate the NAADS program with PMG; this will impact on development activities of the district.
2) The PPDA should simplify the procurement process for effective implementation of planned activities.
3) The MAAIF should provide transport to the production officer to ease monitoring and supervision of the Grant.

Kabarole district

Implementation progress

The PMG approved budget for FY 2013/14 was Ug shs 130,020,000 of which 100% of the total budget were released[44]. By 30th June 2014, all the funds had been expended on both development and recurrent activities of the district. However, there was irregularity in the release performance between the local government and the MFPED; the IFMS indicates that the total releases to the district was Ug shs 267,548,000 out of the approved budget of Ug shs 267,549,336.

It was further noted that according to the PMG guidelines, there was poor allocative efficiency and expenditure performance in Kabarole district as 72.5% of the total releases were expended on recurrent activities and only 27% was put on development activities of the district as shown in Table 4.45.

Table 4.45: Performance in Kabarole District Local Government by 30th June 2014

Sub sector	Activities implemented	Funds allocated
PMO	Vehicles and motorcycle maintenance and generator, Mini bus maintenance	7,600,000
Agriculture	Operation and Sustained plant clinics, procured public loud speakers.	4,500,000
	Procured protective gear (i) Boots and (ii) Overalls. Procured pherome traps to control fruits flies in mangoes	2,500,000
Veterinary	Purchase of rabies vaccine, liquid nitrogen and Construction of a slaughter slab	9,000,000
	Replenishment of laboratory consumables	1,000,000
	Bought overalls and gum boots, gloves	1,400,000
	Hay and Silage making: 3 demo sites	3,000,000
Fisheries	Installation and repair of the fish cage technology for demonstration	2,300,000
	Payment of the fish slab and servicing equipment, boat, engine, refilling oxygen, cylinder, buy oxygen cylinder and bags, and office accessories	3,120,000
Entomology	Training in modern/commercial bee keeping honey processing and packaging	1,375,000
Subtotal for development		**35,795,000(27%)**
Recurrent activities		
	Recurrent activities undertaken include: Regulation of movement of planting and stocking materials, live stock, the quality of inputs, and production of stocking, fishing activities and planting materials. Data collection on agricultural statistics, crops for live stock. Funds were also spent on Trainings, monitoring and Evaluation and surveys.	**94,225,000 (72.5%)**
Total Expenditure		**130,020,000**

Source: Kabarole DLG; field findings

Challenge: Low capital investments over the years as the allocations had remained static against rising investment costs.

[44] Kabarole district data.

Kamwenge district

Implementation progress

The PMG approved budget for FY 2013/14 was Ug shs 93,012,000 of which 100% were released. By 30th June 2014, the district had expended all the funds. According to the PMG guidelines, there was poor a locative efficiency of this Grant in the district, as more of the funds were expended on recurrent activities (68.6%) contrary to the guidelines as shown in Table 4.46.

Table 4.46: Performance of PMG activities in Kamwenge DLG by 30th June 2014

Sub sector	Development activity	Status	Expenditure ug shs
Crops	Transportation of coffee seedlings to the sub counties under Hima-UCDA arrangement	1,500,000 seedlings transported to all sub counties of Kamwenge district in FY 2013/14.	18,000,000
Entomology	Purchase of Tse Tse traps each at Ug shs 40,000	150 traps were procured and deployed in Kamwenge (Nyakera parish 100 traps) and Machoro (Nkongoro parish 50 traps) sub counties	6,000,000
Fisheries	Procurement of fish cages each at Ug shs 2,600,000	Bought two fish cages and were placed in Nkongoro dam in Nkongoro parish, Kamwenge sub county. The district had planned to put fish in these cages in FY 2014/15.	5,200,000
Total development expenditure			**29,200,000 (31.4%)**
Sub sector	Recurrent activities	Statues	Expenditure
All sub sectors	Activities undertaken include: Support supervision/ disease surveillance, technical verification of planting and stocking materials Monitoring, report writing and sub mission to MAAIF.	Activities undertaken include: Carried out monitoring and evaluation, technologies procured i.e. planting Material and stocking materials.	**63,812,000 (68.6%)**
Total			**93,012,000**

Source: Field findings; Kamwenge DLG

Case study one

The two fish cages at Bukongoro dam in Kamwenge Sub County

The two fish cages that were procured and put at Bukongoro dam in Mwetooro village found in Kamwenge Town Council (the ones with green and yellow colors in the dam). The district production and Marketing Coordinator reported that, each fish cage is of two by two meters wide and carries 2500 fish fingerlings for eight months.

Implementation challenges

1) Poor performance in services delivery under the PMG, due to demoralised staff and lack of an approved production and marketing staff structure.
2) High prevalence of pests/vectors and diseases coupled with high costs of drugs and chemicals hindering farmers from effective management of both crops and like stock pests and diseases.

3) The PMG is too small to coordinate the entire production and coordination office; the district on average is allocated Ug shs 23.5 million, to development activities like construction of cattle crashes and water harvesting tanks, these costs more than Ug shs 200 million. This makes it hard to implement even one activity and sticking to the 45% recurrent and 55% development. During the FY 2013/14, over 60% of the funds were expended on recurrent activities of the district.

Recommendations

1) The main streaming of staff should be finalized as first as possible and if approved more monies for recruitment of staff and salaries should be provided.
2) The Government should allocate specific funding for major diseases like ticks in cows and goats and tsetse flies.
3) The grant should be increased, 60% should be allocated to recurrent and 40% to development activities

Kotido district

Implementation progress

In FY 2013/14, the production department of Kotido district received a total of Ug shs 864,305,347 from five different sources; Ug shs 129,300,000 for PMG, Ug shs 706,380,000 for NAADs, Ug shs 6,000,000 from KALIP, Ug shs 16,600,000 from FAO and Ug shs for Unconditional grant. By 30th June 2014, the production department had expended the money on the following activities (Table 4.47) and they had a balance of Ug shs 46,449,837 on the departmental account. Some of the activities implemented were co-funded from different source of the monies received in production department.

Table 4.47: Performance in Kotido District Local Government by 30th June 2014

DPO office	*Amount expended (Ug Shs)*
Travel Inland	6,608,000
Training on chemical use &seed production	4,001,000
Printing, photocopy & stationary	1,388,000
Office maintenances	675,000
Motor vehicle repairs and maintenances	950,000
Sub total	**13,622,000**
CROPS	
Training farmers on pest mgt	5,117,000
Crops yield assessment	6,000,000
Welfare, world food day celebration	2,383,000
Construction grain store	19,260,180
Monitoring KALIP (Donor fund KALIP)	6,000,000
Training on post harvest losses	3,000,000
Sub total	**41,760,180**

ANIMALS HEALTH	
Vaccination against CCPA & PPR	8,000,000
Vaccination of rabies and killing stay dogs	6,000,000
Tsetse fly and tick control	9,000,000
Training farmers on skin and hides management	5,000,000
Animals disease surveillance (donor fund FAO)	16,600,000
Travel Inland	5,955,000
Motor vehicle maintenance	800,000
Retention abortour	2,607,330
Sub total	**53,962,330**
COMMERCIAL SERVICES	
Travel inland	3,511,000
workshop and seminars	620,000
Sub total	**4,131,000**
DNC Salary and gratuity	38,472,000
Transfers to sub counties	592,037,674
Goods and services	73,870,326
Sub total	**704,380,000**
GRAND TOTAL	**817,855,510**
Balance c/d	**46,449,837**

Source: Kotido DLG; field findings

More of the funds for PMG were expended on Crops and Animals/Live stock sub sector; Three development activities were undertaken under the two sub sectors that were allocated more funds; the district paid Ug shs 2,647,000 retention for FY 2012/13, renovation of an abattoir, allocated Ug shs 21,000,000 for construction of three cattle crashes and allocated Ug shs 49,000,000 for construction of a produce store. The monitoring visited the production store to assess implementation progress.

A Case study on the construction of a produce store

M/s Global tank enterprises limited was contracted at a sum of Ug shs 49,044,150 to construct a produce store with capacity of 1,000 bags each 100Kgs of grains, in Watakau parish in pangabgara Sub County. The contract was signed on 23rd January 2014 and scheduled to run for a period of three months. By 2nd July 2014, the produce store had been roofed internal shuttering ongoing, pending plastering casting the veranda, painting and external shuttering. It was noted that Ug shs 19,260,000 had been paid to the contractor as at the time of the monitoring visit.

Ongoing construction of a produce store in Pangabgara Sub County found in Kotido District

Implementation Challenges

1) The DPMC is not facilitated to carry out monitoring, training and supervision of staffs in sub Counties.
2) Lack of transport; the DPO had a car which was taken to the administration and was crashed in Iganga district.
3) There is reduction in performance of staff in the production office due to uncertainty about the NAADs program in the district.
4) There is a very weak link between the district and the MAAIF, the channels of communication, there is no first proper communication between the district and MAAIF. They take long to know what is happening at the centre, they hear some of the things in rumours.
5) Very few development activities are undertaken in the district due to small allocated to PMG in the district.
6) Sub mission of hand written reports to higher authority due to lack of power in the production office.

Recommendations

1) Specific amount of money should be allocated to the district production office to carry out trainings and monitoring of activities implementation under the PMG.
2) The District Production Officer needs a vehicle to effectively do his work.
3) There should be clear implementation of the staffing policy
4) They MAAIF should find ways to effectively communicate to the Local Governments in a timely manner.
5) Funds allocated to PMG should be increased to undertake more development activities.

Kyenjojo district

Implementation progress

The PMG approved budget for FY 2013/14 was Ug shs 135,443,925 of which Ug shs 115,474,000 come from central Government in installments of Ug shs 28,868,000 and Ug shs 19,969,925 was district co-finding from Local revenue. The district realized 100% of its total budget and by 30th June 2014 had expended a total of Ug shs 92,914,000. The balance of Ug shs 42,529,125 was yet to be spent as shown in the table (4.48).

Table 4.48: Kyenjojo district PMG expenditure performance by 30th June 2014

No	*Sub Sector*	*Activities*	*Budget (Ug shs)*	*Expenditure by 30th June 2014*	*Unspent Balance*
1	Co-ordination	Computer supply, printing and stationary, maintenance of vehicle, and travel inland.	30,938,325	21,794,992	9,143,333
2	Agriculture	General supplies, Travel inland and communication.	38,860,000	28,760,140	10,099,860
3	VET	Communication, information, Tech. general supplies, Travel inland and Maintenance	28,172,000	22,057,426	6,114,574
4	Fisheries	Stationary, communication, general supplies, Travel inland and Maintenance	18,377,800	13,126,796	5,251,004
5	Entomology	General supplies and Travel inland	16,595,800	4,928,446	11,667,354
6	Local Commerce	Travel inland	2,500,000	2,247,000	253,000
Total			**135,443,925**	**92,914,800**	**42,529,125**

Source: Kyenjojo DLG; field findings

The following are the development and recurrent activities which were ongoing and completed. By 30th June 2014, the district had spent 51% on development and 48.2% on recurrent activities of the district as shown .in Table 4.49.

Table 4.49: Performance in Kyenjojo District LG by 30th June 2014

No.	***Sub sector***	***Development and recurrent activities completed/ ongoing in Kyenjojo District***	***Funds allocated***
1	Agriculture	Procurement of coffee seedlings and distributing them to 80 coffee farmers each received one acre	20,000,000
		Procured demonstration materials like fertilizers, herbicides and pest sides	4,000,000
2	Veterinary	Artificial inseminations: Carried out 104 inseminations on 82 calves	4,000,000
		Procured rabies vaccine and vaccinated animals against rabies	3,000,000
		Procured vet surgical kits	2,000,000
		Procured seeds for pasture improvement. Demonstration was undertaken in four Sub counties	2,000,000
3	Entomology	Procured and distributed 60 bee hives to 6 farmer groups.	6,400,000
4	Fisheries	Procured and distributed 5,000 fish fry, net, scale and feeds. They were distributed to five farmers	5,800,000
		Procurement of fish feeds for demonstration on fish feeding. They procured 15bags.	900,000
Total development expenditure			**48,100,000 (51%)**
Recurrent activities			
		Recurrent activities include: operation and maintenance, trainings of farmers, follow up visits, communication, workshops and meetings.	44,814,800**(48.2%)**
Total expenditure by 30th June 2014.			**92,914,800**

Source: Kyenjojo DLG; field findings

Implementation Challenges

1) Inefficiency in the implementation of PMG activities in the district due to prevalence of:
    a) Crop pests and diseases as well as livestock diseases: these include vectors and vermin like monkeys and Baboons.
    b) Fake agricultural drugs and inputs that render their use both ineffective and costly.
    c) Delay by MAAIF to come up with the final position on agricultural extension. This has lead to job insecurity, low morale, and staff disengagement in the district activities.
    d) Lack of serviceable motor vehicles after the NAADs double cabin Pick-up got a breakdown. The NAADs vehicle was acquired in 2009 and has so far run close to 220,000Kms.

Recommendations

1) The MAAIF should provide funds to build laboratory facilities at the district level to enhance effective disease diagnosis.
2) The MAAIF should intensify its regulatory role on traders to curb fake drugs and other agricultural inputs.
3) The MAAIF should urgently address salient issues on agricultural extension policy in order to sustain a more efficient staff.
4) The MAAIF should provide an alternative vehicle to the department in replacement of the grounded NAADs pick-up.

Lira district

Implementation progress

The PMG approved budget for FY 2013/14 was Ug shs 124,160,000 of which 100% were released. By 30th June 2014, the funds had been expended on both development and recurrent activities of the district. According to the PMG guidelines, there was excellent financial performance in Lira district; more of the funds were expended on development than recurrent activities as guided by the PMG guidelines as shown in the Table 4.50.

Table 4.50: Performance of PMG activities in Lira DLG by 30th June 2014

Sub Sector	Development Activities	Amount
Production management services	Under operation and maintenance of Vehicles: Five Motor cycles and 1 vehicle were repaired and maintained.	3,766,000
Crops	Supplied of pineapple suckers and upland rice seed multiplication in the selected sub Counties and purchase of stationary	14,292,000
Live stock/Vet	Supported farmers through procurement of trypanocides for treatment of animals against Nagana and prevent the Tse tse flies that transmit Nagana. Also procured acaricides for spraying animals against Tse tse flies(Deltamethrin)	15,504,000
Fisheries	Constructed fish ponds for demonstration and stocked them with fingerlings, Procured initial feeds for the procured fish fingerlings in the ponds, Cage cultural demonstration and stocking the cages with fish.	20,585,000
Entomology	Installation of Tse tse traps and maintenance while they are in the field.	12,003,840
Other development activities	Other developments	4,264,960
Sub Total for Development activities		**70,415,800(56.7%)**
Sub Sector	**Recurrent activities implemented**	
Production	Produced reports and submitted them to MAAIF head quarters, Quarterly review meetings for all staff in the department and Supervisory visits by the head of department in the sub Counties and Data collection and analysis	22,401,000
Crops	Quality assurance of seeds, agro chemicals and planting materials, Supervision and technical back stopping carried out in all sub counties of Lira district and town councils.	20,124,000
Live stock/Vet	Technical backstopping and regulatory enforcement carried out.	8,112,000
Fisheries	Technical supervision visits and back stopping.	3,107,200
Sub total expenditure on Recurrent activities		**53,744,200(43.3%)**
Total expenditure		**124,160,000**

Source: Lira DLG; field findings

The BMAU monitoring team visited Ngetta sub County to assess the progress in the PMG implementation

Ngetta Sub County

The main activities that were conducted in this sub county during FY 2013/14 were; procurement and distribution of pineapple suckers and Rice multiplication.

The Sub County reported that:

a) Four farmers in lwal parish received 1,250 pineapple suckers each; these were Julius Okwel and Adoko Alfred in akwoyo Village, Ogwang Bosco in Aduru Village and Miss Atim Caesar of wilela Village.
b) Five farmer groups received between 50Kgs to 100Kgs of upland rice seeds for multiplication each. These were Ngetta disabled women`s group, Ongura youth development Association in Otelonger village, St peters Christian Development Association and Bed Agen both in Telela parish, and Par pi kic in Anyomorem parish. On average the groups have between 15 to 30 members.

A case study on technology support and promotion

Mr. Denies Omonya of Otolonyor village, Ongura parish, Ngetta Sub County and a member of Ongura Youth Development Association, acknowledged receipt of 10Kgs of upland rice seeds for multiplication. The seeds were received in late June 2014 and were planted on the 21st of July 2014.

He further reported that their group received 50Kgs of upland rice which was given to 3 framers in the group for multiplication including him. This group has 20 females and 10 males. The beneficiary anticipated high costs of labor during the harvesting season and recommended the government to avail them with some harvesting equipments.

Implementation Challenges

1) Delays in the implementation of planned development activities due to quarterly release of development funds. The production department has to accumulate a lump sum of money to procure or implement development activities which sometimes needs monies for 2 to 3 quarters release.
2) Ineffective supervision and monitoring of activities implemented under the PMG in the district, due to lack of transport means to carry out these activities. The production department last received five Motorcycles from FIEFOC and NLPIP which was under MAAIF in FY 2007/08. These motorcycles are in poor mechanical conditions and are costly to repair and maintain.
3) Management of the grant is still a challenge due to understaffing in the production department. A number of staffs have been retiring with no recruitment because of a serious restriction on recruitments from public services. The fisheries sub section has 1 staff, 6 for live stock, 1 for entomology, 6 for crops, all for both district and Sub Counties and yet the district has 9 rural Sub Counties and four Municipal divisions.

Recommendations

1) The MFPED should release all procurement funds for development activities in the first two quarters of the financial year to speed up the implementation of development activities.
2) The MAAIF should procure motorcycles and provide sufficient facilitation to the staff in the production department of the district, to effectively monitor, supervise and follow up of the PMG beneficiaries.
3) The MAAIF, Public services and MFPED should come up with an agreed position on the staff structure at the district and sub county level.

Lwengo District Local Government

The PMG approved budget for FY 2013/14 was Ug shs 76,780,000 of which the district departmental PMG IPF was 68,588,000 and Ug shs 8,200,000 Local revenue. Releases from MFPED were 100% of the total budget. By 30th June 2014, all the funds had been expended on both development and recurrent activities of the district. These funds were allocated and expended to the different sub sectors of the Grant (Table 4.51).

Table 4.51: PMG performance in Butaleja district by 30th June 2014

Item/department	Percentage	Amount (Ug shs)	Item/ department	Percentage	Amount (Ug shs)
Kamenya-Miggo DATIC	10% of the total release for PMG	8,200,000	Veterinary	31%	21,231,000
Apportionment to departments (68,588,000)			Fisheries	10%	6,850,000
District production office	23%	15,752,000	Entomology	4%	2,739,000
Crops	31%	21,231,000	Vermins	1%	785,000

Source: ***Lwengo DLG***

Note: Kamenya Miggo DATIC, received Ug shs 8,200,000 (10% of the total PMG) of which Ug shs 4,510,000/= was expended on recurrent activities which included; Mobilization and training of farmers, training on land use and management and collection of agricultural statistics data. For development activities, allocation was Ug shs 3,690,000; under development activities, DATIC established a banana multiplication center, procured soil testing kits, spirits and line levels, renovated and constructed an animal and collecting yard (Table 4.52).

Table 4.52: PMG activities implemented in Lwengo DLG by 30th June 2014

Sub Sector	**Development Activities**	Amount
Production management services	Procured un interruptible power supply/projector for power saver, four soil test kits for soil analysis, four spirit & line levels (contour marking) for soil erosion control and a digital camera for visual Aid information collection.	8,663,000
Crops	High yield tissue culture Banana multiplication; 1 in Kingo, 2 in Kyazanga, 1 in Ndagwe sub Counties were set up. The New all seven coffee cultiva mother gardens were set up in Lwengo and Ndagwe Sub Counties. Procured 5,000 improved coffee planting materials and high yielding (NABE 15) bean seed (95.5kg), distributed to youth and women in 3 Sub Counties.	11,677,000
Live stock	The district procured 60 vacuum containers, 2 ice boxes big size, a file cabin and a two unit market stalls ware under construction.	11,600,000
Fisheries	Procured 1345 cut fish and 565 tilapia fish fries. They were distributed among seven farmers in two sub Counties.	3,767,000
Entomology	Procured 15 bee hives for demonstration and they were given to 3 farmers in Kyazanga Sub county	1,506,000
Sub Total for Development activities		**37,213,000(54%)**
Sub Sector	**Recurrent activities implemented**	
Production	Supervision & monitoring, management services, staff meetings, technical back stopping, collaboration with MAIIF & other organization, preparation of work plans and delivery of monthly and quarterly reports and farmers market information	7,089,000
Crops	Conducted staff training, Supervision, backstopping, staff meetings, fields' visits, and world food day organization. Inspection, certifications, enforcement of bye laws and regulations.	9,554,000
Live stock	Surveillance and control of animal disease, Supervision of	9,631,000

	development activities, inspection of livestock and live stock products and private services providers.	
Fisheries	Law enforcement in fish markets, training on fish farming, monitoring and supervision.	3,083,000
Varmin Control	Management visits and meetings.	785,000
Entomology	Training bee keepers, supervising apiary activities, setting traps carrying out inspection	1,233,000
Sub total expenditure on Recurrent activities		**31,375,000(45.7%)**
Total expenditure		**68,588,000**

Source: ***Lwengo DLG; field findings***

The BMAU monitoring team made a follow up on the construction of a two unit pork stall in Kyawagonya Market in Lwengo Sub County and a high yielding tissue culture Banana multiplication garden in Kyazanga Sub County, findings were as follow.

M/s Contech Company limited was contracted at a sum of Ug shs 7,528,000 to construct a two unit market stall in Kyawagonya Market. The contract was scheduled to run for a period of two months starting on 1st June 2014 with the expected completion date set on 30th July 2014. The two unit pork stall had been roofed, plastering was ongoing, pending shuttering, completing the plastering and casting the veranda by 30th July 2014. This project was behind schedule due to inadequate capacity of the contractor.

Construction of a two unit market stalls at Kyawagonya Market

The district reported to have set up three high yield tissue culture Banana multiplication gardens in three Sub counties of kingo, Kyazanga and Ndagwe at a sum of Ug shs 3,300,000. A banana multiplication site in Kyazanga Sub County was visited to assess the setting up of these multiplication gardens.

The beneficiary, Mr. Mugisha Fabiano resides in Kanyongoga village, Nakateete parish in Kyazanga sub County. He received 200 banana sackers tissue culture of two varieties in September 2013; Mbwazirume and M9 (Kiwangazi) varieties for multiplication purpose. He promised to sale to other farmers at a sub subsidized price after multiplication. The beneficiary further reported that he receives extension services from the district. Her key challenge is the too much sunshine which was affecting her multiplication garden by 30th July 2014.

A high yield tissue culture Banana multiplication garden in Kyazanga Sub County

Implementation challenges

1. The Major challenge under the PMG is ineffective implementation of the grant due to:

    a. Limited staffs (under staffed). The district has been relaying on the well trained NAADs staffs in visiting, monitoring and supervising activities in the Lower local government that were laid off.
    b. Lack of transport to effectively monitor and supervise development and recurrent activities under the production department of the district. Sometimes the district officials have to hire transport to do this work and yet the funds released are very little.
    c. Expensive inputs in the agriculture sector that cannot be afforded by some farmers, these include: seeds, fertilizers, chemicals and herbicides. It was further noted that even some of the inputs like herbicides are fake due to the poor input supply system in Uganda.

2. Pests and disease outbreak in both live stock and crops like the Black Coffee Twig Borer (BCTB) in coffee and BBW in banana plantations are hindering effective implementation of this grant is also a challenge under the grant.
3. Droughts affects community and district planned activities leading to food insecurity among farmers and affects demonstration/multiplication sites for the district.

Recommendations

1. The community based facilitators (CBFs) should be brought back on board to bridge the gap between the district headquarters and the lower local governments as surveillance partners in supervising and monitoring activities in the lower local governments.

2. The Government should provide transport or motor vehicle to the production department to effectively do their work.
3. The government should subsidize agriculture inputs in the market to encourage more people join the agriculture sub sector and also promote value addition in this sub sector.

4. The government should carry out a blanket spraying of pests and disease control, and also promote pest resistant varieties in the district like the all seven lines varieties of coffee.

5. The government should promote irrigation methods and introduce a water harvesting component in Lwengo district and also appropriate water harvesting technology should be introduced in the district.

Masaka district

The PMG approved budget for FY 2013/14 was Ug shs 77,535,000 of which 100% were released and spent by 30th June 2014. Financial performance was excellent in Masaka district as Ug shs 42,644,250(55%) was spent on capital development and Ug shs 34,890,750(45%) was spent on recurrent activities of the district as per the PMG guidelines. The funds were expended as follow (Table 4.53).

Table 4.53: PMG activities implemented by Masaka DLG by 30th June 2014

Sub Sector	Development Activity	Actual	Amount
Live stock	Demonstration on dairy farming	Purchased four heifers that were given to diary cooperative societies in Kabonera and Buwunga Sub counties each 2 heifers.	12,200,000
Crops	Establishment of Coffee mother gardens using coffee resistant lines	A total of 7,000 seedlings of seven lines coffee wilt resistance varieties were procured from NARO and distributed to 30 nursery operators, each getting 350 seedlings on average in all the nine sub counties of Masaka district.	13,000,000
Fisheries	Establishment of fish handling facilities	Established a fish handling structure at Bukakata landing site in Bukakata sub county	7,700,0000
Production sub sector	Vehicles maintenance	Three departmental vehicles were repaired and Maintained during the period	5,744,250
	Support to Development activities	They carried out supervision, monitoring and evaluation during the implementation of the development activities with the political arm.	4,000,000
Sub Total for Development activities			**42,644,250 (55%)**
		Recurrent activities implemented	
These include: • **Pests and disease control** • **Regulatory services** • **Data collection**		Activities implemented include: Regulation of movement of planting and stocking materials, live stock, the quality of inputs, and production of stocking, fishing activities and planting materials. Data collection on agricultural statistics, crops for live stock. Funds were also spent on Trainings, monitoring and Evaluation and surveys.	
Sub total expenditure on Recurrent activities			**34,890,750 (45%)**
Total expenditure			**77,535.000**

Source: ***Masaka DLG; field findings***

It was noted that under recurrent activities, funds were expended per sub sector as follows; production took 18%, Crops 25%, live stock 27%, fisheries 20% and Entomology 10% of the total recurrent expenditure. Live stock sub sector has a bigger percentage allocation because it handles Vermin (pests which depend on live stock like monkeys rates, world pigs) control and has more staff than other sub sectors in production department of the district.

Implementation challenges

1) There is no effective implementation and supervision of activities under production department of the district, due to a small grant. The office of the production coordinator gets Ug shs 800,000 to 900,000 per month for fuel every quarter, meaning that they use Ug shs 200,000 per month and 4 heifers were procured and distributed to a bigger population like Masaka district which are very little.
2) Staffing gaps: there is no effective implementation of the grant due to the winding up of the NAADs program at the district. For example the vet sub sector is supposed to have four staff and they have only one, fisheries have one instead of two and Entomology has one instead of two.
3) There is an increasing outbreak of pests and diseases in crops and live stock.
4) Some communities still consider tse tse traps as a means of land grabbing; the moment the district puts a trap in some ones garden she/he start thinking they are in the process of grabbing his or her land hence reacting.

5) Changing weather patterns affects the planning, production and productivity in the district.
6) Expensive inputs like seeds, fertilizers and pest sides are affecting the implementation of PMG activities.

Recommendations

1) The government should increase the grant, since they are going to implement a single spine system under production, and funds for NAADs should go directly to development activities in production department.
2) The Ministries of Agriculture, Public services and Finance, planning and Economic development should ensure that these vacancies are filled.
3) The government should increase funding for training farmers in control of pests and diseases.
4) The communities should be sensitized on the importance of the traps and in line with vector control.
5) The government should allocate funds in each district to promote small scale irrigation program by setting up demonstration on rain water harvesting and irrigation methods in districts.
6) The government should reduce taxes on agriculture inputs to encourage farmers to join this sub sector.

Mityana District Local Government

The PMG approved budget for FY 2013/14 was Ug shs 89,864,000 of which 100% of the total budget were released. By 30th June 2014, a total of Ug shs 31,060,800 (34.65%) had been spent on capital development and Ug shs 58,803,200 (65.4%) on recurrent activities of the district (Table 4.54). According to the PMG guidelines, this is poor allocative efficiency; more of the funds were expended on recurrent activities of the district instead of development.

Table 4.54: PMG performance in Mityana district by 30th June 2014

Development activities	Amount
Animal vaccination in the sub counties of Kakindu, Bulera, Busimbi, butayunja and Mityana T.C	5,505,000(vaccine) & 7,944,800
Aquaculture Development (procured Fish fries)	7,190,800
Procured a printer for production office	875,000
Renovated the production office block	1,906,000
Repair of the District Agric. Tractor	2,200,000
Part payment for Tuition for senior Fisheries officer	2,430,000
Maintained the Banana demonstration and multiplication garden and DATIC compound	8,200,000
Sub Total	**31,060,800(34.6%)**
Recurrent activities implemented	
Surveillance on animal diseases, vermin, apiary development and tsetse flies.	
Inspection and monitoring of production activities, livestock, fish in markets, along highways and landing sites. Controlling of illegal fishing at Lake wamala,	
Attending workshops, aquaculture development visits and Liaison visits to regulatory centers. Attending National Agric. Show in Jinja, Liaison visits to regulatory center of MAAIF, Kampala and Kajjansi	
Study tour for model village establishment and Office imprest.	**58,803,200 (65.4%)**
Procurement of stationary and photocopying services and payments of old debts. For stationary.	
Total expenditure	**89,864,000/=**

Source: ***Mityana DLG; field findings***

Case study

The monitoring team visited a banana demonstration and multiplication garden at the District Agriculture Training and information Center in Mityana District.

The demonstration garden was established on 12th October 2013, as the district Agriculture Training and information Center (DATIC). It was started with one and a half acres of banana plantation. During the FY 2013/14, funds a mounting to Ug shs 8, 200,000 were allocated and expended to this demonstration garden; the funds were used to buy manure, pay workers, maintenance, buying more banana sackers and extension of this demo. Part of these funds was also used for maintenance of the district compound. A part from being a demonstration garden, farmers in the district also get banana sackers for free in this garden.

Namusisi Spacioza, the manager of this demonstration garden, acknowledged receipt of funds for procurement of poultry manure. She bought 95 bags of poultry manure, each at Ug shs 10,000 per bag excluding transport charges and had put the manure in this garden. It was noted that the Matooke gotten from this garden is mainly sold to district officials, each batch at an average price of Ug shs 10,000. A total of Ug shs 300,000 had been collected from Matooke sales since they started harvesting in this garden. This money is banked as local revenue for the district.

A banana demonstration garden at DATIC in Mityana District

Key challenges; thieves who stole the bananas, small funds allocated for maintenance, expensive labor force, and overharvesting due to high demand of banana sackers that are given out for free to farmers. This has reduced the number of batches of banana, which they would have collected in this garden. She further reported that the demonstration garden is not yet productive to sustain its self, and recommended that; more money should be allocated to this demo garden until sustainability of this project.

Implementation challenges

1) Reducing size of the grant in relation to the many development activities needed to be implemented in the district; the district used to get around Ug shs 170 million every FY which has now reduced to almost half, this has hindered the effective implementation of development activities in the district.
2) There is no effective monitoring of the program due to a proportion of 5% allocated to this activity.
3) Politicians sometimes demand part of this money and yet it is small.

Recommendations

1) The adequate amount for PMG development allocation should be Ug shs 130 million for effective implementation of development activities in the district.
2) The proportion allocated to monitoring should be increased to at least 10%.
3) Politicians should be sensitized on the importance and use of the PMG.

Otuuke district

In FY 2013/14, the production department of Otuke district local Government received a total of Ug shs 139,837,000 from MFPED of which Ug shs 106,000,000 was PMG-PRDP and Ug shs 33,837,000 was PMG Normal. Both release and expenditure performance was excellent. It was noted that all the PRDP monies were expended on development activities while PMG normal was expended as per the guidelines - capital development Ug shs 18,610,350 (55%) and recurrent expenditure Ug shs 15,226,650 (45%). Table 4.55 summarizes the utilization of these funds

Table 4.55: PMG/PRDP Grant expenditure in Otuke district by 30th June 2014

Sub Sector	Amount spent (Ug shs)	% of total expenditure	Development expenditure (Ug shs)
Crops	10,151,100	30	5,583,105
Livestock	10,151,100	30	5,583,105
Fisheries	6,767,400	20	3,722,070
Entomology	3,383700	10	1,861,035
Commercial services	3,383700	10	1,861,035
PMG Sub Total	**33,837,000**	**100**	**18,610,350**
PRDP Sub total	**106,000,000**	**100**	**106,000,000**
Total Expenditure on development activities			**124,610,350**
Recurrent Activities			
These included: Identification of small and medium scale enterprises, dissemination of market information, live stock disease surveillance, assessment of crops pests and diseases and tse tse fly surveillance.	15,226,650	45% of the PMG Normal	15,226,650
Total expenditure			**139,837,000**

Source: Otuke District Production Office; field findings

The following development activities were implemented in Otuke district local government during the FY 2013/14.

a) The PRDP funds were expended on the following development activities

- Constructed three cattle crushes in Alango, Agwang and Okee parishes in Adwari Sub County: The two in Agwang and Okee parishes were contracted to M/s Omas Construction Company limited at a contract price of Ug shs 37,000,000 while one at Alango parish was contracted to M/s Adwarolum and company limited at a contract price of Ug shs 16,000,000.
- Contracted M/s Adwarolim and Company limited to construct a two stances VIP latrine at a sum of Ug shs 4,900,000. Civil works were ongoing as at the time of monitoring visit.
- Renovated a cattle dip in Otuke Town Council at a contract sum of Ug shs 44,000,000.civil works were contracted to M/s Apwenpwo enterprises limited.

b) The PMG monies were expended on the following development activities

- Procured a set of drip irrigation kit to facilitate farmers in pumping water to use during the dry season in Olilim Sub County at a sum of Ug shs 6,126,500
- Procured eight boar goats for improving the local ones and were distributed to farmers in six sub counties and two town councils.
- Procured 20 Kenya to bar (KTB) improved bee hive which were distributed to farmers.
- Brought like jackets for predator nets or traps.
- Funds were committed to buy fish frays for the fish pond located in Olilim Sub County.


Left to right: A cattle dip in Otuke Town Council and cattle crush in Adwari Sub County in Otuke district

The monitoring team held discussion with some of the beneficiaries and they reported that the structure (cattle crush) is good for them, but they do not have money to buy the pest sides to treat their animals.

Implementation Challenges

1) Limited supervision, monitoring and evaluation of the programme due to inadequate funds allocated to the district production office.
2) The Indicative Planning Figure (IPF) for Otuuke district is very little for the allocation of 55% development to make any meaning full development activity in the district. The guidance of 45% recurrent and 55% development ratio is not good.
3) The planned activities were affected by a general decline in the PMG allocation to the district.

Recommendations

1) The MAAIF should allocate sufficient funds for monitoring and supervision of the PMG.
2) The guidance for 55% development and 45% recurrent should be left open for the district to decide on how much to allocate where and how depending on the need.
3) The MAAIF should allocate more funds for PMG Normal to enable the districts expand the investments.

Moroto district

In FY 2013/14, Moroto District Local had an approved PMG budget (including PRDP) of Ug shs113, 847,437 out of which Ug shs 34,625,437 was PRDP component and Ug shs 79,222,132 was PMG Normal. By end of Q2 FY 2013/14 the district local Government reported to have implemented the following development and recurrent activities worth Ug shs 78,413,000 (Table 4.56).*

Table 4.56: PMG/PRDP expenditure in Moroto district by Q2 FY 2013/14

No.	***Output Description***	***Amount spent***
1	Fish fry were procured and supplied in Rupa Sub county	3,501,000
2	Procured and supplied 8 drug kits for Friesian heifers to 5 sub Counties	7,560,000
3	Procured and supplied 8 Frisian heifers	21,999,000
4	Constructed one cattle crush in Tapac Sub County	16,255,000
Subtotal for development		**49,315,000**
	Recurrent activities implemented include: Review meetings, purchase of stationary, supervision works, Surveillance on pests and diseases, mass vaccinations, production campaigns, data collection and visits to MAAIF.	29,098,000
Total expenditure by end of Q2 FY 2013/14		**78,413,000**

Source: Moroto DLG; field findings

Information on physical and financial performance for PMG/PRDP Grant for Q3 and Q4 FY 2013/14 was not availed

Implementation Challenges

1) Delayed implementation of the planned activities due to late transfer of funds to the production account. It was noted that funds came late to the production account. This was because staff hard other duties to attend to.
2) Sometimes the amounts released are less than the budgets which affects planning and budgeting.
3) The amount disbursed is too small to serve the whole population this district.

Recommendations

1) Timely release of funds will lead to effective implementation of planned activities.
2) For effective implementation of planned activities, MFPED should release funds as budgeted for.
3) More funding should be allocated to PMG.

Napak district

Napak district started on 1st July 2010; it was curved off from Moroto district with seven sub counties and one town council namely; Ngoleriet, Matany, Lokopo, Lopeei, Lotome, Iriiri, Lorengechona and Lorengechora TC.

Since FY 2010/11, the district has been undertaking the following development activities under the PMG/PRDP Grant component: completed construction of a commodity market in Ngoleriet Sub county which was started by Moroto district before the district was curved off, construction of a slaughter slab in Lorengechora Sub county in FY 2011/12 and in FY 2012/13, the district allocated all PMG development funds to the crop sub sector. The funds were used to procure fertilizers, pesticides and water pumps that were distributed to selected farmers and schools in all sub counties, excluding the town council.

In FY 2013/14 Napak District had an approved PMG budget (including PRDP) of Ug shs113, 847,437 out of which Ug shs 34,625,437 was PRDP component and Ug shs 79,222,132 was PMG Normal. By 30th June 2013/14, the district had received 100% of its total budget for both development and recurrent activities of the district including PRDP component.

The following development activities were undertaken in the district by 30th June 2014:

- Carried out a physical survey and planning for the construction of a proposed District Agriculture Training Centre at the district headquarters. The contract was signed on 4th June 2014 and survey started on the 6th June 2014.
- Car maintenance was carried out at Ug shs 800,000.
- Construction of meet stalls up the ring beam level in irriri sub county
- Procured 10,000 fish fingerlings from international institute for rural agriculture limited at Ug shs 13,000,000. They were put in Arecheek dam.
- Planted trees around Arecheek dam in Matonga Sub County.

Under the PRDP component: an aboture and skin drier were constructed in Nakichumet parish, in Matanga Sub county in Napak district. By 30th June 2014, the two facilities had been completed pending fencing and clearing the bush.

Recurrent activities that were implemented included: supervision by district commercial officer, monitoring, data collection, collected market information and managing Arecheek dam.

Arecheek dam in Matanga Sub County where the fish fingerling were put

Meat stores that were constructed up to the ring beam in Iriri Sub County

Left to Right: An abbatoir and a skin drier that were constructed under PRDP funds in Matanga Sub county and the inside view of an aboture

Implementation challenges

1) Activities for Field Extension Works and District Agriculture Officer are not effectively implemented due to lack of transport for coordinating these activities.
2) Untimely execution of works due to late release of funds by MFPED this has created tension with the contractors. Funds for Q1 and Q2 come in Q3 and Q4 affecting the scheduled activities of the contractors.
3) Inadequate funds; However the district received all funds a mounting to Ug shs 101,000,000 for FY 2013/14 and the last batch in late July 2014 as per the district IPF, the funds are very small and some time they are affected by budget cuts which affect the planned activities of the district
4) Implementations of planned activities are affected by law staffing level (limited human resource) at the district. They do not have animal husbandly officer, senior vet nary officer, husbandry officer and there are no vet nary officers at sub county level.
5) Natural dissenters; these include foot and mouth disease (FMD), unpredictable weather conditions and drought.

Recommendations

1) The district should provide transport to the FEWs and DAO s to coordinate programme implementation at sub county level.
2) The MFPED should ensure timely release of funds to enable early procurement and implementation of planned activities under PMG/PRDP Grant.
3) The MFPED should release funds as per the IPFs for effective implementation of planned activities.
4) The Ministry of Public Service and District Service Commission should fill all vacancy positions in Napak district.
5) The MAAIF should provide more support to the district in the areas of water for production and control of epidemic diseases.

A Case study

Arecheek Dam is located in Nakichumet parish, Matanga Sub County in Napak district. During the FY 2013/14, the district planned to put fish fingerling in this dam.

The district contracted M/s International institute for Rural Agriculture limited to supply 10,000 fish fingerlings at a Contract sum of Ug shs 13,000,000. On 4th June 2014, the fish fingerling were procured and put in Arecheek dam. It was further reported that after four days of supply, training was conducted to those who were going to manage fish in this dam. The district also constructed meet stores that were at the ring beam level in irriri Sub County in Napak district.

Parts of the PRDP funds were used to construct an aboture and a drying yard in Matanga Sub County.

4.7.3 Analysis

Link between financial and physical performance

The MFPED released a total of Ug shs 14,249,618,124 representing 100% of the total budget for PMG FY 2013/14. All local governments that were visited reported to have received these funds and expended it on both development and recurrent activities of their local governments. Apart from Kyenjojo district, all local governments visited had expended all the funds released to them. The funds were mainly expended on crops, fisheries and livestock sub sectors. Some local governments like Kamwenge, Bugiri and Kabarole districts were not allocating and spending as per the guidelines (45% recurrent and 55% development) and had spent more on recurrent activities of their local governments contrary to the PMG guidelines, claiming that the funds are too small to coordinate the entire production units and to undertake development activities of their local governments.

Achievement of set targets

Achievement of the Local Governments set targets for FY 2013/14 were achieved in some of the districts visited which include Lira, Masaka, Abim and Otuke and had expended all the funds by 30th June 2014 as per the guidelines. Districts like Kyenjojo did not spend all the monies and by 30th June 2014, some Local governments had spent all the monies but not as per the MAAIF guidelines, these include Kamwenge, Bugiri and Kabarole.

Comparative analysis

Of all districts visited that received the PMG/PRDP funds like Lira, Masaka, Abim, Butaleja and Otuke, performed excellent in terms of physical and financial performance. Districts like Mityana, Kamwenge, Moroto, Napak and Kabarole expended more of the funds on recurrent activities and some had not expended all the funds by 30th June 2014. Almost all the districts visited that receive the PRDP monies were well utilized on development activities of those districts.

4.7.4 Conclusion

The PMG was performing well with regard to recurrent activities and PRDP development activities with all recurrent and PRDP development activities implemented by 30th June 2014 as planned. However, the program has been constrained by reducing IPF for every FY and yet the costs of production are at an increasing rate hindering effective implementation, supervision and monitoring of development activities implemented under the PMG Normal and the unfavorable weather conditions.

4.7.5 Recommendations

1) The MAAIF should ensure that they provide transport to all district Local government to allow effective supervision and monitoring of the activities implemented under this grant.
2) The MAAIF should ensure that local governments do comply with the above ratio of resource sharing(45% recurrent and 55% Development).
3) The Ministry should study and outline clearly the activities that should be considered under recurrent and development for effective implementation of the program.
4) The MAAIF/MFPED should ensure that there is an increase on the allocation of the Production and Marketing Grant, mainly for infrastructure development.

4.8 Support to Tea and Cocoa Seedlings

4.8.1 Background

The Support to Tea and Cocoa Seedlings project is a government intervention aimed at increasing tea and cocoa production in Uganda in order to increase household incomes and exports. The GoU contracts private nursery operators who produce quality tea and cocoa seedlings that are distributed at no cost to farmers, after sensitization and mobilization with the help of district officials. The private operators are in turn paid Ug shs 300 per seedling in line with the supply orders issued by Government every season.

The project implementation period is 07/01/2004 – 30/06/2018. The lead implementing agency is MAAIF. The project has two components: (i) Tea component (ii) Cocoa component
The long term planned outputs are:

- Mobilization and sensitization of new farmers to start tea and cocoa growing.
- Tea and cocoa nurseries inspected and certified to ensure production of high quality planting materials
- Improved planting materials distributed to beneficiary farmers
- Technical backstopping
- Guidelines manuals and handbooks supplied to farmers
- Provision of training tools on tea and cocoa production
- Tea cocoa ware houses inspected and certified
- Capacity building of district extension staff and private services providers

The key planned activities for the project in FY 2013/14 were:

- Mobilization and training of tea/cocoa farmers
- Provision of tea and cocoa seedlings
- Inspection of cocoa ware houses

4.8.2 Findings

i) Financial performance

The FY 2013/14 approved annual budget for Project 0104 Support for Tea Cocoa Seedlings was Ug shs 2,471,932,000 of which 100% of the total budget was released and expended by 30th June 2014. The funds were expended on the following activities as shown in the Table 4.57.

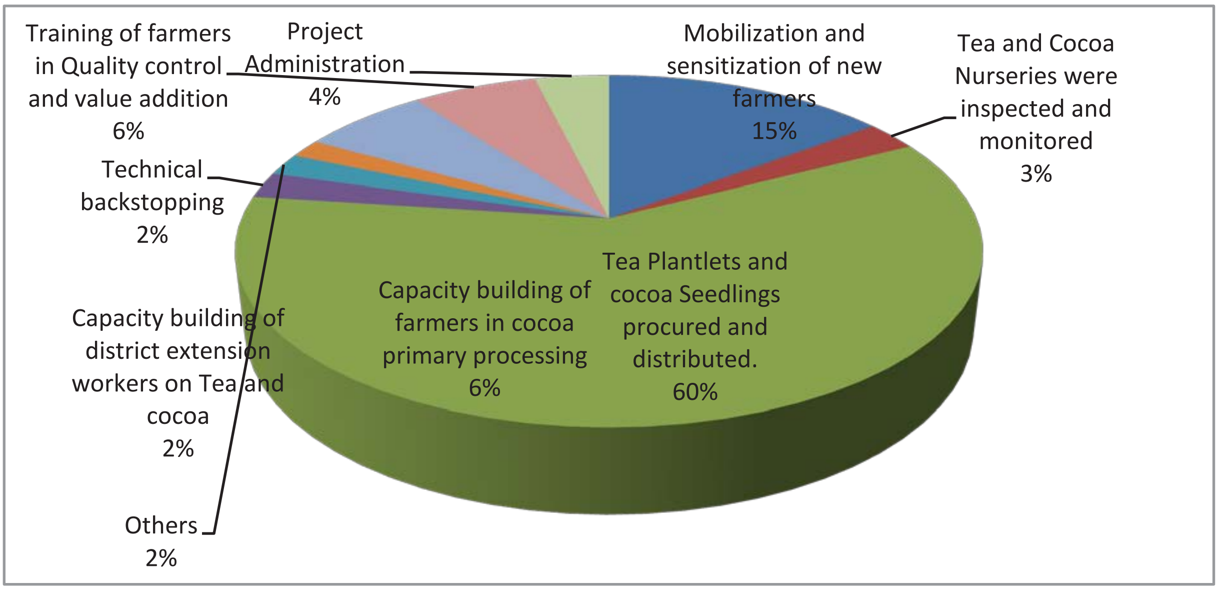
Table 4.57: Expenditures on the Support for Tea Cocoa Seedlings Project by 30th June 2014

Activity	*Expenditure (Ug shs)*
Mobilization and sensitization of new farmers	364,600,000
Tea and Cocoa Nurseries were inspected	5,280,000
Tea Plantlets and cocoa Seedlings procured and distributed.	1,478,000,000
Technical backstopping	58,000,000
Development of Guidelines, manuals and handbooks	6,438,300
Inspection and certification of made tea/cocoa	6,000,000
Capacity building of district extension workers on Tea and cocoa	42,000,000
Capacity building of farmers in cocoa primary processing	162,400,000
Training of farmers in Quality control and value addition	160,000,000
Monitoring and Evaluation	62,000,000
Project Administration	95,213,400
Cocoa Seed	30,000,000
Survey on the suitability of Tea growing (Masindi and Buliisa)	8,000,000
GRAND TOTAL	2,471,931,700

Source: Tea/cocoa coordination unit

By 30th June 2014, 60% of the total releases were expended on tea plantlets and cocoa seedlings, followed by mobilization and sensitization of new farmers in the cocoa/Tea project (15%). Other items received less than 15% of the total releases (Figure 4.4).

Figure 4.4: Expenditure breakdown for Support to Tea Cocoa project by 30th June 2014



Source: Tea/cocoa coordination unit

ii) Physical performance

a) Overall performance

Cocoa component

A total of 1,739,000 cocoa seedlings were procured and distributed by 24 private nursery operators to cocoa farmers in 16 districts during the FY 2013/14. More of the cocoa seedlings were procured and distributed in Bundibugyo, Hoima Mayuge and Kibaale districts than other cocoa growing districts (Table 4.58).

Table 4.58: Suppliers and Quantities of cocoa/Tea seedlings procured and distributed to farmers through support to Tea/cocoa seedlings project (0104) by 30th June 2014

Name of supplier	Quantity supplied	District
Nyandera Sarah	104,500	Hoima
Agro- Care services	160,000	
Kiddawalime B	60,000	Kibaale
Ssentaayi .peter	120,000	
Mugenyi patrick	30,000	Masindi
Balyesiime Everest, Rwatooro Steven and Ngwabusa Fabiano each supplied 60,000	180,000	Bundibugyo
Byaruhanga Jane	70,000	Luwero
Kasumba Andrew	50,000	Nakaseke
Lubega John	60,000	Mpigi

Kaggwa Azaria	42,500	
Musisi Alex	40,000	Buikwe
Osudo M	70,000	Jinja
Wamunya V	80,000	Luuka
Tibita Sam	70,000	Mayuge
Mugogo M	40,000	
Trans – A – Global	40,000	Kamwenge
Lwanga Henry	105,500	Mukono
Kasumba Andrew	226,500	
Musisi Alex	60,000	
Innya martin	60,000	Kamuli
Kaggwa Azaria	30,000	Bukomansimbi
Kasumba Andrew	40,000	Wakiso
Total seedlings distributed	**1,739,000**	

Source: ***Tea/cocoa coordination unit; field findings***

b) Field Findings

During the FY 2013/14, the monitoring team visited private cocoa nursery operators in Mpigi, Luuka and Mayuge districts out of the 16 districts where project activities were implemented to assess MAAIFs role in the distribution of cocoa seedlings. The Nursery operators visited had records of the total number of seedlings they distributed to cocoa farmers in FY 2013/14.

Findings indicated that apart from Bukoola cocoa nursery in Mpigi, there was a discrepancy in the seedlings procured and distributed between MAAIF and the nursery operators in the cocoa growing districts visited, for example; fewer cocoa seedlings were supplied in Mpigi, Mayuge and Luuka, and more cocoa seedlings were reported to have been distributed in Kamuli and one of the nursery operators in Mayuge district than what was reported in the MAAIF records, as shown in Table 4.59.

Table 4.59: Distribution of cocoa seedlings by Cocoa Nursery in FY 2013/14

District	***Nursery location(Sub County)***	***Name of Cocoa Nursery***	***No. of cocoa seedlings distributed***		***Variance***
			Reported by MAAIF	Actual by Nursery operator	
Mpigi	Mpigi T/c	Mpigi Cocoa Nursery	60,000	40,000	20,000
	Kammengo	Butoolo Cocoa Nursery	42,500	42,500	0
Kamuli	Nawanyango	Nawanyago Cocoa Nursery	60,000	70,000	-10,000
Mayuge	Imayiro	Ikulwe Cocoa Nursery	70,000	60,000	10,000
	Busakira	Buyanirwa Cocoa Nursery	40,000	60,000	-20,000
Luuka	Bukooma	Naigobya Cocoa Nursery	80,000	60,000	20,000

Source: Tea/cocoa coordination unit; field findings

The monitoring team held discussions with the private nursery operators on physical performance of their nurseries. The findings are shown below.

Kamuli District

Nawanyago cocoa Nursery

The 30 year old cocoa nursery is found in Nawanyago block C LC1, Nawanyango parish Nawanyago Sub County in Kamuli district. The nursery operator reported that he supplied a total of 70,000 cocoa seedlings in FY 2013/14. The 30,000 cocoa seedlings were supplied in October 2013 and in the second season of March 2014; he received an order of 40,000 cocoa seedlings which were all distributed to farmers a unit price of Ug shs 300. These seedlings were distributed to a total of 100 cocoa farmers in eight sub counties of Kamuli district. He further reported that the second consignment of 40,000 cocoa seedlings was not yet paid by MAAIF as on 22nd July 2014.

Nawanyago Cocoa Nursery in Nawanyago Sub County Kamuli District

Luuka District

Naigobya cocoa Nursery

Naigobya Cocoa Nursery in Bukooma Sub County Luuka district

The cocoa nursery which started in August 2001 is found in Naigobya village, Naigobya parish, Bukooma Sub County in Luuka district. The nursery operator reported that he supplied a total of 60,000 cocoa seedlings in April 2014 at a unit price of Ug shs 300 for each seedling and payments were made in June 2014. These seedlings were distributed to a total of 65 cocoa farmers in Bukooma, Ikumbya, Bulongo and Igongo Sub counties in Luuka district. By 24th July 2014, he was preparing the seeds to be distributed in the next planting season of October 2914.

Mpigi District

Butoolo Cocoa Nursery

Preparation of the 50,000 cocoa seedlings for distribution in November 2014 was ongoing in Kammengo Sub County

The cocoa nursery began operational in the year 2001 and owned by Mr. Kaggwa Azariah. It is located in Njeru LC1, Butooro Parish, in Kammengo Sub County. The nursery operator reported that he supplied a total of 42,500 cocoa seedlings in October/November 2013 planting season at Ug shs 300 per seedling. These cocoa seedlings were distributed to a total of 85 cocoa farmers in Kyanja, kibanga, Musa, Butooro and Luwala parishes in Kammengo Sub County. By 29th July 2014, the nursery operator was preparing 50,000 cocoa seedlings for distribution in November 2014.

Mpigi cocoa Nursery

The 15 year old cocoa nursery is owned by Mr. Lubega John and located in Mayembe-Gambogo ward, Mpigi town council in Mpigi district. The nursery operator reported that he supplied a total of 40,000 cocoa seedlings in FY 2013/14. The 20,000 cocoa seedlings were supplied in November 2013 and in the second season he produced 30,000 cocoa seedlings and received an order of 20,000 seedlings at a unit price of Ug shs 300.

The overgrown 3,000 Cocoa Seedlings that were not distributed in FY 2013/14 in Mpigi cocoa nursery

He further reported that 8,000 cocoa seedlings dried up and the 3,000 cocoa seedlings were still in the nursery bed by 29th July 2014, he reported that he did not have any other market where to sale these seedlings. The seedlings were distributed to a total of 40 cocoa farmers in Mpigi town council and Kasanje Sub County.

The nursery operator in Mpigi district reported that the cocoa business was not profitable; that GoU should raise the price of seedlings from Ug shs 300 to Ug shs 500. The monitoring team carried out cost benefit analysis to triangulate this problem (Table 4.60).

Table 4.60: Cost benefit analysis for producing the 30,000 cocoa seedlings at Mpigi cocoa Nursery in FY 2013/14

Item	A mount procured	Unit cost (Ug shs)	Total amount (Ug shs)	Per period of six months ready for sale (Ugshs)
A trip of black soil	6 trips	100,000	600,000	600,000
Purchase of potting materials	200kgs	8,000	1,600,000	1,600,000
Bought 3 Tipas of manure	3 trucks each at 150,000		450,000	450,000
Labor for Polythene making	30,000	10	300,000	300,000
Transporting the polyethene to the site	15	30,000	450,000	450,000
Breaking the cocoa seeds and transporting them	5 per port	30,000	150,000	150,000
Taking care of the seedlings as there germinating	2 people	100,000	200,000	1,200,000
Pesticides	3 liters	25,000	75,000	75,000
Fertilizers	2 litters	35,000	70,000	70,000
Loading on the truck to take to the customers	10 per seedling	30,000	300,000	300,000
Shade maintenance				300,000
Other expenses	50,000	six months	300,000	300,000
With Holding Tax	6% of the total revenue/income			540,000
Water containers	1container	4 seasons	60,000	15,000
Watering can	3 watering canes	4 season	65,000	48,750
Some seedlings dried up	7,000 dried up	Each at 300		2,100,000
Total cost for one planting season				**8,498,750**
Total income				**9,000,000**
Net income				**501,250**

Source: Field findings

It was established that at the current price of Ug shs 300 per seedling, it was still profitable for the farmer to engage in cocoa growing.

Mayuge District

Buyanirwa Cocoa Nursery

The cocoa nursery is found in Buyanirwa village, Mawumu Parish, Busakira Sub County in Mayuge district. The nursery operator reported that he supplied a total of 60,000 cocoa seedlings in FY 2013/14. The 20,000 cocoa seedlings were supplied in August 2013 and in the second season of May 2014; he received an order of 40,000 cocoa seedlings all at a unit price of Ug shs 300 for each seedling. By 24th July 2014, the nursery operator had 30,000 cocoa seedlings for distribution to cocoa farmers in August 2014.

Cocoa seedlings which were to be distributed in August 2014 at Ikulwe cocoa Nursery in Mayuge district

Ikulwe Cocoa Nursery

The cocoa nursery is found in Ikulwe village, Mayuge parish, Imanyiro Sub County in Mayuge district. The nursery operator reported that he supplied a total of 60,000 cocoa seedlings in FY 2013/14. The 20,000 cocoa seedlings were distributed to farmers in August 2013 and in the second season of April 2014; he received an order of 40,000 seedlings at a unit price of Ug shs 300. These seedlings were distributed to a total of 70 cocoa farmers in Imanyiro, Buwaya and Bukatube sub Counties in Mayuge district.

The nursery operator further reported that the second consignment of 40,000 cocoa seedlings which were distributed to cocoa farmers was not yet paid by MAAIF as on 24th July 2014. By 24th July 2014, the nursery operator had 32,000 cocoa seedlings which were to be distribution in August 2014.

Case studies on beneficiary satisfaction.

The monitoring team visited five farmers in Mpigi, Mayuge and Kamuli districts who were reported to have received cocoa seedlings in FY 2013/14. The findings are presented below.

Kamuli district

Some of the cocoa trees planted by Mr. Charles Lwanga in Nawanyago Sub County

Mr. Charles Lwanga of Buwangi-Bulondo LC1, Nawantunsi parish, Nawanyago Sub County, started cocoa growing in the year 2,000, had over 700 cocoa trees in the garden that were planted some years back.

He acknowledged receipt of 500 cocoa seedlings in November 2013 which were planted in April 2014. His key challenges are; the untimely distribution of cocoa seedlings leading to late planting, pests and diseases that affects the crops and the law prices quoted by the middle men/buyers due to low market for cocoa. He recommended the government to distribute cocoa seedlings at the beginning of the rainy season, subsidize prices on pesticides to make them cheaper and available to farmers, and provide market for cocoa in the district.

Mr. Ndigendawa Festus of Itikulu-Bukaaya LC1, Bupadengo parish, Nawanyago Sub County, Buzaaya County in Kamuli district and a member of Itukulu Tweyambe development Association reported that they received 2800 cocoa seedlings in their group. He acknowledged receipt of 400 cocoa seedlings from his group which were planted in April 2014. This group has 15 members of which 13 are males and the rest are female. His key challenges are; the too much sunshine that affected the cocoa garden as at the time of monitoring in July 2014 and recommended the government to train farmers on irrigation methods of farming.

Luuka district

Mr. Tenwaya Nelson of Naigobya parish, Bukooma Sub County in Luuka district, acknowledged receipt of 500 cocoa seedlings in November 2013. They were planted in the existing cocoa garden to fill the gaps in his plantation. His key challenges are: lack of pesticides and fertilizers and droughts. He recommended the Government to provide pesticides and fertilizers to farmers and train them on irrigation methods of farming.

Mayuge district

Mr. Patrick Ngobi of Kavule LC1, Mayuge parish in Mayuge town council, acknowledged receipt of 2400 cocoa seedlings from Busakira Sub County in April 2014 and 2,500 cocoa seedlings from Ikulwe Sub County in March 2014. The beneficiaries reported that the seedlings received from Busakira Sub County did not germinate, because they overgrown, they were transplanted at five months instead of three months to the main garden. His key challenges are; pests and diseases that affects the pants and lack of knowledge on cocoa growing. He recommended the government to give them pesticides and train farmers on cocoa growing in the district.

Mpigi district

Mr. Edward Musisi of Bunme LC1, Maziba-Mpigi Town Council in Mpigi district, acknowledged receipt of 300 cocoa seedlings in April 2014 and 500 cocoa seedlings in November 2013. He reported that the seedlings were planted in the already exiting cocoa garden which had some gaps. His key challenges are; law market for the cocoa, a Kg of cocoa is at an average price of Ug shs 2,500, distribution of cocoa seedlings in the wrong season and lack of training on cocoa growing. He recommended the government to; provide market for cocoa at higher price, distribute cocoa seedlings at the beginning of the rainy season and provide training to farmers on cocoa growing.

Mr. Okoola Henry of Bubuule LC1, Kyanja parish in Kammengo Sub County and a member of Kyosiga farmers` development group of 50 farmers, started cocoa growing in the year 2012. He acknowledged receipt of 15,000 cocoa seedlings for his group in kyanja parish. He received 500 cocoa seedlings from the group which were planted in November 2013. Mr. Henry is also a nursery operator and received seeds from Sunshine agro products limited, from which he raised 10,000 cocoa seedlings. He planted 500 cocoa seedlings and gave out the rest to other group members. His key challenges are; the expensive inputs like fertilizers and pesticides. He recommended the government to avail them money in form of loans to buy the fertilizers and pesticides.

Mr. Okoola Henry`s cocoa garden in Kammengo Sub County

Mr. Wasswa Christopher of Bubuule parish, in Kammengo Sub County and a member of Kyosiga farmers Development group started growing cocoa in November 2013. He acknowledged receipt of 200 cocoa seedlings in November 2013 from his group which ware all planted in the same month. He further reported that too much sun shine destroyed some of the cocoa seedling in the garden.

Implementation challenges

1) Drying up of some seedlings in the garden due to;
    a. Untimely distribution of cocoa seedlings. In most cases, cocoa seedlings are distributed in the dry seasons (June/July and January/February). Farmers accept to take them because of expected future seedlings knowing that they will dry in the garden.
    b. Delays in payments by MAAIF, since it is the nursery operators' capital to continue producing more cocoa seedlings.
2) High costs of maintaining a cocoa nursery and garden due to; expensive in puts like the black soil which is not locally available in some areas at Ug shs 150,000 per trip and polyethene materials used in potting at an average price of Ug shs 8,500 per Kgs due to a monopoly supplier in the market.
3) Shortage of labour for maintaining the cocoa nursery making it very expensive to manage mainly in Mpigi and Luuka districts.
4) Unavailability of market for cocoa in Kamuli and Mpigi district. This is because of deterioration of cocoa quality due to bad practices of cocoa handling.
5) Over production of cocoa seedlings. This is due to lack of information on how many cocoa seedlings to produce in a given planting season leading by MAAIF. The nursery operators reported that sometimes they produce more or less seedlings than what MAAIF will order for in a given planting season.

Recommendations

1) The MAAIF should ensure that orders for cocoa seedlings are made at the beginning of the rainy season, mainly in March and May for a given financial year.
2) The MAAIF should provide alternative materials for potting or lower the taxes for the supplier of polyethene materials in the market.
3) The MAAIF/MFPED should ensure timely release of funds.
4) The MAAIF should recruit extension staff/workers in Local government to guide, train farmers in planting, harvesting and good storage methods of cocoa in the district.
5) The MAAIF should always inform the nursery operators the number of cocoa seedlings they will order for in a given planting season so that they prepare exactly what will be distributed to farmers.

<u>Tea component</u>

During FY 2013/14, a total of 2,031,685 tea seedlings were procured by MAAIF and distributed by two nursery operators in the districts of Buhweju and Kyenjojo. M/s Kereire green Africa Agency Ltd distributed 1,031,685 tea seedlings in the six sub counties of Buhweju district; M/s Cougar Industries Limited distributed 1,000,000 tea seedlings in the nine sub counties and one town council of Kyenjojo district.

During the second quarter FY 2013/14 monitoring exercise in Buhweju district, the monitoring team reported that 271 farmers received a total of 1,000,000 seedlings as delegated procurements in October 2013. Tea growing was also established on 227 acres of land in this district. It was noted that tea as a crop was doing well for the past two years in this district. It was further noted that in FY 2012/13, the commissioning of a second production line for tea processing was established at Buhweju tea factory due to the overwhelming supply of tea plantlets to the factory[45].

During annual monitoring, Kyenjojo district was visited to ascertain the distribution of tea seedlings to the veterans of the Luwero/Rwenzori civilians` veterans' Pilot programme.

Findings indicated that a total of 460 veterans out of the 688 applicants were reported to have received a total of 1,000,000 tea seedlings out of the total demanded of 4,752,000 tea seedlings. Each farmer was allocated only 2,000 plantlets equivalent to 0.5 an acre.

Mr. Limox Murungi, the Nursery operator of Cougar Industries limited reported that the requisition to distribute the tea seedlings was made in June 2014 and he distributed 1,000,000 tea seedlings to 460 tea farmers in the district at Ug shs 500 per seedling. By 9th July 2014, the supplier had not received any payment from MAAIF.

Case studies on beneficiary satisfaction.
The monitoring team visited three farmers in Kyenjojo district who were reported to have received tea seedlings as delegated procurement in Q4 FY 2013/14. The findings are presented below.

- **Hajji Said kirokimwe** of Nyabutogyo village, Hima parish in Rugaki Sub County is a beneficiary in NAADs program and Luwero Rwenzori veteran civilian pilot program. He acknowledged receipt of 2000 tea seedlings from the Luwero Rwenzori civilian program in April 2014. His key challenge is the late distribution of tea seedlings by MAAIF which withered in the garden. He recommended MAAIF to distribute tea seedlings at the beginning of every rainy season.

Hajji Said`s Tea garden in Rugaki Sub county in Kyenjojo district

- **Mr. Kaija Silver and Helen Kaija** of Kagorogoro village, Rugaji Sub County in Kyenjojo district acknowledged receipt of 2,000 tea seedlings each from cougar Industries limited under the Luwero Rwenzori veteran civilian pilot program. The tea seedlings were all planted in April 2014.

- **Mr. Kabahikya Ruth** of Ntoroko rood Kyakisuku Village, Hima parish in Bugaki Sub County acknowledged receipt of 2,000 tea seedlings in April 2014 which she planted during the same month.

4.8.3 Analysis

Link between financial and physical performance
During the FY 2013/14, Ug shs 2,471,931,700 was releases for this project by GoU and expended on different items. The bulk of funding (60%) was earmarked to procurement and distribution of tea Plantlets and cocoa Seedlings, 15% on Mobilization and sensitization of new farmers in cocoa/tea production, 6% Capacity building of farmers in cocoa primary processing, 6% on training of farmers in Quality control and value addition, 3% on inspection of Tea and Cocoa Nurseries and others were allocated less than 2% these include monitoring and evaluation, cocoa seeds and Project Administration. There was excellent performance in distribution and planting of cocoa/tea seedlings. However some of the cocoa/tea plantlets withered because they were planted towards the end of the rainy season and poor agronomy practices due to lack of training on cocoa/tea growing.

Achievement of set targets

The key performance target for cocoa/tea project was significantly achieved. A total of 4,752,000 tea seedlings were demanded by 688 applicants. Due to limited funds, a total of 1,000,000 plantlets were procured and distributed to 460 applicants each received 2,000 plantlets for half an acre in Kyenjojo district and a total of 1,739,000 cocoa seedlings were procured and distributed to cocoa farmers in the 16 cocoa growing districts in uganda.

Comparative analysis

The cocoa project was performing well in all the districts visited, these were; Luuka, Mayuge and Mpigi. However, there was inconsistence in the total seedlings reported by MAAIF and the private nursery operators in all districts visited a part from Butoolo cocoa nursery in Mpigi district. The nursery operators were reporting either fewer or more cocoa seedlings distributed to cocoa farmers contrary to what MAAIF reported, for example Mpigi cocoa nursery reported to have distributed 40,000 plantlets while MAAIF reported 60,000 plantlets and Kamuli district reported more by 10,000 plantlets from what MAAIF reported. For the tea project, due to limited funds, a total of 1,000,000 tea seedlings were procured and distributed to 460 farmers as planned, however the total demand was 4,752,000 for a total of 688 applications in Kyenjojo district.

4.8.4 Conclusion

The Support to Tea Cocoa Seedlings Project was performing well with regard to procurement and distribution of cocoa/tea seedlings to cocoa tea farmers and there is high demand for tea cocoa seedlings in all the districts visited than what is distributed to farmers. The project has significantly been constrained by untimely distribution of tea cocoa seedlings and high demand than what MAAIF orders from the private nursery operators.

4.8.5 Recommendations

1) The MAAIF should ensure timely distribution of cocoa tea seedlings mainly at the beginning of every planting/rainy season.
2) The MAAIF should pay all nursery operators promptly to ensure timely preparation/ procurement of inputs for the following planting season. All arrears in the sector should be cleared.
3) The MAAIF should consider allocating more funds to this project to meet the demand for the cocoa tea seedlings in all districts visited.
4) The MAAIF should communicate earlier to the nursery operators the total seedlings they will procure to avoid wastage of resources in raising seedlings that will not be procured by MAAIF.
5) There should be proper/clear validation on the seedlings procured and distributed to cocoa tea farmers between MAAIF and nursery operators in all districts to avoid variations in the seedlings distributed.

4.9 Uganda Coffee Development Authority

4.9.1 Background

Uganda Coffee Development Authority (UCDA) was established by an Act of Parliament 1991 and amended in 1994, Cap. 325 under the laws of the Republic of Uganda. The mandate and purpose of the Authority is shown in Box 4.3.

Box 4.3: Profile of the Uganda Coffee Development Authority

Mission: To promote and oversee the development of the entire coffee subsector through support to research, propagation of clean planting materials, quality assurance, value addition and timely provision of market information to stakeholders.

Objectives of the Authority

1) To promote, improve and monitor the marketing of coffee with a view to optimizing foreign exchange earnings and payments to the farmers;
2) To control the quality of coffee in order to ensure that all coffee exported meets the standards stipulated by the contract between the seller and the buyer;
3) To develop and promote the coffee and other related industries through research and extension arrangements;
4) To promote the marketing of coffee as a final product;
5) To promote domestic consumption of coffee

Outputs:

- **Quality Assurance**: Undertake field evaluation and quality assessment
- **Production, research & coordination:** technical back stopping, generation of planting materials, registering farmers and distributing seeds to nursery operators.
- **Information dissemination for marketing and production:** This involves developing National Coffee strategy, issuing out market reports in the sector on the daily basis and monthly reports on industry
- **Finance and administration:** Include; training of staff organizing workshops, promoting team work, recruiting new staffs, Monitoring and Evaluation, supporting institutions and local communities through donation, internship programs, and managing UCDA assets.

Source: Discussions with UCDA staff, 2013/14

4.9.2 Findings

i) Financial performance

The approved annual budget for UCDA FY 2013/14 was Ug shs 21.136 billion comprising Non-Wage Recurrent (NWR) expenditureand NTR, of which Ug shs 19.276 billion (91.2%) was spent by 30th June 2014 (Table 4.61).

Table 4.61: Summary of UCDA Vote Expenditure by 30th June 2014

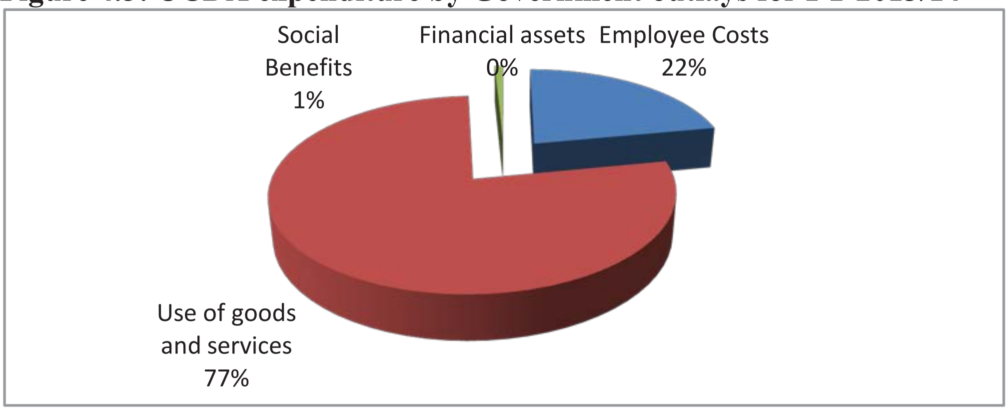
	Approved Budget (Ug shs)	Released (Ug shs)	Spent (Ugshs	% Budget Released	% Budget Spent	% Releases Spent
	(A)	(B)	(C)	(C/B)	(D/B)	(D/C)
NWR	7.912	7.912	7.907	100%	99.9%	100%
NTR	13.224	11.369	11.369	86%	86%	100%
Total	21.136	19.281	19.276	91.2%	91.2%	100%

Source: UCDA Head Offices

During FY 2013/14, a total of Ug shs 7.912 billion of Non-Wage recurrent budget was released and Ug shs 7.907 billion was spent (99.9% performance of the Non-Wage recurrent budget spent). Ug shs 11.369bn was realized from NTR (86% performance of the total NTR budget) and 100% of NTR realized spent.

The under performance of the NTR was due to the cumulative decline in the value of coffee exports during the Financial Year from US$ 422,383,957 in FY 2012/13 to US$ 403,559,848 in FY 2013/14. This represented a 5% performance decline attributed to decline in international prices, fluctuation in budgeted exchange rate and average prices. Findings indicated that funds were disbursed and utilized by the UCDA and regional offices as per the following government outlays (Figure 4.5).

Figure 4.5: UCDA expenditure by Government outlays for FY 2013/14



Source: UCDA Head offices; IFMS

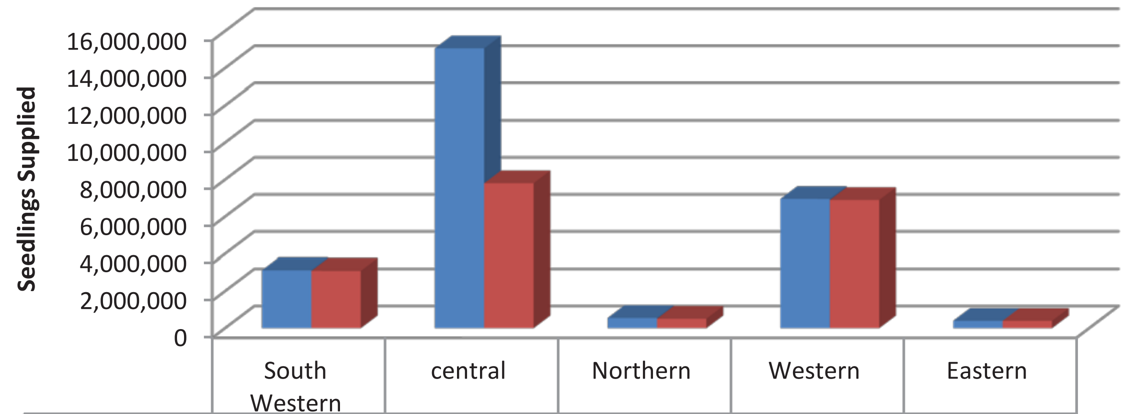
ii) Physical performance

a) Overall performance

Promoting of coffee replanting

To boost coffee production, the UCDA mobilized farmer groups, commercial farmers, individual famers, organizations and other projects to plant coffee seedlings raised by nursery operators. During the FY 2013/14, the UCDA allocated 26,099,838 coffee seedlings and distributed 18,712,437 seedlings to coffee farmers, representing 71.8% of the desired target for the September 2013 to May 2014 planting season. The allocations and supply of seedlings by region is shown in Figure 4.6.

Figure 4.6: Allocation and supply of coffee seedlings by region from September 2013 to May 2014 planting season



	South Western	central	Northern	Western	Eastern
Allocation	3,126,079	15,064,457	552,400	6,956,902	400,000
Actual supply	3,092,635	7,806,614	512,963	6,900,225	400,000

Source: UCDA Head offices

The largest allocation was in the central region followed by western region; the least supply was in the eastern region. With exception of the Eastern region, all the regions did not achieve their desired target for the period under review; this was due to some of the unqualified nursery operators who were cancelled from supplying coffee seedlings to coffee farmers in those regions, due to a number of reasons.

Seedlings distributed under the Luweero-Rwenzori veteran support program

The new program was approved by the MAAIF and started around July-September in the Fourth quarter of the coffee year October 2012-September 2013 and the Q1 of the FY 2013/14. It is restricted to specific areas and focuses mainly on veterans. Technologies like coffee, fruits and beans are distributed to war veterans in the restricted specific areas of Mityana, Kiboga, greater Mpigi, Luweero Mukono and Mubende, Kyankwanzi, Hoima, Kibaale, Kyegegwa, kasese, Isingiro, Ntoroko, Kabarole, Bundibugyo, Buhweju, Kiruhura, Lwengo, Mayuge, Lira, Manafwa, Kaberamaido, Nwoya, Amuru, Lira, Apac and Oyam districts.

In addition to the 18,712,437 Coffee seedlings distributed to coffee farmers, a total of 9,752,014 coffee seedlings were procured and distributed to 26,158 war veterans in the above motioned districts.

Coffee Rehabilitation Kits/Tools

In a bid to promote production, improve the yield per tree and control the quality of coffee produced by coffee farmers. The UCDA is rejuvenating old coffee trees through supporting farmers with stamping, pruning, soil fertility management and weed control.

During the FY 2013/14, the UCDA procured and distributed rehabilitation tools/ kits to nursery operators and Coffee farmers in the five regions of Eastern, Central, S/Western, Western, and Northern regions. These were; 40 water Tanks, 400 saws, 1600 Saw blades, 800 Pangs, 800 Slashers, 800 Secateurs and 272 tarpaulins.

These tool kits were equally allocated and distributed to the five coffee growing regions; each region received 8 Tanks, 80 saws, 320 saw blades, 169 pangs, 169 Slashers, and 160 secateurs. In addition to these tool kits, the Northern region received 272 tarpaulins. The UCDA also procured 9 desks and 11 chairs; two chairs and desk were taken to the South western regional offices, 4 chairs and desks to the western, 3 to the Northern region and the two chairs remained at the UCDA head offices in Kampala.

Management of Diseases and Pests

The outbreak of a serious pest was reported in Mukono and Kayunga in central Uganda in December 2008. In response, a survey was carried out in the two districts to determine the identity, spread, incidence and damage caused by this pest. The pest was preliminary identified as the Black Coffee Twig Borer (BCTB) which was found on coffee in both districts infecting 37.5% of the survey Robusta coffee farm. During the FY 2013/14, the UCDA allocated funds, procured chemicals and Spray Gang Gear to help combating the outbreak. Each region received the following amounts/Quantities for demonstration on combating the outbreak (Table 4.62).

Table 4.62: Chemicals and Spray Gang Gear distributed by UCDA by 30th June 2014

Districts covered by each region office.	Number of districts in which demonstrations were carried out	Chemical @ 106 liters per district	Spray pumps @ 10 pieces per district	Gum boots @ 10 pairs per district	Overalls @ 10 pieces per district	Hand gloves @ 10 pairs per district	Nose/mouth masks @ 10 pieces per district
Bugiri, Iganga, Namutumba, Mayuge (4)		414	35	35	35	35	35
Kaliro, Jinja,Buyende,Kamuli (4)		414	35	35	35	35	35
Wakiso, Butambala, Gomba & Mpigi	2	212	20	20	20	20	20
Mukono, Buikwe & Kayunga	2	212	20	20	20	20	20
Luwero, Nakaseke & Nakasongo(3)		303	30	30	30	30	30
Masaka, Lwengo, Kalungu, Bukomansibu, Rakai, Sembabule & Kalangala	3	303	30	30	30	30	30
Mubende, Kiboga & Mityana (3)		318	30	30	30	30	30
Kibaale, Hoima, Buliisa & Masindi	3	303	30	30	30	30	30
Kabarole, kamwenge,	3	303	30	30	30	30	30

Kyenjojo, Kyegegwa							
Rukungiri, Kanungu, Kabale & Kisoro	2	303	30	30	30	30	30
Mbarara, Isingiro, Ntungamo, Kirihura	3	303	30	30	30	30	30
Bushenyi, Rubirizi, Sheema, Nzika, Mitooma & Ibanda	2	212	20	20	20	20	20
Total	**34**	**3600**	**340**	**340**	**340**	**340**	**340**

Source: UCDA Head offices; field findings

Each regional Coffee extension office organized a spray Gang Gear and identified the villages to benefit from each district. Not all the districts under a given RCEO benefited under this program, this was due to the few chemicals allocated to each region. The UCDA was only providing chemicals and equipment to the critically affected coffee villages in the identified districts.

Challenges

1) Ineffective monitoring and supervision of the programme due to inadequate staffing at field level.
2) High incidence of the Black Coffee Twig Borer destroying the coffee gardens.

Recommendation

1) The UCDA should recruit more coffee extension officers at district level
2) The MAAIF should support UCDA in controlling the Black Coffee Twig Borer.

b) Field Findings

The monitoring team sampled four regional offices, implementing the UCDA activities during Q4 FY 2013/14 Monitoring exercise namely; The Eastern region which constitutes of Iganga sub region and Jinja sub region, the western Region which constitutes of Mityana and Kyenjojo sub regions, South western region which constitutes of Ntungamo, Bushenyi and Runkungiri sub regions and the Northern Region which constitutes of West Nile and Acholi sub regions.

The Physical and Financial performance of each regional office was collected. The field findings are presented below.

Northern Region

In this region, the West Nile sub region office in Zombo (with 5 districts) and Acholi sub region offices in Gulu district (with 5 districts) were visited. The field findings are presented below.

<u>West Nile Sub region</u>

The sub region constitutes 5 districts of Arua, Nebbi, Maracha/Terego, Yumbe and Zombo.

Financial performance

Table 4.63 shows funds received from UCDA offices in Kampala to the West Nile sub region in Zombo district.

Table 4.63: UCDA expenditures to West Nile sub region by 30th June 2014 (Ug shs)

	Activity	*Unit*	*Period*	*Total*	*Remarks*
	Fuel	756,000	9 Months	6,804,000	Excluding annual leave and the planting season of May and April
	Motor Vehicle hire	240,000	9 Months	2,160,000	
	Night allowance	200,000	9 Months	1,800,000	
	Air time	50,000	11 Months	550,000	Excluding annual leave
	Office imprest	150,000	11 Months	1,650,000	
	Travel refund to Kampala	54,000	11 months	594,000	
	Farmers training	6,885,000	Feb to April 2014	9,427,000	This activity was done up to May following the intense of coffee planting
		2,542,000	Jan to April 2014		These funds included demo power saw funding of Ug shs 342,000 and Ug shs1 million for Zombo coffee seed stock support in Quarter 1
	Fuels for April & May	756,000 *4	May and April	3,024,000	During the months of May & April, fuel and night allowance are doubled
	Night allowance	200,000 *2		400,000	
Total				**26,409,000**	

Source: ***West Nile sub region office; field findings***

In the planting season of May and April 2014, the West Nile sub regional office also received a total of Ug shs 4,000,000 for farmers training. The breakdown of expenditure is as shown in the Table 4.64.

Table 4.64: UCDA expenditures in West Nile sub region by 30th June 2014

Activity	**Mobilisation**	**Stationary**	**Lunch**	**Venue hire**	**Motor vehicle hire**	**Resource person**	**Bank Charges**	**Sub total**
Receipts for April	100,000	367,000	800,000	100,000	560,000	70,000	3,000	2,000,000
Receipts May	100,000	367,000	800,000	100,000	560,000	70,000	3,000	2,000,000
Total	**200,000**	**734,000**	**160,000**	**200,000**	**1,120,000**	**140,000**	**6,000**	**4,000,000**

Source: West Nile sub region office; field findings

Physical performance

The following activities were implemented in the seven districts of Zombo, Arua, Nebbi, Maracha/Terego and Yumbe during the FY 2013/14.

- Procured and distributed 162,000 coffee seedlings to coffee farmers in the West Nile sub region, worth Ug shs 48,600,000. They were planted in May to Sept/October 2013 planting seasons.
- Received 1,130Kgs of coffee seeds from UCDA and were distributed to coffee Nursery Operators in the west Nile sub region.
- Received 261.26Kgs of poly pots in the months of April and July 2014 and were distributed to 15 Nursery operators in the west Nile region.
- Received rehabilitation kits/tools and were distributed to farmers in the west Nile region, these were; 3 water harvesting tanks, 38 bow saws, 160 saw blades, 78 pangs, 78 slashers and 80 Secateurs

The coffee seedlings, seeds, poly pots and rehabilitation kits were distributed to coffee farmers and Nursery operators in the West Nile sub Region as follows.

Coffee Rehabilitation kits /tools

In order to improve the yield per tree, the UCDA West Nile sub region procured and distributed the following coffee rehabilitation kits to coffee farmers (Table 4.65).

Table 4.65: UCDA rehabilitation kits distributed in West Nile region by 30th June 2014

		Zombo		Nebbi		Arua		
No	Type of kit	No. Kits	No beneficiaries	No. kits	No of beneficiaries	No. kits	No beneficiaries	Total kits received
1	Water Tanks	1	1	1	1	1	1	**3**
2	Bow saw	20	29	15	21	5	6	**38**
3	Saw blades	20	49	60	26	20	12	**160**
4	Pangs	38	49	25	30	15	15	**78**
5	Slashers	38	49	25	30	15	15	**78**
6	Secateurs	40	49	25	30	15	15	**80**
Total beneficiaries by district		**226**		**134**		**64**		

Source: West Nile sub region; field findings

Note: these tools/Kits are not equally distributed to coffee farmers, some farmers get more than two kits and others are given as a group to share one or two kits. During the FY 2013/14, a total of 424 coffee farmers benefited from coffee rehabilitation kits/tools in the west Nile sub region.

Coffee Seeds: The Regional office received 1,130Kgs of coffee seeds of which 1000Kgs were SL 14 (Arabic) and the 130 Kgs were Robusta Elite variety. These Seeds were distributed to Nursery operators in the period of January to April 2014 as follows (Table 4.66):

Table 4.66: Distribution of Coffee seeds to Nursery Operators by District by 30th June 2014

No.	**District**	**No. of Nursery Operators**	**Coffee Variety**		**Total Coffee Seeds received by District**
			Arabic (Kgs)	Robusta (Kg)	
1	Zombo	43	647	0	647
2	Nebbi	12	203	0	203
3	Arua	18	150	43	193
4	Maracha	13	0	87	87
Total		**86**	**1,000**	**130**	**1,130**

Source: Zombo Coffee Field offices; field findings

The coffee seeds in this region are procured from coffee farmers, once during the harvesting season that starts in December. A total of 1,130 coffee seeds were procured and distributed to 86 Nursery operators in the abovementioned districts. Arabic coffee is mainly grown in Zombo and Nebbi districts while Robusta coffee in Arua and Maracha districts.

Poly pots:

The Regional office received 261.26Kgs of poly pots in the period of April and July 2014. They were distributed among 15 nursery operators in the sub region; 5 Nursery operators in each district as follow; Zombo district received 129Kgs, Arua 41.26Kgs and Maracha 40Kgs. The RCEO further reported that he had a balance of 33.74Kgs of poly pots which were yet to be distributed to nursery operators as on 8th August 2014.

Coffee seedlings distribution:
The West Nile Sub Region procured and distributed 161,000 coffee seedlings to 655 coffee farmers, worth Ug shs 48,600,000 (Table 4.67). The farmers ranged from medium scale to general including special groups- youth and women through UCDA general allocation plus that to Zombo Women MP. They were all planted in FY 2013/14.

Table Table 4.67: Distribution of Coffee seedlings to the different categories of coffee farmers in West Nile by 30th June 2014

District	Zombo		Arua		Nebbi		Maracha		Total Number of	
	No. of farmers	Total Seedlings received	No. of farmers	Total Seedlings received	No. of farmers	Total Seedlings received	No. of farmers	Total Seedlings received	Famers by category	seedlings distributed
By Medium farmers	21	24,800	3	1,600	4	5,600	0	0	28	32,000
By MPs to small farmers	418	84,000	92	25,000	12,957	12,000	28	8,000	595	129,000
Totals	439	108,8000	95	26,600	61	17,600	28	8,000	623	161,000

Source: Zombo Coffee Field offices; field findings

The team held discussions with two coffee nursery operators on financial and physical performance of their nurseries. The findings are shown below:

Performance of Nurseries

Mr. Julius's Coffee nursery which is not well shaded in abanga Sub County

<u>Orwoninga Julius Coffee Nursery</u>

Mr. Orwoninga Julius a nursery operator in Ayodo village, thang parish, abanga Sub County in Zombo district, started nursery operation in 2009. He was supported with 15kgs of poly ports (5Kgs between April and July 2013 and 10Kg in February 2014). He further reported that his nursery supplied 2,440 coffee seedlings in May 2014 and 2200 coffee seedlings in July 2013. This consignment was not yet paid for by UCDA, as at the time of the monitoring visit on 8th August 2014. His key challenges are the expensive manure and working tools like the shade nets which are not readily available in Zombo district. He recommended UCDA to give nursery operators shade nets.

<u>Felix Kayomtho Coffee Nursery</u>

Mr. Felix Kayomtho, a nursery operator in Kei village, Pawong parish in Nebbi sub County and a member of Kumungucekecopre group, started nursery operation in 2008. He acknowledged receipt of 50Kgs of poly pots (20Kgs in June 2013, 10Kgs in February 2014 and 20 Kgs in January 2014). In the last consignment of 20Kgs of poly pots, he managed to produce 40,000 coffee seedlings which were still in his nursery as at the time of the monitoring visit on 8th August 2014.

Felix Kayomtho Coffee Nursery in Nebbi Sub County

Challenges

1) Delayed payment of nursery operators by more than six months resulting in low production of seedlings.
2) The inputs like working tools (shade nets for nursery shelters) and chemicals (pest sides, spraying pumps and fertilizers) are expensive and some were not locally available in the market.

Recommendations

1) The UCDA should pay all nursery operators immediately after supply of seedlings
2) The UCDA should support them with shade nets, chemicals and watering cans since their expensive and not locally available.

Trainings, Field visits and Demonstrations conducted

During the FY 2013/14, West Nile Sub regional offices in Zombo district conducted 28 Trainings and captured 614 coffee farmers, 65 Field visits and captured 240 coffee farmers and 52 demonstrations and contacted 318 coffee farmers (Table 4.68).

Table 4.68: Trainings, Field visits and Demonstrations in West Nile region by 30th June 2014

District	Trainings		Field Visits		Demonstrations	
	No. of trainings conducted	No. of farmers trained	No. of field visits conducted	No. of farmers visited	No. of demos Conducted	No. of farmers contacted
Zombo	10	286	33	97	18	109
Nebbi	6	150	16	49	17	111
Arua	11	176	14	54	11	61
Maracha	1	2	6	40	6	37
Total	**28**	**614**	**65**	**240**	**52**	**318**

Source: ***Zombo Coffee Field offices; field findings***

More trainings, field visits and Demonstrations were carried out in Zombo and Arua than Maracha because Maracha has very few coffee farmers in the west Nile sub region.

Implementation challenges in West Nile sub region

1) However the RCEO is backed by the technical officer in the region, the area / coverage is still big and the demand for the services is high. The RCEO covers four districts of Zombo, Arua, Nebbi and Maracha which are far from each other; districts like Koboko cannot be easily covered.
2) The yield is still very law due to few farmers' demonstration fields; on average each tree produces as low as 1Kg against the expected potential of 3Kgs per tree. In the year 1995 they started from 0.5 and to date they have just made 1Kg.
3) Delayed payments to Coffee Nursery operators discourage them to continue producing mores seedlings, payments delay for almost a year. For example in the year 2013 January coffee planting/distribution, requisitions of payments were submitted and payments were ongoing in July/August 2014, with Arua and Maracha paid pending Zombo and Nebbi districts. For 2013 planting season, a third of the nursery operators were paid (Maracha and Arua) and for the first rains of April and May 2014 none of the nursery operators had been paid.
4) Poor storage facilities of information which are sometimes very sensitive.
5) Poor quality of coffee is still produced due to poor handling in the region: Coffee regulation is less effective at the farmers' level than the middle men/ the buyers.

Recommendations

1) At least one or two more officers are needed at district level to work as District regional Coffee extension officers to back the RCEO in order to reach other districts like Koboko which are not yet Covered.
2) Technology dissemination is one of the core activity needed to increases production rate. Farmer Demonstration fields should be set up for them to adopt and at least 2 demonstration fields per Sub County with farmer field school demonstration modals are needed, materials like pruning tools and spray chemicals, fertilizers or manure.
3) Immediate payments should be made within 60 days, after the distribution of coffee seedlings to coffee farmers.
4) The Regional offices should be given file cabins to store their books of accounts.
5) Training/ enforcement or advisory services are needed to improve on the quality of coffee produced in the region.

Acholi Sub region

Financial performance

The region covers 7 districts of Gulu, Nwoya, Amuru, pader, Lamwo, kitgum and Agago. Table 4.69 shows funds received from UCDA offices in Kampala that were fully spent in Acholi Sub region during FY 2013/14.

Table 4.69: UCDA expenditure in Acholi Sub region FY 2013/14 (Ug shs)

Activity	Unit	Period	Total	Remarks
Fuel	756,000	7 Months	5,292,000	Excluding annual leave and the planting season of May and April
Motor Vehicle hire	240,000	7 Months	1,680,000	
Night allowance	200,000	7 Months	1,400,000	
Air time	45,000	11 Months	550,000	Excluding annual leave
Office imprest	250,000	11 Months	2,750,000	
Travel refund to Kampala	54,000	11 months	594,000	
Technology Development sites	For Gulu Ug shs 2,800,000 and Nwoya Ug shs2.100,000		4,900,000	Technology demonstration was on planting, spacing, intercropping fumigation and trenching.
Seedlings distribution mobilisation in Acholi sub region			1,330,000	Mobilised farmers to receive seedlings
Farmers training: Gulu (Ug shs 1,399, 833, Amuru (Ug shs 1,706,900) and Nwoya (Ug shs1,940, 966) for the whole FY 2013/14			5,045,966	For farmer field school & level organisation
Coffee plat form/coffee shows			1,500,000	They organised coffee shows
Farmers inter regional tour			5,000,000	The farmer inter regional tour was carried out in Lango sub region
Fuels for April & May	756,000 *4	May and April and Oct & Nov FY 2013/14	6,048,000	In the two planting seasons fuel and night allowance are doubled
Night allowance	200,000 *2		800,000	
Total			**36,889,966**	

Source*: *Acholi sub regional Offices; field findings

Physical performance

1) Coffee Rehabilitation kits /tools

The coffee rehabilitation kits that were distributed in Acholi sub-region from UCDA are shown in Table 4.70 below.

Table 4.70: Number of coffee Rehabilitation kits /tools distributed in Acholi sub region by 30th June 2014

District	*Water Tanks*	*Bow saw*	*Saw blades*	*Pangs*	*Slashers*	*Secateu rs*	*Potting Materials(Kgs)*	*Tarpaulins*
Gulu	3	10	33	10	12	18	301	52
No. of beneficiaries	3	5	13	7	7	9	41	27
Nwoya	0	10	27	16	12	11	264	42
No. of beneficiaries	0	6	10	8	6	7	25	18
Amuru	0	18	18	13	14	9	245	34
No. of beneficiaries	0	9	6	6	7	6	18	23
Pader	0	2	2	1	2	2	140	8
No. of beneficiaries	0	2	2	1	1	2	5	4
Total kits	3	40	31	40	40	40	1,415.27	136
Total beneficiaries	3	22	90	22	21	24	89	72

Source: Zombo Coffee Field offices; field findings

2) Coffee Seeds

The Regional offices received 950Kgs of coffee seeds, which were distributed to 90 Nursery operators. The office procured 276,800 coffee seedlings which were distributed to coffee farmers in the sub region. These items were distributed between June 2013 and September 2014 as shown in Table 4.71.

Table 4.71: Distribution of Coffee seeds and seedlings to Nursery Operators and coffee farmers in Acholi Sub region in FY 2013/14

No.	District	Quantity of Coffee Seeds provided (Kgs)	No. of Nursery Operators benefited	Quantity of Coffee seedlings provided	No. of Coffee seedlings Beneficiaries
1	Gulu	301	43	75,000	375
2	Nwoya	264	22	78,000	390
3	Amuru	245	18	65,000	325
4	Pader	140	7	23,000	119
5	Lamwo	0	0	35,000	175
Total		**950**	**90**	**276,800**	**1,384**

Source: Acholi Coffee Field offices; field findings

Case studies of Nursery operators

Gulu district

Komakack Steven Coffee Nursery

The coffee nursery is located in Agwee village and parish, laroo division in Gulu Municipality started nursery business in October 2012, conformed supply of 7963 coffee seedlings to coffee farmers on behalf of UCDA in august- September 2013 planting season and was paid in May 2014 at Ug shs300 per seedling.

Mr. Komakach Steven's Coffee nursery in Gulu Municipal council

He was also supported with 8kgs of poly pots in December 2013, from which he produced 70,000 coffee seedlings. These seedlings were ready for distribution by 7th August 2014. The main challenge reported was the late payment by UCDA for the coffee seedlings distributed, which discourages him from raising more seedlings. He recommended UCDA to pay them immediately after supply of coffee seedlings; this will encourage them to work hard.

Amuru District

Eliot Kilama Coffee Nursery

The coffee nursery is located in pukure village, lacor parish, lamogi Sub County in Amuru district. The coffee nursery is owned by Mr. Fred Eliot Kilama and started in May 2012. He acknowledged receipt 65Kgs of poly pots from UCDA since he started this business and in FY 2013/14 planting seasons, he had supplied 22,000 coffee seedlings to coffee farmers. By 7th August 2014, he had 24,000 coffee seedlings in his nursery. He further reported that UCDA has not paid him for the consignment supplied in FY 2013/14.

Mr. Eliot Kilama`s coffee Nursery in Lamogi Sub County in Amuru District

His main challenges were: a) the delayed payments by UCDA; he produced 9,000 coffee seedlings and sold to UCDA in August 2013, payments were made in February 2014. b) The seeds are not readily available at the time of planting and yet they should be ready by October/November planting season, they usually receive coffee seeds in December when the rains are almost stopping.

Recommended; a) payments to be made promptly as agreed in the UCDA guidelines and b) the UCDA should ensure that potting materials should be readily available in January every year.

Challenges in the Acholi sub-region

1) Understaffing: the Acholi sub regional office is understaffed in relation to the area of coverage; the wide area of coverage discourages effective services delivery in the sub region
2) Prolonged dry season resulting in low crop productivity
3) Delayed payments of nursery operators discourage them to continue with business. It takes a period of six months for UCDA to pay them after supplying coffee seedlings to coffee farmers and yet it is the money they use to procure the planting materials for the following planting season.
4) Delayed distribution of coffee seeds to nursery operators due to seasonal pattern for harvesting ripe coffee berries in the sub region, in which coffee seeds are developed. In this sub region, seeds are procured locally to avoid importation of pest and diseases, developing of coffee seeds start in January and takes six months to develop and yet they are needed by April for planting.
5) Low price of coffee seedlings which include transport costs makes it difficult for nursery operators to transport coffee seedlings to the distribution centres, because they take their profits.

Recommendations

1) The UCDA should deploy four additional field staff in the sub-region to enhance programme supervision and effectiveness.
2) The UCDA/MAAIF should promote intercropping of coffee and bananas for better environmental management.
3) The UCDA should pay all nursery operators in time.
4) The UCDA should source coffee seeds from other regions to enable early planting.

Western region

The western region constitutes of four Sub Regional offices. Two sub regional offices were visited to access the performance of the UCDA in the western region.

Kyenjojo Sub region

The sub region covers 4 districts of Kyenjojo, Kabarole, Kamwenge and Kyegegwa districts. The monitoring visited Kyenjojo sub region offices in Kyenjojo district to assess the physical and financial performance of UCDA in this sub region.

Financial performance

Table 4.72 shows funds received from UCDA offices in Kampala that were spent in Kyenjojo Sub region during the FY 2013/14.

Table 4.72: UCDA expenditures in Kyenjojo sub region by 30th June 2014 (Ug shs)

Activity	*Unit*	*Period*	*Total*	*Remarks*
Fuel	756,000	9 Months	6,804,000	Excluding annual leave and the planting season of May and April
Motor Vehicle hire	240,000	9 Months	2,160,000	
Night allowance	200,000	9 Months	1,800,000	
Air time	45,000	11 Months	550,000	Excluding annual leave
Office imprest	-	-	-	Do not get, is housed by the district
Travel refund to Kampala	54,000	11 months	594,000	Excluding annual leave
Fuels for April & May	756,000 *4		3,024,000	During the months of May & April, fuel and night allowance were doubled since it was a planting season
Night allowance	200,000 *2	May and April	400,000	
Car hire	480,000		960,000	
Air time	80,000		160,000	
Total expenditure on the above activities			**16,452,000**	

Source: ***Kyenjojo Coffee sub regional Offices; field findings***

Physical performance

By the end FY 2013/14, Kyenjojo coffee sub region reported to have implemented the following activities in the four districts of Kyenjojo, Kamwenge, Kabarole and Kyegegwa districts. Distributed;

1) **Coffee rehabilitation Kits/Tools**

The rehabilitation kits received and distributed to coffee farmers include: pruning saws, pagers and slushier, these kits were distributed to 20 farmers in this sub region as follows; Kabarole district receive 5 tool kits, 3 in Kamwenge, 7 in kyenjojo and 5 tool kits in Kyegegwa. It was farther noted that the kits which were given to farmers are rotational, they move from garden to garden.

2) **Coffee seeds**

A total of 1,200kgs of coffee seeds were procured and distributed to nursery operators in the Sub region: the nursery operators in Kyenjojo district received 400kgs, Kyegegwa 300kgs, Kabarole 200kgs and Kamwenge 300kgs. The seed suppliers were paid Ug shs 7,000 per kg directly by UCDA. The seed suppliers include; Myanzi Entrepreneurs Uganda limited who supplied 287Kgs and Kampala Domestic store limited supplied 483Kgs of Elite Robusta coffee seeds to nursery operators in the sub region.

3) **Coffee Seedlings to farmers**

A total of 1,705,210 coffee seedlings were distributed to coffee farmers in this sub region, including the war veteran program (Table 4.73).

Table 4.73: Coffee seedlings distributed in Kyenjojo sub-region by 30th June 2014

Support through	No. of seedlings distributed				Sub total
	Kyenjojo	Kyegegwa	Kabarole	Kamwenge	
Civil War veterans	307,660	395,000	211,000	1,560,000	913,660
Members of parliament/ other politicians	157,600	90,000	180,000	80,000	507,600
Commercial farmers/ Butunduzi happy	39,000	-	12,000	-	51,000
Sub counties/ Town Councils	40,000		100,000	20,000	160,000
Farmer groups	40,000	10,000			50,000
Coffee show 2013 participants/ Other organisation	22,950	-	-	300,000	22,950
Total	**607,210**	**495,000**	**503,000**	**100,000**	**1,705,210**

Source: Kyenjojo sub region; field findings

The monitoring team held discussions with the private nursery operators on physical and financial performance of their nurseries. The findings are shown below:

Performance of Nurseries in Kyenjojo district

a) **Royal Plants & Nurseries**

The nursery is located in Ngezi Village, Kasiina ward in Kyenjojo town Council and started operations in 2004. The company gets the elite seeds from certified seed suppliers in Mukono and Kashore estates. The UCDA supported the nursery with advisory services. In FY 2013/14, the nursery supplied 215,000 coffee seedlings to UCDA beneficiaries at Ug shs 300 per seedling. They had also supplied a second consignment of 250,000 seedlings to coffee farmers. The requisition for payment was made in June 2014 which was not yet cleared by UCDA as on 10th June 2014.

Left to Right: A coffee mother garden and a Nursery bed of CWD, resistant variety at Royal Plants & Nurseries in Kyenjojo Town council

b) **Rubrima African Limited**

Mr. Rugumayo Brian`s coffee seedlings which were to be ready for distribution in November 2014

The nursery which is located in Nyakabare cell, Kituma ward, Kyenjojo T/C in Kyenjojo district has a capacity of 180,000 to 200, 000 seedlings. Mr. Rugumayo Brian Mayindo a private nursery operator started operation in 2012. The nursery received 30kgs of coffee seeds from UCDA in January 2013 and produced 50,000 seedlings which were sold to UCDA in FY 2013/14. The nursery received 40kgs of coffee seeds from UCDA in FY 2013/14 and added 80Kgs from personal savings. A total of 180,000 seedlings were still under production. Kkey challenges included the pests and disease, lack of capital for labour and other inputs and inadequate markets for the seedlings.

Coffee growing in Kamwenge District

The monitoring team visited kamwenge district to establish performance in the distribution of coffee seedlings to coffee farmers. Coffee seedlings were distributed by UCDA and Hima Cement Limited through:

a) Members of parliament and other politicians
b) Kamwenge District Framers` organisation (KADIFO) and
c) The Sub Counties/ Town councils

The Hima-Kamwenge district UCDA collaboration

Coffee growing in Kamwenge is a joint project implemented by Kamwenge District Framers` organisation (KADIFO) and Kamwenge District Local Government. Hima-Cement Limited pays funds for the certified coffee seedlings that are multiplied by KADIFO contracted Nursery operators at Ug shs 300 per seedlings, including farmers contribute of Ug shs 50 on each seedling.

This project was officially started with the supply of 213,453 coffee seedlings to farmers in September –October 2012 planting season. The most coffee seedlings supplied to farmers were in 2013 totalling to 3,872,948 coffee seedlings to 21,203 coffee beneficiary farmers in the 14 sub counties of kamwenge district, including the town council as shown in Table 4.74.

Table 4.74: Coffee seedlings distributed in Kamwenge district since 2012 to 2014

No.	Sub county	No. of farmers	Total no. Seedlings	Acres covered
1	Kicheche	4488	977360	2172
2	Buhanda	1986	135180	299
3	Mahyoro	1459	118,160	261.5
4	Ntara	2086	389698	865
5	Nyabani	2552	424255	942
6	Busiriba	1618	287883	638.7
7	Kanara	1122	170809	378.8
8	Kamwenge T.C	1373	402295	893
9	Kamwenge S/C	1378	147616	327.2
10	Kabambiro	2491	326458	724.2
11	Bihanga	727	94356	209.6
12	Kahunge	1933	273597	607.4
13	Nkoma	1182	71589	158.6
14	Bwizi	1431	233318	518.1
15	Biguri	1023	243,992	541.7
	Total	**268498**	**4,305,566**	**9557**

Source; Field findings

During the FY 2013/14, the district received a total of 423,618 coffee seedlings from KADIFO, which were planted in March-April 2014 planting season. By 7th July 2014, Hima cement Limited had paid for only 300,000 coffee seedlings; pending payment for the 123,618 seedlings.

In the September-October 2014 planting season, Hima-cement Limited had planned to supply 300,000 coffee seedlings, through KADIFO and they had promised to pay for the extra 123,618 coffee seedlings on top of 300,000 coffee seedlings which were be supplied in the September-October 2014 planting season.

The total number of coffee seedlings so far supplied since October 2012 is to 7th July 2014 is 4,305,566 coffee seedlings as shown in the table above. The balance is 694,434 coffee seedlings to complete the 5 million seedlings coffee project in Kamwenge district. The project is to end in March 2015.

Performance of Coffee Nurseries under UCDA and Hima cement Limited

The monitoring team visited two coffee nurseries in Kamwenge district to assess the performance of the corroboration between UCDA and Hima cement Limited.

a) **Tumwesigy Tamale and Ekiriza Monica Coffee Nursery**

The nursery which is located in Kankarakarambi B cell, kamwenge ward in kamwenge town council started operations in November 2012, with capacity of 150,000 coffee seedlings. The nursery operator reported that they have been receiving coffee seeds from KADIFO since they started coffee nursery business.

In FY 2012/13, the 1st season of November 2012, he received 20kgs of coffee seeds and produces 65,000 seedlings and in the 2nd season of December 2013 received 20Kgs of coffee seeds and produced 70,000 seedlings. The seedlings were all sold to KADIFO at Ug shs300 per seedling.

During the FY 2013/14, first season of March 2014, the nursery received 30Kgs of coffee seeds and produced 80,000 seedlings. He sold 30,000 to KADIFO and UCDA took 30,000 coffee seedlings, which were not yet paid for as at the time of the monitoring visit on 7th July 2014. The balance of 20,000 coffee seedlings was still in the nursery bed.

Tumwesigy Tamale`s coffee seedlings in Kamwenge Town council ready for distribution and has no market for them

In the 2nd planting season of the FY 2013/14, the nursery had received 40kgs of coffee seeds and had produced 150,000 coffee seedlings, that were still in the nursery bed and were be sold in September 2014. The nursery operator confirmed that the seedlings were distributed to farmers for free and payments were made by UCDA and KADIFO.

b) **Ahibisibwe Dalton coffee Nursery**

Mr. Ahibisibwe Dalton a nursery operator in kamwenge Town Council, started nursery operation in 2007. Corroboration with UCDA started in 2010 and has been receiving coffee seeds from UCDA and KADIFO. He received 20Kgs of coffee seeds from KADIFO in August 2012 and produced 50,000 coffee seedlings, 30Kg in March 2013 and produced 70,000 coffee seedlings and 15Kgs in May 2013 and he has produced 30,000 coffee seedlings. The coffee seedlings are sold to KADIFO at Ug shs 250 per seedling and farmers' contribute is Ug shs 50 per seedling.

Ahibisibwe Dalton Coffee nursery in Kamwengo Town council

His key challenges were lack of water for the coffee seedlings and the expensive poly pots. He recommended that the UCDA should provide poly pots and raise the price of each coffee seedling in order to incur some reasonable profits in this business.

Challenges

1) Drought that scorched the newly planted coffee gardens.
2) High incidence of pests and diseases especially the Black Twig Borer
3) Low crop productivity due to poor management practices and lack of enough technical knowledge about coffee enterprises.
4) The communication between the district, MAIIF and UCDA was not very effective; the reports submitted to MAAIF were not capturing UCDA activities at the district level.
5) Low outreach of advisory services to coffee farmers due to inadequate staffing and lack of transport means.

Recommendations

1) The district should support the UCDA officials in extending advisory services to coffee farmers.
2) A focal point person for coffee should be recruited in the district to handle all coffee matters in the areas where coffee is grown.
3) The MAAIF and UCDA should strengthen their linkages and communication with the local governments.

Mityana Sub region

This office covers 4 districts of Mityana, Mubende, Kiboga and Kyankwanzi districts.
The physical and financial performance of UCDA in this sub region is as shown bellow.
Financial performance
Information on financial releases and expenditure was not availed.

Physical performance

The following activities were carried out during the FY 2013/14 in Mityana, Mubende Kiboga and Kyankwanzi district.

a) Training of farmers on advisory services

Activities under this programme were limited to continuous sensitization, organizing farmer training meetings and carrying out on farm field visits respectively. This is to ensure that farmers are aware of the prevalence of the pest and the possible cultural control measures that can be used to reduce on the spread of this notorious pest, the Black Coffee Twig Borer.

b) Management o f Diseases and Pests

Carpet spraying of Black Coffee Twig Borer (BCTB) was carried out in Mityana, Mubende, Kiboga and Kibale district. The region offices identified Gang team for the work of carpet spraying of BCTB. A total of 318 liters of confider chemicals, were received for the above work. However, 54 liters were stolen when the thieves broke into the regional offices (western) in Mityana Town, before inauguration of spraying programme (Table 4.75).

Table 4.75: Distribution of spray chemicals in Mityana Sub region FY 2013/14

No.	District	Quantity of chemical received	No. of farmer beneficiaries	Total acreage sprayed	Parish	Villages
1	Mityana	72 liters	277	410	Bulers in bulera Sub county	5 Villages
2	Mubende	72 liters	118	295.4	Kyanika in kassanda Sub couty	5 Villages
3	Kiboga	72 liters	37	123	Kapeka in Lwamata Sub county	4 Villages
4	Progressive coffee farmers	18 liters				
Total		**234 liters**	**432 farmers**	**479.7 acres**	**3 parishes**	**12 Villages**

Source: UCDA ***field offices in Mityana District; field findings***

a) Coffee seedlings distribution

During the FY 2013/14, UCDA procured and distributed 1,150,000 coffee seedlings to Veterans coffee farmers in the districts of Mubende, Kiboga, Kyankwanzi and Mityana. More coffee seedlings were also procured and distributed to non veterans coffee farmers in this sub region; these include 874,000 coffee seedlings to Mubende and 668,000 seedlings were distributed to farmers in Mityana district. Some of the nursery operators who were reported to have distributed the seedlings during the period were visited to assess the performance of their nurseries, findings were as shown below.

Several Nursery operators have made fortune out of raising seedlings despite of the reported law price of each coffee seedling fixed by UCDA, high costs of transporting coffee seedlings to the distribution centers and high prices of potting materials.

a) Bukanaga Investments Uganda Limited Coffee Nursery

Mr. Daniel Ssemanda Musisi owns Bukanaga Investments Uganda Limited, in Katakala Village, Katakala parish, Busimbi Sub County found in Mityana district. Started nursery operation in1996 and had coffee elite, coronal, coffee wilt resistant K2, oranges, mangoes and tissue culture. He has mother gardens of elite and coronal coffee and acknowledged receipt of one net, two wheel barrows, 20 pipes, 20 bars of timber, 2 spades, 2 hoes, and 2 secateurs in FY 2012/13.

In the first season, he supplied 150,000 coffee seedlings to UCDA and 280,000 seedlings in the second season at Ug shs 300 each per seedling. UCDA paid him Ug shs 50 million. In FY 2012/13, he supplied 4000 new lines at Ug shs 1500 and 10,000 coffee seedlings in May 2014 of colonel coffee cutting, each at Ug shs 500. By 11th July 2014, he was waiting for payments from UCDA for this consignment.

This FY 2013/14, he acknowledge receipt of 600kgs of coffee seeds of elite Robusta and fiber net of 500 meters (70% light penetration). His key challenges are the delayed payments and law prices of coffee cuttings seedlings by UCDA. He recommended UCDA to increase the price of elite coffee seedlings from Ug shs 300 to Ug shs 500 and coronal cuttings from Ug shs 500 to Ug shs 1,000.

Left to Right: A fiber net received from UCDA and Bukanaga Investments Uganda limited Coffee nursery in Busimbi Sub County

b) Flana Company Limited Coffee Nursery

Ms Florence Magembe, owns Flana Company limited located in Bbuye kikumbi village, central ward found in Mityana Town council. She acknowledged receipt of coffee seeds from UCDA. In FY 2013/14, she received an order to supply 155,000 seedlings to farmers around March and April 2014 and she was partly paid on this consignment.

By 11th July 2014, she had raised a total of 370,000 seedlings in her nursery bed ready for distribution. Her key challenges are i) the high transport costs to transport seedlings to coffee farmers in far places, ii) delayed payments by UCDA, iii) high water bills and iv) law prices of seedlings fixed by UCDA. She recommended UCDA to raise the price of coffee seedlings at Ug shs 400 and pay them in time to effectively do their work and be in position to pay for other costs of inputs.

Flana Company Limited Coffee Nursery in Mityana Town Council

Implementation Challenges

The following challenges were reported as affecting the implementation of the project in this sub region

1) Given the size of the region, the western regional offices are under staffed which hinders effective implementation and supervisor of UCDA activities in the sub region.
2) Pests and diseases like Black coffee twig borer is still a big challenge however a positive impact was realized in areas where demonstration spraying took place.
3) Coffee marketing; the quality of coffee in the market in going down. This is because of middle men who buy poor quality flowering coffee from coffee farmers, some of the coffee is harvest when it is not ready due to poverty.

Recommendations

1) UCDA should recruit at least 5 more staffs in this region, so as two districts are handled by one person.
2) There is a need to scale up spraying in all districts in the western region.
3) Farmers should be grouped in to cooperatives to access operational funds from other sources. This will reduce selling off their coffee before its ready and the government should subsidies inputs like, post harvesting handling equipments, tarpaulins for drying coffee and when it comes to increasing productivity, fertilizers should be provided to farmers to improve on their production.

South Western Region

The South western region constitutes of three Sub Regions, which were visited to assess the performance of UCDA in this region. These were Ntungamo (covers kiruhura, Isingiro, Mbarara and Ntungamo), Rukungiri (covers Kabale, Kanungu, Rukungiri and Kisoro) and Bushenyi (covers Rubirizi, Bushenyi, Nziika, Shema, Mitooma, Ibanda and Bushenyi) sub regional offices.

By the end of the FY 2013/14, the key activities implemented in the south western region include:

- Distributed coffee seedlings to farmers.
- Established nursery beds.
- Procured seeds and distributed them to nursery operators
- Rehabilitated coffee gardens.
- Farmer trainings conducted through radio talk shows
- Quality control of coffee.

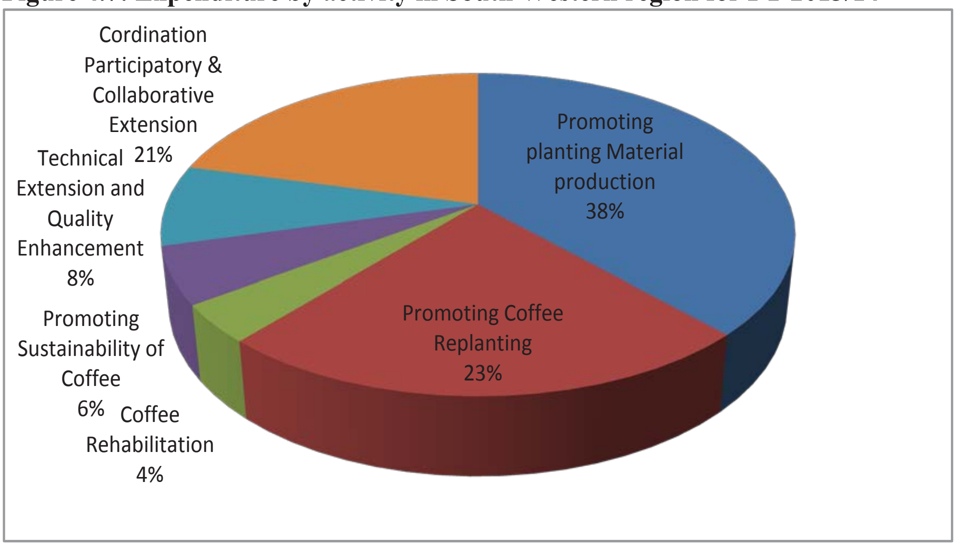
Findings

The UCDA disbursed funds to the south western regional offices in Bushenyi district, the physical and financial performance of this region is as shown below.

Financial performance

During the FY 2013/14, the south western regional offices received a total of Ug shs 1,082, 878,440 which was 100% of its total budget. The funds were received in four instalments of Ug shs 364,720,360, Ug shs 181,414,360, Ug shs 210, 979,360 and Ug shs 325,764,360 in Q1, Q2, Q3 and Q4 respectively. These funds were expended as follows (Figure 4.7)

Figure 4.7: Expenditure by activity in South Western region for FY 2013/14



Source: South Western regional Offices

As shown in the figure above, expenditure performance was excellent as 38% of the total funds received were expended on promoting planting material and production. This include procurement and distribution of seedlings (Arabica and Robusta), shade tree, Support to 27 Coffee Wilt disease resistant mother gardens, management of diseases and pest, and Procurement of Coffee wilt resistant seeds for nursery operators all at a sum of Ug shs 410,000,000. This was followed by promotion of coffee replanting with 23%, which involves provision of plantlets to commercial oriented farmers, youth, groups association and women.

The regional offices also reported to have received the following items from theUCDA offices in Kampala and were distributed to the three sub regional offices of Rukungiri, Ntungamo and Bushenyi as follow

The items received were for spraying the BCTB, water harvesting equipments and furnishing the offices. These items were distributed to the sub regional offices in support of nursery operators and farmers as follows (Table 4.76)

Table 4.76: Items distributed to the sub regional offices in FY 2013/14.

Items received		***Sub Regional Offices in***			***Total items received***
		Rukungiri	**Ntungamo**	**Bushenyi**	
1	**Water tanks**	3	2	3	8
2	**BCTB Chemicals**	202	303	303	808
3	**Spray pumps**	20	30	30	80
4	**Gum Boots**	20	30	30	80
5	**Overalls**	20	30	30	80
6	**Nose/Mouths**	20	30	30	80
7	**Gloves**	20	30	30	80
8	**Furniture**	2 chair	Computer desk	Computer desk	

Source: South western region; field findings

a) **Coffee Rehabilitation kits /tools**

In order to improve the yield per tree, the south western region received 70 bow saw, 308 saw blades, 154 pangs, Slashes and secateurs 154 pieces each. They were distributed to selected coffee farmers in those sub regions (Table 4.77).

Table 4.77: Rehabilitation kits distributed in western region in FY 2013/14

No	**Type of Kit**	**Sub Regional Offices in**			**Total Kits received**
		Busheny i	**Rukungiri**	**Ntungamo**	
1	**Bow saws**	**35**	**20**	**15**	**70**
2	**Saw blades**	**154**	**88**	**66**	**308**
3	**Pangs**	**77**	**44**	**33**	**154**
4	**Slashers**	**77**	**44**	**33**	**154**
5	**Secateurs**	**77**	**44**	**33**	**154**

Source: South western regional offices; field findings

b) **Coffee seeds**

The regional offices also received 160Kgs of Elite Coffee seeds (Robasta Seed) between 23rd January 2014 and 1st February 2014. They were distributed to 7 nursery operators each received 10Kgs except Hon. Eng Katwiremwe who received 100kgs.

The monitoring team visited the three sub regions of Bushenyi, Rukungiri and Ntungamo to assess progress in implementation of UCDA program in these sub regions

Bushenyi Sub region

This office covers 6 districts of Bushenyi, Rubirizi, shema, Nziika, Mitooma and Ibanda.
In FY 2013/14, the UCDA implemented the following activities in this sub region:

i) Distributed Coffee seedlings

The Coffee seedlings in this sub region are distributed to individuals and groups through different categories, these include: members of parliaments, farmer groups (women and men), large scale commercial farmers, youth groups, women groups, and people with disabilities, army veterans and institutions like schools, hospitals and churches.

How seedlings are distributed to farmers through their members of parliament in there region: The MP writes letters to the Regional Coffee Extension Officer (RCEO) requesting for the seedlings. The RCEO gives an allocation letter to the MP and orders him/her to select his beneficiaries as per the guidelines of UCDA.

The RCEO identifies the suppliers of the seedlings following the guidelines accredited by PPDA; he procures and then distributes them to farmers identified by the MP. The RCEO and the LCIII chairpersons are the overseer this exercise.

Upon completion of distribution exercise, the MP makes a follow of his/her beneficiaries and then submits a list of his/her beneficiaries to the district or sub county level. The sub county officials and Gombolora internal security officers (GISO) make follow up of the seedlings distributed.

Coffee seedlings were procured and distributed in the sub region for the two planting seasons in FY 2013/14, in the following districts as follows (Table 4.78).

Table 4.78: Bushenyi Sub region coffee seedlings distribution in FY 2013/14

No	District	No. of seedlings	No. of farmers	Acreages Planted
1	Kiruhura,	236,000	771	517.7
2	Bushenyi	442,770	3778	1020.2
3	Rubirizi	86,958	1058	367
4	Ibanda,	450,460	3531	925.6
5	Mitooma,	277,746	2879	620
6	sheema	344,430	2940	805
7	Buhweju	278,993	1474	610
Total		**2,117,357**	**16431**	**4865.5**

Source: Bushenyi sub region field findings

Bushenyi sub region procured 2,117,357 coffee seedlings and were distributed to 16,431 coffee famers. It was further noted that a total of 4865.5 acreages of coffee gardens were planted during the FY 2013/14.

The monitoring team visited one coffee nursery operator in Bushenyi district to assess performance of coffee nurseries.

a) <u>Tumusabe Moses Coffee Nursery</u>

Mr. Tumusabe Moses of Nyakashebeya Village, Nyabubare parish in Nyabubare Sub County is a coffee farmer as well as a nursery operator, started nursery operation in 2011 and working with UCDA in 2012. He was supported with 10Kgs of elite coffee seeds, which were still in the small nursery bed as on 14th July 2014, a drum of 1,000 liters, secateurs, 4 saw blades and a pang between May and June 2014, from UCDA. He also acknowledged receipt of 30Kgs of coffee seeds in 2013, from which he raised 80,000 coffee seedlings. These coffee seedlings were to be distributed in October-November 2014 planting season.

In FY 2013/14, March-April 2014 planting season, he supplied 12,500 coffee seedlings to coffee farmers and 70,000 coffee seedlings in Sept-October 2013 planting season under the UCDA program. He has received payments only for the first consignment supplied in September-October 2014 planting season. His key challenge is the late payments for the seedlings supplied to UCDA coffee farmers and recommended UCDA to always pay him in a timely manner.

Left to right: Young coffee seedlings still in the small Nursery bed and Mr. Tumusabe Moses' Nursery in Nyabubare Sub County

The monitoring team further held discussion with two coffee farmers in Bushenyi district who were reported to have received coffee seedlings from UCDA in FY 2013/14. Findings are indicated below.

Mr. Mujuni Abias of Nyakahita-Mazinga Village, Nyakabirizi Division in Bushenyi Municipal council and a member of Tukole Coffee group started growing coffee in 2011. The group requested and acknowledged receipt of 20,000 coffee seedlings in September/ October 2013 planting season, of which he was given 500 seedlings. Mr. Abias also received more 500 coffee seedlings as an individual (not from the group) in March –April 2014 planting season. He planted all the 1,000 coffee seedlings however; he lost about 100 coffee seedlings (dried up). His key challenges are; diseases of BCTB which has affected the coffee garden and lack of fertilizers and mulches. He recommended UCDA to give them chemicals for killing the pests.

Mr. Mwebembezi Milton of Katooma LC1, Rutooma Parish in Kyezober Sub County started growing coffee in 2010. He acknowledged receipt of 500 coffee seedlings from UCDA in June 2013 and in September 2015 he is to have bumper crop. The reason underlying his success is the constant touch with UCDA officers and the advices he receives from UCDA offices in Bushenyi regional offices. He has started to harvest coffee from the first consignment he received and planted in 2010, as at the time of the monitoring visit on 14th July 2014.

Mr. Milton`s Coffee garden in Kyezober Sub County

Implementation Challenges

1) Reduced expected yields due to soil infertility
2) Droughts due to unfavourable climatic conditions for coffee growing
3) Pests and Diseases like the black coffee Twig borer which destroys coronal coffee gardens
4) Chemicals and fertilizers for spraying are also very expensive for the farmers to a fold.

Recommendations

1) The Government should subsidize taxes on fertilizers or UCDA should give fertilizes to coffee farmers
2) The government or UCDA should support farmers with irrigation equipment as methods of farming to improve coffee production in Busheyi district.
3) The UCDA should carry out a blanked spraying of this pest in Bushenyi district
4) The Government should subsidise the inputs like chemicals and fertilizers to the farmers

Rukungiri Sub region

Rukungiri sub region offices coordinate four districts of Kanungu, Rukungiri, Kabale and Kisoro. The monitoring team assessed performance of in the implementation of UCDA programme in Rukungiri and Kanungu districts.

Financial performance

During the FY 2013/14, the sub regional offices received a total Ug shs 22,336,000 from UCDA and implemented the following activities in the above mentioned districts (Table 4.79).

Table 4.79: Rukungiri sub region expenditure by activity conducted in FY 2013/14

No	Activity	No of times	Unit	Period	Total allocation
1	Farmer Trainings	Carried out two trainings every month	420,000	7 months	2,940,000
2	Farmer group visits (coffee campaign visits)	Conducted farmer group visits	400,000	7 months	2800,000
3	Sustainable soil/water harvesting management(Kisoro)	One training in a coffee year	2,000,000	One coffee year	2,000,000
4	Fuel	Every month	756,000	11 months	8,316,000
5	Car hire	Every month	240,000	11 months	2,640,000
6	Office imprest	Every month	200,000	5 months	1,000,000
7	Air time	Every month	40,000	11 months	440,000
8	Nights outside the district	Two nights a month	200,000	11 months	2,200.000
Total amount received in FY 2013/14					**22,336,000**

Source: Field findings; Rukungiri Sub regional offices

Sustainable soil/water harvesting/ management focuses on areas which are prone to soil erosion. They opened up demonstration gardens in Kisoro district and every year the UCDA releases Ug shs 2,000,000 for this activity.

Physical performance

The key activities that were implemented by both the UCDA and Rukungiri sub regional offices during the FY 2013/14 include; procurement and distribution of the following items

a) Coffee rehabilitation kits

Rukungiri Sub regional offices conformed to have received 44 secateurs, 44 pangs and 20 pruning saws. These tools were equally distributed coffee farmers in the four districts of Rukungiri, Kabale, Kisoro and Kanungu.

b) Pest and Diseases Management

The spraying against the BCTB focused on the two districts of Kanungu and Rukungiri that grow Robusta coffee. The regional offices conformed to have received 220 liters of confidol chemicals, 20 pairs of gloves, 18 spray pumps, 20 pairs of gum boats, 20 ova roles that were distributed in equal amounts to both districts. Spraying was carried out in two villages of Katerampungu in Kazindiro parish, Bugangali Sub County in Rukungiri district and Kiterero village, eastern ward, Kambuga Town council in Kanungu district.

In Rukungiri and Kanungu districts consultative workshop, meetings, trainings and surveillance were made by the UCDA to establish severity of BCTB pest. From consultations and survey made, Bugangari Sub County, Kazindiro Parish, Katererampungu Village in Rukungiri district and Kitorero Village East ward, Kambuga T/C in Kanungu district were found to be most affected.

It is from this point therefore, that UCDA decided to intervene by training farmers on how to identify and control the pest effectively through practicing and demonstrating blanket spraying regime approach in those affected areas.

The exercise was done by a spray Gang of 10 men in each district that was selected from the community to carry out the spraying work in the identified villages by demonstration to coffee farmer spraying techniques in the controlling the pests. The BMAU confirmed that the Gang was equipped 101 liters of pest side, 10 Knap suckers prayers, 10 pairs of overalls, 10 pairs of gum boots, 10 pairs of gloves, 10 pieces of nozzle musk1s that eased the work of Gang men spraying against the BCTB each district.

Rukungiri district had a total of 167 Households estimated at 226 hectares of coffee shambas were sprayed in Bugangari Sub County Kazindiro parish Katerampungu cell the targeted village.

It was noted that the entire community were this activity was conducted was grateful for the government initiative particularly UCDA in fighting against the pest that is destroying the coffee shambas more especially Robusta coffee.

Implementation Challenge

The regional Coffee extension office reported the following challenges during this excises

- The area is hilly with a poor terrain of moving up and down especially for the Gang men while carrying up Knap sucker sprayers full of chemical for spraying.
- Most of the farmers had old coffee shambas with tall coffee plants difficult for the Gang to spray at the top of the coffee plants.

- Water for spraying was also a challenge to both farmers and Gang men due to the terrain therefore it was hard to get enough clean water to enable the team carry out the work effectively.
- Majority of the farmers had weedy and bushy shambas for spraying team to pass through and do their work.
- All the neighboring coffee farmers of the targeted area requested for their gardens also to be sprayed but chemicals and facilitation for the Gangs was not enough.

Recommendation

- The UCDA should request the district production team to re-force in mobilizing farmers and advising them to stump and prone all the old coffee shambas for increased production.
- The MAAIF to provide water for production.
- The UCDA /Government should buy more chemical for spraying.

c) Water harvesting tanks

The regional offices conformed receipt of the 3 water harvesting tanks of 1,000 liters each. They were distributed to 3 Nursery operators; Mr. Mugisha Sam of Butogota Sub County in Rukungiri district, Mr. Byamugisha Silver of western division Rukungiri district and Mr. Fred Ntuwe of Kyanamira sub County in Kabale district. The distribution was based on Nursery operators who have a big challenge of water.

d) Trainings and farmer visits

Under is activity, the regional offices carried out 13 trainings and captured 594 famers, made 23 farmer visits which captured 154 coffee farmers in the districts of Kanungu, Kisoro, Kabale and Rukungiri. The two activities were implemented in FY 2013/14 (Table 4.80).

Table 4.80: Trainings and farmers visits made in the sub region during the FY 2013/14

District	*No of trainings conducted*	*No of Farmers captured*	*No of farmer visits made*	*No of farmers visited/captured*
Rukungiri	6	304	13	104
Kanugu	6	264	6	27
Kabale	1	26	2	10
Kisoro	0	0	2	13
Total	**13**	**594**	**23**	**154**

Source: Field findings

There were no trainings conducted in Kisoro district during the FY 2013/14 due to limited funds for this activity. One of the trainings conducted in each district visited targeted Chairpersons LC IIIs. They were trained on awareness of UCDA programs while other trainings targeted farmers on good agronomics practices.

e) Coffee Seedlings

A total of 3,060,471 coffee seedlings were procured and distributed to coffee farmers during the September-November 2013 and March-April 2014 planting seasons in the mentioned districts as shown below (Table 4.81).

Table 4.81: Coffee seedlings procured and distributed to coffee farmers in FY 2013/14

No	District	*September to December season*		*March to May season*		*No. of Suppliers (Nursery operators)*
		No of Seedlings supplied	No of farmers received	No of Seedlings supplied	No of farmers received	
1	Rukungiri	259,945	3,332	540,000	3,134	19
2	Kanungu	932,458	3,590	912,944	4,366	32
3	Kabale	195,124	2,439	160,000	1777	10
4	Kisoro	60,000	1,200	-	-	-
Total		**1,447,527**	**10,561**	**1,612,944**	**9,277**	**61**

Source: ***field findings; Rukungiri regional offices***

The seedlings were distributed to individual farmers, local leaders and youth groups. The distribution excises was monitored and approved by Chairperson LC IIIs, sub county NAADs coordinators, RCEO, Gombolora chiefs and the Nursery operators who have delivered the seedlings.

f) Coffee Seeds

The regional offices received 1500Kgs of Arabic seeds (high land) and the last consignment of 250Kgs was received on 15th June 2014. These seeds were distributed to 38 certified Nursery operators; 7 were in kisoro received 200Kgs, 10 in Kabale received 350Kgs, 13 in Kanungu received 500Kgs and 8 in Rukungiri who received 450Kgs of seeds.

Rukungiri District

The monitoring team sampled two case study nursery operators in Rukungiri district to verify the distribution of coffee seedlings to famers and receipts of coffee seeds:

a) Bahati Fidel Coffee Nursery

The coffee nursery is located in Rwomarebgye Village, Rwamugome Parish in Ruhinda Sub County and started operations in 2004. The Nursery operator acknowledged receipt of 70Kgs of coffee seeds from UCDA. In FY 2013/14, the coffee nursery supplied 120,000 coffee seedlings in the sub region; 30,000 coffee seedlings in Rubirizi, 10,000 coffee seedlings in Bushenyi and 80,000 coffee seedlings in Rukungiri districts. The two consignments in Rubirizi and Bushenyi districts were not yet paid for, and only 70,000 coffee seedlings had been paid for in Rukungiri district, as at the time of the monitoring visit on 31st July 2014.

b) Valley land producers & distributors Nursery

The nursery is located in western division in Rukungiri municipal council and owned by Mr. Tagobya Prosper. He was supported with coffee seeds in June 2013 and supplied 80,000 coffee seedlings during March –April 2014 planting season. By 31st July 2014, he has not received payments for this consignment from UCDA. He had raised 100,000 coffee seedlings in his nursery which were to be distributed in March 2015. His key challenge is the shading materials which are expensive and not readily available. He recommended UCDA to give them shade nets.

Valley land producers & Distributors' Nursery shaded with old papyrus materials

Challenges

The following challenges were noted by the nursery operators in this district:

1) Delayed payments by UCDA after distribution of coffee seedlings to farmers discourage them to continue with business, and yet the suppliers use the same monies to restock and maintaining their nurseries.
2) Water is one of the biggest challenges in the management and maintenance of a coffee Nursery bed; coffee seedlings need a lot of water.
3) The cost of transporting coffee seedlings to coffee farmers is high and reduces their profits.
4) The price of each coffee seedling is very law in relation to the inputs to produce each seedling.

Recommendations

1) The UCDA should release payment to nursery operators within a months period after the supply of coffee seedlings to the farmers, this with encourage them to continue with business.
2) The UCDA should support nursery operatorswith water harvesting tanks and pumps
3) The UCDA should raise the price of each seedling so as to cover the costs of transport and be in position to procure shading material to at least Ug shs 500 to Ug shs 600 per seedling.

Other activities implemented by UCDA during the period in this region include:

I. Conducted Radio programs; 12 radio programs were conducted on local radios, during the FY 2013/14. They focused on good agronomics practices and sensitization of farmers on coffee growing. The payments were made directly by UCDA.
II. They also carry out factory monitoring and 7 factories in Kanungu district and 12 in Rukungiri districts were visited and licensed. Certification was based on the checklist that includes safety for the factory, the running machines protection, coffee hicks, collection chambers and quality of seeds processed.

Implementation challenges in this sub region

1) Low monitoring and supervision of activities implemented in the sub region due to lack of transport means. The RCEO does not have any means for monitoring; he sometimes hires a motor cycle which is costly and sometimes not effective in areas like Kisoro district.
2) There is a serious lack of information from UCDA head offices in Kampala on payment status to the nursery operators, which discourages good working relationship between the field officers and nursery operators.
3) The committees that certify the nurseries are not facilitated, these include; the sub County chiefs, RCEOs, DISOs and the former sub county NAADs coordinators.
4) The area coverage of four districts is big to be managed by only one RCEO.
5) The UCDA does not provide advice slip to the field officers for the funds received which widens the gap between UCDA finance department in Kampala and the field officers on the ground.
6) The two days given to the RCEO to monitor the seedlings distribution to farmers are not enough to effectively enhance program follow up.
7) Some districts are very far away from the station and yet fuel allowances allocated are the same to all UCDA field officers in the county.

Recommendations

The RCEO recommended the following:

1) The UCDA should provide a vehicle to Rukungiri district sub regional office to effectively follow up UCDA activities.
2) The UCDA head offices should always inform the field officers, the status of payments to the nursery operators, mainly those who have been paid, and the file number, so as to advise those who have not received payments from UCDA and the reason why. This will improve the working relationship between the field officers and nursery operators.
3) The UCDA should facilitate the committees that certify the nursery operators in the region to effectively do their work.
4) More staff should be recruited in the sub region so as one person manages at most two districts in the sub region.
5) The UCDA finance department in Kampala should always provide a breakdown of the funds received by the RCEOs.
6) There is need to involve the sub county leadership, the sub county extension staff, through sensitisation and bring them on board to effectively help the monitoring the program.
7) There should be a consideration on the mileage and fuel allowances should be based on the Mileage basis

Kanungu district

The monitoring team also visited Kanungu district to assess progress in the implementation of the UCDA activities in this district.

In the planting season of October –November 2013, the first season of the FY 2013/14, Kanungu district was allocations and received a total of 930,000 coffee seedlings. These seedlings were distributed to over 3000 coffee farmers through different stakeholder as shown below

- Allocation to Canon Joseph Kasya LV Kanungu was 90,000 coffee seedlings distributed to over 297 coffee farmers in the sub counties of Kayonza 20 farmers, Nyakinoni, Kanyantorogo, and Mpungu and, Butogota T/C and Kihihi T /C.
- Allocation to the LCV Kanungu district was 800,000 coffee seedlings distributed to coffee farmers in a number of sub counties which include: Kayoza, Nyamirama, Kihihi, Nyanga, Kirima, Katete, Nyakinoni, Rutenga, Kambugu and Mpungu.
- Allocation to Hon. MP Kinkizi East of 30,000 coffee seedlings was supplied in Rugyeyo Sub County.
- Allocation to His Grace the Archbishop of the Church of Uganda Ntagali was 10,000 coffee seedlings supplied by Ruryatunga Christopher to farmers in Mirehe COU.

Implementation challenges in this district

1) There is week coordination mechanism between UCDA right from the head quarters and Kanungu district Local government; some activities are implemented by UCDA in Kanungu district without the knowledge of the Local Government hindering effective monitoring and supervision of UCDA activities in the district.
2) Not all the seedlings procured are planted; this is due to allocation of coffee seedlings to politicians. For the politicians, even the farmers who have not prepared their land or gardens to plant coffee seedlings also receive coffee seedlings which end up not planted due to delay in the preparation of the gardens.

Recommendations

1) The UCDA should always communicate or 1st write to the Local Government, informing them on the amounts to be released and the planned activities for the district to effectively follow up and carrying out initial preparation work before implementation is done.
2) Coffee seedlings should be allocated to the district local government to carry out effective distribution and supervision of coffee farmers in Kanungu district local government as the best way to ensure that there is no loss of seedlings

Ntungamo Sub region offices

Ntungamo sub region offices coordinate four districts of Mbarara, Isingiro, Ntungamo and Kiruhura. The monitoring team assessed performance of the implementation of the UCDA programme in Ntungamo districts.

Financial performance

During the FY 2013/14, the sub regional offices received a total Ug shs 30,356,000 from the UCDA and implemented the following activities in the above mentioned districts (Table 4.82).

Table 4.82: Ntungamo sub region expenditure by activity conducted by 30th June 2014

No	Activity	No of times	Unit	Period	Total allocation
1	Farmer Trainings	Carried out two trainings every month	400,000	10 months	4,000,000
2	Fuel		1,512,000	4 months of the two planting seasons	6,048,000
3	Night allowances		400,000		1,600,000
4	Car hire		500,000		2,000,000
5	Committee meetings which involves district officials, Nursery operators & Key farmers	Once a month	430,000	10 Months	4,300,000
6	Fuel (less the two planting seasons)	Every month	756,000	8 months	6,048,000
7	Car hire	Every month	240,000	8 months	1,920,000
8	Office imprest	Every month	200,000	12 months	2,400,000
9	Air time	Every month	40,000	11 months	440,000
10	Nights outside the district	Two nights a month	200,000	8 months	1,600,000
Total amount received in FY 2013/14					**30,356,000**

Source: Field findings; Ntungamo Sub regional offices

Physical performance

The key activities implemented by both the UCDA and Ntungamo sub region during the FY 2013/14 were procurement and distribution of the following items

a) **Water harvesting tanks:** The regional offices conformed receipt of the 2 water harvesting tanks of 1,000 liters each. They were given to two Nursery operators with challenges of water. These two nursery operators fetch water from far places to where their nurseries are located, these were; Mr. Kajoy Paulina of Nyakayozo Sub County in Mbarara district and Mr. Mukonge Rose of Kaberebe Town Council in Isingiro district. The beneficiaries received these tanks in December 2013.

b) **Coffee rehabilitation kits:** Ntungamo Sub region conformed receipt of 15 pruning saws, 33 secateurs, 33 pangs, 33 slashers and 50 saw blades. These kits were distributed to coffee farmers in this sub region. It was noted that the rehabilitation kits received were inadequate for the sub region. It was recommended that at least 300 sets of kits should be allocated to each district.

c) **Conducted trainings and farmer visits:** The regional offices carried out 36 trainings and captured 941 famers, made 102 farmer visits which captured 510 coffee farmers in the districts of Mbarara, Isingiro, Ntungamo and Kiruhura.

d) Coffee seeds

The RCEO acknowledged receipt of 473Kgs of coffee seeds that were distributed to nursery operators in the Sub region as follows:

- In Mbarara district, five nursery operators received a total of 170Kgs coffee seeds in five sub counties of Mbarara district. Apart from one Nursery operator Kajoy Pauline who received 50Kgs of Coffee seeds, other nursery operators received 30Kgs of coffee seeds each.
- In Ntungamo district, a total six nursery operators benefited from the 233Kgs of Coffee seeds in the district, 3 nursery operators received 50Kgs and above and another three received less than 50Kgs each.
- Only two nursery operators in Isingiro district received 50Kgs and 40Kgs of coffee seeds and there were no nursery operators in Kiruhura district.

e) Coffee Seedlings

By end of June 2014, a total of 2,654,650 coffee seedlings were procured and distributed to coffee farmers in Ntungamo district as shown below (Table 4.83).

Table 4.83: Coffee seedlings procured and distributed in Ntungamo district in FY 2013/14

No	*District*	*September to December 2013 planting season*		*March to May 2014 planting season*	
		No of Seedlings supplied	No of farmers benefited	No of Seedlings supplied	No of farmers benefited
1	**Isingiro**	171,000	-	328,262	1,036
2	**Mbarara**	120,000		281,835	1,739
3	**Ntungamo**	1,097,770		655,783	3,638
4	**Kiruhura**	0		0	0
Total		1,388,770		1,265,880	6,413

Source: field findings; Ntungamo sub region

information on number of farmers benefited in September-December 2013 planting season was not availed

In the September-December 2013 plating season, a total of 1,388,770 coffee seedlings were procured and distributed to coffee farmers and in March-April 2014 planting seasons, a total of 1,265,880 coffee seedlings were procured and distributed to 6,413 coffee farmers in the three coffee growing districts in Ntungamo sub region. There were no orders made in Kiruhura district, since most of the farmers are interested in cattle keeping. The seedlings in this sub region were distributed to coffee farmers through youth groups, political leaders, LC III chairpersons, and some to individual farmers.

The monitoring team visited the three coffee nurseries in Mbarara and Ntungamo districts that were reported by the UCDA to have distributed coffee seedlings to coffee farmers under the UCDA arrangement. Findings are shown below:

Performance of Nurseries

Ntungamo District

<u>Ssebayinda Kasimu Coffee Nursery</u>

The coffee nursery is located in Kabalungi Village, Lukanga Parish, in Nyabihoko Sub County and started operation in 2011. He acknowledged receipt of a total of 100Kgs of coffee seeds during the FY 2013/14 from UCDA. He received 40Kgs in July 2013 and 60kgs in June 2014. He planted 10Kgs and gave the rest to other nursery operators with the capacity to raise coffee seedlings.

Ssebayinda Kasimu Coffee Nursery in Nyabihoko Sub County

In FY 2013/14, the nursery supplied 63,333 coffee seedlings to farmers in the sub region. He was partly paid Ug shs 7,000,000 in May 2014 for the seedlings supplied in FY 2013/14 and demanding Ug shs 12,000,000 from UCDA.

His key challenge is the delayed payments by UCDA after distribution of coffee seedlings to farmers. This always takes a minimum of 6 months after coffee seedlings have been distributed. He recommended timely release of funds so as to purchase more inputs to produce seedlings for the following planting season. Reasons underlying his success is the training he receives from UCDA on the management of coffee nursery.

Mbarara District

<u>Jodan Coffee Nursery</u>

The coffee nursery is located in Ruharo Village, Kamukuzi division in Mbarara municipal council and started operation in 2013. Mr. Jodan Twijukye the nursery operator, acknowledged receipt of 30Kgs of coffee seeds from UCDA in May 2014, from which he raised 8,000 coffee seedlings. In March 2014, he received an order from UCDA to supply 60,000 coffee seedlings at Ug shs 300 per seedling and in May 2014, UCDA paid him all the money.
His key challenges are lack of enough water for the seedlings and expensive labor force to maintain the nursery bed. Recommended the Government through UCDA to lend them some money to carry out maintenance of their nurseries

<u>Katooma Coffee Nursery</u>

The coffee nursery which is located in Katooma cell, Ruti ward, Nyamiraga Division in Mbarara municipal council, started operation in 2014. He acknowledged receipt of 30Kgs of poly pots and 35Kgs of coffee seeds in January and February 2014, from which he raised 51,700 coffee seedlings. He has not sold any seedling to UCDA and by 19th August 2014, the seedlings were still in the nursery bed ready for sale.

Coffee Seedlings ready for distribution in Katooma Coffee nursery

Eastern Region

The Eastern Region constitutes of four Sub Regional offices, two sub regions were visited to assess the performance of UCDA in this region. These were Iganga (covers Bugiri, Iganga, Namutumba and Mayuge) and Jinja (which covers Kamuli, Buyende, Jinja and Kaliro districts) sub regional offices.

Financial performance

During the FY 2013/14, the sub regional offices received a total Ug shs 20,882,000 from UCDA and implemented the following activities in the above mentioned districts (Table 4.84).

Table 4.84: Jinja sub region expenditure by 30th June 2014

NO	ACTIVITY	NO OF TIMES	UNIT	PERIOD	TOTAL ALLOCATION
1	Farmer Trainings	Carried out two trainings every month	400,000	8 months	3,200,000
2	Fuel		1,512,000	2 months, one month each planting seasons	3,034,000
3	Night allowances		400,000		800,000
4	Car hire		500,000		1,000,000
6	Fuel (excluding the two planting seasons)	Every month	756,000	8 months	6,048,000
7	Car hire	Every month	240,000	8 months	1,920,000
8	Office imprest	Every month	200,000	12 months	2,400,000
9	Air time	Every month	40,000	12 months	480,000
10	Nights outside the district(excluding planting season)	Two nights a month	200,000	10 months	2,000,000
Total amount received in FY 2013/14					**20,882,000**

Source: Field findings; Jinja Sub regional offices

Physical performance

The key activities that were implemented by both the UCDA and Jinja sub regional offices during the FY 2013/14 were procurement and distribution of the following items

a) **Coffee rehabilitation kits:** the Jinja Sub region conformed receipt of 26 pangs, 26 bow saws, 36 secateurs, 26 slashers and 50 saw blades. These kits were distributed groups and individual coffee farmers in the four districts of Bugiri, Iganga, Namutumba and Mayuge. These kits are being used for pruning, discarding and stamping. It was noted that the rehabilitation kits received were inadequate for the sub region. The sub region has 1500 households in Jinja, 3500 in Mayuge, 5000 in Buyende and 900 in Kaliro who grow coffee.

b) **Pest and Diseases Management:** Spraying against the BCTB focused on all districts in this sub region, which grow Robusta coffee. In January 2014, the regional offices had a special program for spraying (gang spray), where they procured 30 spray pumps of Knapsack spares each with a capacity of 18 liters, to spray coffee gardens in Jinja, Kamuli and Kaliro districts. Each district received 10 pumps and spraying was done. Later alone the gang was moved to Buyende district. The gang spray was done to control the BCTB disease, immediately when the coffee gardens had flowered.

Since the regional offices received very little chemicals (106 liters of confider by East African limited), one village was identified per district with the highest incidence of this disease for spraying. Spraying also depended on infestation level and the number coffee tress one has. The gang could take 7 to 10 days to finish up a village. This excise was done in June, July and August 2013

Challenges

The UCDA officers faced challenges during the spraying excises

- Choosing of one village per district for spraying, led to many queries as to why some farmers were left out.
- They also had a shortage of wage payments for the gang sprayers. Some of the gang sprayers were not paid.

Recommendation

- The UCDA should procure more chemicals so as to carry out a blanket spraying, moving from village to village and farmer to farmer so as to cover the whole region
- The UCDA should increase the funds allocated for payments of gang sprayers.

c) Coffee seeds

The RCEO acknowledged receipt of 300Kgs of elite Robusta coffee seeds in August 2013. The coffee seeds were inadequate and were given to one nursery operator called Mwanga Daniel of Butiki Village, Mafubira Sub County in Jinja district, in the month of December 2013.

d) Coffee Seedlings

In Jinja sub region, a total of 435,865 Coffee seedlings out of the 684,032 allocated to this sub region during the FY 2013/14 were procured and distributed to coffee farmers. The seedlings were supplied by 21 nursery operators in the three districts as shown below (Table 4.85).

Table 4.85: coffee seedlings procured and distributed to coffee farmers in FY 2013/14

No	*District*	*For the two planting seasons*		*Number of suppliers*
		Allocation	Actual	
1	Kamuli	376,132	226,277	10
2	Kaliro	140,000	70,000	3
3	Jinja	167,900	139,588	8
Total		**684,032**	**435,865**	**21**

Source: field findings; Jinja sub region

Implementation challenges in this sub region

a) Politicians do not follow the right procedures of distributing coffee seedlings. In this sub region, each farmer is supposed to get 220 coffee seedlings to plant half an acre, however; the politician end up giving out more or less to some farmers, some farmers received 300 seedlings and above, while others received 15 seedlings or less. One politician in Busedde Sub County in Jinja was allocated 30,000 coffee seedlings in April 2014, after procuring or receiving this order, there was a crash in the sub county. The farmers in this area grabbed all the coffee seedlings, which made it difficult to account for it.

The local leaders like the LC III chairperson and Sub county chiefs write names of the farmers who have not received coffee seedlings as if they have received. However, the RCEO goes ahead to verify what is reported by the by these local leaders.

b) Resources allocated to facilitate officers in supervision and monitoring are very small.
c) Staffing challenge; the regional UCDA offices are under staffed, they have two officers in charge of the four districts, which makes it difficult to follow up all the farmers in this area.
d) During the FY 2013/14, the UCDA procure very small seeds, they were only 300Kgs of elite/coronal seeds which were given to only one nursery operator in the whole region.
e) The motorcycle for this sub region broke down and was promised to be given one; which was not yet delivered as of 21st July 2014.
f) Nursery operators tend to lose interest in coffee gardening due to delayed payments by UCDA. During the FY 2013/14, about 10 Nursery operators were still and still demanding about Ug shs 20 million for the seedlings supplied to UCDA.

Recommendations

a) Resources allocated to facilitate the officers in supervision and monitoring should be revised from two nights to at least four nights per month.
b) Increase fuel allocation from Ug shs 520, 000 to Ug shs 900, 000 per month. This is because RCEO move a lot around the four districts.
c) Resources should be increased on trainings; at least to have four trainings per month instead of two trainings per month.
d) The UCDA should increase the quantity of seeds procurement to nursery operators. The region requires about four turns of seeds per season for the registered nursery operators.
e) The UCDA should provide a motorcycle for this sub region and a pick up will be more convenient because sometimes they have to ferry seeds from one place to another.
f) The UCDA should ensure that Nursery operators are paid in at least 2 to 3 weeks after they have delivered the seedlings to farmers.

The monitoring team visited two nursery operators in Jinja and Kamuli districts who were reported to have benefited from UCDA program in FY 2013/14.

Kamuli District

a) <u>Waibi George Coffee Nursery</u>

The Waibi George coffee Nursery located in Itukulu Village, Bupadeher Parish, Nawanyago Sub County in Busany County started operation in January 2013. The nursery operator reported that in FY 2013/14, the nursery supplied 52,000 coffee seedlings to coffee farmers in the October-November 2013 planting season in Bulogo and Buzaya Sub Counties, Kamuli North and Bugabula North constituency. By 21st July 2014, the supplier was awaiting payments from UCDA, so that he can also clear for the truck hired at Ug shs 500,000 to transport coffee seedlings to farmers. He further reported that in February –March 2014, hailstorm destroyed about 80,000 coffee seedlings in his nursery and he had about 20,000 coffee seedlings to be sold in the next planting season.

Jinja District

b) Amanyoti Geoffrey Coffee Nursery

Tool kits received by Mr Amanyoti of Buyengo Sub County

The coffee nursery which is located in Bukoloba Village, Butamira Parish, Buyengo Sub County in Kagoma County was started in 1995. Mr. Amanyoti Geoffrey the nursery operator and the chairperson of "Buyengo Coffee and livestock farmers association" with about 200 members, acknowledged receipt of a 1,000 liters water harvesting tank, 10 bow saws, 10 slashers, 10 secateurs, 4 spray pumps, 10 pangs and 10 liters of chemicals for spraying on behalf of his group. He received a tank, 1 pray pump, a slahser, a pang, a secateur, a bow saw and took 2 liters of chemicals from his group.

He procured 20Kgs of coffee seeds and raised 10,000 coffee seedlings. The nursery operator supplied 6,000 coffee seedlings in Sept 2013 planting season, at Ug shs 300 per seedling. The rest were distributed to the group members who participated in raising those coffee seedlings. Reason underlying their success is the intervention of UCDA in their group which reduced the BCTW and led to increased production.

c) Mwanga Daniel Coffee Nursery

Mr. Mwanga Daniel of Butiki-Mataale village, Buwenda parish in Mafubira Sub County doubles as a coffee farmer and a Nursery operator and started Nursery operation in 2013. He acknowledged receipt of 300Kgs of coffee seeds from UCDA and bought more 180Kgs from a certified private supplier at Ug shs 900 per kg. He has raised 1.5 million coffee seedlings in his nursery. By 21st July 2014, has not supplied any coffee seedling to coffee farmers since it was his first time to raise coffee seedlings. He further reported that the 1.5 million coffee seedlings will be ready in August/ September 2014 planting season.

Mr. Muwanga reported that the price of a coffee seedling is very low compared to the inputs used to produce them. A project viability study was carried out at Mr. Mélange's coffee nursery on the cost of producing coffee seedlings in relation to the profits generated, as shown below (Table 4.86).

Table 4.86: Inputs that were used in producing the 1.5 million coffee seedlings on Mr. Muwanga`s Coffee Nursery in FY 2013/14.

ITEM	A MOUNT PROCURED	UNIT COST	TOTAL PURCHASES	PER PERIOD OF NINE MONTHS READY FOR SALE
Procurement of seeds	4800kgs	900 per Kg	4,320,000	4,320,000
Purchase of potting materials	200kgs	10,000 per kg	2,000,000	2,000,000
Bought black soil/forest soil	30 trucks	120, 000 per truck	3,600,000	3,600,000
Bought sand	15 trucks	180,000 per truck	2,700,000	2,700,000
Manure/ decomposers	20 trucks	180,000 per truck	3,600,000	3,600,000
Labor	1,500,000 seedlings	Ug shs7 per seedling	10,500,000	10,500,000

Loss of 20% of the seedlings he has produced.	20% of 1.5 million seedlings	0.2*1500,000(seedlings) *300 (cost per seedling)	Less (90,000,000)	90,000,000
Labor for watering	20*5,000*270 days(9 months)	20 employees Paid 5,000 each day For a period of 9 months	270,000,000	270,000,000
Labor Supervising	4*500,000*6 months	4 supervisor paid 500,000 per month for six months	12,000,000	12,000,000
Spraying to prevent pests	3*25,000*2*9 months	Pest sides 3 liters per month, each Ug shs25, 000 per liter, sprays twice a month.	1,350,000	1,350,000
Standing poles for construction of a nursery bed	5,000,000 /7 years	Costs 5,000,000 To last for 7 years	714,285.7	714,285.7
Pumping system for water	Costs 15,000,000	To last for 5 years	15,000,000	3,000,000
Food for the staff		40 Kgs of beans per day and 10 Kgs of maize per day for nine month	855,000	855,000
Niles	150kgs *5,000/7 years	Each Kg costs 5,000 The nursery to last for 7 years	107142.9	107142.9
The owner drives every day to come and supervise	10,000*9 months *30 days a month	Spends 10,000 on fuel for 9 months	2,700,000	2,700,000
Fiber nets of 3 by 50 meters	700,000*3 roles /7 years	Each net is Ug shs700,000 divide by 7 years the period it will be used valued for a season	2,100,000	300,000
			Total cost for one planting season	**407,746,429**

Source: Field findings

Staff working at Mr. Muwanga`s coffee nursery in Mafubira Sub County

Mr. Muwanga raised 1,500,000 coffee seedlings worth Ug shs 450,000,000. He further reported that he may lose or make loses of 20% of the total coffee seedlings produced (worth Ug shs 90,000,000). A project viability study revealed that the expected net profits will be **Ug shs 42,253,571** at the end of a particular planting season. This means that he makes profits out of this business.

d) **<u>Isabirye Charles Ivan Coffee Nursery</u>**

The coffee nursery which is located in Buyindi Village, Nankulyaku Parish, Nabwigulu Sub County in Kamuli district and started operation in February 2014. He received 50Kgs of coffee seeds directly from UCDA head offices in Kampala and raised 150,000 coffee seedlings. He has also received technical support from the RCEO, mainly the guidance on how to make a nursery bed. By 21st July 2014, porting and prinking was ongoing. His key challenges are the expensive materials like porting materials and the fiber nets are expensive; some of his seedlings were turning yellow due to direct sun shine because they were not well covered. He recommended UCDA to avail them some loans for nursery bed maintenance and also give then shade nets on credit.

Left: Coffee seedlings are being transplanted in to poly bags. Right: coffee seedlings turned yellowish due to direct sun shine and lack of shade nets at Ivan`s Coffee nursery in Nabwigulu Sub County

Challenges

1) High transport costs of transporting coffee seedlings to the distribution center and some farmers do not want to acknowledged receipt of coffee seedlings.
2) Coffee farmers are more interested in coronel coffee which needs a black net and some nursery operators don not have it.
3) The coffee nurseries need a lot of water; Mr. Muwanga pumps 10,000 liters of water a day and also buys more from other sources.
4) Some of the Coffee seedlings are affected by direct sun shine due to lack of enough fiber nets; the fiber nets are very expensive and not locally available.
5) A lot of verification is needed by UCDA before payments are made for having supplied coffee seedlings and yet some farmers after receiving coffee seedlings, they do not want to sign or acknowledge receipt of the seedlings.

Recommendations

1) Coffee farmers should pick coffee seedlings from the nursery operators to avoid complaints from those who do not want to acknowledge or sign for what they have received.
2) The UCDA/Government should provide them with a black net to produce more colonel coffee in this region.
3) The UCDA should give them fiber nets; fertilizers and irrigation system on credit so as they pay back in form of seedlings.
4) Nursery operators should be given soft loans in order to procure pest sides and shading materials.
5) The coffee farmers/ nursery operators should be given more chemicals to spray the BCTB in Jinja district.

6) The UCDA should increase the supply of coffee seeds to nursery operators to produce more coffee seedlings.
7) The stake holders like the Sub County chief, RECO and politician should sensitize coffee farmers on the importance of signings or acknowledging for the coffee seedlings they have received.

Iganga Sub region offices

Iganga sub region office coordinate nine districts of Iganga, Luuka, Mayuge, Tororo, Namutumba, Budaka, Busia, Namayingo and Bugiri. The monitoring team assessed performance of in the implementation of UCDA programme in Iganga district.

Financial performance

During the FY 2013/14, the sub regional offices received a total Ug shs **27,362,200** from UCDA and implemented the following activities in the above mentioned districts (4.87).

Table 4.87: Iganga sub regional office expenditure by 30th June 2014

No	Activity	No of times	Unit	Period	Total allocation
1	Allowance in form of Farmer Trainings	Carried out trainings every month	400,000	12 months	4,800,000
2	Fuel	Every month	1,400,000	months	16,800,000
3	Car hire	Every month	240,000	11 months	2,880,000
4	Office imprest	Every month	200,000	12 months	2,400,000
5	Air time	Every month	40,000	12 months	480,000
7	Nights outside the district	Two nights a month	200,000	9 months	1,800,000
				Total amount received for those activities	**29,160,000**

Source: Field findings; Iganga Sub regional offices

Physical performance

The key activities that were implemented by both UCDA and Iganga sub regional offices during the FY 2013/14 were procurement and distribution of the following items

a) **Coffee seeds:** The RCEO acknowledged receipt of 800Kgs of elite Robusta coffee seeds in August 2013. The seeds were distributed as follows; the 200Kgs were distributed in Namutumba district raised 2,000,000 coffee seedlings and 300Kg each in Iganga and Mayuge district which raised 3,000,000 coffee seedlings each. The coffee seeds were distributed to individual farmers, Organizations and some Hon members of parliament who are able to raise coffee seedlings. It was further noted that some coffee seeds were distributed directly by UDCA head offices in Kampala to Nursery operators in the region, the quantities are reported at the end of the FY.

b) **Coffee Seedlings:** A total of 2,200,000 coffee seedlings were procured and distributed to coffee farmers, during the September-November 2013 and March-April 2014 planting seasons, in this sub region as shown below (Table 4.88).

Table 4.88: Coffee seedlings procured and distributed in Iganga Sub region in FY 2013/14

No	District	Number of Seedlings received per district	Value of the seedlings received in Ug shs
1	Mayuge	680,000	204,000,000
2	Iganga	740,000	222,000,000
3	Tororo	140,000	42,000,000
4	Namayingo	80,000	24,000,000
5	Namutumba	240,000	72,000,000
6	Luuka	220,000	66,000,000
7	Budaka	100,000	30,000,000
Total		**2,200,000**	**660,000,000**

Source: Iganga Regional Office; field findings

c) **Equipments and Tools:** The region office acknowledged receipt of equipments and tools in February 2014. These equipments were distributed to coffee farmers and include: pangs, bow saws, secateurs and slashers. Most of these tools and equipments were given to the best farmers during the coffee shows in Iganga and Mayuge districts.

d) **Water harvesting Tanks:** The sub region also acknowledge recent of two water harvesting tanks of 10,000 liters each. The tanks were given to Mr. Obila Michel of Makuutu Sub County in Iganga district and an NGO called Promised Land in Waitambogwe Sub County in Mayuge district.

e) **Pests and Diseases Management:** In November 2013, the regional offices received equipments for control of BCTB, which were distributed to the four district of Iganga, Mayuge, Luuka and Bugiri; Each district received 106 liters of Confidol (pest side), 10 pieces of spray pumps of 16 liters capacity, 10 pairs of gumboots, 10 pieces of overalls, 10 pairs of hand gloves, 10 pieces of Norse and mouth masks. Application was made in one village per district as a pilot village. It was noted that, by 25th July 2014, UCDA has procured more chemicals and blanket spraying was to start in FY 2014/15.

f) **Trainings and field visits conducted:** During the FY 2013/14, Iganga sub region carried out 40 trainings (3 to 4 trainings every month). Farmers were trained in good agronomics practices in coffee and were based on demand per district.

Implementation challenges in Iganga sub region

1) There is a high demand of planting materials given the fact that farmers are getting discouraged from planting sugar canes in this region, the prices of sugar canes are going down.
2) Declining quality of coffee is due to some coffee farmers who harvest immature coffee, due to poverty. However, the RCEO normally carry out task forces, prior to harvesting but it is still not enough. They organize a group of UCDA staff, police and district officials who move around to investigate those who harvest immature coffee, this activity is done only once a year due to limited funds allocated to this activity.
3) The intervention on BCTB is still very law due to the few chemicals allocated to the sub region
4) The corroboration between UCDA field officer and the lower local government officers is the poor; sub county officers tend to demand allowances from UCDA officers, which is not always in their budget during the distribution of coffee seedling.
5) Inadequate capacity of the RCEO to follow up on farmers if they are practicing what they were trained in, due to limited resources allocated to field visits

Recommendation

1) The UCDA should motivate the nursery operators through timely payments; this will encourage them to produce more coffee seedlings to meet the demand.
2) The UCDA official should carry out more sensitization and training of farmers on good agronomics practices and post harvesting and more funds should be allocated to the task force to re-enforce quality coffee in the sub region.
3) Blanked spraying should be carried out in this sub region on the BCTB.
4) The UCDA should recruit a coffee officer at the lower local government level or designate one of the officers at the Lower Local Government to help in the implementation of UCDA program in the district.
5) The UCDA should increase the budget line for field visits for the RCEO to ensure that coffee farmers practice the new skills received from the trainings on coffee growing.

The monitoring team visited two nursery operators in Iganga district who was reported to have benefited from UCDA program in this sub region.

Iganga District

Kyeyago Ismail Coffee Nursery

The Coffee nursery is located in Bulubandi Nandekula Village, Bulubandi parish in kakigo sub County and started by Mr. Kyeyago Ismail in 2013. The nursery operator reported that in April/May 2013 planting season; the nursery supplied 116,500 coffee seedlings to over 600 coffee farmers in Luuka Sub county, Kigulu South, North and Bugwere constituency.

Left: part of Kyeyago Ismail Coffee Nursery not planted due to delayed payments and Right: Coffee Seedlings which will be ready for distribution in December 2014 planting season

His key challenges are the delayed payments which constrain production of more coffee seedlings; most parts of the nursery are not planted due to delayed payments to procure more planting materials and the expensive seeds and poly pots. He recommended UCDA to always pay them after the distribution of coffee seedlings and also give them more coffee seeds; this will motivate them to produce more coffee seedlings. By 25th July 2014, he had 70,000 coffee seedlings in the nursery which were to be distributed in December 2014.

Abdurahim Ali Coffee Nursery

The coffee nursery is located in Kasolo Village, Bukolo-Bulamagi Sub County in Iganga district. It was started by Mr. Abdurahim Ali in the year 2013. The nursery operator reported that in in FY 2013/14, April & May 2013 planting season, the nursery supplied 100800 Coffee seedlings to coffee farmers to Bulamugi Sub County in Iganga and Bigiri district, through Hon. MPs, LC V chairpersons and farmers forums. By 25th July 2014, he has not received any payments from UCDA.

His challenges were: 1) The low price fixed by UCDA on coffee seedlings are very law compared to the inputs used in the production. 2) The Technical people from UCDA ask for a lot of money to guide the nursery operators on how to manage the coffee nursery. Mr. Abdurahim was charged Ug shs 3 million by the UCDA officer to guide him in the management of a coffee nursery.

Recommendations: 1) The UCDA should increase the price of coffee seedling to at least Ug shs 600 in order to cover the costs of transport for the nursery operators. 2) The UCDA officers should not as nursery operator money for trainings, are free and paid up.

4.9.3 Analysis

Link between financial and physical performance

During the FY 2013/14, the approved budget for UCDA was Ug shs 21.136 billion. A total of Ug shs Ug shs19.276 billion was released and spent on UCDA planed government outlays. A bout 77% on use of goods and services, 1% of the total releases were on social benefits and 22% on employees' costs. However Ug shs 166,530,000 was budgeted for financial assets (conditional transfers to contracts committee/DSC/P); no expenditures were made on this outlay.

High expenditure on use of goods and services were due to MFPED allocation and releases of Ug shs 7.75 billion on Medical and Agricultural supplies. The UCDA NTR contribution on this outlay was Ug shs 3,231,247,000. This performance was due to the cumulative decline in the value of coffee exports during the FY from U$ 422,383,957 in FY 2012/13 to US$ 403,559,848 in FY 2013/14. This represent a 5% performance decline attributed to decline in international prices that reached the 5 year in the 1st quarter of the FY, fluctuation in budget exchange rate and average prices.

By end of 30th June 2014, the UCDA had procured and distributed; 18,712,437 coffee Wilt resistant Varieties to coffee farmers, 9,752,014 coffee seedlings to war veterans, rehabilitation kits of 40 water Tanks, 400 saws, 1600 Saw blades, 800 Pangs, 800 Slashers, 800 Secateurs and 272 tarpaulins to coffee farmers and nursery operators and 3600 liters of chemicals for spraying the BCTB. Conducted trainings to coffee farmer, staffs, and local leaders on coffee management at local government level to follow up and implement this program effectively. The UCDA also provided technical extension services and quality enhancement. It was further noted that however, the above activities were implemented, a total of 533 nursery operators who distributed coffee seedlings to coffee farmers were not paid, this was due to a number of reasons which include the long verification procedure and some of the nursery operators were not qualified to supply coffee seedlings. By 30th June 2014, the nursery operators were demanding a total of Ug shs 2,721,093,000 from UCDA.

Achievement of set targets

The UCDA performance target was not achieved due to a fall in the NTR generated and internal re-allocations within the budget for FY 2013/14. This lead to non implementation of the two line items of; conditional transfers to contracts committees/DSC/P and Rental none produced assets, and under performance on some of the line items. These include workshops and seminars, staff trainings, postage and Courier.

Comparative analysis

However the RCEO face challenges of under staffing, inadequate capacity to follow up the UCDA program due to wider coverage, untimely payment of nursery operators, inadequate planting materials distributed to coffee farmer, the coffee rehabilitation kits distributed to coffee farmers which very few in all the sub regions visited, in relation to the population engaged in coffee growing, all the four regions sampled (Northern, South western, Eastern and Western regions) performed well in terms of procurement and distribution of coffee seedlings and trainings were well conducted. In the northern region, the incidence of transferring pests and diseases is very low since the coffee seedlings are produced by the coffee farmers during the harvesting period.

4.9.4 Conclusion

The performance of this program during the FY 2013/14 is rated as good with regard to coffee seedlings distribution; there are increasing number of farmers interested in coffee growing in the eastern region, mainly Busoga region who are disappointed by sugar cane growing and joining the coffee production, and yet the UCDA procures a few coffee seedlings from Nursery operators; coffee Nursery operators mainly in Kyenjojo sub region had ready coffee seedlings which have over grown and had no market for them. The tool kits and chemicals for spraying the BCTB procured to coffee farmers and gardens are still very few in relation to the population in the coffee growing industry.

4.9.5 Recommendations

More support should there for be geared towards allocating more funds on procurement and distribution of coffee seedlings, spray chemicals, recruiting coffee extension officers at district level, subsidizing the prices of shade nets and potting materials, increasing facilitation of RCEO to carry out monitoring and supervision of coffee farmers, paying nursery operators in time and ensuring timely distribution of coffee seeds for the nursery operators to raise seedling in time mainly in the northern region.

CHAPTER 5: EDUCATION

5.1 Introduction

In line with the National Development Plan (NDP) goals, the education sector aims at equitable, accessible, affordable and quality delivery of education and training to Ugandans.

The mission of the Ministry of Education and Sports (MoES) is "*to provide for, support, guide, coordinate, regulate and promote quality education and sports to all persons in Uganda for national integration, individual and national development.*"

Strategic Objectives are:

i. To ensure universal and equitable access to quality basic education for all children in Uganda

ii. To improve the quality of education at all levels in the country

iii. To ensure equal access by gender, district and special needs at all levels of education.

iv. To build capacity of districts by helping education managers acquire and improve on their knowledge, skills and attitudes to be able to plan, monitor, account and perform managerial functions.

5.1.1 Scope

The annual report gives a verified achievement of targets for projects implemented under Vote 013 FY 2013/14. Table 5.1 provides the list of projects monitored and institutions / districts visited for activities of each project.

Table 5.1: Education Programmes/Projects monitored in FY 2013/14

Vote Function	Programme/Project	Institutions/Districts visited
0701:Pre-primary and Primary Education	0943: Emergency Construction of Primary Schools	MoES, Bundibugyo, Kabarole, Hoima, Kiruhura, Wakiso, Mukono, Jinja, Katakwi, Mukono
0702 Secondary Education	0897:Development of Secondary Education	MoES, Bundibugyo, Budaka, Mbarara, Kasese, Bugiri, Budaka, Ibanda, Zombo, Kyegegwa
	1091:Support to USE (IDA)	Kabale, Kasese, Ibanda, Kyegegwa, Hoima, Kabarole, Arua, Zombo, Oyam, Kabale, Kanungu, Bushenyi, Kiruhura, Rukungiri Masaka, Sembabule. Buhweju, MoES, Abim, Bundibugyo
	1092:ADB IV Support to USE	Masaka, Kabarole. Mbarara, Ibanda, Ntungamo, MoES
0705:Skills Development	0971: Development of TVET P7 graduate	Apac, Kasese, Bushenyi, Mbarara, Butaleja, Kaliro, Moyo, Bugiri, Mbarara, Arua, Dokolo, Pallisa,

		Masaka, Bundibugyo, Kamwenge, Manafwa, MoES
	1270: Support to National Health and Departmental Training Institutions	Jinja, Kabarole,
0706 Quality and Standards	0944:Development of PTCs	Masindi, Kyenjojo, Kasese, Ntungamo, Buikwe,Bundibugyo, Arua, Zombo, Kanungu, Ibanda, Rukungiri,
	Presidential Pledges	Amudat, Kaabong, Pallisa, Bugiri, Iganga, Kamuli
	Higher Education Students Financing Board	MoES
0708: Education and Social Services	0115:LGMSD	Kampala City Council Authority (KCCA)
	0423: Schools' Facilities Grant	

Source; Author's compilation

Limitations

(i) Information on donor releases was not readily available for some of the donor projects and hence financial performance may have been underestimated or not captured at all.

(ii) There were cases of incomplete information especially in cases where the responsible officers were not in office or relevant documents not being readily available.

Vote 013 Financial Performance FY 2013/14

The approved budget for Vote 013 FY 2013/14 was Ug shs 480.716 billion of which Ug shs 329.481 billion (68.5%) was released and Ug shs 312.093 billion (94.7%) expended by 30th June 2014. Release and expenditure performance were very good. (See Table 6.3)

Table 5.2: Financial Performance of MoES (Vote 013) by 30th June 2014

		Approved Budget (Ug shs billion)	**Release (Ug shs billion)**	**Spent (Ug shs billion)**	**% Budget released**	**% Budget Spent**	**% Release Spent**
Recurrent	Wage	10.007	10.007	9.974	100.0	99.7	99.7
	Non-wage	127.250	128.524	122.745	101.0	96.5	95.5
Development	GoU	51.115	46.511	46.326	91.0	90.6	99.6
	External Financing	288.194	143.839	125.141	49.9	43.4	87.0
Total GoU		**188.372**	**185.042**	**179.045**	**98.2**	**95.0**	**96.8**
Total GoU + Ext Fin. (MTEF)		**476.566**	**328.881**	**304.186**	**69.0**	**63.8**	**92.5**

	Approved Budget (Ug shs billion)	Release (Ug shs billion)	Spent (Ug shs billion)	% Budget released	% Budget Spent	% Release Spent
Arrears	**0.000**	*0.000*	*7.307*	*N/A*	*N/A*	*N/A*
Taxes	*4.150*	*0.600*	*0.600*	*14.5*	*14.5*	*100.0*
Total Budget	**480.716**	**329.481**	**312.093**	**68.5**	**64.9**	**94.7**

Source: MoES Vote 013, Q4 Performance Report for FY 2013/14

Table 5.2 shows that out of the approved development budget of Ug. Shs 339.309 billion, Ug shs 190.35 billion (56%) was released. This was because donors released only 49.9% of the budget. The shortfall in donor releases affected all donor funded development projects two of which got (0%) releases during the FY.

5.2 Project 0943: Emergency Construction of Primary Schools

5.2.1 Background

There are over 13,000 primary schools in Uganda and over 50% of these are in a poor state. Every financial year, primary schools continue to face emergencies as a result of disasters. The MoES designed 'The Emergency Construction of Primary Schools project' to assist such schools affected by disasters.

The Emergency Construction of Primary Schools project started on 1st July 2005 with a projected end date of 30th June 2015. The strategic objectives are: (i) rehabilitating and strengthening primary schools damaged during disasters; (ii) improving the pupils to classrooms ratio; and (iii) supplementing and supporting local initiatives by parents in the rehabilitation and construction of schools in order to achieve UPE.

This project was designed to re-construct and rehabilitate classrooms and latrines and procure desks in primary schools all over the country.

Planned activities for FY 2013/14

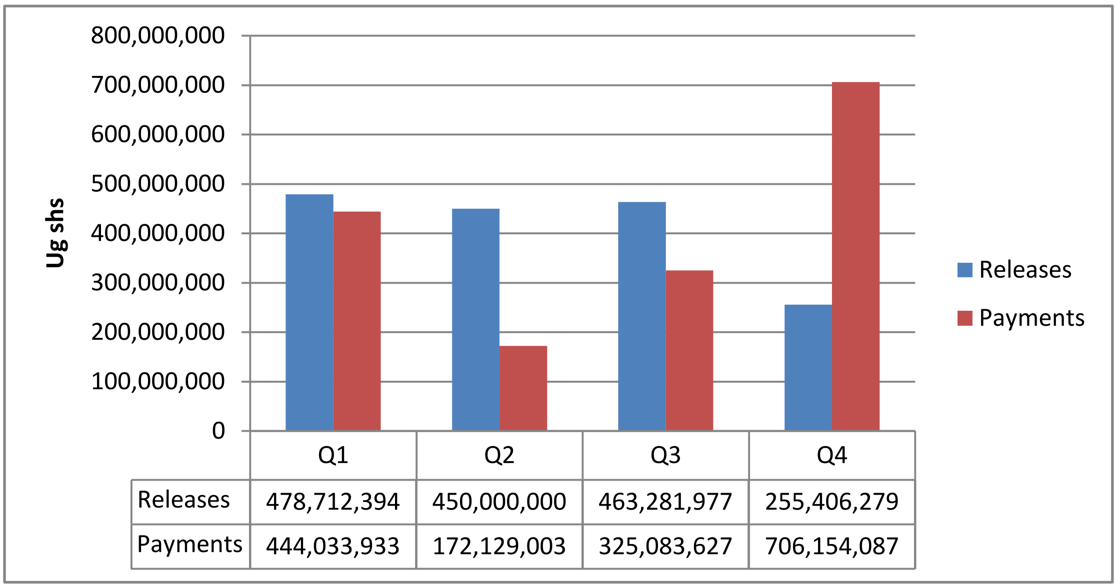
The MoES planned to renovate and construct 17 Primary Schools (P/S). These are: Kigalagala P/S in Jinja; Mpumu P/S in Mukono; Mwiri P/S in Jinja; Butaalunga P/S in Butambala; Kiwawu P/S in Mityana; Ngomanene P/S in Gomba; Bweyogerere Church of Uganda P/S in Wakiso; Lugonyola P/S in Kaliro, Wampewo P/S in Wakiso; Tombwe P/S in Bundibugyo; Mukumbwe P/S in Kabarole; Kinyante P/S in Bundibugyo; Bumadu P/S in Bundibugyo; Nyaminyobwa P/S in Mbarara; Rwamuranga P/S in Kiruhura; Kyebando UMEA P/S in Wakiso and Nakanyonyi P/S in Mukono district.

5.2.2 Findings

Project Financial Performance

The approved budget for FY 2013/14 was Ug shs 1,864,000,000 of which Ug shs 1,647,400,650 (88.3%) was released and all utilized by 30th June 2014. Figure 5.1 summarizes the financial performance during the financial year.

Figure 5.1 Financial performance of Emergency Construction of Primary Schools FY 2013/14



	Q1	Q2	Q3	Q4
Releases	478,712,394	450,000,000	463,281,977	255,406,279
Payments	444,033,933	172,129,003	325,083,627	706,154,087

Source: IFMS Data July 2014

The project allocative efficiency was excellent as 94.5% of the funds were utilized on classroom construction and rehabilitation while 5.4% on policies, laws, guidelines, plans and strategies.

Physical Performance

By Q2 FY 2013/14, 49.7% of the project budget had been released and five schools were rehabilitated/ constructed. These were; Mwererwe P/S, Nakikungube P/S, Usuk boys P/S, Mwiri P/S and Mpumu P/S. (Refer to BMAU Report May 2014)

Four schools were monitored at the end of the FY 2013/14 to assess level of implementation and these were; Busu P/S, Mukumbwe P/S, Rumogi P/S and Wampewo P/S. Below are the findings:

a) Busu Primary School

The school is located in Busu village, Bundingoma parish, Bubanda sub-county, Bundibugyo district. The school received Ug shs 97,381,045 in May 2014 to construct a two stance VIP latrine, a two classroom block with an office and store; procure 36 three seater desks, three chairs and two tables; and install an 8000 litre water tank.

In May 2014, the school contracted M/s Bundibugyo Market Vendors Association to undertake the civil works at a sum of Ug shs 93,500,000 for a period of three months. The project completion date was 30th August 2014. By 30th July 2014, the contractor had been paid Ug shs 61,696,333 (65.9% *of the contract sum*) and progress of civil works was as follows:

- The two classroom block with an office and store was at finishes level and the contractor was fixing doors. Remaining works were; floor screeding, painting, fixing window glasses and veranda works.
- The two stance Ventilated Improved Pit (VIP) latrine was at finishes level. The remaining civil works were fitting doors, painting and floor smoothening.

The works were on schedule and the beneficiaries were satisfied with the quality of civil works so far.

b) Mukumbwe Primary School

The school is located in Mukumbwe village, Rubingo parish, Katambi sub-county, Kabarole district. It had 434 pupils (215 boys and 219 girls).

The MoES released Ug shs 108,671,790 in April 2014 for construction of a two classroom block with an office, a five stance VIP latrine and a two stance VIP latrine for staff and provision of furniture. The school contracted M/s Kagu Construction Limited in June 2014 at a sum of Ug shs 105,597,000 for a period of two months.

The completed classroom block at Mukumbwe P/ S

Findings indicated that three certificates worth Ug shs 94,298,121 were paid. The balance was for retention pending completion of defects liability period.

By 29th July 2014, all civil works were completed. Furniture of 34 desks, two tables and two chairs for teachers was supplied. The contractor completed works within the stipulated contract period and quality of works was good.

c) Rumogi Primary School

The school is located in Rumogi village, Bulimya parish, Kizirafumbi sub-county, Hoima district. This UPE School had 375 pupils (188 boys and 175 girls). The school received Ug shs 92,366,053 in January 2014 to construct two new classrooms and rehabilitate a four classroom block.

The contract was awarded to M/s Monaco Contractors Limited at a sum of Ug shs 92,000,000 on 11th July 2014. By 1st August 2014 civil works had not started because of changes in the scope of works. The scope was changed to rehabilitation of the existing two blocks of four classrooms each and partition one of them to create an office for the head teacher, and a store. The school management was awaiting clearance from the Solicitor General.

d) Wampewo Day and Boarding Primary School

The school is located in Wampewo LC1, Wampewo parish, Nangabo sub-county, Wakiso district. It had an enrollment of 1050 pupils (547girls and 503 boys). The school received Ug shs 119,030,792 for construction of a three classroom block, procurement of furniture and construction of a VIP latrine. M/s Balike Investments Limited was awarded the contract for civil works and supply of furniture in May 2014, at a sum of Ug shs 118,413,000 for a contract period of three months.

By 3rd July 2014, the contractor had submitted four certificates and had been paid Ug shs 103,626,478 (87.5%) against works progress of about 80%.

The progress of civil works as follows:

- Construction of a three classroom block was at finishes level by July 3rd 2014. The remaining works included flooring, internal and external plastering, and veranda works. No works were going on at monitoring time and the school management noted that the contractor might not finish in the stipulated time.

The three class room block still under construction at Wampewo P.S

- Construction of a five stance VIP latrine was at ring beam level. The remaining works included roofing, internal and external plastering, painting, fixing doors and fitting ventilation pipe.
- The contractor had made 72 three seater desks on site out of the expected 75 desks. The three teachers' tables and chairs had not been made.

Challenge

Non receipt of funds; Five out of the nine sampled schools did not receive funds by 30th June 2014 as reported in the MoES Q3 FY 2013/14 performance report.

5.2.3 Analysis

Link between financial and physical performance

The approved budget for project 0943 was Ug shs 1,864,000,000 of which 88.3% was released and all utilized by the end of the financial year. Release and expenditure performance was excellent however; physical performance was not commensurate with financial performance.

Achievement of set targets

This project did not achieve the set targets for FY 2013/14. MoES planned to construct/rehabilitate 17 primary schools during FY 2013/14. Over all, only nine out of the 17 (i.e 52.9%) planned schools were constructed/ rehabilitated by the end of the financial year. However, three of the schools implemented, were **outside** the approved work/performance contract plan for FY 2013/14 (i.e. Nakikungube P/S, Usuk P/S and Mwererwe P/S). The MoES did not report on five of the planned schools for FY 2013/14 (i.e Bumadu P/S, Kinyante P/S, Nakanyonyi P/S, Rwamuranga P/S and Tombwe P/S).

5.2.4 Conclusion

Project 0943, Emergency Construction of Primary Schools achieved only 52.9% of the work plan/performance contract for FY 2013/14. This was fair performance despite receipt of 88.3% of the budget. This project therefore did not achieve their planned output targets.

5.2.5 Recommendations

1. The MoES should adhere to the work plan/performance contract for the financial year.
2. The Office of the Auditor General should undertake a forensic audit for this project.

5.3 Project 0897: Development of Secondary Education

5.3.1 Background

The project started on 7th January 2005 and the completion date is 30th June 2015. The objectives for project 0897 Development of Secondary Education were; (i) increasing equitable access to Universal Post Primary Education and Training (UPPET), (ii) ensuring achievement of the Millennium Development Goals (MDGs) of Gender parity by 2015 (iii) enhancing sustainability of Universal Primary Education (UPE) and (iv) reducing high costs of UPPET.

The expected outputs are:

i) Increased enrollment in secondary education i.e transition rate increasing from 50% to 80%
ii) Addition 2000 teachers recruited to reduce the current deficit of 7,555
iii) Improved access to secondary education in 41 sub counties without any form of schools.
iv) Improved teaching and learning of secondary science education.
v) Reviewed and more relevant and affordable secondary education curriculum.
vi) Improved teaching and learning environment at Sir Samuel Baker Secondary Schools.
vii) Refreshed and improved quality of teachers of science and mathematics.
viii) Institutionalize sustainable INSET system.
ix) Increased use of ICT in learning and teaching processes.
x) Purchase of 160 science kits.

Planned Outputs FY 2013/14

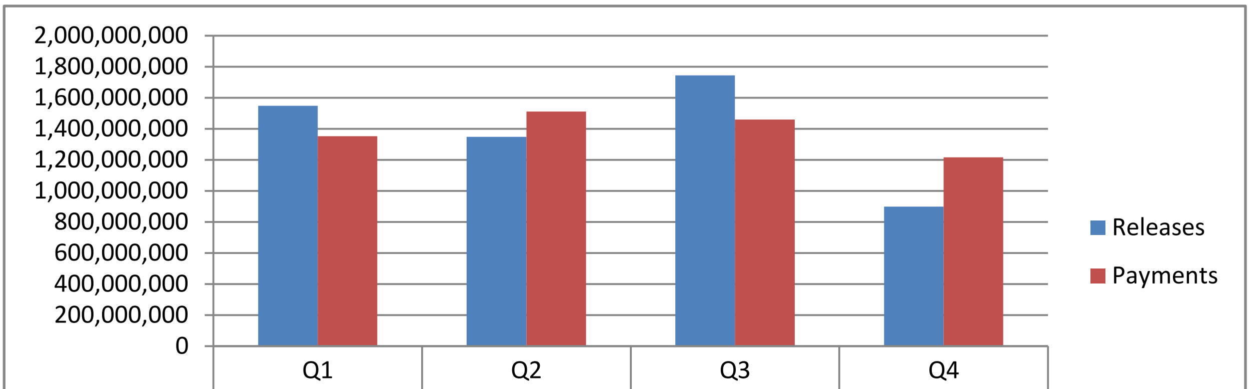
These were; (i) provision of software to schools that received computers from Uganda Communications Commission (UCC) (ii) books and periodicals procured for Universal 'O'Level Education and Training (UPOLET) schools; (iii) provide computers to schools in critical need; (iv) 4th cycle of 50 schools under Digital Science Cyber handled; v) text books for science and mathematics for the UPOLET government and Public Private Partnership(PPP) schools procured; vi) 3,800 science teachers trained with 2,000 governments and 1,800 PPP; (viii) induction training for 300 newly appointed Board of Governors done; and ix) administration blocks for seed schools structures completed at 25 institutions.

5.3.2 Findings

Financial Performance

The approved budget for the project was Ug shs 6,350,500,000 of which Ug shs 5,540,020,933 (87.2%) was released and all spent. The release and expenditure performance was excellent. Figure 5.2 shows the budget performance for FY 2013/14.

Figure 5.2 Financial Performance of Development of Secondary Education project in FY 2013/14 (Ug shs)



	Q1	Q2	Q3	Q4
Releases	1,549,162,299	1,348,479,971	1,743,898,576	898,480,087
Payments	1,352,243,489	1,510,323,097	1,460,065,781	1,217,388,566

Source: IFMS July 2014

Expenditure analysis for the project indicated good allocative efficiency; 57% of the funds released were spent on instructional materials for secondary school, 17% on classroom construction and rehabilitation, 3% on monitoring and supervision of secondary schools, 10% on training of secondary teachers and 13% on policies, guidelines, plans and strategies.

Physical performance

Annual monitoring focused on construction of administration blocks for seed schools, teachers trained and instructional materials for secondary schools. Below are the findings:

Output 070280; classroom construction and rehabilitation (secondary)

The MoES planned to complete administration blocks in 25 seed schools around the country during FY 2013/14. This output had an approved budget of Ug shs 1,227,800,000. The MoES disbursed funds to six schools to complete their administration blocks. Three schools of Busiime, Lyama, Nyamareebe seed secondary schools were monitored in Q2 (Refer to BMAU Report May 2014). Three other seed schools, i.e Jangokoro, Kasule and St. Paul Kagongi, were monitored at the end of the financial year. Below are the findings:

a) Jangokoro Seed Secondary School

The school located in Manzi village, Aboyi parish, Jangakoro sub-county, Zombo district had a student population of 80 students. During FY 2013/14, the MoES released Ug shs 12,950,000 to the school for completion of an administration block. The administration block comprises a staffroom, book store and office.

On 3rd February 2014, the school received the funds however the head teacher passed away and no works were implemented. A new head teacher was appointed in April 2014. As of 22nd July 2014 civil works had not started.

b) Kasule Seed Secondary School

The school is located in Kasule village, Kasule parish, Kasule Sub County, Kyegegwa District. It is a USE school and had 271 students (169 boys and 102 girls) with 11 teachers on payroll. The Q3 and Q4 MoES Performance Report FY 2013/14 indicated that funds were disbursed for completion of an administration block. Findings indicated that the school did not receive any funds from MoES for completion of the administration block as of 29th July 2014. MoES' reporting was incorrect since the school did not receive the reported funds for FY 2013/14.

St. Paul Secondary School Kagongi

The school is located in Nyabuhaama village, Kyandahi parish, Kagongi sub county, Mbarara District. The school had a student population of 569 (278 boys and 291 girls). The school has 26 teachers of which 21 were on the payroll. The Q3 MoES Performance Report indicates that funds were disbursed to the school for completion of an administration block. Findings indicated that as of 14th July 2014, the school had not received the reported funds from MoES. The MoES' reporting was incorrect since the school did not receive the reported funds for FY 2013/14.

Conclusion:

Only one seed school (Jangokoro Seed S.S) out of the six monitored received the reported funds for completion of administration block. However, at Jangokoro seed completion of the block had not started. Therefore MoES did not achieve the planned output targets under this line output.

Output 070202 Instructional materials for secondary schools

Provision of computers to schools

Following the introduction of Universal Post O-Level Education and Training (UPOLET) and the 2012 education policy pronouncement for A-Level students to chose either sub mathematics or ICT as a second subsidiary subject; enrollment of students for ICT drastically increased. The Uganda Communications Commission (UCC) under the Rural Communication Development Fund (RCDF) had distributed computers to about 650 secondary schools by 2012. However, several schools had either not been covered or inadequately facilitated for the first seating of UNEB examinations in 2013.

The MoES under component three of the development of secondary education, project 0897, planned to increase the use of ICT in learning and teaching process in 20 selected secondary schools through procurement of computers and accessories. Implementation was in 14 schools. Four schools were monitored between February and March 2014. They include: Bukoyo SS in Iganga district, Lake Bunyonyi SS and St Mary's Rushoroza SS in Kabale district, and Ngarama SS in Isingiro district (Detailed findings reported in BMAU Report Quarter two and three FY 2013/14).

During the annual monitoring visits (July-August 2014), six schools were visited. They include: Bukoyo SS-Iganga, Bulamu Seed SS- Mpigi, Butawuka Magezi Ntake-Butambala, Nyamirembe SS-Kisoro, Rukore High School-Kabale and St Joseph Kakindu SS-Mityana. Each of the visited secondary schools received between Ug shs 10 million and Ug shs 100 million. Below are the findings:

a) Bukoyo Secondary School - Iganga District

The school is located in Bukoyo village, Bukoyo parish, Bulamagi sub-county. The school has a population of 1,100 students of which 500 are female and 600 male. The school received a total of Ug shs 100,000,000 on 21st December 2013 from the MoES for the procurement of computers and accessories.

By 12th February 2014, the school had not initiated the procurement process, due to lack of guidelines. A follow up visit was made on 18th August 2014 and the following was noted:

A total of 35 sets of computers (monitor, keyboard, mouse, and UPS), 35 computer desks, one wireless printer and a wireless router were procured and delivered on 2nd May 2014. The computers were installed with Microsoft Windows 7 operating system, antivirus, some were installed with Microsoft office 2003 and others with 2007 application software. All the received funds were reportedly spent on purchase of the computers and accessories.

According to the guidelines from the MoES, the computers were supposed to have a minimum of 320 Giga Bytes (GB) of Hard Disk (HDD) space, 2 GB of Random Access Memory (RAM), 2 Ghz of processor speed. It was however observed that the school received varying specifications with several computers not meeting the minimum specifications. For example, four computers had 120 GB of HDD; three had 240 GB while four had 500 GB.

Currently, the school has a total of 93 computers including 40 (N-Computing) units from Uganda Communications Commission. There are three computer teachers one of whom is on the government payroll. According to the Head of IT department, "all the S6 students will be able to sit for the practical exams in at most two shifts".

Some of the procured computers at Bukoyo S.S

Benefits

- Students and teachers are able to independently research on different topics
- Communication had improved between the school and stakeholders. For example, an exchange program with Kibuli S.S was initiated where internal examinations are moderated by teachers from the two schools.
- The laboratory can accommodate up to 90 students, each with a computer in a single shift.

Challenges

- Some of the procured computers did not meet the minimum specifications issued by MoES
- There is only one ICT teacher on the government payroll.
- Lack of tailor made computer laboratory building to effectively house the equipment.
- Inadequate and outdated text books yet ICT is dynamic.
- The single printer procured gets stressed during practical examinations given the big classes of 140 students in S6 and 152 students in S5.
- Inadequate internet speed (256kbps) which supplies the entire laboratory.
- Inadequate resources to organize holiday training program for teachers and the neighboring community

Recommendations

- The school should compel the supplier to deliver computers with agreed specifications.
- The MoES should post ICT teachers to the school or regularize the appointment of the private teachers for efficient delivery of content and skills.
- The MoES should provide ICT text books to schools for reference purposes.
- The MoES should construct an appropriate computer laboratory for the school.

b) Bulamu Seed Secondary School- Mpigi district

The school is located in Bulamu village, Tiribogo parish, Muduuma sub-county, Mawokota county. It has a total population of 621 students comprising of 308 females and 313 males.

The school authorities confirmed that in December 2013, a total of Ug shs 10,000,000 was received for the procurement of computers. M/s Michael Computers Limited was contracted to supply seven complete sets of computers at a contract price of Ug shs 10 million. The computers were delivered in May 2014 and payment made on 10th June 2014.

L-R: A Samsung DVD writer in a Dell computer and procured computers in the physics lab at Bulamu S.S

During the physical verification (8/8/2014), it was observed that the delivered computers were not brand new as reported by the administrators; the computers had varying specifications that did not meet the minimum requirements in the guidelines. For example, two Dell cased computers were cloned with Samsung DVD writers and Lenovo key boards. The computers were running Windows XP operating system which is no longer supported by Microsoft. Two computers could not be physically verified because the Deputy Head teacher reported that they had been borrowed by a neighboring school for mock exams. The procured computers were not engraved.

The school has one qualified ICT teacher on the payroll and a second teacher locally contracted. On average, a stream is composed of 50 students except S1 and S2 which have over 100 students. Servicing and maintenance is secured from local suppliers on a case by case basis.

Benefits

- Students and teachers are getting practical ICT skills.
- Improved records management: The computers had simplified preparations for examinations, assessments, access and retrival of information from the databases.
- The school enrollment had increased since the procurement of computers from 290 in 2012 to 631 in 2014.

Challenges

- The procurement was not properly managed leading to acceptance of computers that did not meet the specifications.
- Lack of ICT text books.
- Inadequate Internet services; the school has only two internet modems shared by students and teachers.
- Lack of a printer in the school ICT laboratory.
- Inadequate manpower two teachers for the whole school.
- Intermittent power supply.

Recommendation

- The MoES should compel the school authorities and the supplier to procure computers as per issued specifications in the guidelines. The administrators should be reprimanded for accepting the wrong consignment.
- The MoES should post an additional ICT teacher to the school or regularize the appointment of the private teacher.
- The MoES should provide ICT text books to schools for reference purposes.
- The MoES should construct an appropriate computer laboratory for the school.
- The MoES should facilitate the school with operational funds for internet services.

c) Butawuka Magezi Ntake S.S.S- Butambala district

Procured furniture and renovated ICT room at Butawuka Magezi Ntake S.S.S

The school is located in Butawuka village, Butawuka parish, Bulo sub-county, Butambala county. It has a population of 902 students of which 497 are female and 405 males. The average ICT class size for O-level is 90 students, while the average ICT class size for A-Level is 58 students.

The school authorities confirmed that on 18th December 2013, a total of Ug shs 10,000,000 was received for the procurement of computers. On 31st March 2014, the head teacher on behalf of the Board of Governors requested the MoES to allow the school re-allocate the funds to completion of the interior of the proposed ICT laboratory (plastering, floor screeding, ceiling, painting and electrical installations), and furnishing the laboratory with 12 tables and 40 chairs. This was premised on the argument that UCC had promised to provide the school with some computers.

On 16th April 2014, the MoES issued a no objection to the request, and the school contracted the work to M/s Kyabanji Construction using direct procurement.

By 14th August 2014, the internal works of the proposed room had been completed, and the furniture delivered. Using internally generated funds, the school procured six computers to add to the existing six computers received from different donors over the years, some of which are nearly obsolete. However, the computers expected from UCC had not been delivered.

Challenges

- The school did not have an ICT teacher and relies on services of a part time instructor from a neighboring school.
- The re-allocation of funds from computers to renovation of laboratory building and furniture was not premised on a signed MoU between the school and UCC. The school therefore continues to suffer from inadequate computers.

Recommendation

- The MoES should liaise with UCC to ensure that the promised computers are delivered or provide the school with additional funds for procurement of computers.
- The MoES should recruit and post an ICT teacher to the school.

d) Kanghalaba Secondary School-Butaleja district

One of the computers and a printer at Kanghalaba SS

The school is located in Kanghalaba village, Kanghalaba parish, Himutu sub-county, Butaleja county. It has a population of 513 students of which 183 are female and 330 males. The average class size for O-level is 120 students while the average class size for A-Level is 12 students.

The head teacher confirmed that in December 2013, a total of Ug shs 10,000,000 was received by the school; however information about the purpose of the funds was not issued. In February 2014, the school procured four complete sets of computers each with a UPS and one network printer at a sum of Ug shs 10 million. During physical verification, the specifications could not be confirmed because power was off. The school does not have an ICT teacher and teaching of ICT as a subject is assigned to the physics teacher, who has basic knowledge in ICT.

Benefits

- The students were excited with learning computer skills.
- For the very first time, the school managed to practically teach computer studies
- Establishment of a computer laboratory had given the school positive publicity, and enrollment had increased from less than 400 students in 2013 to over 500 students in 2014.

Challenges

- Lack of an ICT teacher was affecting proper teaching of both ICT and physics.
- Lack of an ICT laboratory building to house the equipment.
- Inadequate computers for practical learning especially in O-level where the student to computer ratio was 30:1 and 3:1 in A-level.
- Inadequate funds for operations and maintenance as the school was said to be entirely depending on USE capitation.
- Lack of Internet services.

Recommendations

- The MoES should recruit and post a trained ICT teacher to this school.
- The MoES should facilitate the school to acquire more computers given the increasing enrollment at the school and procure internet services for proper execution of the curriculum.

e) Nyamirembe Secondary School-Kisoro district

The school is located in Nyamiyaga village, Iremera parish, Bukungiri sub-county. It has a population of 155 students of which 73 are female and 82 male.

Although the MoES had reported that the school had received funds (Ug shs 10 million) for setting up an ICT laboratory. The school administration reported that the school had not received any funds for procurement of computers.

f) Rukore High School-Kabale district

Procured computers at Rukore High School ICT lab

The school is located in Rukore village, Muganda Parish, Rubaya Sub County, Ndorwa County. It has a population of 237 students of which 128 are male and 109 female. Computer studies are currently taught at A-level and the average class size for A-level is 11 students.

The school administration confirmed that on 18th December 2013, a total of Ug shs 10,000,000 was received for the procurement of computers. M/s Geses Uganda Limited was awarded a contract to supply 10 monitors with two CPUs running N-Computing, an internet router and network cabling at a contract price of Ug shs 10 million. One classroom was converted in to an ICT laboratory and installation was completed in April 2014. The computers were of Acer Model, 244GB HDD and 2GB RAM. The laboratory is connected to grid power. The school did not have an ICT teacher. The supplier was still responsible for service and maintenance of the equipment until the expiry of the warranty period of 12 months.

Benefits

- Learners were reportedly interested in studying and the rate of absenteeism had significantly reduced.
- The laboratory eased both academic and administrative work for example; final books of accounts, requisitions, payment voucher, among others are electronically prepared.

Challenges

- Lack of an ICT teacher was affecting learning.
- The funds received were reportedly inadequate for a comprehensive ICT laboratory and internet could not be procured.

Recommendations

- The MoES should provide more funds for computers and internet subscription.
- The MoES should recruit and post an ICT teacher to the school.

g) St. Joseph Kakindu S.S- Mityana district

Some of new computers at St. Joseph Kakindu SS ICT laboratory

The school is located in Kakindu village, Kakindu parish, Kakindu sub-county, Busujju County. It has a population of 600 students with an average stream size of 75 students for S1 and S2, and 35 students for S5 and S6.

The Head teacher confirmed that in December 2013, a total of Ug shs 10,000,000 was received for the procurement of computers. M/s Kimu Construction Company Limited was contracted to supply six complete sets of computers at a contract price of Ug shs 10 million. The computers were delivered on 2nd July 2014. All the delivered computers were of Dell model, 2 GB of RAM, 500GB of HDD, four of them running Windows 7 and two running Windows 8 operating system. Each of the computers had a wireless network card.

The delayed procurement was as a result of late issuance of guidelines and specifications from the MoES. The school had a total of 17 computers in the ICT laboratory given that UCC had allocated the school 11 N-Computing solar powered computers in 2011.

Servicing and maintenance is contracted to private individuals when need arises, however, this is sometimes affected by delayed release of USE capitation grant. The School had two ICT teachers none of whom was on the government payroll.

Benefits

- The school is able to conduct hands on practical lessons.
- Teachers and students are able to independently research using the internet.
- The teachers are using the ICT laboratory as a teaching aid in other subjects.

Challenges

- The school has few computers yet the classes/streams are big, for example in S1 and S2 the student to computer ratio was 5:1.
- Lack of teachers on government payroll constrains the limited capitation grant for other school operations.
- Delayed response to power outages by UMEME.
- Lack of a projector, text books and white board to enhance teaching.

Recommendations

- The MoES should provide additional funds for procurement of more computers and a generator to address power outages.
- The MoES should recruit and post ICT teachers to the school.
- The MoES should provide text books to the schools.

Conclusion

All the beneficiary schools expressed gratitude to the MoES for the interventions. However, there were no beneficiary selection criteria for this project. Some schools with relatively smaller number of students such as Lake Bunyonyi S.S in Kabale district were allocated Ug shs 100 million while those with big numbers like Butawuka S.S in Butambala district received Ug shs 10 million. Several school administrators expressed lack of knowledge about the existing procurement procedures and laws; this further signaled the need for retooling all school head teachers/administrators in basic procurement principles to ensure value for money.

Recommendations

- The MoES and the Education Service Commission should recruit and post ICT teachers to schools that do not have any. Teachers/instructors who are not on the payroll should be regularized on the public service payroll.
- The MoES should provide ICT course books to schools.
- The MoES should increase the budget provision for procurement of computers in secondary schools to address the high student to computer ratios.
- The MoES should accompany release of funds with detailed specifications and guidelines to avoid delays in procurement of computers.

Output 070204; Training of secondary teachers

The MoES re-tooled science and mathematics teachers under Secondary Science Education and Mathematics Teachers (SESEMAT) programme FY 2013/14. A total of 4,464 teachers of mathematics and science were trained surpassing the target of 3800. This was in addition to 5,663 trained in FY 2012/13.

Contrally to the requirements of the Treasury Single Account (TSA), the SESEMAT programme operates 29 bank accounts (i.e one for each the centers).The teachers make their contributions to the centre accounts for training purpose. Some of the money is deducted from the USE capitation grant by the head teachers. It was reported that monitoring of the accounts is difficult and the programme has never been audited.

Project challenge

i) **Diversion of funds:** Part of the funds for project 0897 were used to pay M/s Spencon Services Limited (Ug shs 1.1 bn) to clear accumulated certified VAT arrears accruing from works done under ADB 11 project. Other project funds were used to pay for court damages in a case involving Aboke High school in Kole district. This affected implementation of planned activities.

5.3.3 Analysis

Link between financial and physical performance.

Release and absorption performance for the project was excellent. Physical performance on the other hand was below average as most of the capital development projects were not implemented. For instance under construction of administration blocks, only one out of the sampled six schools monitored received funds and no constructions were carried out during the FY. Under provision of computers to schools; all schools monitored received Ug shs 10 million except Bukoyo S.S which received Ug shs 100 million and Nyamirembe S.S in Kisoro district which did not receive any funds.

Most of the schools utilized the funds on procurement of computers except Butawuka S.S which re-allocated the funds to renovation of a computer room. There was no value for money at Bulamu Seed S.S as clone computers were procured and did not meet the minimum specifications issued by the MoES.

Achievements of set targets

The project performance against set targets was mixed. For some outputs the projects achieved set targets while others there was no achievement. The project re-tooled science and mathematics teachers over and above the planned target. However no construction of administration blocks in the 25 planned institutions. The procurement process for all schools that received funds had been concluded; however, some schools contravened the guidelines and the PPDA regulations.

5.3.4 Conclusion

Project performance was below average (less than 50%). Funds disbursement was excellent however physical performance was below average as most of the capital development projects were not implemented. The project had a major challenge of reallocation of funds which hampered effective implementation of planned activities.

5.3.5 Recommendations

i) The MoES should adhere to the approved work plan/performance contract for which funds were appropriated and given to them to implement activities.

ii) The MoES should ensure that the SESEMAT project operates under the sector Treasury Single Account (TSA) in line with the requirement of the second Budget Call Circular (BCC) 2014/15. This will ease the monitoring and audit functions of the project.

iii) The Auditor General should audit all the accounts of the SESEMAT programme over the last six years.

5.4 Project 1091; Support to USE -IDA (World Bank)

5.4.1 Background

This project started on 07th January 2009 and its original completion date was 30th June 2014; it has been extended to December 2014. The World Bank provided US$ 150 million for Post Primary Education and Training Adaptable Program Lending (APL I project). The project objectives were; (i) to increase and improve equitable access to post primary education, (ii) improve quality and relevance of post primary education and training, (iii) and improve effectiveness and efficiency in the delivery of post primary Education and Training.

Planned Activities for FY 2013/14

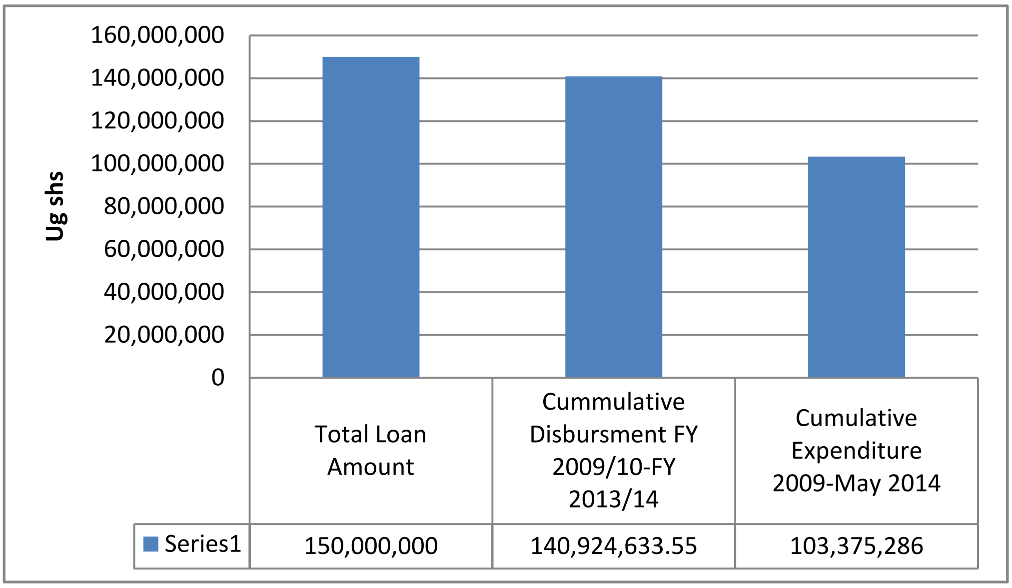
i) Supply text books for remaining five lots mathematics, physics, biology, geography for rest of Africa; Geography for Rhine lands.
ii) 802 Laboratory Assistants trained from 401 secondary schools in the western region both private and Government
iii) Additional science kits for five NTCs and 136 schools
iv) Lockable cup boards for textbook storage supplied to 759 beneficiary schools
v) Facilities constructed in 100 schools under phase III
vi) Water harvesting tanks supplied to 100 schools (Phase III)
vii) Kabale NTC rehabilitated and expanded inclusive of supervision of works
viii) Construction visits in 217 phase one, 442 phase II and 100 phase III schools.

6.4.2 Findings

Financial Performance

The cumulative release performance and the absorption of funds by 31st May 2014 were very good. However, by the 30th June 2014 US$ 8,932,654.45 remained undisbursed (see figure 5.3).

Figure 5.3 Project 1091: USE-1DA Donor Disbursements from FY 2009/10-FY2013/14



Source: MoES project documents, August 2014

The Donor approved budget FY 2013/14 was Ug shs 127.6 billion of which Ug shs 54.57 billion (42.8%) was released and Ug shs 42.39 billion (77.7%) was spent by 30th June 2014. On the other hand, the Government of Uganda (GoU) approved budget for FY 2013/14 was Ug shs 2,334,600,000 of which Ug shs 2,322,790,524 (99.4%) was released. A total of Ug shs 2,276,327,870 (97.9%) was spent by the end of FY 2013/14. Donor release performance was poor although expenditure was very good.

Physical Performance

Overall Project Performance

Project performance over the last five FYs(2009/10-2013/14) was good with construction works on-going at 573 out of 659 sites under phases I & II. Table 5.3 summarizes the cumulative project performance.

Table 5.3: Over all Physical Performance of Project 1091: Support to USE-IDA by August 2014

Output Area	Targets	Completion Status	Remarks
070284: Construction and rehabilitation of learning facilities (Secondary)	Target USE Schools – 659	572 (87%) schools were completed i.e. 167 (77%) phase I and 405 (92%) phase II.	15 schools centrally re-tendered had on-going works to be completed during project extension period.
			45 re-tendered schools were not cleared by IDA. These were planned to be completed by June 2015 under GOU financing.

Output Area	Targets	Completion Status	Remarks
			27 stalled schools were not re-tendered (dropped from the project).These would be completed under GOU financing.
	Incomplete Classrooms – 610	497 (81%) incomplete classrooms were completed.	.
	New Classrooms – 3,559	3,198 (90%) new classrooms completed.	
	Administration Blocks – 41	35 (85%) administration blocks were completed.	
	Multi-Purpose Science Units – 344	290(84%) science laboratories completed.	
	Teachers Houses – 68	57 (84%) teachers' houses are completed	
	Libraries – 128	122 (95%) libraries are completed.	
	5-Stance VIP Latrine Blocks – 1,429	1,265 (89%) toilet blocks (6,065 stances) were completed.	
	Supply water tanks to all 659 USE Beneficiary under phases I & II	Tanks were being supplied and installed. A total of 728 tanks were delivered to 529 schools out of 659	135 tanks pending completion of roofs construction at the remaining 116 schools.
070283 Provision of furniture and equipment to secondary schools	26,716 units of furniture supplied to 122 schools.	No furniture delivered.	Contract was awarded to M/s Lucky Exports India at a sum of USD 4,284,632 and signed on 09-May 2014
070277 Purchase of Specialized Machinery & Equipment	Supply of UNEB Optical Marker Reader Supply and installation of a Web based printer for UNEB	Procured and installed an Optimal Marker Reader at UNEB Supply of parts for a Web based printer for UNEB was on going	
070202 Instructional Materials for	Text books supplied in 1,314 both Government and PPP	Textbooks distributed to all beneficiary schools	

Output Area	Targets	Completion Status	Remarks
Secondary Schools	USE schools for the remaining 5 lots of Mathematics, Physics, Biology and Geography.		
	Additional Science Kits provided to 136 both Government and PPP USE school and 5 NTCs.	Contract was awarded and awaiting supplier to deliver goods in the country	
070204 Training of Secondary Teachers	Lab assistants trained from secondary schools in the all regions of the country both Private and Government	Trained a total of 245 secondary laboratory technicians from 245 schools in selected districts from the northern region in maintenance and utilization of science kits supplied, from 28th -30th April, 2014 during the first term holiday at Lango College and Mvara S.S	
	1,518 head teachers and their deputies trained in management and leadership of schools	A total of 922 USE head teachers are to be trained by Aga Khan University from the 28th April- 25th July 2014 at 4 Primary Teachers' Colleges selected from four regions of the country.	

Source: APLI project documents August 2014

Field Findings

Annual monitoring FY 2013/14 focused on output 070284**:** Construction and rehabilitation of learning facilities (Secondary) and 18 out of 100 schools were monitored. Below are the findings;

a) Abdala Anyuru Memorial Secondary School

The USE school is located in Arok village, Akaka parish, Aber sub-county, Oyam district. A total of Ug shs 460 million was disbursed to the school. The funds were for construction of six classrooms, a two roomed science laboratory, two lined VIP latrine blocks with two stances each and renovation of a four classroom block with a head teacher's office and supply of furniture. The contract was awarded to M/s Ambrozoli Contractors. Progress was as follows;

- Renovation of an existing four classroom block was completed. The old roof was replaced. The walls were raised and ring beam was cast. The structure was plastered, painted and floored. New windows and glasses were fixed.
- Construction of the science laboratory was at finishes level. Outstanding works included; works on the worktops, plumbing works and gas connections. In addition the floor was poorly done.

- Two classroom blocks of two classrooms each were completed. The floor was poorly done.
- A three-classroom block was completed. It was noted that the school authorities had turned the classrooms into dormitories. Students had vandalized the structure. Windows panes were broken and window frames falling off broken hardly one year after completion of the structure.
- Two blocks lined VIP latrines each with five stances for girls and boys were completed and in use.
- A library block was completed.
- No furniture was supplied.






Top left: An existing four classroom block renovated, a new three classroom block completed, a science laboratory block left at finishes, incomplete plumbing works inside the science laboratory, a three classroom block with window panes broken and the window almost falling off, classrooms that was turned into a dormitory

Abim Secondary School

The school located in Abim Central LC I, Wiawer parish, Abim Town Council, Abim district. The school received funds for construction of eight new classrooms, a library, two VIP latrines, staff house and supply of furniture. The MoES sent Ug shs 283,928,900 to the school in two installments. The school contracted M/s Kojodna Technical Services at a sum of Ug shs 283,928,900 for a period of six months. By July 2014, Ug shs 266,570,006 had been paid to the contractor.

Findings indicated that all civil works were completed. These included eight classrooms, a staff house and two VIP latrines with five stances each. There were defects identified that the contractor did not correct and he did not supply the furniture.

The MoES advised the school to terminate the contract and seek another firm to supply the

The two blocks of four classrooms each completed at Abim S.S – Abim district

furniture. The school sought authorization from MoES to contract another firm and by July 2014, the MoES had not responded to the school's request.

b) Bihanga Community School

The school is located in Nyakaziba LC I, Nyakaziba parish, Bihanga sub-county, Buhweju district. The school received funds for a multipurpose science block, two VIP latrines of five stance each and four new classrooms. The school contracted M/s Good Wills Construction Company Limited to carry out the civil works at a sum of Ug shs 308, 788, 677. The contractor and the URA tax obligations were fully paid.

By 15th July 2014, all works were completed and furniture delivered. The contractor had not addressed the identified defects.

A two classroom block and a multi purpose block completed at Bihanga Community School

d) Butare Secondary School

The school is located Butare village, Kasenyi parish, Rwengwe sub-county, Buhweju district. The school received Ug shs 138,694,400 in two equal installments to carry out civil works. The first installment was received on 29th February 2012 while the second installment was on 12th March 2013. The scope of works was construction of two classroom blocks of three classrooms each and two blocks of lined pit latrines each with 5 stances and provision of furniture.

M/s Mutala Works Enterprises was contracted to carry out civil works at a sum of Ug shs 138,694,400. By March 2014 Ug shs 118,135,368 had been paid to the contractor.

Findings indicated that all civil works were completed and furniture was supplied. Two water harvesting tanks were installed on the classroom blocks. The buildings were handed over to the

The two classrooms blocks each with three classrooms completed at Butare S.S

school in October 2013.

c) Bwanga Secondary School

The school is located in Nshenga LC1, Bwanga parish, Nyarushanje sub-county, Rukungiri district. The MoES sent funds for construction of two classroom blocks with two units each and two VIP latrines with five stances each.

The school contracted M/s Minera Contractors to undertake the civil works. Findings indicated all the civil works were completed and furniture was supplied. The defects identified were rectified and facilities were in use. The beneficiaries were satisfied with the quality of civil works.

Two blocks of two classrooms each completed at Bwanga S.S.

c) Jangokoro Seed Secondary School

The school is located in Manzi village, Abaji parish, Jangokoro sub-county, Zombo district. The school received Ug shs 289,914,980 for construction of two blocks of classrooms with two classrooms each, a multipurpose laboratory and two blocks of five stance VIPs. M/s Key Contractors Limited was contracted in March 2012 at a sum of Ug shs 289,944,980 for a period of 15 weeks.

The school received two equal installments of Ug shs 144,957,490 on 25th June 2012. There was a delay in accounting for the first installment and works stalled. The second installment was received on 3rd February 2014. As of 22nd July 2014 progress was as follows:

- The two blocks of classroom each with two classrooms were at finishes level. The remaining works were; applying a final coat of paint, fitting glasses and supply of furniture.
- The multipurpose science laboratory block was at finishes level. Furniture was supplied which included 20 stools. The pending works were fitting window glasses, fitting electrical conduits, civil works on the worktops, all the plumbing works, fittings internal doors, works on the ceiling and connection to the gas system.
- Two blocks of VIP latrines each with six stances were at ring beam level. The remaining civil works were; roofing, fitting doors and plastering

By 22nd July 2014, Ug shs 192,584,534 had been paid to the contractor and balance on the account was Ug shs 97,330,446 (retention inclusive).




Top left: A two classroom block at finishes, Top Right: A two classroom block at finishes, Bottom Left: Multipurpose science laboratory at finishes level, Bottom Right: Five stance VIP latrine at ring bim level at Jangokoro Seed S.S

d) Bwikya Muslim Secondary School

The school is located in Kinubbi cell, Bwikya Ward, Mpara division, Hoima Municipality, Hoima district. The scope of works comprised of construction of 12 classrooms, a library block, three blocks of five stance VIP latrines and supply of furniture. The school received Ug shs 475,977,350 in two equal installments for the civil works.

M/s Bodyline Construction Company Limited was contracted at a sum of Ug shs 475,977,350 on 05th December 2011 for a period of one year. By the end of FY 2013/14, the contractor had been paid Ug shs 452,178,483 (95%) and civil works were completed. It was noted that not all the furniture for the facilities was supplied. For instance; the contractor supplied 280 desks out of the expected 300 the classrooms, while for the library; he supplied 50 stools out of the expected 80 stools. The teachers' tables and chairs were not supplied.

There were defects such as cracks on the veranda identified that the contractor needed to rectify although the defects liability period had expired.

e) Kaabong Secondary School

The school is found in Kaabong Central village, Kaabong Town council, Kaabong district. The MoES disbursed funds in two equal installments to construct of six new classrooms, two VIP latrines and supply furniture. The first installment of Ug shs 108,481,900 was received on 26th April 2011 and the second of Ug shs 108,481,900 was received on 06th February 2012.

M/s Abrash Enterprise was contracted to carry out civil works at a sum of Ug shs 216,963,800 for a period of six months. Civil works were completed and the classrooms and VIP latrines were in use. Two tanks of 10,000 litre capacity were installed at the new building. It was however noted that the contractor did not supply furniture. The MoES requested the school to terminate the contract.

The new classrooms that were completed at Kaabong S.S

f) Kasule Seed Secondary School

The school located in Kasule village, Kasule parish, Kasule Sub County, Kyegegwa District. The scope of works included; two blocks of 2 classrooms, one multipurpose laboratory, and two blocks of 5 stance VIP latrines. The school contracted M/s Khazana Services Limited at a sum of Ug shs 305,785,500 for a period of 24 weeks. The contract was signed on 1st December 2011. MoES sent the first installment of Ug shs 152,892,750 on 24th April 2012 for the civil works. By 25th June 2012, the contractor had been paid Ug shs 136,657,100 in four installments.

Findings indicated that all the civil works in the school stalled and the contract period expired. By 29th July 2014, the two classroom block stalled at roofing level, the multipurpose laboratory at foundation level and the two VIP latrines at walling level. There was no evidence of certificates presented by the contractor against the payments made.

Clockwise: The incomplete two classroom block, the stalled multi-purpose laboratory and two blocks of VIP latrines at Kasule Seed S.S.

It was reported that the school administration failed to account for funds and the MoES did not send the second installment. The balance on the school account as of 31st October 2013 should have been Ug shs 16,234,605 but Ug shs 16,786 was reflected.

It was reported that two years later the former bursar of the school (Mr. Byabagambi Vicent) started refunding some money and depositing it on the school account. As of 29thJuly 2014, he had deposited Ug shs 11,000,000 without clear explanations. The board resolved to report the matter to Criminal Investigations Department (CID) office Kyegegwa Police.

Recommendation:

The former headmaster Mr. Zachary Rukony together with the former bursar Mr. Byabagambi Vincent should be held responsible for misusing these funds. They should be interdicted as investigations are going on and later prosecuted if found guilty.

g) Kinkizi High School

The school is located in Rumba village LCI, Western ward, Kanungu Town council, Kanungu District. Only 13 of these were on the payroll. The MoES sent Ug shs 344,477,000 to the school for construction of five classrooms, a science laboratory, and two VIP latrines with five stances each.

The school contracted M/s Mweka Construction and Engineering Limited at a sum of Ug shs 343,477,000. The contractor delayed works and was granted two extensions after which works were completed. The second extension expired on 25th April 2013 and facilities were officially handed over to the school on 22nd January 2014.

Left: A two classroom block, Right a three classroom block at Kinkizi High School

h) Moroto High School

The school is located in Moroto High School village, Boma North ward, Northern division, Moroto Municipality. The school received Ug shs 90,407,490 in two installments from MoES for construction of library and supply of furniture. The first installment of Ug shs 40,704,250 was received on 26th April 2011 and second installment of Ug shs 49,703,240 was received on 2nd November 2011. The school contracted M/s CAB (U) Limited at sum of Ug shs 81,405,500 to carry out the civil works. The contract was signed on 4th March 2011 for period of was six months.

Findings indicated that the library was completed and was in use. However, the contractor installed fixed shelves instead of the movable shelves as specified. He demanded an additional Ug shs 12,569,862 to provide the movable shelves which was not available. By 9th July 2014, all funds due to the contractor were cleared expect for withholding tax of Ug shs 4, 649,601 due to absence of Uganda Revenue Authority (URA) offices in Moroto. The school also did not have a Tax Identification Number (TIN) number.

Challenge

Inappropriate structural designs. The school management noted that no ceiling was provided for the library yet the region is hot for the greater part of the year. It will be difficult for students to concentrate during the dry seasons.

i) Nadunget Secondary School

The school is located in Nadunget LC I, Nadunget parish, Nanduget Sub County in Moroto District. The scope of work was construction of two blocks of classrooms each with two classrooms, a multipurpose science block and two blocks of lined VIP latrine each with five stances. The school received a total of Ug shs 376,697,200 from MoES in two installments.

M/s Lab Plus Uganda Limited was contracted to carry out civil works at a sum of Ug shs 437,268,000 for a period nine months. The contract was signed on 12th June 2013 and works started on 15th August 2013. The contract was extented to 30th July 2014 due to delays in transfer of funds from MoES.

The Civil works progress by 9th July 2014 was as follows;

- The multipurpose block was at finishes level. Remaining works were: fixing doors, civil works on the worktops, completing the plumbing works, painting, installing the gas and water systems, all soak pit works and installing a 5000 liter rain water harvesting tank.

- The two blocks of classrooms of two classrooms each were at finishes level. Remaining works on both blocks included fitting the stan-shine pipes, fitting the glasses and painting.

- The two blocks of lined VIP pit latrine were at ground slab level. Remaining works were walling, roofing and all the finishes work.

Clockwise; Multipurpose block at finishes level, a two classroom block and another two classroom block at finishes level at Nadunget .S.S.

Challenges

i) The contractor found it difficult to transport materials during the rainy seasons. It would take two to three days during the rainy season to transport materials. This greatly affected project implementation

ii) Scarcity of water delayed works. The workers had to travel long distances to get water for works. The school has a solar powered water system but when the sun is not adequate, the system cannot function.

j) Namalu Seed Secondary School

The school is located in Nakathian village, Nakale Parish, Lorgae Sub County, Nakapipirit District. The scope of civil works included construction of four classroom block, a two stance VIP latrine and supply of furniture to the school. The school received a total of Ug shs 119,000,000 for civil works from MoES.

Findings indicated that two blocks each with two classrooms were completed. The two rain water harvesting tanks of 10,000 liters each were installed on the buildings. It was reported that furniture for these classrooms was not supplied. The classrooms are hitherto not in use because there was no enrollment for 'A' level students. The lined VIP pit latrines were not constructed.

The two blocks of classrooms that were completed at Namalu Seed S.S.

k) Orum Secondary School

The school situated in Akao-Idebe cell, Alangi ward, Otuke Town council, Otuke District. The scope of works included construction of six new classrooms, two blocks of lined VIP pit latrines each with 5 stances and completion of four classrooms. The MoES sent Ug shs 224,991,975 in two equal installments on 4th April 2011 and 2nd September 2011 respectively. The school contracted M/s Gunya Company Limited at a sum of Ug shs 224,991,975 for a period of six months. The contract was signed on 2nd February 2011 and works commenced immediately.

By 23rd July 2014 the two classroom blocks each with three classrooms were completed. The VIP latrines were fully completed. Minor cracks were noted on the classroom floors and due to poor workmanship some doors were broken. Classroom furniture was not supplied. On one of the classroom blocks, the gutters were vandalized and some window glasses were broken. One of the classrooms was being used as a dormitory for some students who were coming from far.

The contractor failed to supply desks and the contract was later terminated according to a letter dated 28th February 2013. As at the time of termination four certificates worth 184,919,425 were paid. The MoES requested the school to refund Ug shs 40,072,734 to the APL I project through Bank of Uganda for holding these funds on the account for more than one year without accounting for them.

Top left: A three classroom block with a door falling off, and Bottom left: one of the classrooms turned into a dormitory at Orum S.S

Challenge

Slow work progress by the contractor led to termination of the contract.

l) Packwach Secondary School

The school is located in Pajobi village, Puvungu parish, Packwach Town council, Nebbi District. The school received a total of Ug shs 269,894,300 to construct eight new classrooms and three VIP latrines with five stances each. The funds were remitted to the school in three installments. The third installment of Ug 134,947,150 was received on 26th November 2012 which was an over payment. The school refunded this money using cheque number 005180 dated 13th February 2013 to MoES through Bank of Uganda.

M/S Head Uganda Limited was contracted at a sum of Ug shs 269,894,300 for a period of 15 weeks to undertake civil works. The contract start date was 13th February 2012. Findings indicated that the contractor started works in July 2012 and received an extension up to 31st July 2013. After this date, the contractor abandoned the site without completing the civil works. By 21st July 2014 progress of works was as follows:

- A two classroom block stalled at finishes level. The ramp was not done, the glasses were not fixed, furniture was not supplied, the veranda works were not completed and there is no final coat of paint.

A two classroom block and a three classroom block that were left incomplete at Pakwach S.S.

- The three classroom block stalled at finishes level. The ramp was not done, floor screeding was not done, the glasses were not fixed, furniture was not supplied, the veranda works were not completed and there was no final coat of paint.
- Another three classroom block stalled at finishes level. The structure lacked a final coat of paint, the ramp was poorly done and glasses were not fitted. This building had structural cracks on the walls and in the floor indicating shoddy works done.
- A 10,000 liter tank was installed on one of the classroom block.

Some of the structural cracks on the three classroom block at Packwack S.S. indicating that the contractor did shoddy work

- Two blocks of lined VIP latrines each with five stances stalled at finishes level. The doors were not fixed, veranda works were incomplete, a ramp was not provided and final coat of paint was not applied on both blocks

Two blocks of VIP latrines that were left incomplete at Pakwach S.S.

m) St. Kizito Secondary School Lorengedwat

The school is located in Lukwamo village, Narisae parish, Lorengedwat Sub County, Nakapiripirit district. The school received funds to construct a four classroom block, a laboratory and two stance VIP latrine. The school received the first installment of Ug shs 155,678,481 from MoES.

M/s Namorotot General Enterprises Limited was contracted at a sum of Ug shs 311,356,961 for a period of one year to undertake civil works. The contract was signed on 6th January 2012. Findings indicated that construction of the facilities stalled despite being granted two extensions that expired. The contractor abandoned civil works at the following stages;

- The two blocks of classrooms each with two classes stalled at roofing level.
- The science laboratory stalled at roofing level.
- The two stance lined VIP latrine stalled at excavation level.

Clockwise; the two blocks of two classrooms each and a science laboratory that stalled at roofing level at St. Kizito Secondary School Lorengedwat

The contractor did not have enough capacity. As of 8th July 2014, the school had not requested for the second installment from MoES because the contractor did not absorb 75% of the first disbursement as required. He was paid certificates worth 95,603,927 (61.3%). It was reported that the actual balances in the school account amounted to Ug shs 44,448,640.

Challenges

i) The contractor abandoned the site and works stalled.

ii) The accountabilities as presented by the supervising consultant M/s MBW had an error. The controversy was with certificate number three which was issued twice. The MoES expected a balance of Ug shs 67,283,315 while the actual balance presented by the school authorities was Ug shs 44,448,640.

n) Sanga Secondary School

The school is located in Ssanga L.C1, Nombe- Kizimbe ward, Sanga Town Council, Kihurura District. It received funds from MoES amounting to Ug shs 201,752,200 to construct two new classrooms, a laboratory and VIP latrine.

M/s Hamtex Services Limited was awarded the contract at a sum of Ug shs 211,214,540 for a period of six months. The contract was signed on 24th June 2011. He received an advance payment of Ug shs 42,242,908 on 1st July 2011 and an additional payment of Ug shs 7,194,857 on 7th October 2011. The contractor failed to deploy adequately in terms of labour, materials and the generally lacked seriousness to complete works in the specified time. The contract was terminated on 18th March 2012 after several warnings. By the time of termination of this contract the progress of works was at 28%.

M/s Landmark International was awarded the contract to complete the structures at a sum of Ug shs 201,752,200. All the civil works were completed and the structures were handed over to the school on 23rd April 2014. As of 14thJuly 2014 all certificates were paid including retention. It was reported that furniture was to be supplied by MoES.

The two new classroom blocks, and the head teacher in one of the completed classrooms without furniture at Ssanga S.S

Recommendation

MoES should expedite the process of supplying the furniture to Ssanga S.S.

Project implementation challenges

i) There were delays to start implementation of works because the first and second years were used for training of head teachers on procurements and financial management.

ii) Inadequate technical capacity of local contractors. Some schools found it difficult to attract competent contractors who had capacity in terms of resources, skills and manpower to take on the works. Some contractors who were awarded contracts asked for advances and could not adequately deploy labour and materials on sites. A number of them remained indebted in the communities. Many of these abandoned sites and were terminated.

5.3.3 Analysis

Link between financial and physical performance

By the end of the FY 2013/14, Ug shs 2,322,790,524 (99.4% of the approved budget) had been released for the project by GoU, while the donor (IDA) had provided US$ 140,924,633.55 (68.5% of the loan amount). The bulk of the funding (87%) was earmarked to construction and rehabilitation of learning facilities and provision of furniture and equipment to secondary schools. There was excellent performance in construction and rehabilitation of learning facilities as 87% of the planned facilities were constructed.

Although financial and physical performance was good, project implementation was behind schedule because the project completion date was 31st July 2014. There was an extension of six months granted to ensure completion of the project.

Achievement of set targets

Progress on a number of targets ranged between 81% to 95% by 30th June 2014. For instance a total of 572 (87%) school were completed, 497 (81%) incomplete classrooms completed, 3,198 (90%) new classrooms constructed, 35 (85%) administration blocks constructed, 290 (84%) science laboratories constructed, 57 (84%) teachers' houses and 122 (95%) libraries were completed. Although financial and physical performance was good, project implementation was behind schedule.

5.3.4 Conclusion

Financial and physical performance of the project was very good. Progress on a number of targets ranged between 81% to 95%. However, in few institutions the quality of the civil works was not satisfactory. Some head teachers failed to account for the funds, contractors abandoned works and were terminated. The project was six months behind schedule and received an extension up to December 2014.

The structures completed in the various schools indicate that APL I has contributed to the project objectives of increasing and improving equitable access to post primary education. The achieved targets under the supply of texts and science kits as well as training of secondary school teachers have contributed to improvement of quality and relevance as well as the effectiveness and efficiency in the delivery of the post primary education and training.

5.3.5 Recommendations

1) The MoES should conduct the pre-project preparatory activities before the commencement of the project. For instance training of the head teachers should have been carried out before project start. This will go a long way in enabling project activities to run on schedule.
2) The MoES together with the implementing institutions need to carry out due diligence of the contractors before contract awards are made.
3) The MoES should provide funds to complete structures in schools where contracts were terminated.(i.e Kasule Seed S.S., Orum S.S., Pakwach S.S., St Kizito S.S. Lorengedwat and others).
4) The MoES should provide funds to schools to rectify the defects which some contractors did not rectify (e.g Abim S.S).
5) The MoES should also work with the headmasters to ensure that contractors supply all the furniture as required in their contract agreements (e.g. Abdalla Anyuru Memorial S.S., Bwinkya S.S).
6) The Chief Administrative Officers of Kaabong and Nakapiripirit districts should ensure that the payrolls of all schools under their jurisdiction are cleaned. This is after six 'ghost' teachers were found to have been paid for the months of March and April 2014 in Kaabong S.S. and St Kizito S.S. Lorengedwat respectively.
7) The MoPS and MoES should share the validation exercise findings with the head teachers/institution to ensure that ghost teachers are removed from payrolls.
8) For future projects the MoES should adopt the modality used under ADB IV in procurement of contractors and disbursement of funds for civil works. Contractors were centrally procured and payments made by the centre. This will ensure that more competent firms are contracted and reduce loss of funds at the hands of head teachers.

5.5 Project 1092 ADB IV Support to USE

5.5.1 Background

This was a five year project with a completion date of 30th June 2014 implemented by MoES. It supports the GoU's USE and the UPPET policies and programs, and focuses on expanding access to post primary education and improving learning conditions for up to 100,000 secondary school students in all counties. It has three components; (i) improvement and expansion of schools facilities, (ii) improvement of school management, and (iii) project management.

The major outputs of the project are; i) Rehabilitation of 42 senior secondary schools and 2 Technical Institutions and transform them into centres of excellence ii) Expansion of 15 seed schools, iii) construction of 12 new seed schools in sub counties where non existed, 1v) 2,500 teachers and 600 school managers trained, of whom 40% are female, v) goods and services procured to improve learning conditions, vi) Gender mainstreaming and the fight against HIV/AIDS. Table 5.4 shows the project basic data.

The project expected outputs

- 42 fully physically rehabilitated secondary schools;
- Two fully physically rehabilitated PTVET institutions;
- 15 newly constructed seed schools expanded, furnished and equipped;
- 12 new seed secondary schools constructed, furnished and equipped;
- 42 rehabilitated secondary schools and 2 rehabilitated BTVET institutions furnished with furniture, equipment, teaching resources and transformed into centres of excellence;
- Teaching and management staff across the schools sustainably trained;
- Goods and services for effective teaching and learning of science and mathematics.

Table 5.4: The ADB IV Project Basic Data:

Particulars	Details
Implementing Agency	Ministry of Education and Sports
Loan Number	2100150018143
Loan Approval Date	25th November 2008
Loan Signature Date	11th May 2009
Total Project Cost	UA 57.78 million [as in the Loan Agreement]
ADF Loan	UA 52.00 million
GoU	UA 5.78 million
Foreign Exchange	UA 33.75 million [as in the Loan Agreement]
Local Cost	UA 24.03 million
Loan Effectiveness Date	31st August 2009
Date of first Disbursement of Loan	23rd December 2009
Deadline for Last Disbursement	31st December 2014
Project End Date	30th June 2014
Amount disbursed- ADF (25th March 2014)	UA 36,223,200 (69.66%)
Exchange rate to a dollar: 1 UA	1.582 US$
Project extension	9 months

Source: ADB IV Project Unit Coordination Documents FY 2013/14

Planned Activities for FY 2013/14

MoES planned to implement the following activities during FY 2013/14:

(i) Commence and complete construction works for civil works under Cluster 11b (Ogoko Seed School, Apoo Seed School, Patongo Seed School, Ramogi Seed School (Yumbe district), Ayer Seed School (Apac district), and Purong Seed School in Amuru District) which constitute expansion of four seed schools and construction of two new seed schools.

(ii) Complete the construction of civil works under Cluster III which constitutes the rehabilitation and expansion of 31 institutions.

(iii) Completion and hand over of civil works under cluster IV which constitutes rehabilitation and expansion of 31 Centers of Excellence.

5.5.2 Findings

Financial Performance

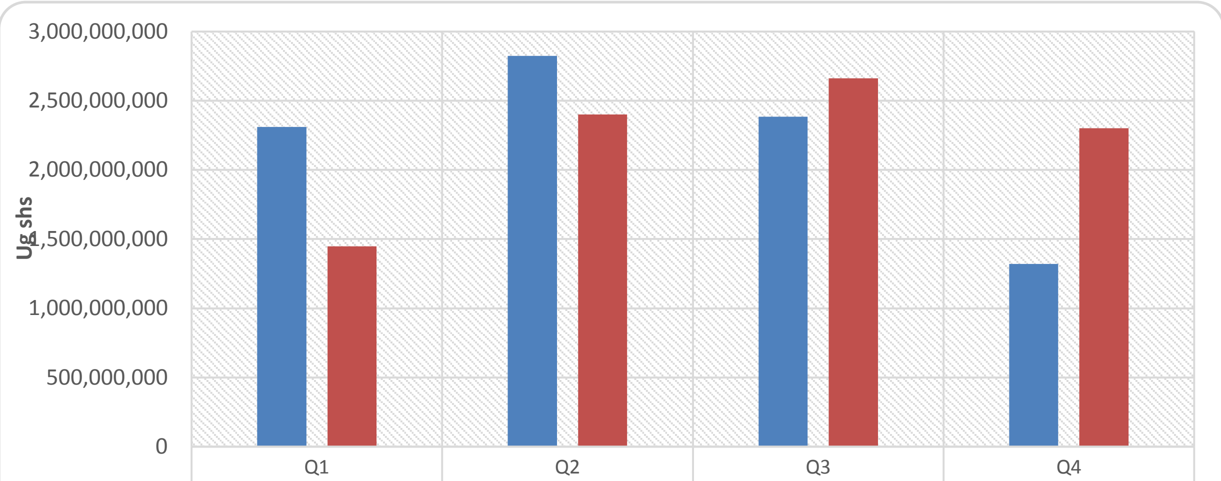
By 4th August 2014, the project disbursement ratio of the UA52million ADF loan stood at 69.66%. The disbursement was short of the projected rate of 75% by 30th June 2014. Additional disbursement of US$ 624, 141.59 was being processed, which would raise the disbursement to 70.5% by 7th August 2014. A disbursement rate of 85% was projected by 31st December 2014.

There was delay in release of funds during March-April 2014 which slowed down the works. It was also noted that delays in processing interim certificates by consultants and MoES contributed to the low disbursement rate during the last five months.

The GoU counterpart funding on the other hand was at 71.5% of the programmed UA5.78million.The concern was that the pace at which counterpart funds were released (which is on a quarterly basis) did not match the rate at which contractors were presenting requests for interim payments. It was estimated that the project required US$2.67 million (Ug shs 6.95billion) as counterpart funds between August and December 2014 when the project closes.

The GoU's approved budget for FY 2013/14 project was Ug shs 9,543,900,000 of which Ug shs 8,840,672,941 (92.6%) was released and Ug shs 8,812,558,477 (92.3%) spent. Release and expenditure performance were excellent. Figure 6.7 shows the GoU budget performance for FY 2013/14 (See figure 5.3).

Figure 5.3 Project 1092: ADBIV GoU Budget Performance for FY 2013/14



	Q1	Q2	Q3	Q4
Releases	2,310,021,418	2,824,785,689	2,384,785,689	1,321,080,145
Payments	1,447,723,433	2,401,374,534	2,663,019,253	2,300,441,257

Source: IFMS July 2014

Overall Physical performance

Out of the 68 targeted beneficiary institutions under the project (50%) were completed and 27 (40%) attained a rate of completion of 70-95% and above. Overall, 5 out of 12 new seed schools were completed and handed over. The remaining seven were at an average of 65% level of completion. 10 out of 15 Seed Secondary Schools for expansion were completed and handed over and the remaining were estimated at 75% level of completion. Out of the 44 institutions for rehabilitation, 11 were completed and handed over. The remaining 33 were estimated at an average of 85% level of completion. There were seven sites (10%) that were potentially problematic and needed to be supervised closely. Table 6.9 shows summary of progress of civil works.

Table 5.5 Summary of progress of the civil works implementation by cluster

Cluster No.	**No. of Institutions**	**Contracts Signing date**	**Planned Completion Date**	**Status by August 2014**
Cluster I	15	October 2011	November 2012	✓ 12 schools were completed and handed over. ✓ Works at two schools (Kalisizo and Bulamu SSS) commenced after signing of new contracts under Lots 44 & 45. Works were expected to be completed in September 2014. ✓ Works at one school (Bumayoka SSS) were on-going and were 88% complete. The terrain and the torrential rainfall delayed works on these sites.
Cluster II A	6	August 2012	February 2014	✓ Works at three sites (Bufunjo, Katungulu and Kamwenge SSS) were not undertaken under the project as agreed but will be done with GoU funds under the development of secondary schools program. ✓ Works at the other 3 sites were completed.
Cluster II B	6	April 2013	April 2014	✓ Works on three sites were progressing well. ✓ Works on three sites (Ogoko, Apoo and Romogi SSS) were not progressing well. Close monitoring of this contract needs to be done if works are to be completed by December 2014.
Cluster III	31	Sept 2012	December 2013	✓ 19 schools were completed and handed over. The remaining 12 schools were in advanced stages and would be completed by September 2014.
Cluster IV	13	Sept 2013	Sept 2014	✓ Works were progressing well apart from four sites (Ibanda SSS, Kasese SSS Gombe SSS & St. Peter's Nsambya) where progress was low.
Total	**68**			

Source: ADBIV Report August 2014

Soft Component

The project implemented soft components that supplemented the civil works components which took up the bulk of the project finances and activities. Soft component activities addressed the Behaviour Change Communications (BCC) that ensured the sustainable use of provided facilities and empowered users through capacity building.

The project contracted the following consultants to provide services; Forum for African Women Educationalists (FAWE-U), Uganda Management Institute (UMI), AIDS Information Centre (AIC), Healing Talk Counselling Services (HTCS) and Kyambogo Engineering Services (KES).

Their performance was satisfactory. The rate of completion was estimated at 85%. However implementation of some activities such as setting up of counseling units in 10 new seed schools was awaiting completion of construction of the facilities.

Table 5.6 Cumulative progress report of the Soft Components

No.	Achievements from Soft components activities	No. of Participants		
		Female	Male	Total
1.	Training of HIV / AIDS counsellors on the provision of Quality HIV counselling services	455	736	1191
2.	Training of instructors on the use of modern workshop equipment	9	65	74
3.	Training of school managers and BOGs on better School management,	409	764	1176
4.	Training of guidance counsellors	126	90	216
5.	Regional conferences for educational managers on the rationale and importance of guidance and counselling	401	877	1278
6.	HIV Counselling and received their HIV results	12,393	16, 109,	28,502
7.	Sensitization on HIV/AIDS and stigma and discrimination	17, 521	23,192,	40,713
8.	Psychosocial support counsellors trained	121	185	307
9.	Students trained as peer educators	199	1384	2483
	Total	**23,526**	**30,211**	**75,633**
	% of the totals	43 %	56%	100%
	Bursary Scholarships Bursary for needy gifted students has enrolled into centre of excellence schools	506 (61%)	321 (39%)	827[46]

Source: ADBIV Report August 2014

The remaining activities under the Soft components were; finalizing the implementation of activities in the 10 New Seed Schools by AIC, HTCs and FAWEU, training of 88 HIV-AIDS counselors and 174 school managers in better school management; printing and distribution of all the training and HIV reading materials under the Project; implementing HIV care and supportive activities by AIC i.e. 87,887 individuals to be sensitized on HIV/AIDS and stigma reduction and finalize the procurement of consultant to develop a facilities maintenance manual and train 340 key personnel.

For FY 2013/14, 40 secondary school out of the 44 planned institutions were monitored. (20 centres of excellence, nine existing seed schools, and eleven new seed schools). 36 were monitored in Q1 (Refer to BMAU Report, Q1 2013/14). Four centres of excellence were monitored at the end of FY 2013/14. These included; Mary Hill High School, Bweranyangi Girls Secondary School, Kyebambe S.S and Muntuyera High School. Findings on the four schools monitored at the end of FY 2013/14 are given below.

a) Bweranyangi Girls Secondary School

The school is located in Bweranyangi LCI, Kibaale ward, Nyakabirirzi Division, Ishaka Municipality, Bushenyi district. The MoES planned to construct a storied library, multipurpose hall, laboratory block, classroom block (2 units), three level staff apartments (6 units), semi-detached staff houses (two blocks), partial fencing, aqua privy toilets (2 units), incinerator and rehabilitation of water tanks.

The MoES contracted M/s Lexman Limited at a sum of US$ 1,469,642.92 to carry out civil works for 15 months. M/s Habitat Consultants supervised the works on behalf of MoES. The contract was signed on 15th August 2012, and works commenced on 7th September 2012. Status of implementation as of 15th July 2014 was as follows;

- Double storied library; the 400 seater facility was at finishes level. Internal painting and other external finishes were ongoing.
- A two-classroom block was completed.
- Multipurpose hall was completed and rain water a harvesting tank was installed. The facility was in use and there were no defeats identified. The school and the contractor agreed on partial hand over.
- The two unit science laboratory was at finishes stage. The gas and the plumbing systems were completed. At the time of monitoring, fixing of tiles was on going.
- Two semi- detached staff houses were completed. Each unit comprised of two bedrooms, a sitting room, kitchen, store, toilet and bathroom. Four tanks and two lightening arrestors were installed. One of the staff units had been occupied. Defects identified on one of the units were being rectified.


The two semi-detached houses and a three storied self-contained staff house completed at Bweranyangi Girls

- A three storied house for staff was at finishes level. Lightening arrestors were installed. Two tanks of 10,000 liters were fixed at the apartment. Each staff unit comprises two bedrooms, a kitchen, toilet, bathroom, sitting room and a kitchen store. The remaining piece of work was applying the final coat of paint. When completed the apartment will accommodate six teachers.
- Aqua Privy Toilets; two blocks of five stance lined VIP latrines were constructed. It was noted that on one of the blocks, two doors had not been fixed and second coat of paint not applied.
- Two incinerators were completed.
- A partial chain link around the school was fixed.
- An existing 50,000 liter water tank was repaired. However, the ladder was yet to be fixed.

The following items were received;

- A tractor registration number UG 2531E, with a plough, slasher and trailer number UG 2551E on 14th April 2013.
- Sports equipment which included javelins, short put, discus, high jump stands,, relay batons, measuring tapes, hurdles, soccer balls, soccer nets, net balls, hand balls, basket balls, volley balls, volley ball nets, ball inflating pumps and inflating ball needles. These were delivered by M/s Yan Shan Xian Dong Fong Sports Equipment Company Limited.

Clockwise; a completed two classroom block, a five stance VIP latrine at finish level, an incinerator, a science laboratory and a 50,000 litre water tank at Bweranyangi Girls

- Assorted items which included stationery and Information Education Communication materials were supplied in HIV/AIDS, career guidance and counselling room and school sick bay.
- An assortment of laboratory equipment, 200 desks and chairs.

Challenge: The school management noted that MoES did not share the BOQs with the school administration which made monitoring of work difficult.

Recommendation

(i) The MoES should share BoQs with the beneficiary institutions to ensure effective monitoring of the construction project.

b) Kyebambe Girls Secondary School

The school is located in Kabarole district. The MoES planned to construct four classrooms, two science laboratories, a main hall, a twin semi-detached staff house, an abolution block and an incinerator. The MoES contracted M/s Octagon Limited at a contract sum of US $ 907,182.68 in October 2013 for a period of 12 months. By 29th July 2014, the progress of civil works was as follows

- The semi-detached staff house was at finishes level (90% complete). Veranda and ceiling works were ongoing. The remaining works included: completion of the plumbing works, fixing the toilet seats, painting, connection to the electricity grid, work-tops in the kitchen, finishing the audrops and the external works.
- The super structure of the girls' abolution block was 100% complete. Internal partitioning was ongoing. Remaining works were; internal plastering, fitting sanitary facilities and construction of a septic tank.
- The super structure for the multipurpose hall was completed. Finishes works on windows and doors were going on. Remaining works were; completing the monolithic floor slab and painting, fitting glasses, external works and connection to the electricity grid.
- Works on the classroom block and laboratory block were 75% complete. Remaining works included external plastering, work-tops in the science laboratory, all plumbing works and connection to the elevated tanks, connection of the gas system and painting.
- The incinerator was not constructed




From top left; Twin staff house at finish level, a girls' abolution block, the inside of a multi purpose hall at finishes, a storied block having four classrooms and two classrooms at Kyebambe Girls S.S.

c) Mary Hill High School

The school is located in Nyamitanga cell, Ruti ward, Nyamitanga division, Mbarara Municipality. The MoES planned to construct a three storied multipurpose block, a storied staff house, an incinerator and Aqua privy toilet. M/s Wadi-Degla Holding trading as "Egypro" was contracted to carry out civil works at sum of US$ 1,153,381.02 for a period of 15 months. M/s Habitant supervised the civil works. The progress of implementation as of 14th July 2014 was as follows:

- The multipurpose block was completed in February 2014 and in use. The building has five classrooms, two Information Communication Technology (ICT) laboratories, three science laboratories, a library and a staff room. However, there were defects which the contractor had not addressed: i) lack of internal bolts on the metallic doors; ii) some glasses on the second floor were not fixed; iii) the floor finish (screed) was peeling off; iv) the ramp was poorly finished especially at the landings; v) the fume cupboard was not completed (*not air tight*) and vi) water pressure was very low in the toilets. Furniture for the classroom was not provided and the computer laboratory was not furnished.


The multipurpose hall and the four unit storied staff house that were completed at Mary Hill High school

- A four unit storied staff house was completed. Each unit contains two bedrooms, a kitchen, a sitting room bathroom, toilet and a balcony. Two tanks of 10,000 liters each were installed. The facility was in use and was accommodating four teachers. Some defects were noted which included; i) poor drainage of the kitchen sinks (*wastewater flows back through the pipe causing a foul smell*);ii) water taps were loose causing water leakages, iii) toilet water pressure was low; iv) the drop down pipes for the water gutters were left hanging and moved out of position causing water to splash on the walls; v) floor screed was peeling off; and vi)electricity in one of the units on the ground floor was constantly off because of the quality of circuit breakers used.

- The incinerator was constructed however; the school management noted that the burning component was not installed.

- A science laboratory block was re-roofed and works completed. It has a science laboratory and two classrooms. Additional works that the contractor carried out were installation of gutters and construction of drainage channels.

- A four stance VIP latrine was constructed however the inspection chamber was not completed.



The incinerator, a re-roofed science laboratory block and a four stance VIP latrine constructed at Mary Hill High School

Recommendation

The MoES should ensure that the contractor rectifies all the defeats identified on the multipurpose block and on the four unit storied staff house before final payments are made.

d) Muntuyera High School

The school is located in Kitunga cell, Western ward, Rwashamaire Town council, Ntungamo district. The scope of works comprised of; construction of two blocks each with three classrooms; a multipurpose hall; library block; three storied staff house; multipurpose laboratory block; renovation of the existing laboratory; construction of an elevated water reservoir tank and replacement of the water pump; leveling of the football field; supply of furniture, sports equipment, apparatus and chemicals.

The MoES contracted M/s Pearl Engineering Limited to carry out civil works at a sum of US$ 1,484,759 for a period of 15 months starting September 2012. The completion date was supposed to be 4th December 2013 but works went beyond the contract period. The progress of implementation as of July 2014 was as follows;

Civil works on the two classroom blocks each with three classrooms, the two unit science laboratory, the library, the multipurpose hall the staff house, the two blocks of VIP latrines each with six stances, and re-roofing of the existing science laboratory were completed. However, civil works on the water system and on the aqua privy toilet for staff were at finishes level. All the furniture for the classrooms, science laboratory, and multipurpose hall was not delivered.

The school received items which included; text books, laboratory apparatus and chemicals.


A renovated laboratory block and a new science laboratory at Muntuyera High School

Left: A multipurpose block and Right: a storied self contained staff house completed at Muntuyera High School

Project Challenges

i) Delays in processing contractors' payments

There were internal delays within the MoES and MFPED in processing contractors' payments. Processing certificates takes up to 60 days. The Project Coordination Unit (PCU) in MoES waits for certificates to accumulate to at least 10 to form a batch. The batch is then sent to Commissioner Planning to certify whether they are in tandem with work plans. They are then sent to Commissioner Internal Audit to check whether valuations are in tandem with Bills of Quantities and to check the contract ledgers; and then to the Accounting Officer for approval and onward submission to MFPED for payment. If MFPED has an issue with one certificate, the entire batch is returned thus delaying payments of the other certificates. The situation is made worse if the issue raised requires an input of the Supervising Consultant. This has resulted in rolled over payments that partly explain the continued diversion of funds in the sector since such payments are not included in the new budgets.

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i) Counterpart funding

It was reported that during Q2 FY 2013/14, the ADB bank refused to honor payments until GoU indicated that they had counterpart funding. The concern was that the pace at which counterpart funds were released (which is on a Quarterly basis) did not match the rate at contractors presented their interim certificates for payments.

iii) Slow pace of civil works during examination period

During October to November, civil works slow down due to the examinations. This is because schools have to limit the noise from civil works.

iv) Supervising consultants in the North and East Regions

The consultants hired to supervise all the works in the North and East in particular had competency issues. They did not maintain staffing levels, clerks of works were inefficient and appeared on sites only during site meetings. This led to submission of less certificates compared to work done.

v) Capacity of contractors

Some contractors had very limited technical and financial capacity and could not deliver the works. Some of these could not start civil works before being advanced the 20%. Many of these had cash flow problems. Some had loans from the banks and could not service them. Their problems were compounded by MoES's delays to process payments of their certificates in time. Some of them had several other contracts spread across the country with limited staff. As a result many of these could not finish works on time.

vi) Changes in scope of civil works

There were many changes in scope of civil works in many schools such as Kabale S.S, Muntuyera S.S. These changes in scope came along with variations in budgets. The MoES delayed in making the necessary approvals and thus delayed the disbursements by the Bank.

vii) Inadequate assessments

In some sites, the initial assessments done on structures for rehabilitation were inadequate. At Secret Heart Gulu for instance, the main hall collapsed when the renovation works started. The contractor therefore had to build a new main hall which caused variations. This was the case in several schools where poor assessments were done on structures for rehabilitations.

viii) Cancelled contracts

The cancelled/terminated contracts of Kalisizo S.S. and Bulamu S.S. under Lot 7 and Kamwenge S.S. and Bufunjo S.S. and Katungulu S.S. under Lot 12 affected disbursements of project funds as a whole.

5.5.3 Analysis

Link between financial and physical performance

Project donor disbursement was at 69.7% out of the projected rate of 75% by 30th June 2014 and GoU was at 71.5% of the programmed UA 5.78 million. Physical performance on the other hand was estimated at 84% against an elapsed time of 91%. Although financial and physical performance was good, project implementation was behind schedule and there was an extension of nine months granted to ensure completion of the project.

Achievement of set targets

The project achieved 84% of the set targets by 30th June 2014. Out of the 44 institutions for rehabilitation, 11 were completed and handed over. The remaining 33 were at an average of 85% level of completion. This rate was likely to rise by the end of the extension period.

Sustainability and Social impact

The project had a positive impact on the communities around the project schools. The number of students accessing secondary education increased particularly in sub counties where new seed schools were constructed. This intervention reduced the distances students travelled. The additional facilities provided to the Centres of Excellence further increased enrolments. The soft components resulted in increased use of counseling services by students.

5.5.4 Conclusion

ADB IV -Support to USE (1092): The African Development Bank **(ADB)** provided a loan of UA52.00 million to support USE and UPPET policies and programmes. The loan effective date was 31st August 2009 with an end date of 30th June 2014. By 25th March 2014 disbursement stood at UA 36,223,200 (69.66% of the loan amount). Overall physical performance on the other hand was estimated at 84% against an elapsed time of 91%. Out of the 68 beneficiary institutions 34 (50%) were completed, 27 (40%) attained a completion rate of 70-95%.

There were seven sites (10%) that were problematic but measures had been taken to address them. Although financial and physical performance was good, project implementation was behind schedule and there was an extension of nine months granted to ensure completion of the project. The project has contributed to the sector objective of expanding equitable access at Post Primary Education and Training level. The major outputs of the project were achieved.

5.5.5 Recommendations

1) The MoES should make prompt payments to local contractors in not more than three weeks to minimize rolled over expenditures. The MoES should handle each certificate as it comes. The MFPED should only return certificates with problems instead of delaying the entire batch.
2) In instances where projects are rolled over, they should be included in the new work-plans to avoid rampant diversion of funds.
3) The MFPED should release the planned counterpart funds to match the pace of execution of the project activities.
4) The MoES needs to carry out due diligence of the supervising consultants and contractors before contracting them.
5) The MoES should undertake adequate assessments of structures to be rehabilitated in order to avoid variations

5.6 Project 0971 Development of TVET P7 Graduate

5.6.1 Introduction

There are 46 public training institutions under BTVET enrolling students who have completed their Primary Leaving Examinations Certificate to attain skills in various fields. Following introduction of UPPET, there was a tremendous increase in the enrollment numbers. However, most institutions lack appropriate workshops and proper equipment for practical and relevant training for P7 graduates.

The TVET P7 Graduate project started on 07^{th} January 2006 and its expected completion date was 30^{th} June 2015. The objectives of this projects are to: i) increase access and improve quality of technical education delivery to P7 graduates and make the training relevant and affordable to all P7 graduates; (ii) upgrade the standard of technical education and iii) bring about better balance between supply and demand for lower level technical manpower.

Expected Outputs

i) 92 classroom blocks and 92 workshops constructed in 46 P.7 graduate enrolling institutions.
ii) Newly constructed workshops (92) equipped with assorted tools and equipment.
iii) Newly constructed classrooms (92) furnished.
iv) 62 accounting officers of UPPET institutions trained in the general management of institutions, finances and accounting procedures.

Planned Activities for FY 2013/14

The MoES planned to procure assorted learning tools and equipment for constructed workshops and classrooms at St. Joesph Kyarubingo, Kakiika TS, Namisindwa TS,Mbale Community Polytechnic (CP), Nagwere Technical School (TS), Bukooli TS, Omugo TS, Olio TS, Namasale TS, Masulita VTC, Rwiziringiriro TS,Mubende CP,Gombe CP and Hakitengya CP.

Complete construction works of classroom and workshops at Mbale CP, St. Joseph Kyarubingo in Kamwenge, Olio CP in Serere, Kakika TS Mbarara, Kihanda TS in Kanungu and Namasale TS in Amolator and Namisindwa TS in Manafwa.

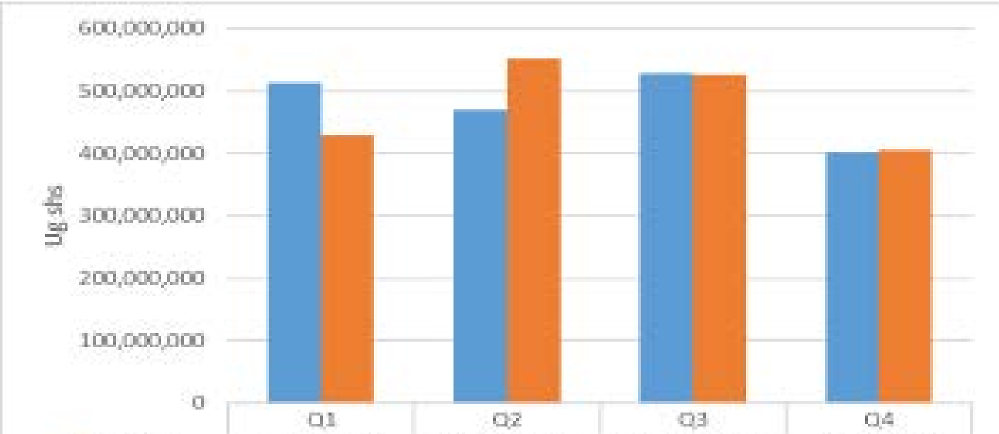
Completion of 8 unit staff houses in St. Josephs Kyalubingo TS in Kamwenge, Rukole CP in Kabale, St.Kizito TS Kitovu in Masaka, Lutunku CP in Sembabule, Omugo TS in Arua, Dokolo TS in Dokolo, Namisindwa TS in Manafwa, Nagwere TS in Pallisa.

5.6.2 Findings

Financial Performance

The approved budget for FY 2013/14 was Ug shs 2,200,000,000 of which Ug shs 1,914,239,076 (87%) was released and Ug shs 1,914,302,076 (100%) spent by 30th June 2014. Release and expenditure performance was excellent. Figure 5.4 shows the budget performance for FY 2013/14.

Figure 5.4 Budget Performance FY 2013/14 for Project 0971: Development of TVET P.7 Graduate



	Q1	Q2	Q3	Q4
Release	513,329,025	470,000,000	528,872,287	402,037,764
Expenditure	430,363,625	552,488,400	525,783,121	405,666,930

Source: IFMS July 2014

In regards to expenditure prioritization, the MoES committed 48% of the funds to purchase specialized machinery and equipment, 36% to classroom construction and rehabilitation (BTVET), 15% to construction and rehabilitation of accommodation facilities (BTVET),and construction and rehabilitation of learning facilities took 1%. The allocative efficiency under this project was good as funds were committed to core activities.

Physical performance

i) Output 070577 Machinery and equipment

The MoES planned to procure assorted learning tools and equipment for the constructed workshops in nine technical schools, four community polytechnics and one vocational training centres around the country during FY 2013/14. Five of these institutions were visited to find out whether they received funds for tools (Bukooli T/S, Kakiika T/S, Namasale T/S, Omugo T/S and Kihanda T/S).

Three institutions (i.e Bukooli T/S, Namasale T/S and Omugo T/S) were monitored in Q 2 (Refer to BMAU Report May 2014), and two (ie. Hakitengya T/S and Kyarubingo T/S) were monitored at the end of the financial year. Findings of the annual monitoring are presented below.

a) Hakitengya Community Polytechnic

The school is located in Bundikayanja II village, Mataisa parish, Bubukwanga Sub County, Bundibugyo District. During FY 2013/14, the MoES planned to release funds to the school for procurement of assorted learning tools and equipment for constructed workshops and classrooms. The Q3 MoES progress report indicates that assorted learning tools and equipment were procured for the planned institutions including Hakitengya C.P. Findings indicated that as of 30th July 2014, the school management had not received the funds.

b) Kyarubingo T/S

The school is located in Karubingo village, Bujumiro parish, Buhanda sub county, Kamwenge District. The MoES planned to disburse funds for procurement of assorted learning tools and equipment. Findings confirmed that the technical school received Ug shs 28,000,000 for procurement of tools and equipment. However, by the time of monitoring the funds were still on the account.

Conclusion

Four out of the five technical institutions received the tools and equipment as planned. The MoES achieved at least 80% of the planned targets under this line output.

ii) 070581 Classroom construction and rehabilitation

The MoES planned to complete construction works of classrooms and workshops in seven Technical schools during FY 2013/14. The Q 4 progress report indicates that MoES disbursed funds to Namasale T/S, Namisindwa T/S, Kihanda T/S and Kyarubingo for construction of these facilities. Two institutions under this line output were visited to find out whether these institutions received these funds. Findings are detailed below:

a) Kihanda Technical School

The school is located in Rurama village, Kihanda parish, Kirima Sub County, Kanungu District. The MoES planned to disburse funds to this institution for completion of construction works. The Q3 FY 2013/14 progress report from MoES indicated that funds were disbursed.

During FY 2013/14, the MoES sent Ug shs 60,000,000 to the institution to complete construction works of classrooms and workshops. The institution received these funds in January 2014.

The school used the force on account as guided by the MoES. M/s Jamot Construction and Carpentry Company Limited was contracted at a sum of Ug shs 9,000,000 to provide labour services to complete the four classrooms and twin workshops. The contract period was two months. Works started in March 2014 and were completed and handed over on 4th May 2014.

Left: the two classroom blocks each with two classrooms completed, Right: a BCP workshop and CJ workshop completed at Kihanda T/S

b) **Kyarubingo T/S**

The school is located in Karubingo village, Bujumiro parish, Buhanda sub county, Kamwenge District. The MoES planned to disburse funds for completion of an agricultural workshop at this institution.

Findings confirmed that the technical school received Ug shs 140,196,013 for construction of an agriculture workshop. M/s Sciepap Skillers and Apprenticers (U) Limited was contracted at Ug shs 140,196,013 for 17 weeks to carry out civil works. The commencement date was on 20th October 2013, while the completion date was 20th February 2014.

By 5th August 2014, civil works on the agricultural workshop was completed. The workshop was left with putting the skirting on the floor and cornice for the ceiling, the final coat of painting and delivery of furniture.

The agricultural workshop completed at Kyarubingo T/S

Conclusion

All the two technical schools visited received funds for construction and rehabilitation of classrooms.

iii) 070582; Construction and Rehabilitation of accommodation facilities

The MoES planned to complete construction of eight unit staff houses in eight technical schools during FY 2013/14. Seven institutions were monitored of which four institutions were monitored in Q2 2013/14 (St. Kizito, Dokolo T/S, Nagwere T/S and Omugo T/S) and three institutions were monitored at the end of FY 2013/14(i.e Rukole T/S, Kyarubingo T/S, T/S, Lutunku T/S)

Findings indicated that Rukole T/S, Dokolo T/, St. Kizito T/S and Lutunku T/S received the reported funds by half year (Refer to BMAU report, May 2013/14). Findings of the three institutions monitored at the end of FY are presented below:

a) **Lutunku Community Polytechnic**

The institute is located in Lutunku 'B' village, Kawanda Parish, Lugusuulu sub county, Sembabule District. The MoES planned to disburse funds to complete 8 unit staff house at this institution. Both the Q3 FY 2013/14 progress report indicated that MoES disbursed funds.

The staff house at roofing level at Lutunku Community Polytechnic

Funds were received on 26th February 2014 for construction of a two unit staff house instead of the planned 8 unit staff house.

M/s Mateete MK. Contractors was contracted at a sum of Ug shs 44,070,975 for three months. The contract was signed on 17th April 2014. By 6th August 2014 the staff house was at roofing level. The contract had expired and had not been extended. Only one certificate worth Ug shs 19,266,665 was reported to have been paid.

Challenge

i) The contractor noted that during the months of May and June 2014, transportation of materials was difficult due to heavy rains. It would take a week to transport the materials. This slowed down works and contractor had to halt works. He resumed works in July 2014.

b) Rukole Community Polytechnic

The school is located in Nyakibande L.C1, Kibuga parish, Rubaya sub county Kabale district. The MoES planned to disburse funds to complete 8 units staff house.

The institution received Ug Shs 30,000,000 on 2nd November 2013. The funds were for completion of a staff house which was erected in 2004 by students on training.By 17th July 2014, civil works had not started and funds were still on the institution's account.

The staff house at Rukole C/P which is supposed to be completed with the funds that the C/P received

b) St. Joseph Kyarubingo Technical School

The school is located in Karubingo village, Bujumiro parish, Buhanda sub county, Kamwenge District. The MoES planned to disburse funds to construct 8 units staff house at this institution. Findings indicate that funds for completion of the staff units were not received as reported in Q3FY 2013/14 MoES progress report.

5.6.3 Analysis

Link between financial and physical performance

By the end of FY 2013/14, 87% of the approved budget was released and 100% spent. Physical performance on the other hand was mixed. Five technical institutions procured tools and equipment; two institutions constructed and rehabilitated classroom facilities. However five institutions confirmed receipt of funds for construction of two unit staff houses instead of the planned eight unit staff house.

Achievement of set targets

Two of the line outputs achieved the set targets (i.e. Output 070577 Machinery and equipment and 070581 Classroom construction and rehabilitation) while 070582; Construction and Rehabilitation of accommodation facilities did not achieve the set target of constructing eight units of staff houses.

5.6.4 Conclusion

Two of the line outputs achieved the set targets (i.e. Output 070577 Machinery and equipment and 070581 Classroom construction and rehabilitation) while output 070582 Construction and Rehabilitation of accommodation facilities did not achieve the set target of constructing eight units of staff houses. Therefore not all project targets were achieved.

5.7 Project 0944 Development of Primary Teachers' Colleges

5.7.1 Background

Since the inception of Teacher Development and Management Systems (TDMS), 18 Primary Teachers' Colleges (PTCs) received support from government in terms of rehabilitation, reconstruction and, or new construction of infrastructures and equipment. Twenty Seven PTCs were left unattended to and they are in poor state in terms of provision of quality teacher education. This project started on 6th January 2005 with an expected completion date 30th June 2014.

Expected outputs

i) Physical infrastructure, rehabilitated, refurbished and constructed; and
ii) Furniture, equipment and instructional materials supplied

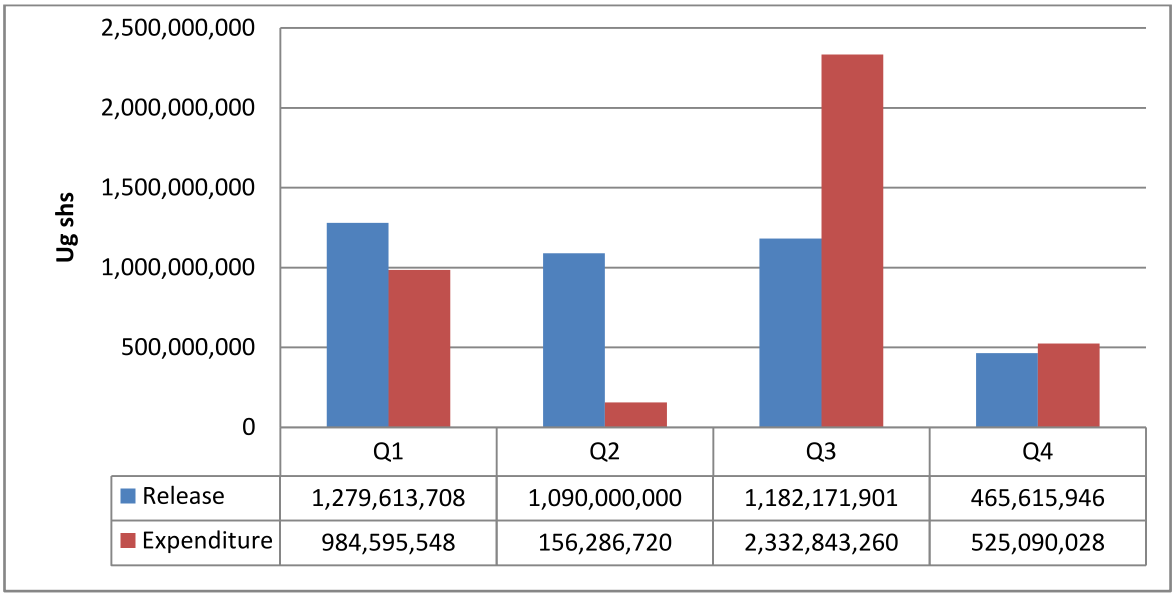
5.7.2 Findings

Financial Performance

The approved budget for FY 2013/14 was Ug shs 5,284,938,400 of which Ug shs 4,017,401,555 (76%) was released and Ug shs 3,998,815,556 (99.5%) spent by 30th June 2014.

Release and expenditure performance of the project was excellent. Figure 5.5 shows the Project's financial performance during FY 2013/14.

Figure 5.5 Financial Performance for Project: 0944: Development of PTC's for FY 2013/14



Source: IFMS, July 2014

The allocative efficiency under this project was excellent as 98% of the funds released were utilized on core project activities. On output 70672: Government Buildings and Administrative Infrastructure, 98% was utilized 2% on inspection and monitoring of construction, 0.56% on policies, laws, guidelines, plans and strategies.

Physical Performance

Output 070672: Government buildings and administrative infrastructure

Under this output, MoES planned;

i) to complete on- going construction works at Butiti, Nkokonjeru, Kamurasi, Kiyoora and Bwera PTCs,
ii) Procure services for construction works for the 10 PTCs of Bundibugyo, Canon Lawrence PTC, Rukungiri, Buhungiro, Kapchorwa, Paidha, Arua, Ibanda, Bukedea and Kitgum.
iii) Kick start construction works at Bundibugyo, Canon Lawrence, Rukungiri, Buhungiro, Kapchorwa, Paidha, Arua, Ibanda, Bukedea and Kitgum.
iv) Complete remapping of coordinating centers.

Overall physical performance

i) MoES planned to complete on going works at Butiti PTC, Nkokonjeru PTC, Kamurasi PTC, Kiyoora PTC and Bwera PTC in Q1 FY 2013/14. The Q1 progress report 2013/14 reported that construction was in final stages. All the five stages were monitored. By February 2014 civil works in all the five sites was complete and handed over. MoES therefore achieved the planned output targets under this item (Refer to BMAU Report, Q2 and Q3 May 2014).

ii) The MoES planned to procure services for construction works for the 10 PTCs. The procurement process was completed and contracts were signed. MoES therefore achieved the planned output targets.

Field findings

The annual physical performance focused on the reported construction works that were kick started at 10 PTCs. Six PTCs out of the 10 were sampled (i.e. Arua PTC, Bundibugyo PTC, Canon Lawrence PTC, Paidha PTC, Rukungiri PTC and St. George's Ibanda PTC) to assess the progress of implementation. Findings are detailed below:

a) Arua Primary Teachers' College

The college is located in Mvara central village, Mvara parish, Dadam Sub county, Ayivu county. Arua district. The college received funds to kick start construction works. The scope of works included; construction of a multipurpose hall with a firewood kitchen; staff abolution block; a five stance lined VIP latrine for gentlemen, a six stance lined VIP latrine for ladies and an incinerator.

M/s Roko Spring Uganda Limited was contracted at a sum of Ug shs 610,903,480 for a period of 18 months. The contract was signed on 19th February 2014 and site was handed over on 6th May 2014. Civil works commenced on 3rd June 2014. By 21st July 2014, the school had received funds in two installments amounting to Ug shs 330,759,610 from MoES. The contractor had raised one certificate which had not been paid pending verification by MoES. Progress of civil works by the end of the FY was as follows:

- The 30 by 40m multipurpose Hall was at ring beam level (60% completion). The facility has two changing rooms, a hall, an office, store, serving room and a kitchen. It has a sitting capacity of 400 people without tables and 280 with tables. Remaining works were roofing and all the finishes works.

- Staff abolution block was at finishes level (80% complete). The block was partitioned into two sections; It has two stances for ladies and two stances for males. Remaining works were fitting toilet seats, doors, hand washing facilities, plastering, tiling, painting, plumbing works and connection to the grid.
- Six stance lined VIP latrines for girls was at finishes level (80% complete). Remaining works were; fitting doors, rough cast, painting and internal floor screeding.
- The five stance lined VIP latrine for gentlemen was at finishes level (80% complete). Remaining works were fitting doors, rough cast, painting and internal floor screeding.

The multi purpose block at ring beam level, staff abolution block at finishes level, the six stance VIP pit latrine at finishes level and the five stance VIP pit latrine at finishes level at Arua PTC

b) Bundibugyo Primary Teachers' College

The college is located in Bundibugyo Town council, Bundibudgyo district. In FY 2013/14, the MoES planned to start construction works at the college. The contract for works was awarded to M/s Kenvin (Co) U Limited at a sum of Ug shs 559,621,260 (exclusive of taxes) for a period of one year. The scope of works included construction of a two unit semi-detached tutors' house, an outside kitchen for the tutors', a two stance lined VIP latrine, a girls' dormitory, a six stance lined VIP latrine and bathrooms. Works commenced on 8th April 2014.

At the end of the FY 2013/14 civil works were 70% complete. Progress of works was as follows:

- The two unit semi-detached tutors' house was at roofing level. Each unit has two bedrooms, a bathroom, toilet, kitchen and store.
- A two stance lined VIP pit latrine for the staff house was at ring bim level.
- The staff outside kitchen was at roofing level.

- The girls' dormitory was at ring beam level.
- The six stance VIP latrine was at ring beam level
- Bathrooms were at wall plate level. The quality of works was good and the contractor was on schedule.

Top Left: Semi detached staff house at roofing level, outside kitchen at roofing level and a two stance VIP latrine, Bottom Left: Girls' dormitory at ring beam level, six stance VIP latrine at ring beam level and bathrooms at wall plate level at Bundibugyo PTC

c) Canon Lawrence Primary Teachers' College

The college is located in Adekokwok village, Borotoro parish, Adekokwok sub county, Lira district. By 23rd July 2014, the college had received Ug shs 471,061,698 to start the construction works. M/s NKW Building and Construction Limited was contracted at a sum of Ug shs 854,259,473 for 18 months to carry out civil works. The contract was signed on 18th February 2014 and the site was handed over in March 2014. The scope of works was; construction of two dormitories for ladies, two bath shelters for the ladies, two VIP latrines with five stances each and a classroom block.

- The two classroom block was at ground slab level. There were variations in the scope of works due to an additional underneath beam to re-enforce the foundation.
- Construction of the two dormitories for girls each with a capacity of 64 girls at ring beam. The contractor reported that he had to hire a bull dozer to demolish the old building at the construction site. This led to additional costs.
- Construction of two blocks of six stance VIP latrines (one for girls and one for boys) was at ring beam.
- Two bath shelters were partitioned into six rooms and works were at ring beam level.

From Top left: The two classroom block at slab level, the two girls' dormitories at ring beam level, and one of the six stance VIP pit latrines at Canon Lawrence PTC - Lira

d) Paidha Primary Teachers' College

The college is located in Paidha Primary Teachers' College (PTC) village, Dwonga ward, Paidha Town council, Zombo district. The Q3 progress report indicated that MoES sent funds to construct start construction works under lot 3. Findings confirmed receipt of Ug shs 305,995,465. The scope of works comprised of construction of an administration block, semi-detached tutors' house, a two stance lined VIP latrine block and staff external kitchen. Table 6.11 details the funds received from the MoES

M/s Marple Technical services Limited signed the contract with MoES on 19th February 2014 at a sum of Ug shs 542,493,600 for a period of 18 months. The site was handed over on 5th May 2014 and civil works started on 24th May 2014.

As of 22nd July 2014 the administration block was at foundation level, the site offices at roofing level while the semi-detached tutors' house, the two stance lined VIP latrine block and staff external kitchen had not started.

Construction of the administration block at foundation level, and the site office at roofing level

e) **St. George's Ibanda Primary Teachers' College**

The college is located in Kagongo Institution LCI, Kagongo ward, Ibanda Town council, Ibanda district. In FY 2013/14, the college received Ug shs 107,928,000 for construction of girls' bathrooms, six stance lined VIP latrine and six water borne toilets. The MoES contracted M/s Fame Logistics Co. Limited at Ug shs 188,455,080 for 18 months. The site was handed over on 2nd April 2014 and works commenced immediately. By the end of FY 2013/14, the contractor had not raised any certificates and status of civil works was as follows;

- The girls' bathrooms that consist of 16 bathrooms and six water borne toilets were at finishes level. The remaining works were floor tiling, fitting toilet seats and all the plumbing and electrical installation works.

- Six stance lined VIP latrine was at finishes level. Remaining works were a second coat of paint and fixing doors.



Left: the six stance lined VIP pit latrines at finishes level, Center: the girls' bathroom at finishes level and right: progress inside the bathrooms Ibanda PTC

There were changes in the scope of works. For instance initially the scope of works included an incinerator but the college had just constructed one. So they requested that funds for the incinerator and for procurement of a 10,000 water harvesting tank be used to construct a two stance lined VIP latrine. The MoES authorized them to make this change. However, at the time of monitoring on 4th August 2014 construction had not started.

5.7.3 Analysis

Link between financial and physical performance

Release and expenditure performance was excellent as 76% of the approved budget was released and 99.5% of the funds absorbed. Findings show that funds under this project were spent on the planned activities.

Achievement of set targets

The project achieved at least 90% of the set targets. The on-going works for compting five PTCs (Butiti, Nokokonjeru, Bwera, Kiyoora and Kamurasi PTCs) were done. The procurement services for construction works in the 10 PTCs was carried out and construction works started in eight. Six of these were visited and works were on going.

5.7.4 Conclusion

The project achieved at least 90% of the set targets. The on-going works for completing five PTCs (Butiti, Nokokonjeru, Bwera, Kiyoora and Kamurasi PTCs) wered one. The procurement services for construction works in the 10 PTCs were carried out and construction works started in eight PTCs. Six of these were visited and works were on going.

5.8 Project 1270: Support to National Health and Departmental Training Institutions

5.8.1 Background

The project started in July 2013 and its completion date is 30th June 2017. The total budget of the project is US $ 9 million for a period of 3 years. The objective of the project is to rehabilitate, expand and equip Government of Uganda's Health and Departmental (Specialized) Training Institutions.

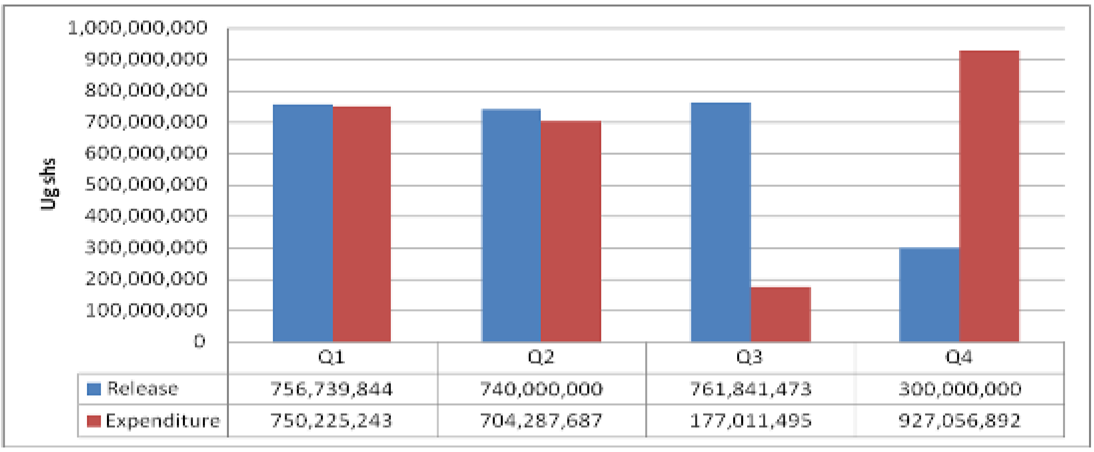
The planned activities for FY 2013/14 were; to kick start the master plan for Jinja Nursing School at the new site and diversion of high power voltage line; medical equipment and materials for training purpose at Butabika school of Psychiatric Clinical Officers (PCO) procured, three storied medical laboratories' block at Mulago Paramedic schools constructed; classrooms equipped at Kigumba Cooperative College; Gulu School of Clinical Officers (SOCO); main hall/ dinning/kitchen constructed at Butabika school of PCO; classroom block constructed at Hoima School of Nursing; hostels equipped at Lira school of Nursing and Fort portal SOCO; retention for construction of girls hostel at Mulago paramedical school paid and VIP constructed at Tororo Cooperative College.

5.8.2 Findings

Financial Performance

The approved budget for FY 2013/14 was Ug shs 2,948,000,000 of which Ug shs 2,558,581,317 (86.7%) was released and Ug shs 2,558,581,317 (100%) spent. Figure 5.6 shows the financial performance of the project.

Figure 5.6 Financial Performance FY 2013/14 for Project 1270: Support to National Health and Departmental Training Institutions

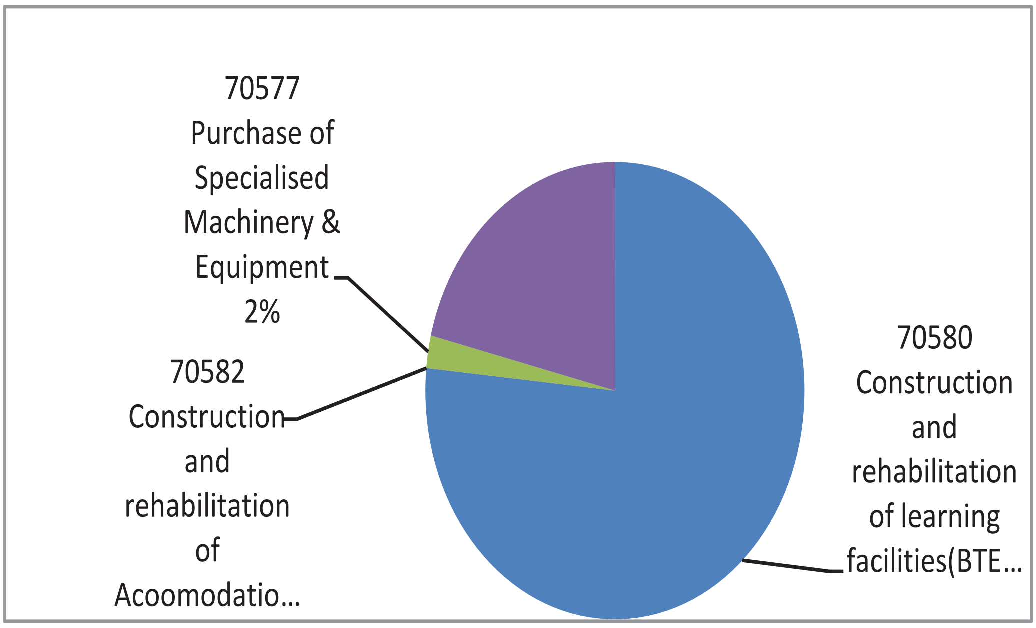


	Q1	Q2	Q3	Q4
Release	756,739,844	740,000,000	761,841,473	300,000,000
Expenditure	750,225,243	704,287,687	177,011,495	927,056,892

Source: IFMS July 2014

Allocative efficiency under this project was good as funds were spent on the core activities of the project. Figure 5.5 shows expenditure prioritization for Project 1270: Support to National Health and Departmental Training Institutions for FY 2013/14.

Figure 5.7 Expenditure Prioritization for Project 1270: Support to National Health and Departmental Training



Source: IFMS July 2014

Physical Performance

The MoES reported a number of activities that were implemented during FY 2013/14 under the different outputs. Activities included completing a master plan for Jinja Nursing School, disbursement of funds for procurement of medical equipment and equipping of hostels. Table 5.7. Shows the overall physical performance of the project.

Table 5.7; over all Physical Performance of Project 1270: Support to National Health and Departmental Training

Output	Annual Target	Achievement by end of FY 2013/14	Expenditure by 31st July 2014(Ugshs)	Remarks
070572: Government Buildings and Administrative Infrastructure	Master plan for Jinja Nursing School at new site and diversion of high power voltage line kick started	Master plan for Jinja Nursing School at new site and diversion of high power voltage line completed in Q4	540,000,000	*Target met*
070577: Purchase of specialized machinery and equipment	Medical equipment and materials for training purpose at Butabika School of PCO procured	Disbursed funds to procure medical equipment and materials for training purpose at Butabika School of PCO in Q4	60,000,000	*Target met*
070580: Construction and rehabilitation of learning facilities (BTEVET)	3-block storied medical laboratories at Mulago Paramedic schools constructed; Classrooms equipped at: Kigumba Coop. College; Gulu SOCO; Main Hall/Dinning/ & Kitchen constructed at Butabika School of PCO Classroom block constructed at Hoima School of Nursing	Disbursed funds to: Construct 3-b storied medical laboratories at Mulago Paramedic school. Conducted monitoring and support supervision of civil works and supplies in beneficiary health training Institutions. Disbursed funds to equip classrooms at: Kigumba Coop. College; Gulu SOCO in Q3	1,859,134,000	*Target met*
070582: Construction and rehabilitation of	Hostels equipped at: Lira School of Nursing and F/Portal SOCO VIP latrine constructed at Tororo Cooperative	Disbursed funds to equip hostels at: Lira School of Nursing and F/Portal SOCO in Q4.	0	***Although activities were implemented for this***

Output	Annual Target	Achievement by end of FY 2013/14	Expenditure by 31st July 2014(Ugshs)	Remarks
accommodation facilities	College	Constructed a VIP at Tororo Cooperative College in Q4. Funds were disbursed for equipping the new boys dormitories at: Lira School of Nursing and F/Portal SOCO in Q3.		***output, there were no releases and expenditures made under Output 070582***

Source: MoES Q4 Performance Report, July 2014

Field Findings

Two institutions were monitored during the FY 2013/14; Jinja Nursing School in Q2 and Fort Portal SOCO in Kabarole district at the end of the FY. (Refer to BMAU Report, Q2 and Q3 May 2014). Below are the findings:

Fort Portal School of Clinical Officers

The school is located in Buhinga village, Southern Division, Fort portal Municipality, Kabarole district. The MoES sent Ug shs 500,000,000 for construction of a girls' hostel in FY 2012/13. The school awarded a contract for civil works to M/s Khalsa Development (U) Limited at a sum of Ug shs 641,000,000. However, construction of a septic tank, tiling of the bathrooms and toilets were omitted in the BoQs. The contractor made claims for payment for hoarding and idle time (*when the soils were being tested.)* These led to an extra cost of Ug shs 137,009,391. The total cost of the structure increased to Ug Shs 778,699,921. By the end of the FY 2012/13, the contractor was paid Ug shs 481,487,666.

As per the BoQs, the structure was completed and was officially opened by the Permanent secretary of MoES on 24th May 2014. However it is not yet in use because there is no sewer line to the septic tank and no septic tank. All the eight bathrooms and eight toilets, which are part of extra works, are incomplete. There are no sinks.

The girls' hostel that was supposed to be equipped at Fort portal School of Clinical Officers

In FY 2013/14, the MoES sent Ug shs 100,000,000 for equipping the girls' hostels. The remitted funds were used to pay the contractor in fear of the school being sued. By 3rd March 2014, the contractor had been paid an additional Ug shs 98,281,505.

The school has however requested for an additional Ug shs 178,699,921 to cater for the extra costs and to equip the hostel.

5.8.3 Analysis

Link between financial and physical performance

All funds under this project were spent on the core activities of the project. Although the contractor (M/s Khalsa Development (U) Limited) was paid funds for outstanding works at F/Portal SOCO, the line output under which this activity falls (Output 070582) did not get releases FY 2013/14 nor did the MoES report expenditure on the same. This leaves the question of whether funds were reallocated from another activity to implement this activity.

Achievement of set targets

The three planned outputs under this project were achieved. The fourth output of equipping the hostel at Fort Portal SOCO was not achieved because funds were diverted to pay the contractor. Therefore the project achieved at least 75% of the targets.

5.8.4 Conclusion

This project performed well during FY 2013/14. The three planned outputs under this project were achieved. The fourth output of equipping the hostel at Fort Portal SOCO was not achieved because funds were diverted to pay the contractor. Therefore the project achieved at least 75% of the targets.

5.8.5 Recommendation

i) The MoES should clarify on the funding of output: 070582: Construction and rehabilitation of accommodation facilities given that there were no releases and expenditures made yet physical implementation was carried out. This affects other planned outputs if resources are diverted.

5.9 Presidential Pledges

5.9.1 Background

Since FY 2008/09 to date Government has continued to provide funds each FY to cater for presidential pledges under the education sector. The funds are for construction of different structures such as classrooms, workshops, administration blocks, dormitory blocks, multi-purpose halls, science laboratories, library blocks, VIP latrines, procurement of desks and provision of transport to different education institutions as pledged by H.E the President. In some cases the funds are for constructing entirely new institutions/new schools.

5.9.2 Findings

Financial Performance

His Excellency the President has hitherto made pledges to the education sector worth Ug shs 109,709,885,517 of which Ug shs 49,522,445,097 was disbursed by end of FY 2013/14. These funds were released to the beneficiary institutions through their districts as School Facilities Grant (SFG). Over the last six years, construction of the different facilities whose funds were disbursed was at different levels of completion. Although many were completed, some were left incomplete because of the inadequate disbursements. The outstanding total amount of pledges under the sector is Ug shs. 49,959,768,127. Table 5.8 summarizes the allocations to the sector over the previous six financial years.

Table 5.8 Budget Allocations under Presidential Pledges for FY 2008/09-FY 2014/15

SUB-REGION	FY 2008/09	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 201415	OUTSTANDING
ACHOLI	-	120,000,000	170,000,000	121,016,680	-	-	-	-
ANKOLE	1,180,400,000	1,014,700,000	1,142,043,573	1,291,315,254	342,343,000	654,538,888	28,847,943	703,154,128
BUGANDA	1,458,600,000	1,379,000,000	2,747,492,220	1,946,727,733	1,574,279,740	512,631,687	2,160,253,447	31,691,130,843
BUKEDI	-	-	220,000,000	240,000,000	-	195,960,000	120,000,000	581,753,489
BUNYORO	222,000,000	319,000,000	238,400,000	88,000,000	-	-	-	20,000,000
BUSOGA	5,383,600,000	1,065,654,740	1,382,900,000	602,000,000	153,745,000	2,015,903,055	461,929,185	6,337,379,439
WEST NILE	-	721,000,000	202,000,000	100,000,000	78,000,000	-	29,874,000	926,308,256
BUNYORO	655,000,000	1,170,000,000	785,308,620	1,283,778,070	507,348,251	443,112,353	673,450,792	3,705,731,508
TESO	208,000,000	57,000,000	872,163,453	574,800,000	101,549,000	110,219,457	188,893,267	4,170,970,142
LANGO	334,500,000	668,500,000	897,168,200	1,409,324,400	1,898,925,070	414,519,911	193,363,717	1,215,340,322
KIGEZI	334,500,000	553,000,000	125,000,000	155,000,000	-	191,787,742	203,044,850	-
KARAMOJA	1,338,000,000	-	590,259,000	466,171,000	425,770,000	-	163,069,910	-
ELGON	-	-	790,050,000	289,050,000	697,389,000	-	315,945,982	-
OTHERS	-	2,200,000,000	-	-	92,000,000	-	-	608,000,000
GRAND TOTAL	**11,114,600,000**	**9,267,854,740**	**10,162,785,066**	**8,567,183,137**	**5,871,349,061**	**4,538,673,093**	**4,538,673,093**	**49,959,768,127**

Source: MoES Presidential Pledges Desk

Table 5.8 shows that over the last six year, the provision for fulfillment of Presidential Pledges under the education sector reduced from Ug shs 11.1 billion FY 2008/09 to Ug shs 4.5 billion FY 2013/14. By the end of FY 2013/14, a total of Ug shs 49.9 billion remained outstanding implying that 54.9% of the pledges remained unfulfilled.

Fulfillment of Pledges for FY 2013/14

The MoES planned to fulfill presidential pledges in 23 districts during FY2013/14. The budget for presidential pledges was Ug shs 4,538,673,093. All the funds were released to local governments and implementing institutions. A total of Ug shs 935,879,425 was released for the primary subsector, Ug shs 1,170,784,345 for the secondary subsector, Ug shs 817,977,524 for the BTVET sector sub sector and Ug shs 1,614,031,795 for the Tertiary sub sector. Table 5.9 shows the planned activities and budget allocations and releases for FY 2013/14.

Table: 5.9 Budget Allocations and Releases for FY 2013/14

Name of the Pledge	Location	Description of Facilities	Proposed Budget Allocation FY 2013/14	Cumulative Release (Q1-Q4)
Primary Sub-Sector				
Butare Primary School	Buhweju	Construction of a dormitory and Classrooms	256,500,000	256,500,000
Ssesse Island Boarding P/S	Kalangala	Construction of a boarding primary school (1st & 2nd Installment) Provision to cover budget shortfall	24,631,687	24,631,687
Kalangala Local Government Education Office	Kalangala	Procurement of a Motor Boat for Education Office to facilitate monitoring and inspection of schools (compensation of the one by TDMS damaged in accident)	108,000,000	108,000,000
Buguwa Primary School (Bulawori sub-county)	Kabuli	Construction of 4 new classrooms block; Office and store; 72 desks, 2 blocks of 5 stance lined latrines each (for boys and girls), 1 Block of 2 units teachers' House; 1 block of 3 stances teachers toilet	280,000,000	280,000,000
Nyamigoyi Primary School	Kanungu	Construction of a 3 classroom block	70,787,742	70,787,742
Kabwangasi P.T.C	Pallisa	Provision of mode of transport for the PTC. (To purchase Mini bus 30 seater Us$ 71,000)	195,960,000	195,960,000
Sub-Total 1 (Primary)			**935,879,429**	935,879,429
Secondary Sub-Sector				
Semuliki High School	Bundibugyo	Electricity installation and fencing of girl's hostel	18,000,000	18,000,000
Kitagata S.S	Bushenyi	Construction of science laboratories (Inclusive of furniture		70,000,000

Name of the Pledge	Location	Description of Facilities	Proposed Budget Allocation FY 2013/14	Cumulative Release (Q1-Q4)
		& equipment)	70,000,000	
Isingiro S.S.	Isingiro	8 classroom, a library and completion of laboratories (provision to cover shortfall due to release cuts)	42,000,000	42,000,000
Kamwenge S.S	Kamwenge	2 unit school laboratory, library, 2 classrooms, 2 unit staff houses	170,000,000	170,000,000
Kasese Diocese Seminary Secondary School.	Kasese	Construction of Laboratory, laboratory equipment and furniture	202,000,000	202,000,000
Katakwi High School	Katakwi	Construction of a Girl's Hostel with capacity of 70 students.	110,219,457	110,219,457
Lake Mburo Resettlement Scheme	Kiruhura	Provision of a school truck, Completion of Science laboratory with science equipment (1st & 2nd installment) Final provision	75,616,795	75,616,795
Mbarara Army S.S	Mbarara	Construction and rehabilitation works	174,141,618	174,141,618
Rutooma S.S	Mbarara	Rehabilitation of the school (1st & 2nd Installment) (provision for shortfall due to release cuts)	36,280,475	36,280,475
Makuutu Seed Secondary School	Iganga	Additional funds to complete the construction works at Makuutu Seed school	151,526,000	151,526,000
Immaculate Heart Nyakibaale Girls	Rukungiri	Construction of ICT Laboratory. (Final provision additional on to the original budget for the storied building)	121,000,000	121,000,000
Sub-Total 2 (Secondary)			**1,170,784,345**	1,170,784,345
BTVET Sub-Sector				
Engineer Kauliza Kasadha Technical Institute	Bugiri	Administration, 4 Classrooms, 2 Workshops, 2 Dormitories, 12 VIP Lat. Stance, 1 W/Equipments, and 4 Staff houses.	323,000,000	323,000,000
Kisomoro Technical Institute	Kabarole	Construction of a Technical School (1st & 2nd Installment) (Provision for shortfall due to release cuts)	15,146,563	15,146,563
Kaliro Technical School	Kaliro	General rehabilitation works (1st & 2nd Phase). (Provision for shortfall due to release cuts)	27,345,260	27,345,260
Kitagwenda Technical School	Kamwenge	2 blocks of 5 stance pit latrines		37,965,790

Name of the Pledge	Location	Description of Facilities	Proposed Budget Allocation FY 2013/14	Cumulative Release (Q1-Q4)
			37,965,790	
Bar Lonyo Agro Tech School	Lira	Construction of a technical School (1st & 2nd Installment). Construct a twin workshop, 1 admin block & equipment for workshop) **Outstanding constructions are 2 workshops, Admin block and Teacher's Houses**	370,423,125	370,423,125
Acaba Technical School	Oyam	Completion of a school Library. (provision for shortfall due to release cuts)	44,096,786	44,096,786
Sub-Total 3 (BTVET)			**817,977,524**	817,977,524
Tertiary Sub-Sector				
Muteesa 1 Royal University	Masaka	University Bus	380,000,000	437,000,000
Busoga University	Iganga	Completion of Laboratory Block and Classrooms (2nd Installment)	1,234,031,795	1,177,031,795
Sub-Total 4 (Tertiary)		**Sub Total**	**1,614,031,795**	1,614,031,795
		GRAND TOTAL	**4,538,673,093**	4,538,673,093

Source: MoES Presidential Pledges Desk, August 2014

Physical Performance

Nine institutions were monitored in the districts of Amudat, Bugiri, Iganga, Kaabong, Kamuli, Pallisa, Kamwenge, and Kiruhura and below are the findings:

Field Findings

a) Buguwa Primary School

The school is located in Buguwa village, Kawaaga parish, Balawoli sub county, Kamuli District. The MoES planned to construct two 2 classroom blocks, an administration block, two blocks of five stance VIP latrines and a six unit staff house. The Kamuli District Local Government received Ug shs 280,000,000 disbursed as SFG in fulfillment of the Presidential Pledge. The district contracted M/s Kamuli General Enterprise Limited at a sum of Ug shs 221,450,250 for six weeks to construct four classrooms, administration block and staff house.

Kamuli District local Government contracted M/s Batuleke Tukole at a sum of Ug shs 11,845,000 to supply furniture, M/s Kezi Investments at Ug shs 4,850,000 to supply executive furniture and M/s Batuleke Tukole at Ug shs 41,006,000 for construction of VIP latrines.

- A two classroom block with an office and store were completed, furnished and were in use. It was however noted that the classroom furniture was not engraved.
- Another two classroom block was completed. The furniture was supplied but not engraved.
- A six unit staff house with 12 rooms was completed and was in use. It was noted that the floor had cracks, the doors were not properly fixed (*difficult to open and close*) and finishing on the veranda was not done.
- A three stance lined VIP latrine with three bathrooms for the staff was completed however the bathroom did not have doors and latrine cover was not fitted.
- Two blocks of five stance VIP latrines were completed. It was however noted that doors were weak and soak pit was not completed.

Civil works commenced in February 2014 and partial hand over was on 9th July 2014.

By the end of the FY 2013/14, the contractor was paid 95% of the contract sum





From top clockwise; A two classroom block with an office and store, a two classroom block, a staff house, a three stance VIP for staff and a block of five stance VIP latrine completed at Buguwa P/S

b) Engineer Kauliza Kasandha Technical Institute

The institute is located in Nongo village, Nongo parish, Muterere sub county, Bugiri District. The MoES sent Ug shs 323,000,000 as the first installment (out of the planned 648,000,000) for construction of a new technical institute in fulfillment of the presidential pledge. The funds were received by the district as SFG. The district contracted M/s Wangi General Enterprises (U) Limited at a sum of Ug shs 1.12 billion for contract period of seven months. The scope of works were; construction of two workshops; two teachers' houses; two dormitories; an administration block; two stance VIP latrine; two 5-stance VIP latrines; two bathrooms and a two classroom block.

Works commenced in July 2014 and by 11th August 2014 civil works for two workshops, kitchen and dining hall, a two classroom block, girls' hostel, two 2-unit staff houses and a boys' hostel were all at foundation level. Civil works on two stance and five stance lined VIP latrines had not started.

Some of the structures under construction at Engineer Kauliza Kasandha Technical Institute

c. Kaabong Nursing Training Institute

The institute is located in Biafra cell, Biafra parish, Kaabong Town council, Kaabong district. The district received funds for the construction of a twin staff house with a VIP latrine for the nursing school. The contract for civil works was awarded to M/s Rwataris Traders at a sum of Ug shs 69,800,000 for a period of three months. Works started on 26th February 2013 and were completed on 18th April 2013. All certificates due to the contractor were paid except the 10% retention.

The completed two unit staff house at Kaabong Nursing Training Institute

The two-unit staff house comprises a sitting room, two bedrooms, a store and a shelter. By July 2014, the staff house had not been occupied because the institute was not operational. There was no principal and staff to run the institution. The District Inspector of Schools indicated that they were having discussions with the District Health Officer to accommodate the nurses at Kaabong hospital in the staff house till the institute is operational.

c) Kabwangasi Primary Teachers' College

The college is located in Kasikinyi village, Kasikinyi parish, Kabwangansi sub county in Pallisa district. The president pledged to buy a bus for this institution. During FY 2013/14 the MoES sent Ug shs 195,960,000 to Pallisa Local Government to procure a 36 seater bus in fulfillment of the pledge. Pallisa district administration transferred the funds to the PTC account. However, by 12th August 2014, the bus had not been procured.

The college management reported that procurement process was halted because the Chief Administrative Officer informed them that there would be an additional Ug shs 120,000,000 for the school to acquire a 67 seater bus instead of the 36 seater bus. There was no written communication to this effect.

d) Kamwenge Secondary School

The school is located in Kyabyoma –Nyankwaba village, Kitonzi ward, Kamwenge Town Council, Kamwenge district. In FY 2013/14 the school received Ug shs 74,894,895 out of the expected Ug shs 170,000,000 for completion of teachers' houses and a two classroom block.

The contract for civil works was awarded to M/s Musinguzi Frank Construction Company at sum of Ug shs 74,894,895 for two and a half months. By the end of the FY 2013/14, the contractor had been paid 58% (Ug shs 43,699,062) of the contract sum and civil works status was follows;

Left: A completed two unit teachers' house completed, Right: a two classroom block at finishes level at Kamwenge S.S

- The two unit teachers' house with eight rooms each was completed. However, electricity and lightning conductors were not installed.
- The two classroom block was at finishes level. Remaining works included floor screeding, painting and electricity installation. The VIP latrine was not constructed.

e) Kitagwenda Technical Institute

The institute is located in Kayombo LCI village, Ntara parish, Kitagwenda sub county, Kamwenge district. The institute received Ug shs 18,982,895 in fulfillment of the presidential pledge for construction of a five stance VIP latrine for girls. The school contracted M/s Mwijuka HR Services Limited to carry out civil works at a sum of Ug shs 18,923,837 for six weeks. Works commenced on 24th May 2014 and were completed on 17th June 2014.

The school management reported that the workshops constructed earlier under the presidential pledge were not equipped and lightning conductors were not installed.

f) Lake Mburo Secondary School

The school located in Kanyareru village, Kanyareru parish, Kanyareru sub county, Kiruhura district. In FY 2011/12 and FY 2012/13, the school received a total of Ug shs 243,049,165 as part of the presidential pledge. The funds were for renovation of the science laboratory block, renovation of the library block and procurement of school truck.

The school contracted three firms in FY 2012/13; M/s Rose ST &Co was contracted at Ug shs 28,200,000 to complete a ceiling and staff bathroom; M/s Block Technical Services who renovated two classroom blocks and library block at Ug shs 48,700,000 and M/s Trinity Transports who was supposed to supply the school truck and the tractor at Ug shs 104,340,000. He only supplied a tractor and was yet to supply the school bus.

In FY 2013/14, the MoES planned to disburse a final installment to this school in fulfillment the presidential pledge to the school to complete the procurement of a school truck. According to the schedule from MoES, the school was supposed to receive Ug Shs 75,000,000. However, findings indicated that as of 4th August 2014, the school had not received these funds from the district and the school truck was not yet procured.

While renovation of the science block and the library block were fully completed, the attendant furniture for these structures was not supplied and the contract period had expired.

g) Makuutu Seed Secondary School

The school is located in Makuutu village, Makuutu parish, Makuutu Sub County, Iganga district. The MoES planned to disburse Ug Shs 151,526,000 in FY 2013/14 to this school in fulfillment of the presidential pledge. These were additional funds for completion of structures constructed during FY2012/13 at the seed secondary school.

Findings indicated that as of 11th August 2014 the school had not received any funds. However the District Education Officer indicated that funds were received on the District account.

h) Pokot Girls Secondary School

H.E. the President pledged to construct Pokot Girls' BoardingSecondarySchool. The school is located in Karita LC I, Karita parish, Karita Sub County, Amudat district. The MoES disbursed funds to fulfill this pledge FY 2012/13. The MoES sent additional funds of Ug shs 111,844,809 to complete civil works. The scope of works included; two classroom blocks each with 2 class rooms, a two unit staff house and a two stance lined VIP latrine.

- The two blocks of classrooms were at finishes level. The remaining works included external plastering, flooring, fitting windows and doors, painting and veranda works.

- The staff house was at finishes level. The remaining works included fitting inside doors, painting, fitting glasses, veranda works and floor screading, It was noted that works were behind schedule due to late start of works by the contractor.

Clockwise: The two classroom block at finishes level, the staff house at finishes level and the two stance lined VIP pit latrines at roofing level at Pokot Girls' S.S.

Challenge

(i) The contractor complained about the high costs of labour and transportation of materials in Karamoja region. Materials such as cement and iron bars are procured and transported from Mbale yet the roads are impassable. The other materials such as sand and stones are from long distances. This makes construction in the region more expensive than in other region.

5.9.3 Analysis

Link between financial and physical performance

A total of Ug shs 4,538,678,093 budgeted for in FY 2013/14 to fulfill presidential pledges was released to the implementing institutions. Although MoES released 100% of planned funds to districts, some districts did not transfer the funds to the beneficiary institutions in time (i.e Makuutu Secondary School and Lake Mburo Secondary School did not receive funds from their respective districts) by 11th August 2014.

In some instances some disbursement figures differed from what institutions received. For instance Kitagwenda Technical Institute received Ug shs 18,923,837 to construct a five stance VIP latrine while the MoES reported to have disbursed Ug shs 37,965,790 in FY 2013/14. Also Kamwenge Secondary School received Ug shs 74,894,895 although the MoES reported to have sent Ug shs 170,000,000.

Achievement of set targets
The MoES disbursed 100% of the funds for the Presidential pledges for FY 2013/14. However, some districts delayed to transfer the funds to the beneficiary institutions thus affecting implementation.

5.9.4 Conclusion

By the end of FY 2013/14, Government had released funds in fulfillment of the Presidential Pledges worth Ug shs 49,522,445,097 (45.1%) of the total pledges to the education sector. Over the last six years, the provision for Presidential Pledges reduced from Ug.shs 11.1bn FY 2008/09 to Ug shs 4.5 bn FY 2013/14. Government needs to increase on the provision for this component to ensure that all pledges under the sector are fulfilled.

5.9.5 Recommendation

1) The MoES should disburse funds for Presidential Pledges directly to the beneficiary institutions' bank accounts instead disbursing it as SFG through districts.
2) The MFPED should increase on the provision for the Presidential Pledges to ensure that the outstanding figure of 49,959,768,127 (54.9%) is met.

5.10 Teachers' Houses

During FY 2013/14, MoES provided Ug shs 5,440,000,000 for construction of teachers' houses in 20 non-PRDP worst performing Local Governments in Primary Leaving Examinations. Each of the districts was to receive Ug shs 272,000,000. This was intended to ensure equity and enhance teacher retention in these districts. The 20 targeted districts were Hoima, Iganga, Kamuli, Kamwenge, Kasese, Kayunga, Kiboga, Kyenjojo, Mubende, Rakai, Isingiro, Kaliro, Mityana, Namutumba, Buikwe, Buyende, Kyegegwa, Luuka, Kyankwanzi and Kibaale.

Findings indicated that MoES disbursed Ug shs 272,000,000 to each of those districts. Kamuli district was sampled to find out what was done with these funds.

Kamuli Local Government

Kamuli district received Ug shs 272,000,000 for construction of teachers' houses. The District contracted four contractors to build two unit staff houses in four schools. Table 5.10 details the implementation status by end of FY 2013/14

Table 5.10 Construction of teachers' houses in Kamuli district

Primary School	Contractor	Contract sum(Ug shs)	Amount paid by 31st July 2014(Ug shs)	Activity	Status by 31st July 2014
Bwiiza	M/s Davi Company Limited	45,680,000	43,396,000	Construction of a 2 unit staff house	Completed
Kyamatende	M/s Naminage Investments	46,820,000	44,379,000	Construction of a 2 unit staff house	Completed
Nile	M/s GKK General Contractors	46,450,000	44,127,500	Construction of a 2 unit staff house	Completed
Ndalike	M/s Kandi Agencies	46,998,000	44,648,100	Construction of a 2 unit staff house	Completed

Source: Kamuli District Local Government, Education Department

It was further reported that part of the Ug shs 272,000,000 was used to clear earlier obligations for FY 2012/13 whereby government did not remit funds for Q 4. So funds were used to clear payments for four contractors who constructed staff houses in four schools.

Conclusion

MoES achieved 100% of the disbursement target to the 20 worst performing local governments. While Kamuli district performed well, this sample was inadequate to make a judgment on how other districts performed.

5.11 Kampala Capital City Authority

Kampala Capital City Authority (KCCA) is mandated to facilitate the delivery of quality services to the people in the city in a manner that ensures value for money. In its undertaking KCCA meets its mandate by implementing programmes financed by Government, development partners and locally generated revenues. Kampala has a total of 81 public primary schools with a total population of over 61,349 pupils and 21 public secondary schools.

KCCA's long-term vision for the education sector is to reconstruct, upgrade and equip all public schools and technical institutes in the City to enhance skills in line with Government policy. In the FY2013/14, KCCA allocated Ug shs 27.99 billion (Ug shs 26.60 billion from GoU and Ug shs 1.40 billion from Non Tax Revenue) to the Education and Social Services sector.

Vote Function: 0708 Education and Social Services

There are two development projects under the Education and Social Services vote function (i.e Local Government Management and Service Delivery Programme (LGMSD) and Schools' Facilities Grant (SFG). These two development projects were monitored at the end of the financial year and findings are given below:

5.11.1 Project 0115: Local Government Management and Service Delivery Programme

5.11.2 Background

The LGMSD is a national programme which is a continuation of the first and second local government development programme. It was initiated to support implementation of the decentralization policy and enable Local Governments to provide services to the communities. LGMSD is intended to improve community participation and ownership of services, sustainability of services; promote economic growth and improve quality of life.

Planned Activities for FY 2013/14

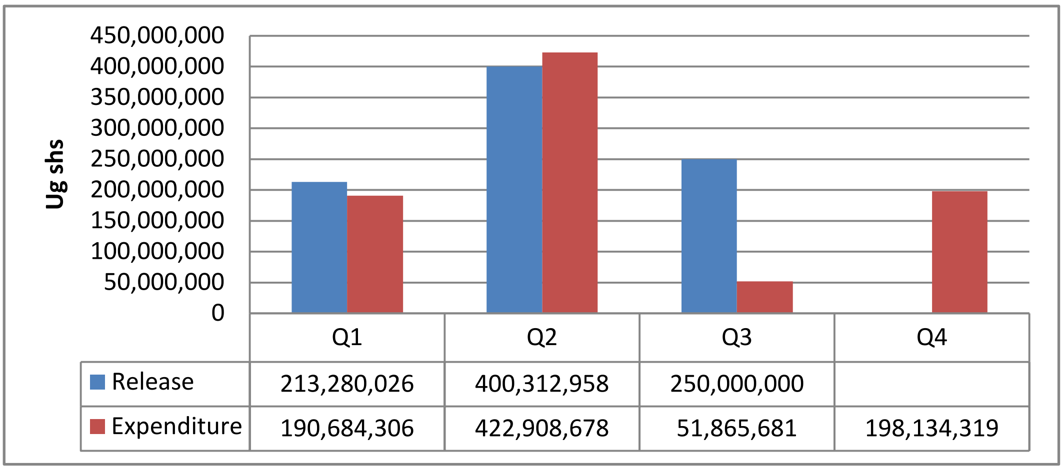
Under project 0115, the KCCA planned to construct primary school teachers' houses at Kigoowa St. Lawrence and Kawempe C/U, construct toilet stances at Ggaba and Katwe primary schools and provide lightning conductors in 10 primary schools (East Kololo, Old Kampala, Mpererwe, Mulago St. Martin, Kasubi C/U, Uganda Martyrs, St. Joseph Nsambya, Military Police, Ntinda School of the Deaf, Bukoto Muslim).

5.11.3 Findings

Financial Performance

The approved budget FY 2013/14, was Ug shs 1,000,000,000 of which Ug shs 863,592,984(86.3%) was released reflecting a budget shortfall of Ug shs 136,407,016 (13.7%) . By the end of the FY Ug shs 863,592,984 (100%) were spent. Release performance was excellent as all the funds were disbursed by Q3. Figure 5.8 shows the financial performance of project.

Figure 5.8 Financial Performance FY 2013/14 of Project 0115 LGMSD



	Q1	Q2	Q3	Q4
Release	213,280,026	400,312,958	250,000,000	
Expenditure	190,684,306	422,908,678	51,865,681	198,134,319

Source: IFMS, July 2014

Physical Performance

Seven primary schools were sampled to assess the level of implementation at the end of the FY.

Field Findings

a) **Bukoto Muslim Primary School**

The school located in Nsimbiziwoome LC I, Bukoto II parish, Nakawa Division Urban Council, Kampala district. During FY 2013/14, KCCA planned to install lightning conductors in the school.

Findings indicated that three lightning conductors were installed on three blocks which were the P.1- P3 block, the P4-P5 block and the P.6-P7 block.

The lightning conductors installed on two of the classroom blocks at Bukoto Muslim P/S

b) East Kololo Primary School

The school located in Kololo 1 parish, Kampala Central Division Urban Coucil. During FY 2013/14, KCCA planned to renovate teachers' houses and replace lightning conductors at the school. Status of implementation was as follows

- Five lightning conductors were installed at school premises on 28th February 2014. Two conductors were installed on the P7 block, two on the main hall block and one on the administration block.

A lightning conductors installed on one of the blocks at East Kololo P/S

- Renovation of teachers' houses was not carried out although the Q3 and Q4 FY 2013/14 KCCA progress report indicated that renovation of teachers house was completed at the school. Therefore that was a misreporting.

The front and behind view of the teachers' house KCCA reported to have renovated at East Kololo P/S FY 2013/14

c) Kawempe Church of Uganda Primary School

The school located in Kilokole zone Ttula parish, Kawempe Division Urban Council, Kampala district. In FY 2013/14, KCCA planned to complete construction of a storied staff house which was started FY 2012/13. Findings indicated that the four unit staff storied house was completed. The storied house has four self contained units. Each unit has a sitting room, two bedrooms, a kitchen, store, bathroom and toilet. The staff house was in use and had been occupied by the two school deputy headmasters, the director of studies and one teacher.

A four unit storied staff house completed at Kawempe Church of Uganda P/S

The beneficiaries however noted that there was no provision for a chimney and they found it difficult to use charcoal stoves insides their houses.

d) Ntinda School for the Deaf

The school is located in village 12 LC I, Ntinda II parish, Nakawa Division Urban Council, Kampala district. During FY 2013/14, KCCA planned to install lightening conductors in the school.

Findings indicated that three lightning conductors were installed on 19th February 2014 at the administration block, block 'B' classroom and on the dining hall respectively.

Lightning conductors installed on two of the blocks at Ntinda School for the deaf

e) St. Paul Demonstration School Ggaba

The school is located in Ggaba Mission LC I, Ggaba parish, Makindye Division Urban Council. It had 769 pupils (400 females and 369 males) with 20 teachers. KCCA planned to construct a 16 stance lined pit latrine for the school during FY 2013/14. The contract for civil works was awarded to M/s Zzimwe Construction Company in March 2014 for a contract period of one month.

Construction of a toilet at St Paul Demonstration School Ggaba that stalled at ground slab level

The Q4 KCCA performance Report FY 2013/14 indicated that toilets in Katwe and Ggaba primary schools were completed.

Findings however indicated that as of 27th July 2014 civil works had stalled at ground slab level. The contractor had not been on site for two months and the contract period had expired. No explanations were given by either KCCA or the contractor to the school management. Therefore this reporting was wrong.

f) St. Martin Primary School

The school is located in UEB village LC I, Mulago I parish, Kawempe Division Urban Council. The KCCA planned to install lightning conductors in the school during FY 2013/14. Findings indicated that three lightning conductors were installed on the P.6- P7 block, Nursery block, and P1-P4 block respectively. The beneficiaries were satisfied with the works done.

Analysis

Link between financial and physical performance

The project received 86.3 % (Ug shs 863,592,984) of the approved budget (Ug shs 1,000,000,000) and all funds were absorbed. Physical performance was good particularly with regard to installation of lightening conductors and construction of staff houses.

Achievement of set targets

Some of the project targets were achieved. Construction of teachers' houses in two schools (Kigoowa St Lawrence and Kawempe C/U) was completed. Lightning conductors were installed in the four monitored schools. However some targets were not achieved for instance in Ggaba Demonstration P/S and Katwe P/S construction of toilets stalled at slab level and renovation of teachers houses at East Kololo P/S was not carried out.

Conclusion

Project 0115: Local Government Management and Service Delivery Programme performed at 50% as two outputs were achieved while the other two were not achieved.

Recommendation

The KCCA should account for the funds that were meant for renovation of teachers' houses at East Kololo Primary School.

5.12 Project 0423; Schools' Facilities Grant (SFG)

5.12.1 Background

In 1997, Government of Uganda introduced UPE to boost classroom attendance and increase literacy and education rates throughout the country. In less than a decade, the policy generated dramatic results, more than doubling the number of students enrolled in primary schools. Consequently there was a shortage of classrooms. To accommodate this growing demand for classrooms, a School Facilities Grant (SFG) was established in the national budget, providing each district with funds equivalent to build new schools and classrooms.

Planned activities for FY 2013/14

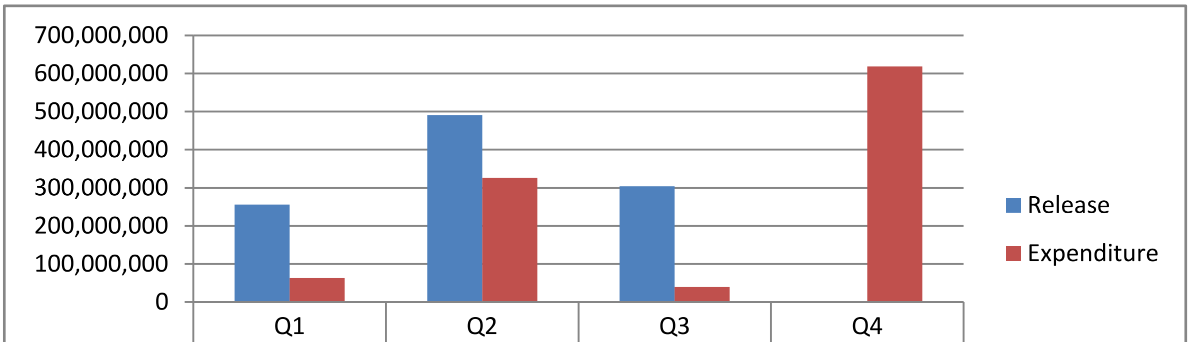
Under SFG, KCCA planned interventions in 12 primary schools as follows: renovate a classroom block at Kisugu P/S; renovate Naggulu Katali Staff quarters; provide 680 desks to Mpererwe P/S, Kisaasi P/S, Mackay Memorial P/S, Kitebi P/S, St.James Bbiina P/S, Murchison Bay P/S, Kibuye P/S, and St.Peter Nsambya P/S and complete a 10 stance water borne toilet at Summit View P/S.

5.12.2 Findings

Financial Performance

The project had an approved budget of Ug shs 1,304,642,450 of which Ug shs 1,050,960,807(80%) was released and Ug shs 1,047,272,989 (99.6%) spent. Release performance and expenditure performance was excellent. Figure 5.9 shows financial performance of the project for FY 2013/14.

Figure: 5.9 Financial Performance of Project 0423 Schools' Facilities Grant for FY 2013/14



	Q1	Q2	Q3	Q4
Release	255,778,827	491,404,103	303,777,877	
Expenditure	62,857,602	326,512,627	39,199,568	618,703,192

Source: IFMS; July 2014

Physical Performance

Monitoring visits were made to six primary schools to assess the level of implementation and below are the field findings.

Field Findings

a) **Kitebi Day and Boarding Primary School**

The school located in Kitebi zone, Mutudwe parish, Rubaga Division Urban Council. During FY 2013/14, KCCA planned to provide furniture to the school. Findings indicated that as of 4th July 2014, a total of 85 three seater lockable desks and 255 small padlocks had been delivered. The furniture was in use and the school administration observed that it alleviated the sitting problem which the school was experiencing due to the big population. However, the school had not engraved the furniture.

b) Kibuye Primary School

The school is located in Kanisa zone, Makidye II parish, Makidye Division Urban Council. During FY 2013/14, KCCA planned to provide furniture to the school. Findings indicated that as of 4th July 2014, a total of 85 three seater lockable desks and padlocks had been delivered to the school. The school had engraved the furniture.

c) Kisugu C/U Primary School

The school is located in Mutabazi 'B' zone, Kisugu parish, Makidye Division Urban Council. In 2011, the school experienced strong winds which brew off the roof of a seven classroom block. KCCA then planned to renovate the classroom block in FY 2013/14.

The renovated seven classroom block at Kisugu C/U

The KCCA contracted M/s Joseph Holdings Limited to renovate the classroom block at a sum of Ug shs 119,104,480 for a contract period of six months. The site was handed over on 20th June 2013. The scope of works was demolition of the seven classroom block structure to window level and rebuilding it from there.

Findings indicate that renovation of the block was completed. The structure was handed over on 13th March 2014. The structure was re-constructed from window level to include seven classrooms, an extra room which was partitioned into four offices and afood store. The offices created were being used by two deputy head teachers, a bursar and a senior woman teacher. The contractor was paid 100% of the contract sum.

The school management was satisfied with the works done. However, they noted a challenge of furniture. During the monitoring visit, some pupils were found attending classes while seated on the floor in the renovated classroom block. Inadequate teachers' accommodation was also noted.

d) Naggulu-Katali Primary School

The staff house at Naggulu-Katali P/S at finishes level

The school is located in Naggulu-Kasenke IV village, Naguru II parish, Nakawa Division Urban Council. The KCCA planned to construct a four unit staff storied house at the school. The KCCA contracted M/s Joelax Contractors at a sum of Ug shs 280,000,000 for a period of six months.

The site was handed over on 22nd January 2014 and works were expected to be complete on 23rd July 2014. By 4th July 2014, the staff house was about 90% complete. The remaining works were, fitting the wardrobes in all the four units, final coat of paint, tiling and work-tops in the kitchen, connection to the water system and works on the veranda. Each of the four self contained units has a sitting room, bathroom, toilet, two bedrooms, kitchen and store.

It was noted that there was need for an assessment to find out the teachers requirements before the structural designs were made. ***''We can manage with just a bedroom and a sitting room. The rooms are too many for just one teacher and it is going to be difficult to allocate the few units,'' said a teacher.***

e) St. Peter Nsambya Primary School

The school located in Institutional zone LC, Nsambya parish, Makindye Division Urban Council. During FY 2013/14, KCCA planned to provide furniture to the school. Findings indicated that a total of 85 three seater desks were delivered to the school.

f) Summit View Army Primary School

The school is located in Summit View LC I, Kololo II parish, Central Division Urban Council. KCCA planned to construct a 10 stance water borne toilet and provide a water tank at the school. M/s Empire Construction Limited was to undertake the civil works for a period of three months.

The 10 stance VIP pit latrine completed at Summit View Army P/S

Findings indicate that the 10 stance VIP latrine was completed. It has five stances for girls and five for boys. A water tank was installed. In terms of service delivery, the school management raised concerns over the poor accommodation facilities for teachers. Most of them were living in Uni-ports instead of permanent structures. Existing classrooms are in a sorry state and are inadequate.

5.12.3 Analysis

Link between financial and physical performance

During FY 2013/14, project financial performance was excellent as 80% (Ug shs 1,050,960,807) of the project's approved budget was released and 100% of the released funds absorbed. Under the project, the KCCA contributed to provision of school infrastructure and furniture in the schools visited.

Achievement of set targets

The set targets under the SFG project were achieved in the six schools visited. Three schools received furniture; renovation was completed in Kisugu P/S, a staff house completed in Naggulu-Katali and a 10-stance toilet completed at Summit View P/S.

Conclusion

Project 0423 Schools' Facilities Grant (SFG) performed excellently as it achieved the FY 2013/14 project targets.

5.13 The Higher Education Students Financing Scheme (The Students' Loan Scheme)

The Higher Education Students Financing Scheme popularly referred to as 'The Students' Loan Scheme' is a fund intended to provide financing to Uganda students who have qualified for higher education in recognized institutions of higher learning but are unable to support themselves financially. The loan covers tuition fees, functional fees and research fees and aids and appliances for Persons With Disabilities (PWDs). It may also include specified amounts to cover accommodation and meals where the Board determines that the funds are sufficient to provide those items. The scheme will initially offer loans to students pursuing their first degrees in local public and private chartered universities. The loan will initially benefit 1,000 brilliant but need students who are pursing science related programs. A student who has received a loan shall start re-paying the loan at least one (1) year after completing his/her course of study.

Financing

During FY 2013/14 Government of Uganda provided Ug Shs 5.0 billion to implement the Students' Loan Scheme. According to the work plan Ug. Shs 2 billion was for the operations of the Higher Education Students Financing Board while Ug Shs 3 billion was for kick starting the loan grants. Findings indicate that Ug. Shs 4.4 billion (88%) was released to MOES for this activity. While 100% was absorbed for operations by end of FY 2013/14 no funds were spent on kick starting the loan grants component to students.

What has been achieved?

- The Student Loan Task Force was transformed into the Higher Education Students' Financing Scheme.
- A Legal Frame work - The Higher Education Students Financing Act, 2014 (Act No. 2 of 2014) to guide the operations of the scheme was assented to on 2nd February 2014. The commencement date for the Act was 28th February 2014.
- Higher Education Students' Financing Scheme was officially launched by H.E the President of Uganda at Kyambogo University.
- The scheme is managed by a board. Members of the Higher Education Students Financing Board were appointed and inaugurated. The board is now functional.
- Staff for the scheme were recruited and office space for them was secured. Office equipment was procured and the offices were furnished.
- The loan scheme was popularized in the local print and electronic media.

Objectives of the board

- To increase access to higher education in Uganda.
- To support qualified students who may not afford higher education.
- To ensure regional balance in higher education services in Uganda.
- To develop and support courses critical to national development and to ensure quality education in public institutions through quality assurance and supervision.
- To ensure sustainable revolving loans funds.

Challenges

- Advertisements under the scheme are very costly. There are so many things to advertise and yet under the law they are support to put each advert in at least two newspapers.
- The budget provision for FY 2014/15 is inadequate. This is because the wage bill consists of 49% of the budget while the other recurrent expenditures take 51%.
- The demand for the loan is enormous. So many students are being left out partly because of the limited budget and the nature of eligible courses. There is need to increase the budget.
- The scholarship scheme formerly under State House was support to be phased out and funds transferred to the loan scheme. However, this is not happening next year.

5.14 Service Delivery

A number of issues were highlighted by stakeholders that impacted on effective service delivery. Below are the findings:

1 Ghost teachers

Ghost teachers were identified in two of the secondary schools visited in Karamoja region (i.e. St. Kizito Lorengedwat S.S in Nakapiripirit district and Kaabong S.S. in Kaabong district). Each of these schools identified three ghost teachers on their payroll. These persons had never been to this school and were not known.

Kaabong S.S

One of the ghost teachers on the Kaabong payroll was receiving hard allowance whereas none of the teachers who were present at station received it. Two of them were earning salaries of assistant education officers (U5 Upper) while one earned a salary of education officer (U4 L) respectively. The details are presented below:

1. **Name**: **Odongo Moses Hosea** (Reportedly absconded in 2012)

Employee No. 000000000344350 Vote (559) Kaabong DLG Salary scale U5-UP-1-1

Employee Position: Assistant Education Officer (Grade V Teacher- Kaabong)

Program (06) Kaabong District Local Government-Education,

Bank code 0040505, DFCU Bank 0040505, Period: April 2014

Hard allowance: 111,584 Top allowance: 344,350 Base Salary 417,769 Net pay: 564,618

2. Name: Ndamurani Joy Employee no.000000000296069 (*Never been to the school*)

Vote (559) Kaabong District Local Government Employee Position: Assistant Education Officer,

Run date 30.04.2014; Bank: 0011630 Centenary Bank Salary Scale: U5- UP-1-15

Basic salary: 529,931, Gross pay 529,931 Net pay 468,952

3. **Name: Aine James Employee no.000000000709612** (***Never been to the school***)

Vote (559) Kaabong District Local Government Program (06): Kaabong District Local Government-Education

Employee Position: Education Officer- Kaabong Salary Scale: U4-LWR-1-5, Run date 30.04.2014

Bank Name: 0011901 Diamond Trust Bank Base Salary: 619,740 Net pay: 525,621

Basic salary: 619,740, Gross pay 619,740, Net pay 525,621

St. Kizito Lorengedwat Secondary School.

There were three ghosts teachers on the payroll. One of them earned a salary of a Deputy Head teacher with a gross pay of Ug. Shs 3,277,329 and a hard allowance of Ug. Shs 400,000. There were also two ghost laboratory technicians who were earning a gross pay of Ug shs 1,656,189 each. Details are presented below:

1. Name: **Kumwiza Rose Martha** Legacy Number: E50704000520

Employee Number: 000000000869862 Employee Position**: Deputy Head teacher-O'level** Boarding St. Kizito S.S Lorengedwat

Vote: 543: Nakapiripirit District Local Government

Program 06: Nakapiripiriti District Local Government- Education Scale: U2-LWR-1-1

Base Salary: Ug shs 3,277,329 **Net pay: Ug shs 2,588,130** Bank: Stanbic Bank; Code 0070430

Hard to reach allowance: Ug shs 400,000

2. Name: Akulum Jane Legacy Number: E75810009561

Employee Number: 000000000870006 **Employee Position: Laboratory Technician**- St. Kizito S.S Lorengedwat Vote: 543: Nakapiripirit District Local Government

Program 06: Nakapiripiriti District Local Government- Education Scale: U5-SC-1-1

Base Salary: Ugshs 1,656,189 **Gross salary 1,656,189** **Net pay: Ug shs 1,453,332**

Bank: Centenary; Code 0091610

3. **Name: Byansi Steven** Legacy Number: E54807005847

Employee Number: 000000000869969 Employee Position: **Laboratory Technician**- St. Kizito S.S Lorengedwat Vote: 543: Nakapiripirit District Local Government

Program 06: Nakapiripiriti District Local Government- Education Scale: U5-SC-1-1

Base Salary: Ugshs 1,656,189 **Gross pay 1,656,189** **Net pay: Ug shs 1,453,332**

Bank: Commercial Microfinance; Code 0091610

Source: St. Kizito S.S Lorengendwat pay slips dated 31st May 2014

Although teachers in St. Kizito Lorengedwat S.S. are entitled to hard to reach allowance, none of the teachers was receiving it which affected their morale. It was reported that some other schools within Karamoja region also had ghosts on their payroll.

2. Pay roll inconsistencies

Pay roll inconsistencies were noted in different schools that were monitored. Some teachers received no or half pay. For example in St. Kizito Lorengedwat S.S., one teacher on the payroll had not been paid for eight months and was only paid Ug shs 200,000 in May 2014. In Ssanga S.S. (Kiruhura district) the headteacher who was transferred from Kisoro had missed his salary for four months. The Principal of Fort Portal SOCO (Kabarole district) received salary for one month during FY 2012/13 and arrears have never been paid.

3. Late receipt of capitation grants

A number of schools reported late receipt of capitation grants. For instance the head teacher of Ssanga S.S (Kiruhura district) noted that the USE capitation grant had not been received by 14th July 2014. The school was having difficulty preparing for mock exams for the S.4 and could not procure laboratory materials. The Principal of Arua PTC also noted that they had not received the grant for fourth quarter by 21st July 2014 and were finding difficulties in procurement of food supplies.

Recommendations

- The Accounting Officers (CAOs) of Nakapiripirit and Kaabong districts should ensure that the ghost teachers in all schools under their jurisdiction are deleted. MFPED should follow this issue with them.
- There is need for a further follow up on the issue of ghosts to ensure that all schools (both primary and secondary) within the seven districts of Karamoja are cleaned of ghosts.
- The MoES and MFPED should ensure that the capitation grant is released in time to the schools.
- The MFPED should put out a circular to MoPS to ensure that all District Personnel Officers/Municipal Personnel Officers carry out their duties effectively and ensure payment of salaries and salary arrears in time.

CHAPTER 6: ENERGY

6.1 Introduction

The energy sector comprises of two votes. These are; Ministry of Energy and Mineral Development (Vote 017), and Rural Electrification Agency (REA)-Vote 123.

The mandate of the Ministry of Energy and Mineral Development (MEMD) is to "*Establish, promote the development, strategically manage and safeguard the rational and sustainable exploitation and utilization of energy and mineral resources for social and economic development*"

The energy sector priority areas include;

i. Increase electricity generation capacity and transmission network
ii. Increase access to modern energy services through rural electrification and renewable energy development
iii. Promote and monitor petroleum exploration and development in order to achieve national production
iv. Develop petroleum refining and pipeline transportation infrastructure
v. Streamline petroleum supply and distribution; and
vi. Promote and regulate mineral exploration, development, production and value addition.[47]

Rural Electrification Agency's mission is to "*To facilitate provision of electricity for socio-economic rural transformation in an equitable and sustainable manner.*"

6.1.1 Scope of the report

The report assesses the efficiency and effectiveness of selected development projects under the energy sector. This report provides an update on the progress for the financial year 2013/14 and an assessment of the annual performance.

The criteria that guided project selection included;

- Projects with large budget allocations were prioritized.
- Projects that had been monitored in previous quarters and had major implementation challenges.

The projects that were monitored are listed in table 6.1

[47] MEMD Ministerial Policy Statement 2013/14 (Kampala 2013)

Table 6.1 Energy Sector projects monitored in FY 2013/14

Output and Component	Location
Vote 017: Ministry of Energy and Mineral Development	
Vote Function (VF) 0301: Energy Planning, Management and Infrastructure Development	
Project: 1023: Promotion of Renewable Energy and Energy Efficiency (PREEE)	Nebbi, Arua
Project 1025: Karuma Interconnection Project (KIP)	Kiryandongo, Luwero
Project 1026: Mputa Interconnection Project	Kasese, Kabarole,
Project 1137: Mbarara-Nkenda/Tororo-Lira Transmission Lines	Mbarara, Kasese, Tororo
Project 1140: Nile Equatorial Lake Subsidiary Action program (NELSAP) (Bujagali-Tororo-Lessos and Mbarara-Mirama-Birembo)	Iganga, Mayuge, Tororo, Mbarara, and Ntungamo
Project 1024: Bujagali Interconnection Project/Bujagali Switchyard Upgrade	Jinja
Project 1212: Electricity Sector Development Project (ESDP)- Kawanda-Masaka transmission line	Mpigi, Kalungu, Masaka
Vote Function 0302 Large Hydropower Infrastructure	
Project 1183: Karuma Hydropower plant	Nwoya
Project 1143: Isimba Hydropower plant	Kayunga
Vote Function 0303 Petroleum Exploration Development Production (PEDP)	
Management of Oil and Gas Sector in Uganda	Entebbe, Hoima, Buliisa
Construction of the Oil Refinery	Hoima
Vote 123: Rural Electrification Agency	
0351: Rural Electrification	
Project 1261: West Nile Grid Extension program-GBOBA	Arua, Nebbi, Mbale, Iganga, Kasese, Rubirizi
Project 1262: Rural Electrification project	Kayunga, Jinja, Kamuli

Source: Author

Financial performance of the sector

The FY 2013/14 Government of Uganda (GoU) approved development budget to the sector was Ug shs 1,335,623,895,032. This was shared between Ministry of Energy and Mineral Development (97%) and Rural Electrification Agency (3%). Majority of the sector resources were allocated to the outputs of; Large Hydro power Infrastructure (82%), Thermal and Small Hydro power generation (5.1%), Acquisition of other capital assets (3.5%),construction of Rural Electrification Schemes(On grid)(2.5%),Oil refinery construction(2.4%),Government Buildings and Service Delivery Infrastructure (1%). The other outputs in the sector were allocated 3.5% of the budget.

A total of Ug shs 204,627,508,773 (15%) of the sector budget was released indicating a poor release performance. This was attributed to the low release of Ug shs 37,270,000,000 (3%) from the Karuma Hydro Power Plant budget (Ug shs 1,096,900,000,000) which took up 82% of the sector budget. Karuma had a low release because the financing agreement between the China Export Import Bank (EXIM bank) and GoU had not been finalized.

The sector expenditure performance was however excellent as 100% of the released funds had been spent by the end of the FY 2013/14. The absorption of the released funds over the FY were majorly noted on the outputs of; acquisition of other capital assets, construction of rural electrification schemes, oil refinery construction, large hydro power infrastructure, management of policy issues, public relations, ICT and electricity disputes resolved.

6.2 Vote 017: Ministry of Energy and Mineral Development

The vote comprises of six vote functions namely: Energy Planning, Management and Infrastructure Development; Large Hydropower Infrastructure; Petroleum Exploration Development and Production; Mineral Exploration Development and Production; Petroleum Supply, Infrastructure and Regulation; and Policy, Planning and Support Services. Monitoring focused on three vote functions as follows:

6.2.1 Vote Function 0301: Energy Planning, Management and Infrastructure Development

The vote function is responsible for promoting increased investment in power generation, renewable energy development, rural electrification, improve energy access, promote energy efficient technologies, and promote private sector participation in the energy sector.[48] The vote function took 9% of the energy sector budget.

The VF comprises of 16 projects. These are: Energy for Rural Transformation (ERT)l; Support to Thermal Generation; Promotion of Renewable Energy and Energy Efficiency ; Bujagali Interconnection Project; Karuma Interconnection Project, Mputa Interconnection Project; Mbarara-Nkenda/ Tororo-Lira Transmission Lines; Nile Equatorial Lakes Subsidiary Action Programme; Hoima-Kafu Interconnection; UETCL/ Statnett Twinning Arrangement (Phase II); Modern Energy from Biomass for Rural Development; Electricity Sector Development Project; Opuyo-Moroto Interconnection Project; Electrification of Industrial Parks, Mirama-Kikagati-Nshungyenzi Transmission Line; Kampala-Entebbe Expansion Project. A total of seven projects were monitored.

[48] MEMD *Ministerial Policy Statement 2013/14* (Kampala 2013)19

Project: 1023: Promotion of Renewable Energy and Energy Efficiency (PREEE)

Background

With support from the German Government, MEMD initiated the Energy Advisory Project (EAP) in June 1999 which ended in May 2008. In June 2008, the project was transformed into the Promotion of Renewable Energy and Energy Efficiency project (PREEEP) implemented by the MEMD with the support of German Technical Cooperation (GTZ), KfW Entwicklungsbank and the German Development Service (DED)[49]. In January 2011 GTZ, DED and InWent (another agency in Germany) merged to form Deutsche Gesellschaft fuer Internationale Zusammenarbeit (GIZ).

The project started in July 2008 and its expected completion date is June 2016[50]. The PREEEP annual report and PIP though highlight that expected completion date as January 2017 and May 2017 respectively. The programme is currently operating in its second phase which started June 2011 and is expected to end in October 2014. The PREEEP is organized into four components; Energy dissemination, dissemination of improved biomass technologies, promotion of energy efficiency; and promotion of rural electrification.

The overall objective of PREEEP is to improve access to modern energy services and the efficient use of energy by households and the private sector, especially in Northern Uganda. The total cost for phase II (under implementation) is Euros 6 million and all funds were spent.

The phase II planned outputs include; 150,000 improved household stoves disseminated, 400 improved institutional stoves disseminated, 1,000 solar home systems disseminated, 100 solar institutional systems disseminated, 100 solar institutional systems disseminated, at least 350,000 tons of wood saved each year.

The project has four vote function outputs

a) Output 030176: Purchase of office and ICT Equipment, including software
b) Output 030101; Energy Policy/Plans Dissemination, Regulation and Monitoring
c) Output 030102: Energy efficiency promotion
d) Output 030103; Promotion of renewable energy

Findings

Financial performance

The approved development budget for the project was Ug shs 1,926,893,500. The release performance was excellent as 100% was released. Table 6.2 shows financial performance of the Project 1023 for FY 2013/14 (GoU component).

[50] MEMD *Ministerial policy Statement FY 2013/14* (Kampala 2013)

TABLE 6.2 DEVELOPMENT BUDGET PERFORMANCE FOR GOU FUNDS FOR PREEEP, FY 2013/14(UG SHS)

Quarters	Releases	Expenditure	Release Performance (%)	Expenditure performance (%)
1	493,732,744	272,189,418	26	55
2	719,223,375	403,355,548	37	56
3	282,614,696	221,859,102	15	79
4	431,322,685	958,293,885	22	222
Totals	**1,926,893,500**	**1,855,697,953**	**100**	**96**

SOURCE: IFMS DATA, 11TH, JULY, 2014

Expenditure performance was excellent as 96% of the released funds were expended. Expenditure was distributed among the four vote function outputs of; Purchase of Office and ICT Equipment, including Software, Energy policy/Plans dissemination, regulation and monitoring, Energy Efficiency Promotion, and Promotion of renewable energy.

The approved budget for the vote function output: Purchase of Office and ICT Equipment, including Software for FY2013/14 was Ug shs 150,000,000 (7.78% of the project budget). By the end of the FY 2013/14, 100% of the approved budget had been released and all the released funds were absorbed. The funds were used for purchase of office equipment.

The approved budget for the vote function output energy policy/plans dissemination, regulation and monitoring was Ug shs 200,000,000 (10.38%) of the project budget. Release performance was excellent as 100% of the budget was released. Expenditure performance was excellent as 98% of the released funds were spent. The cumulative expenditures were on Contract Staff salaries (76%), travel inland (5%), maintenance – vehicles (5%), fuel, lubricants and oils (5%), printing, stationery, photocopying and binding (5%), and communications (4%).

The approved budget for the vote function output Energy Efficiency Promotion (EEP) was Ug shs 970,000,000 (50.34%) of the project budget. By the end of the FY 2013/14, 100% of the budget had been released and 94% were expended. The cumulative expenditure was on consultancy service- long term (56%), consultancy services short term (11%), advertising and public relations (7%). Other line items shared 26% of the expenditure.

The approved budget for the vote function output: Promotion of Renewable Energy (PRE) for FY2013/14 was Ug shs 606,893,500 (31.5%) of the project budget. Release performance was excellent (100%). The expenditures were 98% of the released funds. The cumulative expenditure was distributed on consultancy services short term (20%), computer supplies and information technology (15%), maintenance – vehicles (13%), small office equipment (13%), advertising and public relations (9%). Other line items took up 8%

Physical performance

Performance was good as 70% of the outputs were achieved. Over 17,000 stoves had been distributed to household and 25 stoves for productive use to Small and Medium Entreprises. The energy week was concluded and a number of promotion of renewable energy efficiency promotion activities were conducted. Table 6.3 shows the planned outputs and status of implementation for the PREEE project by end of FY 2013/14.

Table 6.3: Planned outputs and Performance Status by end of FY 2013/14

Planned Outputs	Status of implementation by end of FY 2013/14
Output 030176: Purchase of Office and ICT Equipment, including Software	
- Wind measuring equipment procured and installed - Purchase of special computer, remote data collection equipment, and software for wind data collection - Demonstration wind energy systems equipped, procured and installed	Procurement of wind measuring equipment and other equipment were concluded. Contract was cleared by the Solicitor General and awaiting signature.
Output 030101: Energy Policy/ Plans Dissemination, Regulation and Monitoring	
- Technical support provided to the Energy Resources Department (ERD) through renewable energy band energy efficiency activities - Programme to implement the energy efficiency and conservation law after approval by parliament developed	Supported training on the application of the new studio tool for capturing the energy balance. West Nile and Lango regions continue to be supported in energy mainstreaming. Request to this effect has also been received in ERD for more support in terms of capacity building of district local government to integrate energy issues in their planning. Development of the programme to implement the energy efficiency and conservation law after approval by parliament still in progress Implementation of the Energy Efficiency Strategy for Uganda (EESU) 2010-2020 continues.
Output 030102: Energy Efficiency promotion	
Energy week 2013 held	The energy week was held from 24th-28th September 2013. Preparation and distribution of awareness materials was done. Road shows in Lira and Gulu were organised under the energy explorers' campaign in support of the energy week.
Energy efficiency awareness materials developed and disseminated to targeted consumers	Materials (including Tips on energy saving for households, improved biomass technologies, fuel efficiency, Liquefied Petroleum Gas) have been developed and produced. Bill Boards, street adverts, Radio adverts, calendars and pull up banners have been developed to promote efficient energy technologies (including efficient lighting, efficient cook stoves and fuel efficiency)

Voluntary approach programme for adoption of energy efficiency standards and labels for five appliances (fridges, freezers, ac electric motors, lighting appliances and air conditioners) finalized.	Communication strategy for the adoption of Minimum Energy Performance Standards (MEPS) for five (5) appliances (fridges, freezers, alternating current electric motors, lighting appliances and air conditioners) was finalized.
Energy audits for four large energy consuming enterprises conducted	Six energy audits were carried out for energy consumers including Bakhresa grain milling, Wavah Water (U) Ltd, Kawacom (U) Ltd, Maganjo grain millers, Hotel Africana, Golf Course Hotel and energy audit reports compiled.
Small and Medium Enterprises (SMEs) Programme on identification of relevant technologies and financing opportunities developed	Development of the SMEs programme on identification of relevant technologies and financing opportunities was in advanced stages.
Energy efficient equipment installed in public institutions monitored.	Energy efficient equipment installed in public institutions. Reports in place
Energy management and cleaner production training programme conducted for energy managers, industrialists and consulting engineers conducted	Energy auditing & management training were conducted between 20th ,May to 12th, July 2013 for forty seven (47) energy managers, consulting engineers and Industrialists and certificates awarded during the energy management workshop held on 27th September,2013 at Protea Hotel
50,000 improved household stoves disseminated	17,090 stoves had been distributed to households and 25 stoves for productive use to Small and Medium Enterprises.
Output 030103 Renewable energy Promotion	
Technical support to private companies and Organizations dealing in households and institutional energy saving stoves	Follow up Business coaching for energy service providers in West Nile (Arua, Zombo, Nebbi, Adjumani and Koboko) and in Lango sub region were held.
40 institutional energy stoves disseminated	32 out of 40 energy saving stoves were disseminated to social institutions like schools, prisons, and hotels in the districts. The variation was due to the change of strategy from the NGO approach where the NGOs would be supported to construct and disseminate stoves at a subsidized cost to the commercial approach where individuals are trained to become Energy Service providers who later construct stoves and sell them to the individuals or institutions.
Bwindi, Suam Micro Hydropower and Moyo Pico Hydro monitored	The Micro and Pico Hydro Power plants were monitored through keeping track of the connections that had been made. Training on operations and maintenance of the hydro power plants operators was also conducted.
30 solar PV systems installed in 30 institutions. These include 23 health centres, four schools and three sub-counties	A total of 57 Solar panels for the first consignment were delivered to serve the districts in Zombo and Yumbe (batteries, charge controllers, lightening protection

in districts of Nebbi, Zombo, Yumbe, Otuke and Dokolo.	equipment, printer and computer), installation and commissioning was at award stage. *It should be noted that GIZ directly procures the solar panels while the rest of the accessories are procured by the best bidder who installs and commissions the entire package.* The procurement process for the second and third consignment was expected to commence in August 2014

Source: Field Findings and MEMD Performance Report

Findings

1. **Output 030102: Energy Efficiency Promotion- Improved household stoves component**

The improved stoves scheme is managed by GIZ. Between 2005 and 2008, the project was disseminating stoves through Non-Government Organizations (NGOs). However, by the project nature of NGOs operation, sustainability of the stoves project was not put into consideration. A market based technology approach was therefore adopted, taking stoves production as a business.

A commercial approach which started in 2013 was based on social marketing principles that are used to select potential entrepreneurs referred to as Energy Service Providers (ESPs). The ESPs were trained on biomass technology. A total of 23 people were trained in each region of the West Nile, Eastern, Western and Central in FY 2013/14 The ESPs were supposed to train other ESPs. Table 6.4 indicates the district against number of people trained in the West Nile.

Table: 6.4 Energy Service Providers by District

District	Trained ESPs	Active ESPS	Percentage of active ESPs
Nebbi	49	30	61
Maracha	14	7	50
Koboko	23	18	78
Zombo	30	20	67
Adjumani	28	20	71

SOURCE: FIELD FINDINGS

Table 6.4 shows that Nebbi district had the highest number of trained ESPs while Maracha district had the least number trained. The majority of the active ESPs were in Koboko, Adjumani and Zombo districts. After the training, the ESPs received three sets of moulding equipment for stoves construction.

In 2013, GIZ carried out an assessment of the project and realized that ESPs were not making many sales from the stoves business as they were not having an entrepreneurial mindset. To that end, GIZ trained ESPs in entrepreneurial skills such as; financial management, customer care, communication record management, networking, and branding. They were also given receipt books to help in credit management and marketing. Each ESP was given a branded overall to wear, business cards, a banner, and posters with their details for people to access them in sub counties.

Left: ESPs being trained in Nebbi district; Right, ESPs display some of the stoves they had built

In-depth interviews were conducted with the PREEEP coordinator, and two ESPs. An assessment of the effectiveness of the energy saving stoves was done and findings are presented in Box 6.1. Energy Saving Stoves were highlighted to be efficient. However, ESPs were not making profit as expected because the communities could not afford the stoves. The ESPs found the stoves bulky to transport to markets.

Box 6.1: Effectiveness of the energy saving stoves

Project Planning Good

The overall objective of "*improving access to modern energy services and the efficient use of energy by households and the private sector, especially in Northern Uganda*", had two success indicators.

1) The households, institutions and enterprises that are supported by the programme re-duce their energy costs by 30 % on average.
2) A minimum of 710,000 tons of wood (as well as the equivalent forest area) are con-served annually due to the interventions of the programme.

The selection criteria for the beneficiary districts in the region included;

- Rate of environment degradation based on the PREEEP districts environmental assessment report
- Direct request from the district local government

Coverage across the West Nile region was good. The ESPs were sourced in all sub counties from the districts of Nebbi, Maracha, Koboko, Zombo, and Adjumani. Sub county leaders were involved in the selection of ESPs. These were then trained in stove building techniques. The ESPs are in turn training other community members in stoves construction.

The ESPs interviewed reported that they were saving about 50% of fuel, some households have seen linkages of efficient use of cook stoves and environmental conservation

Service delivery/beneficiary Satisfaction Fair

The coordinator of PREEEP and ESPs were satisfied with the project. For example, Mr. Dudu Ismail, Arua Municipality, Arua district had received Ug shs 3,300,000 between September 2013 and March 2014 and was able to open up a retail shop.

Mr. Kiza David from Nebbi Sub county, Nebbi district earned Ug Shs 910,000 between

September 2013 and March 2014. Some of the stoves that he constructed were sold to the Democratic Republic of Congo. The main benefits highlighted by users of the stoves included; - Reduction in energy expenditure by about 50% on fuel - Reduction in time spent cooking - Increase in income for the ESPs However, some challenges were highlighted with the stoves building business. These included; - Limited market as the locals perceive Ug Shs 15,000 as high. - The income that the stoves builders are getting is little - Lack of appropriate means of transport for the bulky stoves - Some communities have not appreciated the stoves. They prefer the traditional 3 stones. Some of the recommendations proposed by ESPs included; - The project implementers should improve the awareness about the energy saving stoves - The ESPs should scale up training of other community members	
Gender and Equity	**Good**
Northern Uganda was given priority as it is still lagging behind in the development process. The selection process was conducted fairly. The selection criteria for the beneficiary districts focused on the environment degradation based on the PREEEP districts environmental assessment report. The selected districts had a high level of environmental degradation. Both men and women were trained in building stoves. Benefits reported by users addressed gender issues for example reduced cooking time allows women to undertake other productive activities	
Operation and maintenance	**Fair**
The coordinator of the project and ESPs indicated that training is given on how to operate and maintain the stoves. The ESPs are able to follow up their clients who stay in the nearby areas.	

Source: Field Findings

Overall challenges to PREEP Project included;

- Non responsiveness of bidders during the procurement of the wind measuring equipment and other accessories.
- Limited market for the energy saving stoves due to low incomes.
- Lack of transport to take the bulky energy saving stoves to the distant markets

Implementation challenges in Northern Uganda;

The project coordinator highlighted the following challenges

- Competition between the 3 stones verses improved technologies.
- Low household incomes limits the purchase of the stoves
- The PREEEP is politicized as communities are tagging it to 2016 votes and therefore want it free.

Analysis

Link between physical and financial performance

The FY 2013/14, GoU development release was Ug shs 1,926,893,500. Expenditure performance was excellent. These funds were spent on contract staff salaries and long term consultancy services. As donor support, a block figure of Euros 6 million was for GIZ- phase II funding was quoted but no desegregation was given on expenditure by line item. In spite of this limitation, a number of achievements had been made such as; stoves dissemination, support to the energy week, training operators of micro and Pico hydro power plants, procurement of solar PVs for social institutions, among others.

Achievement of set targets

Achievement of set targets was good as 70% of the outputs were achieved by the end of the FY. However, there were some setbacks to project implementation such as; non-responsiveness of bidders during the procurement of the wind measuring equipment and other accessories. The planned target of disseminating 50,000 improved household stoves by the end of the year achieved 34%. The low level of achievement was attributed to the change in approach from distributing and constructing stoves by MEMD to training the beneficiaries (Energy Service Providers) in stoves building and there after carry it on as a business, with a view to ensure sustainability.

Conclusion

The PREEP performance was good in enhancing access to renewable energy technologies. Over 17,000 Energy saving stoves were disseminated across the country to FY 2013/14. Efforts of increasing energy efficiency also progressed well. Energy week was concluded, several training on energy efficiency were conducted. However, most of the expenditures in the PREEE project were on contract staff salaries and consultancies. The GIZ support to the energy stoves component also focused more on technical support, other than actual implementation of the project.

The project was affected by delayed completion of the procurement process for wind measuring equipment and solar PVs. This was attributed to non-responsiveness of bidders and the lengthy GIZ procurement process respectively. The energy service providers were also, still faced with issues of limited market. This is due to lack of transport to take the stoves to distant markets, poverty of would-be buyers, and the unpopularity of the stoves in preference for the traditional three stones.

Recommendation

- The MEMD should hold negotiations with GIZ to also focus their effort on actual implementation and supporting beneficiaries to sustain the project other than providing technical support.
- The MEMD should improve on procurement processes management.

Project 1025: Karuma Interconnection Project (KIP)

Background

The GoU has prioritized the construction of the interconnection line in order to evacuate power from Karuma Hydro Power Plant (HPP) to the national grid. The objective of the interconnection line is to provide adequate transmission capacity for evacuation of electric power from the Karuma Hydropower station. The Public Investment Plan (2013/14-2015/16) indicates that the start date of the project was July 2008 and Expected completion date was June 2012 but this will be revised to a later date after finalization of the financing agreement between GoU and the EXIM bank. Project cost is Ug Shs 191.5 billion[51].

The transmission line traverses the districts of Oyam, Lira and Kole for the Karuma – Lira section; Nwoya district for the Karuma- Olwiyo section; and Kiryandongo, Masindi, Nakasongola, Luwero and Wakiso for the Karuma-Kawanda section.

Expected outputs include;

i. Construction of Karuma- Kawanda 400kV (approximately 265Km),
ii. 132kV line Karuma- Lira 132kV (approximately 80Km),
iii. Karuma- Olwiyo 132kV (60Km) transmission lines, and
iv. Construction of associated substations.

The planned outputs for FY 2013/14 were; way leaves for the lines acquired, and Supervision consultant procured.

Findings

Financial performance

The approved GoU development budget for the project in FY2013/14 was Ug shs 1,920,000,000 of which Ug shs 960,000,000 (50%) had been released to the MEMD by end of FY. All the released funds were transferred to UETCL.

The transferred funds were used for implementation of the Resettlement Action Plan (RAP), engineering design studies, and plans for capital works. The total budget for the RAP implementation was Ug shs 78.6 billion and by the end of June 2014, the cumulative amount of Ug shs 6.7 billion had been paid out to the project affected persons.

The Engineering, Procurement and Construction (EPC) works are expected to be financed by the China EXIM bank at US$ 289,910,000. By 30th June 2014, no disbursements had been made as the financing agreements had not been signed

Physical Performance

The evaluation surveys for the Resettlement Action Plan (RAP) started in January 2011 and ended in November 2012. Compensation of Project Affected Persons (PAPs) should have commenced by January 2013. However, the exercise started in June 2014 and expected completion date was shifted from June 2014 to June 2015.

By the end of the June 2014, 222 PAPs had been compensated. Additional group and individual disclosures[52] were ongoing. Preparations of compensation packages for the PAPs who had consented but had not yet been paid were also ongoing. It was also noted that the RAP consultant had not yet been procured. The advertisement was published in May 2014, almost a year after commencement of the RAP implementation. This has affected the RAP implementation since the consultant is vital in dispute resolutions and timely completion of compensation. Figure 6.1 summarizes the Resettlement Action Plan Implementation by the end of June 2014.

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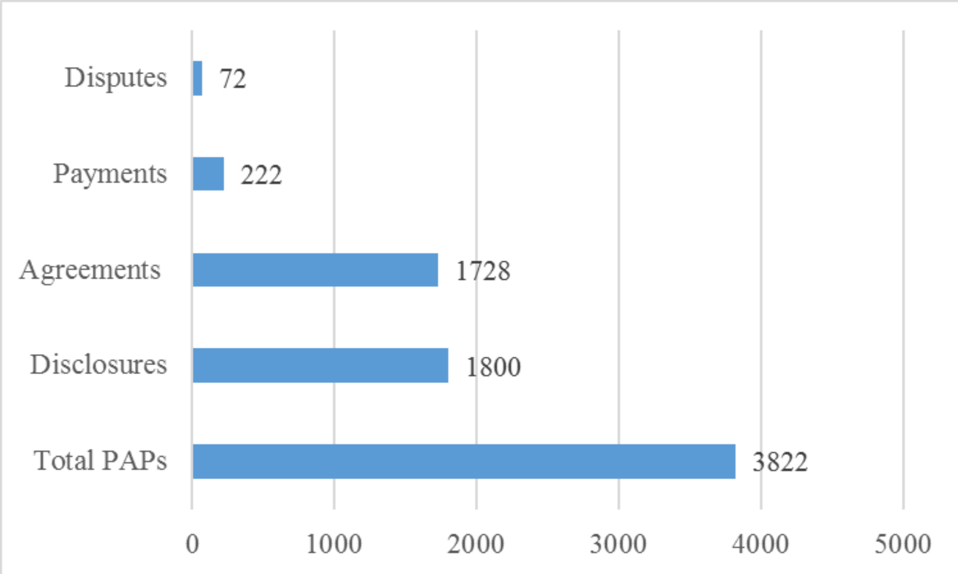
[51] MEMD *FY 2013/14 Ministerial Policy Statement* (Kampala 2013)

[52] This refers to an act of informing people, whose land is on the project path, about government's intention to implement a project and the compensation packages due to the Project Affected people.

Figure 6.1: Status of RAP implementation on Karuma Interconnection Project



Source: UETCL, Field findings (July, 2014)

Figure 6.1 shows that 47% of the PAPs had received disclosures for the affected property of which 96% have agreed to the disclosed packages. The payments made by the end of June, 2014 were 13% of those who agreed to the packages while 4% of those who received disclosures to have disputed the values. The disputes were due to disclosed property values which were perceived as low.

The low number of payments to the agreed PAPs was partly because 90% of the affected land particularly on the Karuma- Kawanda section is private mailo land. Some of those who have titles are 2nd, 3rd and 4th generation owners without having the titles in their names. Those with untitled land cannot sell or relinquish land before the consent of the land lord. Processes of title transfers take long, coupled by absentee landlords.

In addition, the RAP implementers received the valuation report late. The valuation report was received at the Chief Government Valuer's (CGV) office in September 2012 while approvals were done in December 2013. The disputes were due to the low compensation packages especially in town councils. An acre in Kigumba Town council in Kiryandongo district was valued between Ug shs 2,000,000 to Ug shs4, 000,000 a rate lower than the market price of the same size in the same location. In Nakasongola district some PAPs had received a disclosure of Ug shs 300,000 for the affected land which had been purchased at Ug shs 1,300,000. In other cases, the entire land for the PAP is affected as it may traverse the entire middle section and yet no significant activity can be implemented on either side of the free land. On the other hand, only the Right of Way (ROW) is fully compensated.

Ms, Nabatanzi Efransi, from, Kasaala village, Luwero Sub County, Luwero district, was away during the disclosure exercise. Her nephew, a co-owner of a neighboring smaller piece land registered as the land owner for the whole piece of land. At the time of payment, the cheque could not be given to either of them. Payment was therefore halted until the rightful owner is established. Such disputes are solved by a RAP consultant, who was not procured by 18th July, 2014.

Complaints concerning RAP implementation from PAPs included:

- Inability for PAPs to further develop of their land or renovate their houses due to uncertainty of when they will be compensated.
- Delayed compensation amidst inflation.
- Low valuation of their property compared to the prevailing market price.
- PAPs are forced to vacate their land and yet they are given little money which cannot purchase and build houses.

Some of the PAPs in Kiryandongo district, Bweyale Town Council, and Luwero district were interviewed to obtain their views about the RAP implementation.

Box 7.2 shows implementation of the Resettlement Action Plan in KIP.

Box 7.2: Implementation of the Resettlement Action Plan in KIP

Mr. Dalobo Francis, Bweyale Town council, Kiryandongo district, said that he did not receive any official communication about the right of way corridor and way leaves. His land was registered as his father's. He had neither been compensated nor told how much he would receive. ''*… I plan to go to court to have the compensation issues resolved. I stopped meaningfully using my land three years ago. I fear to plant perennial crops.''*

Mr. Alyon Rashidi Shaban decried the little money UETCL promised for his affected property and declined to sign the compensation forms. The affected property included: Three grass thatched houses, coffee plantations, avocado trees, and his land measuring 80X70 feet. He noted that the package of Ug shs 300,000 disclosed to him was far less than the amount he purchased the land of Ug shs1, 600,000. They valued his house at Ug Shs 900,000. *''... If they are ready to build me a house in the town council and shift me, it's ok. My house has started leaking but I cannot waste my money when I expect to relocate and my additional cost will not be compensated. They want to compensate me Ug Shs 50,000 for the pit latrine and yet just excavating one meter is Ug Shs 20,000''*

Mr. Mukasa Francis, Luwero SC, Luwero District, says his houses and crops were undervalued. His house was cemented, plastered and near social facilities like schools and the main road. They were offering him Ug Shs 20,000,000 for the houses and crops. He says that buying a new plot of land is about Ug Shs 7,000,000 and building cannot take only Ug Shs 13,000,000. He recommends that when government decides to implement such programs, they should engage owners of the land to negotiate a fair price.

Source: Field Findings (July, 2014)

Left: Mr. Alyon Rashidi Shaban in his compound. Right: A PAP not yet compensated due to land disputes. Both PAPs are from Bweyale Town Council, Kiryandongo district

The PAPs recommended that:

- The UETCL should use the most update property rates during compensation.

Major challenges that affected project Implementation included;

- The delayed procurement of the RAP consultant is slowing down project implementation.
- Delay in approvals of the RAP valuation report by the Chief Government Valuer. Lack of proper land ownership documents by the majority of PAPs for the affected mailo land making verification and payments difficult

- Land disputes among family members.
- Poor valuation due to omissions of some property for the PAPs such as graves or fences by the valuation consultant increased disputes in compensation packages.
- Inaccurate recording of the rightful property owners.
- Use of old land rates for valuation.

Analysis

Link between Financial and Physical performance

By the end of FY 2013/14, Ug shs 1,920,000,000 (50% of the approved budget was released) and expended. From the start of the RAP implementation, Ug shs 6.7 billion was used to compensate the 222 project affected persons out of 3822 PAPs. The unspent funds were awaiting conclusion of the disputes in valuations, transfer and mutation of the titles for the land required by UETCL. The funds for the EPC works had not been disbursed as the financing agreement had not been finalized. Therefore, construction woks had not commenced.

Achievement of set targets

Achievement of key targets for Karuma Interconnection Project was below average. The RAP implementation should have been concluded by the end of FY 2013/14. However, only 6% of total transactions had been concluded. The low payment was partly due to delays in concluding disputes regarding payment. In addition, the rate of disclosure to the PAPs was low as only 47% had been informed about the intention for UETCL to use their land for the Karuma Interconnection Project. Only RAP implementation was ongoing as the supervision consultant had not been procured.

Conclusion

Karuma Interconnection project was performing poorly. The RAP implementation was slow as only 47% of the disclosures had been made. The slow pace of the RAP implementation was majorly due to low valuations of the property. Delays were further caused by the lack of a RAP implementation consultant.

Recommendations

- The UETCL should fast track procurement of the RAP implementation consultant to reduce on project delays.
- The UETCL should strengthen the capacity of the procurement department.
- The UETCL should enhance supervision of property valuation consultants to increase accuracy in data capture.

Project: 1026: Mputa Interconnection Project (Nkenda- Hoima transmission line)

Background

With the discovery of oil and development of power plants in the Albertine region, it was necessary to develop a transmission network. Nkenda- Hoima project is intended to extend the transmission grid in Western Uganda and evacuate electricity from the proposed Kabaale thermal power plant, and mini-hydros in the project area. The transmission line traverses the districts of Hoima, Kibale, Kyenjojo, Kasese, and Kabalore.

The objectives of the project include; a) meeting the energy needs of the Ugandan population for social and economic development; b) provision of adequate transmission capacity to evacuate power generated from Mputa thermal Power Plant; c) Provision of hydro/thermal generation mix to mitigate hydro power.

The project started in July 2008 and was expected to be completed in June 2014. However the completion date has been revised to August 2016.

The PIP (2013) states that planned expenditure for the project is Ug shs 211.7 billion. The project is jointly financed by Government of Norway (all transmission line works and 70% of the supervision consultancy costs; 300,000,000 NOK grant), the French Agency for Development (all substation works and 30% of the supervision consultancy costs; US $ 23,000,000), and the Government of Uganda (compensation of Project Affected Persons and monitoring, supervision, and appraisal of capital works, and other fixed assets; 39,369,284,715).

The Mputa Interconnection project outputs include;

- Construction of 226km of 220kV double circuit line from Nkenda through Fort Portal to Hoima substations.
- Nkenda substation extension-132 busbar extension, and two in-coming 220kV line feeder bays.
- Hoima 220 substation including 2x132/33kV power transformer; 33kV indoor switchgear and 10 33kV line bays

Planned outputs for FY2013/14 were:

- Construction of Nkenda-Hoima 220kV transmission line and associated substations.
- Way leaves acquired.

Financial Performance

The GoU development budget for the project was Ug shs 1,500,000,000 of which Ug shs 741,666,667 (49%) was released by the end of June, 2014. The release performance was relatively below average while transfer and expenditure performance was excellent. All the received funds were transferred to UETCL. Expenditures were to be made on monitoring, supervision, and appraisal of capital works, and on other fixed assets. Table 6.5 highlights the financial performance for project 1026 for FY 2013/14.

Table6.5: Financial Performance of project 1026 for FY2013/14 (Ug shs)

Quarters	Approved Budget	Releases from MFPED	Transfers to UETCL from MEMD	Release Performance (Percentage)	Transfers Performance (Percentage)
1		166,666,667	166,666,667	11	100
2		275,000,000	275,000,000	18	100
3		300,000,000	-	20	0
4		-	300,000,000	0	100
Totals	1,500,000,000	741,666,667	741,666,667	49	100

Source; IFMS Data 11th July, 2014

The total amount for RAP implementation as shown in table 6.6 is Ug shs 39,369,284,715 of which 36% had cumulatively been paid out to the PAPS. The unpaid out money relate to the PAPs whose compensation issues have not been resolved.

Table 6.6 Way leaves and Easements (RAP Implementation)

Total Amount (Ug shs)	Cumulative amount disbursed to June 2014 (Ug shs)	Unpaid balance (Ug shs)
39,369,284,715	13,980,411,505	25,388,873,210

SOURCE: UETCL

Table 6.7 shows that 21% and 13% of the grant and loan from the Royal Norwegian government and the French Agency for Development respectively were received by the end of June 2014. The disbursement is on schedule and within the disbursement requirement of the project. The funds were spent on the preliminary activities of the project including consultancy services for supervision and project management of EPC works for transmission lines and substations.

Table 6.7 Donor financial performance to end of FY2013/14

	Total Grant/Loan amount		Total drawn to date		Percentage drawn from NOK	Percentage Drawn from US$
AMOUNT	NOK300,000,000	US$23,000,000	NOK63,570,793	US$3,000,000	21%	13%
US$ equivalent (approx.)	US$52,100,000	US$ 23,000,000	US$10,364,521.56	US$3,000,000	20%	13%

Source: UETCL

The table 6.8 below shows the contract amount and disbursement to the contractor for the consultancy services for supervision and project management of EPC works for transmission lines and substations.

Table 6.8: Consultancy services for supervision (exclusive of taxes)

Contract Amount	Amount disbursed January- March,2014	Cumulative amount disbursed to June,2014	Balance
EUR2,191,327.5	EUR 59,237.92	EUR 59,237.92	EUR 2,132,089.58
Ug shs 349,222,500.o	Ug shs 3,984,750	Ug shs 3,984,750	Ug shs 345,237,750.o

Source: UETCL

Physical Performance

a) Construction of Nkenda-Hoima 220kV transmission line and associated substations.

No construction works on either the transmission line or substation had commenced. Works are still at procurement stage. Construction is hoped to commence in February 2015.

Implementation of the Resettlement Action Plan

By the end of FY 2013/14, the Right of Way for the construction of the transmission line should have been acquired. Table 6.9 shows that corridor acquisition is at 79%. Additional eight land sites were procured to accommodate the construction of the houses for the 35% remaining Physically Displaced and Vulnerable People (PDPs). Construction of the 33 houses will begin after the award of the construction contract for resettlement houses whose process is at approval stage.

Table 6.9 RAP Implementation Performance for FY2013/14

Planned progress on Output	Summary of Progress of Execution	Comments/Challenges
Way leaves corridor acquired. Total transactions: 1,855	Disclosures: 1,826 (98%) of the total PAPs Agreements: 1,593 (87%) of the disclosed PAPs Paid: 1,459 (92%) of the agreements Disputes: 233 (13%) of the disclosed PAPs.	Completion of disclosure was hindered by legal and valuation queries, which will be handled by the RAP implementation consultant. Procurement for a consultant was at post-negotiation stage.
Construction of Resettlement houses.	Over 65% achieved (62 houses have been handed over to beneficiaries). Procurement is underway for a new contractor to complete the works.	The works stalled due to the contractor's abandonment of site. The procurement of a new contractor was embarked upon, and this was at evaluation stage. Four resettlement houses were visited. All works are shoddy evidenced by cracked walls, floors and ceiling, as shown in the pictures.
Acquisition of land for the corridor	Progress on acquisition of substation sites is currently slowed down by PAPs' rejection of compensation packages.	Rejected packages are to be re-valued by the RAP implementation consultant.

Source: UETCL

In principle, a resettlement action package should leave the PAP in a better or at least in the condition as they were before the resettlement. However, evidence shows that PAPs are disgruntled with the meagre compensation packages for their property. Some of the resettlement packages include; Ug shs 11,000,000 for destruction of rental houses and trees. The PAP highlighted that she spent more than the quoted amount for construction of her houses; Ug shs 340,000 for a piece of land; Ug Shs 6,090,000 for destruction of Moringa trees, toilet and kitchen.

Ms. Kamala Edreda leaves in Kisanga village, Kichwamba SC, Kasese district. The property that was affected included; a house, piggery, latrine and trees. She was offered Ug shs 2,710,100. The plot is too small and no other house can be constructed in the same plot. She thought that the company would allow her to use the toilet and kitchen but she realized that they are going to be demolished. She appeals to government to buy for her land and relocate her.

Left: A PAP in Kitcwamba Sub County, Kasese district cannot make developments on the house and yet payment has delayed to enable her relocate. Right: Shoddy resettlement house in Rwimi Sub county, Kabarole district

A number of challenges delaying project execution as highlighted by UETCL officers were;

- Land resale after valuation leading to land disputes.
- Delay in payments between the valuations carried out in 2008 and compensations which started in 2010. In the process, some PAPs died, and cases of absentee landlords arose, and some PAPs made developments on the area
- Differences in compensation values to PAPs affected by different government projects in the same area (Oil Refinery, UNRA, UETCL)
- Some of the PAPs refuted the values offered by GoU claiming that what was offered could not buy land elsewhere.
- There are some PAPs that are influencing others that government has money and therefore they should not accept low compensation packages
- Some PAPs did not have land titles by the time of valuation. Over time, titles are acquired which changes the value of the land.
- The total number of houses agreed for the vulnerable PAPs was 95 and yet there are so many vulnerable people on the corridor. The vunerable PDPs that were not promised compensation packages fear that they may remain homeless.

Analysis

Link between Financial and Physical performance

By the end of FY 2013/14, 49% of GoU approved budget had been released and all funds spent. In addition, 20% was released from the Government of Norway and 13% from the French agency for development. Implementation of the RAP since the start of the project was 57% against the planned target of 100%. Low valuation of land was the major issue causing disputes among the PAPs. The contribution from the donors was used to pay for the consultancy services for supervision and project management of EPC works for transmission lines and substations. No construction works had begun.

Achievement of set targets

Achievement of targets for the financial year was below average. By FY 2013/14 the way leaves corridor should have been acquired. Construction of the transmission network and substations should also have commenced. By the end of the financial year, RAP overall implementation was at 57% (Cash compensations and construction of resettlement houses). Construction of the line and substations had not commenced as the EPC contractor had not yet been procured.

Conclusion

Overall project performance was below average. Delay in the completion of the RAP was caused by delayed payments due to disputes over low valuation of land, land ownership, and speculation. A total of 1,459 out of 1,855 PAPs had been compensated and 62 out of 90 PDPs had received their houses. Substandard works were noted on the seven houses sampled. Construction of the transmission line had not commenced as planned in the FY2013/14.

Recommendations

- The UETCL in partnership with local leaders need to intensify sensitization of the PAPs about ROW and way leaves payments process.
- The UETCL should fast track all procurements to avoid project implementation delays.
- There is need for government to come up with fair compensation values for all projects that use way leave corridor.

Project 1137: Mbarara – Nkenda/Tororo –Lira Transmission Lines

Background

The Government of Uganda (GoU) received funding from African Development Bank (AfDB) towards the implementation of Mbarara-Nkenda and Tororo-Lira Transmission Lines Project. The project is aimed at expanding and strengthening the national transmission grid. This project will boost economic growth in western and eastern Uganda.

The objective of the project is to transmit electricity from upcoming power plants and to improve electricity access, lower transmission losses, increase power efficiency, reliability, stability and quality of supply to consumers in the country.

The project started on 22nd May 2011 with a completion date of 31st December 2013, revised to 31st December 2015. The outputs of the project were; acquisition of ROW through compensation and resettlement of PAPs; procurement of a contractor for the works; and construction of Mbarara-Nkenda 132kV (160km) and Tororo-Opuyo-Lira 132kV (260km) transmission lines.

The planned outputs for FY2013/14 were; construction of Mbarara- Nkenda and Tororo-Lira transmission lines, construction of associated substations, and RAP implementation. Total planned expenditure for the project is Ug shs 81.2 billion. The source of funding is African Development Bank.

Findings

Financial Performance

The approved budget for the project in FY2013/14 was Ug shs 5.4 billion of which Ug shs 3.562 billion (66%) was released by the end of the FY. All the released funds were transferred to UETCL from MEMD. The transferred funds were to be spent on engineering and design studies; plans for capital works; monitoring, supervision and appraisal of capital works; and other fixed assets.

Table 6.10 shows the budget for RAP implementation. Approved budget for the RAP sub-component is Ug shs 63,617,611,030 of which 81% had cumulatively been paid out by FY 2013/14.

Table 6.10 Budget and payments to PAPs to FY2013/14

Disbursement	Ug shs
Budget Amount	63,617,611,030
Cumulative Payments by end of FY2013/14	51,840,410,379

Source: UETCL

Donor financing for Project 1137

The African Development Bank disbursed Unit of Account (UA) 14,406,925.91 by the end of FY2013/14. Table 6.11 indicates the donor release performance for the project.

Table 6.11: Loan amount and Disbursements for FY2013/14

	Disbursement	AfDB (ADF)	Exchange Rate	Ug shs Equivalent
(i)	Loan Amount	52,510,000	3,919.93	205,835,524,300
(ii)	Disbursement to Date	14,406,925.91	3,919.93	56,474,141,082
(iii)	Un Disbursed Balance	38,103,074.09	3,919.93	149,361,383,218
(iv)	% of Loan Disbursed	27.44		27.44%

Source: UETCL

Financial performance of the contractor

The original contract was revised to cater for the change of scope from a single circuit to double circuit line for the Tororo- Lira line. By the end August, 2014 US$7,751,981 and Ug shs 2,543,036,351 had been paid to the EPC contractor for lot. 1. The payments were for supply of insulators, conductors, hardware, and erection of the towers. The Table 6.12 summarises financial performance for lot. 1

Table 6.12: Financial performance of Lot.1: Tororo- Lira transmission line

Particulars	US$	Ug shs
Original Contract Value	16,691,969	14,391,424,096
Add. : Amendment Increase	5,445,061	1,306,577,559
Revised contract value	22,137,030	15,698,001,655
Original Advance @ 20% Received	3,338,394	2,878,284,819
Add : 20% Advance on Amendment Increase Received	1,089,012	261,315,512
	4,427,406.00	3,139,600,331.00
Outstanding Summary Status as on 31.08.2014		
Total Amount of Invoices raised	15,895,571	4,759,594,358

Less : 20% Advance	3,179,114	806,710,909
Less : 10% Retention	1,589,557	403,355,452
Less : Withholding Tax		
	-	242,013,274
Amount Receivable	11,126,900	3,307,514,724
Amount Received	7,751,981	2,543,036,351
Amount Outstanding as on 31.08.2014	3,374,919	764,478,373

SOURCE: KALPATARU POWER TRANSMISSION LIMITED

A total of US$ 10,112,514 and Ug shs 3,230,824,577 had been paid to the contractor from UETCL. The payments were for supply of construction materials and erection of towers. The other component of the payments is for supply and construction of the associated substation which was contracted to the Kalpataru Power Transmission Limited consortium partner M/s Techno. Table 6.13 indicates the payments to the contractor

Table: 6.13 Financial performance of Lot.2: Mbarara- Nkenda Transmission line

Particulars	US$	Ug shs
Original Contract Value	28,193,637	18,025,797,444
Add. : Amendment Increase	3,227,284	2,097,484,789
REVISED CONTRACT VALUE	31,420,921	20,123,282,233
Original Advance @ 20% Received	5,638,727	3,605,159,489
Add : 20% Advance on Amendment Increase Received	645,457	419,496,958
	6,284,184.20	4,024,656,446.61
Outstanding Summary Status as on 31.08.2014		
Total Amount of Invoices raised	22,960,176	7,109,714,843
Less : 20% Advance	4,592,035	1,205,036,414
Less : 10% Retention	2,296,018	602,518,206
Less : Withholding Tax	-	361,510,924
Amount Receivable	16,072,123	4,940,649,299
Amount Received	10,112,514	3,230,824,577
Amount Outstanding as on 31.08.2014	5,959,609	1,709,824,722

Source: Kalpataru Power Transmission Limited

Physical performance

The overall RAP implementation was at 72%. Table 6.14 outlines planned and achieved activities under project 1137 for FY 2013/14 as highlighted in the MEMD quarterly work plan.

Table 6.14 Status of RAP implementation to FY 2013/14

Planned outputs	**Actual Physical Performance**
Fully acquired way leaves	RAP implementation for Tororo-Lira-Opuyo was at 77% while Mbarara-Nkenda is at 67%
Mbarara-Nkenda and Tororo-Lira transmission lines constructed Construction of Mbarara, Nkenda, Fort Portal and Tororo substations.	The works were mainly at foundation level. On the Tororo-Lira-Opuyo line, 282 out of an estimated 740 foundations were complete and 99 towers had been erected. On the Mbarara-Nkenda line, 130 out of an estimated 321 foundations were complete and 66 towers had been erected. A total of 51 out of 131 monopole foundations have been completed.

Source: Field findings

a) Resettlement Action Plan implementation – Lot 1 (Tororo-Lira-Opuyo line)

Compensation of the PAPs commenced in July 2011. The expected completion date was extended from December 2014 to May 2015. The total number of transactions is 4,674. By the end of the FY2013/14, a total of 4,414 (94%) of the total PAPs had received disclosures of which 3601 PAPs (93%) of the PAPs disclosed to had been paid while 527(12%) of the total PAPs disputed the disclosed amount. A total of 50 houses were planned for the vulnerable but Physically Displaced People (PDP). By the end of the FY 2013/14, 47 houses had been constructed. Works for the houses was substandard as evidenced by cracks on the floors and walls. Construction of the houses was not completed as the contractor (Lamba Investments) abandoned sites. UETCL is procuring another contractor to continue with the works. Table 6.15 summarizes the RAP implementation.

Table: 6.15 Summary of RAP implementation for Tororo-Lira-Opuyo

	Number of PAPs	Percentage Performance
Total PAPs	4674	100
Disclosures	4414	94
Agreements	3887	88
Payments	3601	93
Disputes	527	12

SOURCE: UETCL AND FIELD FINDINGS

The UETCL cultural team also carried out a Community Development Action Plan to exhume the bodies that are in the Right of Way (ROW). A total of 1,400 graves are to be exhumed. This exercise has not yet started. On the Tororo-Lira-Opuyo line a needs assessment was carried out on the cultural activities to be incorporated in the project.

b) Lot. 2: Mbarara- Nkenda Transmission line RAP implementation

RAP implementation commenced in 2011. By 29th, June, 2014, 1084(89%) of the agreed PAPS had been compensated. It was also noted that due to line route diversions 353 new PAPs were registered which increased the number from 1267 to 1620. More diversions were expected to cater for the very hilly areas of Nkombe Hills in Rubirizi district. A total of 50 houses were to be constructed for the PDPs. Construction had commenced for 20 out of the 50 houses until December 2012 when the contractor abandoned site. Procurement for a new contractor was ongoing. Table 6.16 summarizes progress of RAP implementation.

Table 6.16 Status of RAP implementation for Mbarara- Nkenda by end of FY 2013/14

	Old Total	New Entries	Total Number of PAPs	Percentage Performance
Total PAPs	1267	353	1620	100
Disclosures	1247	252	1499	93
Agreements	1051	170	1221	81
Payments	1037	47	1084	89
Disputes	196	82	278	19

Source: UETCL

Summary of RAP implementation based on the discussions with the PAPs for Tororo-Lira-Opuyo and Mbarara-Nkenda transmission line

An average of 72% of the PAPs had been compensated on the Tororo-Lira and Mbarara-Nkenda transmission lines. A total of 27 PAPs were interviewed on the Mbarara-Nkenda and Tororo-Lira-Opuyo transmission lines. The PAPs noted that valuations were made in 2009 and while compensations commenced in 2011.

None of the PAPs interviewed was satisfied with the RAP implementation. About 56% mentioned that the resettlement package was not enough for them be relocated to another area. For example, Ms Nakalanzi Nganwa of Kabohe Itendero Town Council was promised Ug Shs 40.000.000 for 8 acres of land where the line is passing. This land has got a house, banana plantation and kitchen. She rejected the package and asked for a re-valuation. She is on the main road and can do her business with ease. Relocating to a remote place will disrupt her business.

PAPs that indicated that there has been a long time lag between disclosure and actual compensation were 56%. The time lag partly led to a number of queries on the disclosed values.

About 37% of the PAPs mentioned that some of their property was not valued. This led to queries, most of which have never been rectified. For example, a PAP in Pallisa district highlighted that it is now a year since he signed for the money, after addressing the query.

About 30% of the PAPs interviewed mentioned that their condition of living is worse than it was before the resettlement program. They were told not to make any developments on the areas from the time the valuations were done. They cannot renovate their homes; some cannot improve their plantations as they know that any time they are vacating the areas. This has slowed down economic and social progress in the affected areas. A PAP in Pallisa was promised a house but to date, construction has not commenced. The house where she is staying is weak and almost collapsing.

Approximately 11% of the PAPs mentioned that they were asked to sign before knowing what they were signing for. In Ngora district, a PAP was paid Ug shs 154,000 for his land where the pylon is to be located. He was told to sign without knowing what he was signing for. His crops were also destroyed when construction started.

There were cases where the contractors reportedly destroyed people's food and threatened to forcefully utilize the land. Note that once the compensation is done, the PAPs are given a grace period of 6 months to stop using the land. However, there is a long time lag between compensation and actual implementation of the project. This leaves the PAPs in a state of uncertainty when the project will commence.

In Pallisa, construction is going on without compensation and the PAPs have a fear that they may not be compensated. Property valuation was done in 2009 and actual compensation started in 2012. Some PAPs say that they will not allow the contractor to access their land before compensation. Foundations for the towers have been constructed. However, they have decided that no stringing will commence unless all payments have been done. The PAPs threatened to cause havoc.

Resettlement house for a PDP in Awoja SC, Soroti district. Shoddy work inside the house as evidenced by cracks in picture on the right

Challenges

- Low valuation rates for PAPs. All the values used were for 2009.
- Long time lag between valuation and actual compensation of the PAPs.
- The RAP implementation consultant is not yet procured
- On the Tororo-Lira-Opuyo line, two villages are also affected by Bujagali-Tororo line. These two projects implemented by UETCL offered different compensation packages.
- There is a proposed diversion in Ojele village, Soroti district. This is because the initial routing was going through a community school and trading center which the community was not willing to forego.
- Absentee landlords who destruct work when they turn up.
- On the Mbarara-Nkenda line, the design reviews were yet to be finalized. This was due to the inaccessible hilly route in Bunyaruguru.
- There are delays with the office of the CGV over approving valuations as they were reportedly understaffed.

Recommendations

- There is need for government to come up with a fair package for the PAPs. This should put into consideration inflation.
- The UETCL should timely compensate the PAPs.
- The UETCL should increase sensitization of the PAPs on land acquisition and usage of the ROW and Way leaves.
- The UETCL should procure competent consultants both for the RAP studies and actual implementation.
- The CGV should timely review reports.
- The UETCL planning department should work together with project implementation unit right from feasibility studies.

c) Engineering Procurement and Construction works

Work was behind schedule. Overall completion of both transmission lines is 38%. Table 6.17 shows the progress of EPC works for the Tororo-Lira and Mbarara Nkenda transmission lines.

Table 6.17 EPC works on Mbarara-Nkenda/Tororo-Lira-Opuyo Line

Lot 1: Construction of 264 km 132kV Tororo- Opuyo- Lira transmission infrastructure
The contract start date was 26th February 2013. The transmission line traverses 10 districts of Tororo, Mbale, Palisa, Bukedea, Kumi, Ngora, Soroti, Kaberamaido, Dokolo, and Lira. By the end of FY2013/14, the total route approved was 99%. Total Dynamic Cone Penetration Test (DPCT) completed was 575 out of 740 locations (78). Total excavations complete were 310 out of 740 (42%). Total foundations complete were 282 out of 740 (38%). Access road for the swampy section along with platforms for 22 towers had been completed out of 27 approved Pile foundation locations (81%). Tower erection completed was 99 out of 740 (13%). The Factory Acceptance Tests (FATs) for the equipment had all been completed. Total tower materials received was 70%.
Installation of reactive power compensation equipment at Opuyo substation
Excavation works had not commenced. The process for complete acquisition of the land was yet been concluded. The 15 Mega Volt Ampere(MVar) Shunt Reactor was received at site but not yet installed.
Lot 2: Construction of 160 km132kV double circuit Mbarara-Nkenda transmission line
Works started on 9th April 2013, and were expected to be completed in October 2014. However, a six months extension was granted to the contractor due to increased scope of work. The increased scope includes; use of a double circuit for lot A and changing the substation equipment at Nkenda and Opuyo substation. The project is behind schedule by one year. The project is 35% complete. Total route approved is 152.943 km out of 158.2 km expected route (97%). All the required staff had been mobilized. Equipment mobilization was at 90%. A total of 34 sets of Monopole and 320Metric Tonnes (MT) of Tower materials were received during the month. Total DCPT completed was 421 out of 452 locations (93.1%). Total tower excavations completed was 130 out of 321 tower locations. A total of 130 tower foundations were completed. Total tower erection complete is 66 out of 321 towers. Monopole foundation excavation in Queen Elizabeth

national park was 110 out of 131 locations. Monopole foundations completed is 51.

The key challenges noted included;

Right of way issues which affected construction of 27 towers;

Delayed payment of contractors affected the cash flows. Usually, it takes 100 days to effect a payment instead of the 45. There are 52 invoices pending payment and 30 were submitted more than 100 days before.

Delay in clearance of imported materials at the Ugandan boarder. Goods were in Mombasa as the MEMD had not paid the taxes.

Fort Portal Substation

The works commenced in January 2014 and expected completion date was revised from October 2014 to February 2015. The time extension was granted by UETCL due to their delay in approval of the substation drawing. The client and supervision consultant approved the drawings in April, 2014. Overall physical progress was 70%. It was noted that the final commissioning and hand over of the project would be concluded upon completion of the 132kV transmission infrastructure of Mbarara-Nkenda.

Mobilization of equipment was at 100%. Concrete works for the excavated foundations were complete. The foundation for the equipment was at 100%. Backfilling of excavated foundation was completed at 70%. Lay out of foundations and CRB is complete. Further excavation is being started. Civil works for the control room building was at 20%. The access road was completed.

Old Mbarara Substation

The civil works commenced on 5th June 2014 with an expected completion date of 10th August 2014 Excavation of the 32 foundations is complete. Plain Cement Concrete (PCC) of 24 foundations was complete and raft of 24 foundations was complete. All the required labour and equipment was reportedly 100% mobilized. Overall physical progress on this substation was 85%.

Nkenda substation

Civil works commenced in July 2014 and were expected to be complete in September 2014. Electromechanical works were expected to start in September 2014 and were expected to be complete by March 2015. Some of the designs for the substation had not yet been approved.

By 24th July 2014 excavations for the equipment foundation were ongoing with an overall physical progress of 40%. The major activity was manual excavation of earth works which was 90% complete. Fifty percent of the required equipment had also been procured.

The key challenges noted by the contractor were:

- Hard rock encountered in the soil profile which has got to be excavated manually. As a safety requirement, excavators are not allowed at project site as there is an existing substation as safety requirement.
- Old concrete in the soil profile as the site was a former substation.

Source: Field Findings; UETCL July 2014

Left: Assembling of a tower in Kumi district; Right: Batching aggregates for concrete works.

Left: Tower erected in Sheema district. Right: Construction materials in a yard in Bushenyi district for Mbarara- Nkenda transmission line

Left to Right: Ongoing foundation works at Fort Portal Substation

Left: Manual Excavations of hard rock Right: Preparatory works for concrete casting on Nkenda substation

Analysis

Link between Physical and financial performance

By the end of FY 2013/14, Ug shs 3,562,000,000 out of Ug shs 5,400,000,000 was released and spent. Cumulatively, Ug shs 51,840,410,379 out of Ug shs 63,617,611,030 was spent on the RAP implementation. By the end of the FY, 67% compensation had been done. The RAP implementation was slowed down by disputes majorly over low valuation. Loan disbursements was at 27.44%. Overall EPC works were at 38%. Delayed payment to the contractors was a major challenge that slowed project implementation.

Achievement of targets

Achivement of targets for the Mbarara-Nkende/Tororo-Opuyo-Lira transmission line for FY 2013/14 was at 50%. The right of way was not yet fully handed over to the contractor for construction to progress without disturbance from PAPs. Contractors were also constrained by delayed payments and the rocky nature of the route length. Low level of achievement was also noted on the works for the substation as they commenced towards the end of the FY.

Conclusion

The RAP implementation which should have been concluded was still being implemented and overall was at 67%. The major issues that were delaying the RAP implementation were; disputes over low valuation of property and delays in approval of compensation packages at the CGV's office. On the part of EPC works at the transmission network, Construction works were ongoing but at a slow pace. The substations component performed poorly as excavation works had just commenced on most of the substations. Major challenges that affected EPC works included; delayed payments to the contractors, delay in clearance of imported materials at the customs.

Recommendations

- The MFPED, MEMD, UETCL should have meeting with local authorities and clear the ROW. UETCL should timely conclude RAP implementation
- The CGV's office should be enhanced with competent staff to speed up approvals submitted by UETCL
- UETCL, MEMD, MFPED should timely process the payments to the contractors once presented with the invoices.
- MEMD should timely process the funds to clear the import duty on the required materials for the EPC works.

Nile Equatorial Lakes Subsidiary Action Programme (NELSAP)

Background

Under the East African Master Plan, there is need to have regional interconnection with Kenya and Rwanda. The objective of the NELSAP is to improve access to electricity in Nile Basin Initiative countries through increased cross-border sharing of power. This will entail the construction of Bujagali- Tororo- Lessos and Mbarara- Mirama- Birembo Transmission lines and their associated sub-stations[53].

The project start date was July 2010 but commenced in November 2012 leading to revision of the completion date from June 2014 to January 2015[54]. The project is funded by Japan International Cooperation Agency (JICA) in partnership with African Development Fund (ADF) and Government of Uganda (GoU). The implementing agency is Uganda Electricity Transmission Company. Total planned expenditure for the project is Ug shs 103,000,000,000[55]

The works were packaged into two Lots; Lot A (Bujagali – Tororo - Lessos) which traverses five districts of Jinja, Mayuge, Iganga, Bugiri and Tororo while Lot B (Mbarara – Mirama) traverses districts of Mbarara and Ntungamo.

The EPC contract for the transmission infrastructure of NELSAP was awarded to M/s Jyoti structures while the EPC contract for the associated substations was awarded to M/s Isolux.

Expected outputs

The outputs for 2010 to 2015 are;

- A constructed, tested, commissioned and fully operational 220kV Bujagali-Tororo-Lessos (Uganda part), double circuit, quadral conductors power transmission line (approximately 127.7km)
- Mbarara-Mirama-Birembo 220kV (Uganda Part 68km) double circuit, double conductors power transmission line on self-supported steel lattice towers.
- Mirama sub-stations and associated bays at Tororo and Mbarara North sub-stations[56]

For FY2013/14, planned outputs were planned;

- RAP implementation complete
- Construction works of Bujagali-Tororo-Lessos and Mbarara-Mirama- transmission line

Findings

Financial Performance

The approved budget for the project in FY2013/14 was Ug shs 3,200,000,000 of which Ug shs 3,200,000,000(100%) was released to MEMD. All the released funds were transferred to UETCL for project implementation. The funds were to be utilised on the line items of: engineering and design studies and plans for capital works; and monitoring, supervision and appraisal of capital works.

The RAP cost as shown in table 6.18 is Ug shs 61,970,308,297 of which Ug shs 24,122,827,570 had cumulatively been received by the end of FY. Cumulatively, Ug shs 14,935,433,103 had been paid out to the PAPs on both Lot. A and B. The funds that had not yet paid out to the PAPs were for the disputed cases.

TABLE 6.18 SUMMARY OF FINANCIAL PERFORMANCE FOR RAP IMPLEMENTATION

Disbursement	Ug shs	Percentage
Budget Amount	61,970,308,297	
Cumulative Releases	24,122,827,570	38
Disbursement to 30th, June,2014	14,935,433,103	62
Bank Balance 30th June 2014	9,187,394,467	

SOURCE: UETCL

Physical performance

Both the RAP implementation and transmission line infrastructure were behind schedule. Table 6.19 outlines the planned outputs for Project 1140 for FY 2013/14. The observed performance is summarized against planned outputs.

Table 6.19 Physical Performance for Project 1140 FY 2013/14

Planned Outputs for FY 2013/14	Observed Physical Performance by end of FY 2013/14
Completion of way leaves	Implementation of the RAP was ongoing. Progress for Bujagali-Tororo is at 78% while Mbarara-Mirama is 76%
Construction of the power lines and substations of the project	Foundation works are ongoing and 124 out of 399 foundations are complete for Bujagali-Tororo lot. Tower erection had commenced Foundation works are ongoing for Mbarara-Mirama lot. A total of 13 out of 184 foundations are complete Site clearance and leveling was almost complete at the Tororo substation and 70% complete for the new Mbarara north substation.

Source: UETCL, Field Findings

a) RAP Implementation of Bujagali-Tororo Transmission line

Compensation of the PAPs on this section started in November, 2012, a year after the initial start date of November 2011. Expected completion date was December 2013. However, it was extended to September 2014 (this date will also not be realized). Delay in commencement of compensation was due to the late approvals of the project implementation plan.

The total number of houses that were planned to be built for the PDPs[57] is 59. By the end of June, 2014, 38 PDPs preferred to be built for of which 34 had signed for the package while four had not yet been disclosed to. These PAPs had not been disclosed to because two had passed away while the other PDPs had disagreements on ownership.

Construction of PDPs houses had not commenced as the contractor had not been procured. Signing of the contract was expected in July 2014. It was also noted that the RAP implementation consultant had not yet been procured and this delayed the RAP implementation given the number of land disputes. Table 7.18 presents a summary of RAP implementation.

The total PAPs were 3,188 excluding new potential entries resulting from the line diversions. A total of 89% of the affected had been told their due amount of compensation (disclosures) while 98% of those disclosed to had agreed to the disclosed packages. Table 6.20 below presents a summary of RAP implementation.

Table: 6.20Summary of RAP implementation on Bujagali-Tororo Section (Lot. A)

	Number of PAPs	Percentage Performance
Total PAPs	3188	100
Disclosures	2849	89
Agreements	2779	98
Payments	2498	90
Disputes	70	2

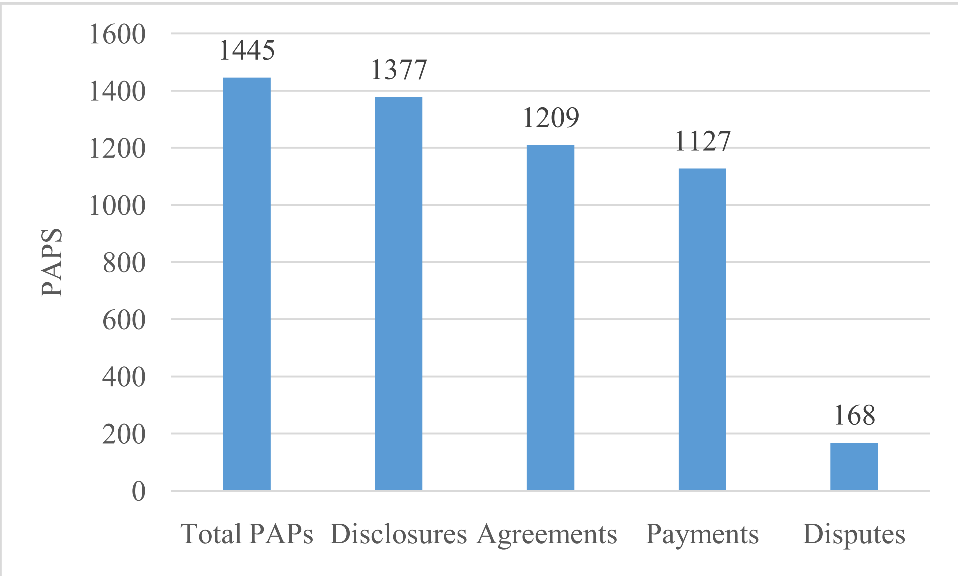
Source: UETCL and Field Findings

b) RAP Implementation for Mbarara-Mirama transmission line:

Compensation of the PAPs started in 2011. A total of 50 houses were to be constructed for the Physically Displaced Persons (PDPs). A total of 48 PDPs were disclosed to the package and agreed. Of the remaining two, one disputed the package while another was a minor and was awaiting the letters of administration from the guardian. The land for 18 sites had been identified and was to be purchased for construction of the houses for the PDPs. The contract to construct the houses was signed mid -July, 2014 and construction was due to commence.

By the end of the FY, a total of 1377 (95%) of the total PAPs had received disclosures of which 1209(88%) agreed to the compensation packages and 93% paid. The RAP implementation is expected to be completed by September, 2014 but this is unlikely to be due to some land disputes and dissatisfaction with the compensation packages. A total of 168 PAPs disputed the disclosed amounts because they were regarded as low. Figure 6.2 summarizes RAP implementation.

Figure 6.2 Summary of RAP implementation



Source: Field Findings

A number of PAPs were interviewed to further ascertain the progress in RAP implementation the districts of Mbarara, Ntungamo, Bugiri, Iganga, and Tororo. A sample of were interviewed to establish the RAP implementation status, challenges and recommendations The issues raised concerning the RAP were similar across all projects that were acquiring land. Box 6.2 presents the findings. All PAPs interviewed highlighted that they were paid very little money as compared to the property destroyed.

<u>Box 6.2: PAPs Perceptions about the RAP Implementation on the NELSAP Project</u>

In Bugiri district, some PAPs had been compensated while others had not. Those who had not been compensated in Buwunga Sub-county refused contractors to precede with the EPC works. The majority of PAPs who had been compensated were not happy with the packages. ''*… I had only one acre of land, the line passes through the middle of the land. I cannot build a new house or any other meaningful development. I even received the money late after four years of waiting. I stopped planting crops since 2010 as I waited for the compensation.''* Siima Christine

In Iganga district, Physically displaced Persons (PDPs) did not know when their relocations would be made. ''*… I feel very unhappy. I see construction works ongoing but have not received the payments. I feel bothered and yet my property was unfairly valued. I am simply told that my grievances will be settled as the project is ongoing, which is unfair''* Menya Henry

In Tororo district the PAPs noted that they had been promised additional compensations for those whose land was to have the towers. This had not been fulfilled. Other PAPs had been promised free household connections. *''... my only a quarter an acre was affected and I was given Ug shs 95,000. The received money cannot even be used to purchase any other piece of land.''* noted Ochwo Richard

In Kateram C cell, Rubongi subcounty there were a number of PAPs affected by the two transmission lines (NELSAP and Mbarara/Nkenda- Tororo/Lira) these were being given different compensation rates. This increased the number of rejections to the disclosed amount.

The PAPs felt frustrated because of the following reasons:

- The land was valued long time ago and payments were made late. Majority of them had stopped growing crops due to uncertainty of time for payments leading to hunger.
- The amount compensated to the PAPs was insufficient for construction of new homes. This was worsened by delayed compensation with the biggest number being compensated three to four years after disclosure
- The construction of the houses for the PDPs had not commenced and yet the EPC contractors were utilizing their land.
- Contractor razed their plantations before compensations.

The PAPs proposals were:

- The UETCL should provide some additional funds to the poorly compensated PAPs.
- There is need to compensate PAPs in time.

Source: Field Findings

General challenges affecting project implementation included;

- The UETCL has not yet cleared the corridor, making the contractor redundant. This is costly to government as idle equipment attracts interest
- Disputes are the major challenge to the fast tracking of the RAP. The RAP consultant has to solve any disputes that arise during project implementation. The consultant initiates a

re-assessment and forwards the results to the CGV for approval. The absence of a consultant delayed project implementation. On the Mbarara-Mirama project, the consultant came on board in 2013, two years after compensation had commenced. Disputes that arose were not solved immediately.

- There are delays in approval at the CGVs office. Assessments of queried case was done and submitted to the CGV in July 2013. Approvals were done in January 2014. The time lag leads to price variations due to inflation causing a PAP to reject a package disclosed to them.
- Procurement of a contractor for the construction of houses for PDPs has delayed although compensation started in 2011.
- Cases of absentee landlords, deceased land owners and child land owners that delay project implementation

Recommendations suggested include;

- MEMD and MFPED should come up with standard valuation criteria of land. It was highlighted that there are cases where a CGV approves two similar pieces of land at different rates. The PAPs should be paid fairly and in time. Government should negotiate with PAPs and come up with an agreed market price. Inflation and other factors increase the value of land.

Engineering Procurement and Construction Works of Bujagali-Tororo transmission line

Table 6.21 shows the physical progress of Bujagali-Tororo transmission line and associated substations. Construction of the transmission network was at 54% while total works at the substation works were below 50%.

Table 6.21 Status of implementation for Lot A: Bujagali- Tororo Transmission line and Associated Substation

Construction of Bujagali- Tororo transmission line (127.7km)
The contractor (M/s Jyoti) reported on site between in May and started works in July 2013. Line route and detailed surveys were completed in August 2013. Tower spotting and soil investigations were completed in February 2014 except for the areas where there are diversions and swampy areas. Tower spot excavations commenced in Mid-March 2014 and by 4th. July 2014, the status of completion was as follows: - Soil investigations - 98% - Tower spotting - 98% - Excavations - 150(38%) of the 399 towers - Concrete casting - 125(31%) of the 399 towers - Tower erections - 25(6%) of the 399 towers
Construction of Tororo substation 220kV
The contractor commenced work on 19th August 2013. The land for the substation had however fully been handed over.

During the February 2014 monitoring, it was noted that the land for Tororo substation had been handed over to the contractor by 3rd March 2014. Design reviews between the EPC contractor for the Tororo- Opuyo- Lira 132kV line and one for NELSAP were completed. Works were yet to commence. In July 2014 monitoring, excavations of equipment foundations at the substation had commenced. The start date for the earth and civil works was 25thMarch, 2014 with an expected completion date of February 2015. At the time of monitoring, civil works were 50% while the earth works were almost complete (90%). The electromechanical works would commence thereafter. The completed works included site clearance, mass cutting and leveling.

Source: Field Findings

The challenges delaying project implementation include;

- Delayed payments to the contractor
- Some people were compensated but they have refused to leave the corridor.

Engineering Procurement and Construction works for Mbarara-Mirama transmission line and associated sub-stations

Construction of the transmission network was at 41%. The Mbarara substation was at 30% completion, while land had not yet been fully acquired on the proposed Mirama Substation. Table 6.22 shows the physical progress of Mbarara-Mirama transmission line and associated substations.

Table 6.22: Physical Performance of Mbarara-Mirama transmission line and Associated Sub stations

Planned Outputs	Observed Physical Performance
Construction of 220kV Mbarara- Mirama 64.5km of double circuit line transmission line	
The EPC works started in July, 2013 with an expected completion date of January, 2015. During the March 2014 monitoring it was noted that the route alignment and detailed survey had been completed by 3rd March, 2014. The check survey involving profile tower positioning was completed for 40Km out of the 64.5Km of the transmission line. During the annual monitoring, (30th July, 2014), status of implementation/Completion was as follows - Surveys-100% - Route Approved- 56Km (87%) out of the 64.5Km - Soil investigations - 157(84%) out of 187 locations - Excavations - 34(31%) out of 187 - Completed foundations - 26(14%) of the 187 - Backfilled foundations – 24(13%) of the 187 - Tower erections – 0% The total tower materials received were for the 108(58%) of the towers spots. Tower erections were expected to commence in August, 2014. The major pending materials included: conductors, earth wires and communication wires. The contractor noted the three major challenges as:	

- Delays in conclusion of the RAP, affecting completion of check surveys particularly in Bugamba Sub County.
- Delay in payments of their invoices from UETCL that led to suspension of works for four weeks.
- The breakdown of the equipment at Nicontra company branch in Kabwohe – a supplier of aggregates to the contractor. This increased the cost of transportation from the alternative source from Gentex Enterprises in Kampala.

Construction of 220kV New Mbarara North Substation

The scope of work included; earth works and leveling, civil (construction of control house, equipment foundations) and electromechanical(switchyard with transformers and associated equipment) works

The works commenced in August 2013 with an expected completion date of February 2015.

The contractor was introduced to the site when the total land for substation had not yet been defined. Earth works in the available land started in March 2014 but with caution as the contractor was not sure of the definite location of the substation. Clear demarcation of the land was concluded on 24th July, 2014.

By 30th July, 2014, 98% of the land had been handed over to the contractor after lengthy negotiations with National Agriculture Research Organisation (NARO) to allow project development on their land. The remaining land currently has a staff house, kitchen and a septic tank. The discussions were still ongoing. The engineering designs for the substation had all been completed. Soil investigations for the substation had been completed.

The Factory Acceptance Tests (FAT) for some equipment were ongoing.

The preliminary works of cutting to fill and levelling of the handed over land for the substation were 85% complete.

Man power mobilization was 100%. All the required equipment for the ongoing works was mobilized.

The project was seven months behind schedule as the overall completion level was 30%.

The contractors noted two major challenges:

- Delay in conclusion of the land acquisition
- Contract commencement before completion of the coordinates for the substation

Suggested recommendations included;

-There is need to speed up acquisition of land by UETCL

- There is need for proper planning by UETCL so that the line does not pass where there are a lot of settlements. The UETCL needs to carry out a thorough survey to know what could hamper project execution.

Construction of the New 220/132/33kV Mirama substation

The scope of work includes, earth works and leveling. Civil (construction of control house, equipment foundations) and electromechanical (switchyard with transformers and associated equipment) works.

The commencement date of the works was 19th August 2013 with an expected completion date of February, 2015. However, the land had not fully been procured.

During the February 2014 monitoring, land acquisition had not yet been completed. Six out of 13.5 acres of land required had been acquired which delayed completion of the substation surveys. The owner of the remaining 7.5 acres disputed the land values disclosed, the land was re-valued and UETCL was awaiting the opinion of the CGV to disclose the revised package to the land owner.

During annual monitoring (31st. July.2014), it was noted that a new package of Ug shs 48,000,000 per Acre disclosed to owner in June was again rejected. The PAP demands for Ug shs 200,000,000 per acre for the land to house the substation. The CGV was due to visit the PAP and have a detailed discussion about the land values in question. His same land in the neighborhood however where the transmission line is to pass were valued at Ug shs 18,000,000 per acre and agreed.

Other works on the available land had been completed by the 31st July, 2014. These included topographical surveys and pegging. The site clearance, civil works and electromechanical were awaiting conclusion of land acquisition.

Source: Field Findings


Left: Completed leveling works Right: Ongoing earthworks on new Mbarara North Substation

Challenges to Project Implementation

- Major delays arising out of procurement. It is the reason that the RAP consultant is not on board
- Lack of RAP implementation consultant yet there were several disputed land/property values.
- Delays in approvals of the valuation report by the chief government valuer.
- Omissions of PAPs in the valuation reports, thus lengthening the compensation processes.

- Line route passes through public institutions like schools. So, re directing takes time. For example there are diversions in areas with a school (Joy Dominion Secondary School in Mayuge district), Orange mast (in Abwanget Village in Tororo district), and Kakira plantations (In Jinja district) leading to new PAPs/PDPs.
- Processes for land mutations and title acquisition were affected due to closure of the land office.
- Absentee land lords made disclosures and compensations difficult.
- Delays in processing of payments for the PAPs. This was reported to take between two-three months making PAPs to reject the packages.
- Low disclosed values leading to rejections from the PAPs. These PAPs prohibit the contractor from using their land for project development.
- Differences in property and land compensation rates by different government implementation bodies increased disputed values. The issue becomes worse where the same PAP is affected by different projects.

Analysis

Link between Physical and financial Performance

Cumulatively, Ug shs 14,935,433,103 had been paid out to the PAPs on both Lot. A and B. Current disbursement level stands at 22% for ADF and 25% for JICA to finance the EPC works. The RAP implementation was not yet concluded majorly due to disputes concerning low valuation. The funds for construction of the houses for the PDPs had not been spent as the procurement process of the contractor had not been concluded. There were delays in the payment to the contractor which particularly affected the Mbarara-Mirama line.

Achievement of set targets

Performance targets for the NELSAP project was at 50% . The RAP implementation should have been concluded but overall RAP implementation was at 77%. Construction works for both the transmission line and substations was at about 33%. Delayed acquisition of the right of way delays project implementation as the route is not fully handed over the contractor.

Conclusion

The NELSAP project is behind schedule. The status of implementation is 50% compared to 80% which should have been achieved. Delayed acquisition of the corridor is slowing down project implementation. The holdup is attributed to delays in concluding procurements, disputes over low compensation packages, and late payments. Engineering, procurement and construction works have also majorly been delayed by failure by UETCL to fully hand over the line to the contractor and late payments.

Recommendations

- The UETCL should improve planning for projects. Procurements should be initiated and concluded early enough and all materials and logistics needed for project implementation should be availed before the project starts.
- The Ministry of Lands and Urban Development’s should give special attention to land title easements and mutations for government projects.
- UETCL should quickly (a maximum of four weeks) process the payments for the PAPs to reduce on cases of rejections arising from the delays.
- The Chief Government Valuer should approve uniform rates of property in a given area.

Project 1212: Energy Sector Development Project (ESDP)

The principal power supply to the western part of Uganda has been through 132kV line on wooden structures. The line has become of age and also has limited capacity. A new power line with higher capacity was therefore necessary. The development objective is to evacuate power from Bujagali and other proposed hydropower stations on the Nile to central Uganda as well as serve as a high voltage backbone to the proposed regional interconnection network between Uganda, Tanzania, Rwanda, and DR Congo. It also seeks to improve the reliability of, and increase the access to, electricity supply in the southwest region of Uganda.

The project is financed by the World Bank through the International Development Association (IDA).The Government of Uganda (GoU) is responsible for the compensation and resettlement of PAPs as well as taxes on construction materials. The proposed project will contribute to Uganda's transmission sector expansion plan, focusing on high priority investments needed to upgrade and reinforce supply to the south-western region of the country. Planned expenditure for the project is Ug shs 1,900,000,000. Project start date was June 2011 and expected completion date is February 2017.

The component for capital purchases under the project is divided into three lots:

a)LOT 1: Construction of Kawanda - Masaka 220kV transmission line
b)LOT 2: Upgrade and extension of Kawanda substation
c) LOT 3: Construction of new substation at Masaka and upgrade of Mbarara substation

Project Components

Component A includes:

- Construction of a 137 km double circuit 220 kV transmission line with 240 mm^2 twin AAAC conductor per phase from Kawanda substation to Masaka Substation
- Upgrading of the existing 132 kV substation at Kawanda to include 132/220 kV interbus transformer, 220 kV busbar, 2x220 kV transformer bays, 2x132 kV transformer bays, and 2x220 kV line bays for incoming 220 kV lines from Bujagali
- Extension of the 220 kV sub-station at Kawanda to include 2x220 kV line bays for the two Kawanda–Masaka 220kV transmission line circuits
- Construction of a new 220/132 kV sub-station at Masaka adjacent to the existing Masaka 132/33kV substation. This substation will be equipped with 2x220/132 kV, 125MVA transformers and associated transformer bays; and 2x220 kV line bays for the two Masaka–Kawanda 220 kV transmission line circuits
- Installation of 2x15 MVAr, switched shunt reactors and associated equipment at Masaka and Mbarara substations and 1x15 MVAr, switched shunt reactor and associated equipment at Kawanda substation
- Implementation of the RAP. This activity is being fully financed by the Government of Uganda.

Component B involves Technical Assistance (TA) to the Implementing Agency (IA), the Uganda Electricity Transmission Company Limited (UETCL) through;

- Consultancy services for Lira – Gulu – Nebbi – Arua feasibility study.
- Consultancy services for supporting procurement activities and construction supervision of Component A.
- Strengthening of UETCL's ability to implement the proposed Project.
- Strengthening of the planning and management capacity within UETCL.

Planned outputs under Acquisition of Other Capital Assets for FY2013/14 included:

- Construction of new Kawanda-Masaka transmission line and related upgrades to substations.
- Power Sector Information Center in place
- Compensation for land for the Kawanda-Masaka transmission line (RAP implementation)
- Procurement of supervision Consultant for Kawanda-Masaka transmission lines
- Procurement of EPC Contractor for Kawanda–Masaka transmission project
- Procurement of Consultant for feasibility study on Lira–Gulu-Nebbi-Arua transmission line project

Findings

Financial Performance

Approved budget for the project for FY2013/14 was Ug shs 12.058 billion, of which Ug shs 11.530 billion (96%) was released by the end of FY. Transfer performance from the MEMD to the implementing agency was 11.420 billion (99%) of the received funds from MFPED. The distribution of cumulative expenditure by the end of the FY were largely on gross tax (65%), Engineering and Design Studies and Plans for Capital Works(23%),Consultancy Services- Long-Term(5%),Contract Staff Salaries (Incl. Casuals, Temporary), travel inland(1%). Other line items received less that 1%.

Donor financing

The planned disbursements from the loan for FY2013/14 was USD 32.2 million (26.8%) of the loan amount. By the end of June, 2014, USD0.787 million had been disbursed. The low disbursement was consistent to the financial requirements of the project as at the end of FY2013/14. The disbursed amounts were utilized on consultancy services, staffing costs, training costs, computer software, and office equipment. Table 6.23 summarizes the loan disbursements to 30th June, 2014

Table 6.23: Loan disbursements Status up to 30thJune, 2014

Loan amount	Actual (cumulative) disbursement
74.1 SDR (equiv. USD 120 million)	0.787 (2.44%)

SOURCE: UETCL

Physical Performance

a) Implementation of the RAP

The RAP implementation commenced in March 2011 with an expected completion date of December 2013. This was not achieved and by 29th July, 2014 compensations were still ongoing. The contract of the RAP implementation consultant expired before compensations were concluded. The process to procure the implementation consultant was ongoing.

A total of 1723 had received disclosures of which 93% consented to the packages. A total of 1,254(78%) of the consented had been paid by the end of FY2013/14 while 122(7%) of the disclosures had so far disputed the packages. The table 6.24 summarizes RAP implementation.

Table.6.24 Summary of RAP implementation for ESDP

	Number of PAPs	Percentage Performance
Total PAPs	2,171	100
Disclosures	1,723	79
Agreements	1,601	93
Payments	1,254	78
Disputes	122	7

SOURCE: UETCL

The RAP implementation has a component for construction of houses for the Physically Displaced People. A total of 46 houses were to be constructed for the PDPs who were vulnerable. By the end of the FY2013/14, 34 houses out of the 46 houses were under construction and at various levels of completion. The structures for most of the PDP houses had been completed pending window, door and ceiling fittings. The works stalled in July, 2014 as the contractor was awaiting finalization of the proposed variations in the contract. These included changes from wooden to metallic doors and windows for the houses. The processes for land acquisition and construction for the PDPs who had no land for construction was also ongoing. The table 6.25 shows the status of the PDPs.

Table: 6.25 Summary Status of PDP compensation

	Number of PAPs	Percentage Performance
Total PAPs	221	100
Disclosures	209	95
Agreements	197	89
In-kind agreements	46	21
Disputes	12	5

SOURCE: UETCL

Box 6.3 Views of the PAPs and the PDPs on the Kawanda – Masaka Transmission line

The PDPs who were constructed for houses were largely happy with the package. However, the following challenges were highlighted.

- Delay in completion of the houses
- The water tanks are yet to be provided, although most beneficiaries are the old who cannot fetch water from the well.
- Low valuations which are inadequate to purchase land of similar in size land in the same location.
- The long seven year time lag between valuations and compensations.
- Omissions of property during the valuations.
- Ineffective communications on the actual time the project requires the land. This makes the PAPs stop tilling the land many years before project implementation.

The PDPs had the following recommendations.

- The contractors should speed up completion of their houses.
- The UETCL and CGV should use the current rates so that reasonable packages are given to the PAPs.
- The UETCL should improve communications with the PAPs.
- Valuation consultant need to improve accuracy in recording of the property.

Resettlement house for PDPs on the Kawanda-Masaka line

b) Physical performance

No EPC works had commenced on the line by the end of FY2013/14since the contract was signed in June, 2014. The World Bank gave a 'No Objection' to the Bid Evaluation Report on 29th April, 2014 and Pre-award negotiations with the best evaluated bidders were held from 8th - 9th May 2014 for Lot 1: Construction of Kawanda - Masaka 220kV transmission line and on 12th –13th May 2014 for Lots 2 and 3. Upgrade and extension of Kawanda substation and Construction of new substation at Masaka and upgrade of Mbarara substation respectively.

The Lots 2&3 Contracts were signed on 6th June, 2014 and Lot 1 contract was signed on 10th June, 2014. The Lot 1 contractor submitted advance payment guarantees and performance security as required by the contract. The advance payment to the contractors is still pending.

The site was to be handed over in July, 2014 upon which works are expected to commence.

Analysis

Link between Physical and financial performance

A total Ug shs 21,410,469,237 was cumulatively used to compensate 1,254 PAPs on the line as at the end of June, 2014. The cumulative expenditure of USD 787,468.67 was spent on consultancy services, staffing and training costs, office equipment, and computer software and transaction charges. Implementation of the RAP should have been concluded and construction works for Kawanda-Masaka transmission line should have started. These outputs however have not yet been achieved.

Achievement of targets

Overall physical performance for FY 2013/14 was below average. The RAP compensation which should have been concluded by FY 2013/14 had only progressed at 58%. No EPC works had commenced on the line. The achievement on the line was the procurement of EPC contractor where contracts for both lines were signed towards the end of the financial year.

Conclusion

Implementation of the project is behind schedule. The RAP implementation which should have been concluded by FY 2013/14 had only progressed to 58%. No EPC works had commenced on the line. The project was affected by procurement delays for the contractors, disputes from the PAPs especially over low valuation, and expiry of the contract for the RAP implementation consultant.

Recommendation

- The UETCL should fast track the procurement process of projects.
- The UETCL should increase the staffing capacity of its procurement unit.

Project 1024: Bujagali Interconnection Project (BIP)/ Bujagali Switch yard Upgrade

Background

The project is financed by the African Development Bank and Government of Japan through the Japanese Bank for International Cooperation, and sponsored by Government of Uganda. The executing agency is Uganda Electricity Transmission Company Limited (UETCL). The aim of the project is to evacuate power from the Bujagali Hydropower Plant to the national power grid.

Following the substantial completion of the Bujagali Interconnection project, savings in the project financing were confirmed. These savings of US$ 13,018,623.75 were recommended to be used for an identified additional scope within the project confines. The scope involves upgrade of the Bujagali Hydro Power Switchyard from 132kV to 220kV.The EPC contract was awarded to National Contracting Company. The project commenced in October 2013 and expected completion date is February 2015[58]. Planned outputs for FY2013/14 was the upgrade of Bujagali Switchyard to 220kV.

Findings

Financial Performance

The approved budget for the project in FY2013/14 was Ug shs 8,500,000,000 of which 8,633,333,333 (102%) of the budget was released. Expenditure performance was excellent as all the released funds were transferred to UETCL the project implementers.

DONOR FINANCING

The Loan amount for the project was UA 19,210,000[59] (Ug shs 75,301,855,300) from ADF and JPY 3,484,000,000[60](Ug shs 87,552,920,000) from JBIC. By the end of FY2013/14, 86% and 62% had been disbursed respectively. The disbursement off the savings for the Switch yard upgrade was UA 231,452 and JPY132, 394,538 by end of June, 2014. Table 6.26 shows the loan disbursement status for Bujagali Interconnection Project.

Table 6.26 Loan Disbursement status for Bujagali Interconnection Project

Loan Overall Status		Disbursement	ADF (UA)	JBIC (JPY)
BIP	(i)	Loan amount	19,210,000	3,484,000,000
	(ii)	Disbursement to date	16,471,291.51	2,156,733,151
	(iii)	Un-disbursed balance	2,738,708.49	1,194,872,311
	(iv)	% of loan disbursed	86%	62%
Switchyard Upgrade		Disbursement to date	231,452	132,394,538

SOURCE: UETCL

Table 6.27 shows the disbursements that have been made to the contractor to date. An average of 19% of payments has been made to the contractors.

Table 6.27 Disbursements to Contractor by FY 2013/14

Lot/Currency	Contract Amount	Disbursement	Percentage disbursement
Bujagali Switchyard Upgrade	National Contracting Company		
USD	6,821,293	1,314,476	19%
Ug shs	345,075,361	58,487,349	17%
Euros	1,251,169	250,234	20%

Source: National Contracting Company

Physical performance

Overall, the project performance was below average. The target for the FY 2013/14 was not met. There were delays in the start of some site activities due to slow mobilization of the contractor. There were also delays in contract signing with the supervising consultant. Table 6.28 shows the status of the Bujagali switchyard by the end of FY 2013/14.

Table 6.28: Status of Bujagali Switchyard

Planned output	**Observed Physical Performance**
Bujagali Switchyard upgraded from 132kV to 220kV ▪ Approval of Civil Designs ▪ Commencement of earth works at Site ▪ Manufacture of Plant and Equipment ▪ Excavation for Civil Works. ▪ Site Survey and Substation Leveling. ▪ Earth mat laying and construction of foundations for the substation equipment ▪ Electromechanical installations	Works commenced in October 2013 and expected completion date is February 2015. By the end of FY 2013/14 Civil Designs had been approved. The Manufacture of Plant and Equipment had also commenced. The Factory Acceptance Tests (FAT) were expected to be completed in September, 2014. By 14th, August, 2014, the civil works subcontractor – Precise engineering services was mobilized on site and construction of their camp site was ongoing. Grading of the site, and topography checks were due to commence before end of August.

Source: Field Findings

Challenges

The challenges affecting project implementation as highlighted by the project manager included;

- Lack of access road for transportation of equipment to the site. The existing road is also an entry to the dam for Bujagali Energy Limited. Locals also demand for payments when the contractor attempts to use the alternative road available.
- Lack of an accessible water source especially for use in the civil works.

Analysis

Link between financial and Physical performance

A total of Ug shs 8.633 billion was spent on gross tax, monitoring, supervision and appraisal of capital works, and other fixed assets. Of the total contract amount, 18% was disbursed to the contractor for surveys, placement of orders for the equipment, and mobilization of equipment for the civil work at the site. Physical performance was slow as it was constrained by slow mobilization of the contractor on site.

Achievement of targets

The project performed below average in achievement of its targets. Commencement of civil works had not been achieved by the end of FY 2013/14. Preliminary works like; approval of civil designs and manufacturing of plant and equipment was reported to be ongoing. Only the civil contractor was on site and had just started construction of the camp site. Site clearance was due to commence. The major setback highlighted was slow mobilization of the contractor.

Conclusion

The upgrade of switch yard was behind schedule as construction had not commenced by the end of the FY. Achievements by the end of the financial year included; design approvals of the switch yard, placement of orders for the equipment and commencement of the Factory Acceptance Tests. Smooth progress was hampered by the delayed processes for design approvals, lack of an access road to the site, and water service point for the civil contractor.

Recommendations

- The UETCL should expedite the processes for design approvals.
- The UETCL should work with the local administration to provide an alternative route and a nearby water supply point.

6.2.2 0302 Large Hydro power Infrastructure

The vote function is intended to support development of large hydropower generation facilities in the country. The fund is geared towards meeting government's endeavors to developing large power projects on a public/ private partnership in the medium term. The vote function took 84.5% of the total energy sector budget. The funds were majorly allocated for Karuma Hydropower Project. Projects monitored during FY 2013/14 were; Karuma Hydropower Plant and Isimba Hydropower Plant.

Karuma Hydro Power Project (HPP)

Background

The GoU set out to develop Karuma HPP as a public investment of 600MW. Government tendered the procurement of a consultant to carry out the feasibility study, Environmental Impact Assessments, Resettlement Action Plan, Engineering Design, preparation for tender documents and construction supervision and it was won by Energy Infratech Private Limited (EIPL), of New Delhi, India.

The medium term objective of the project is the ultimate development of Karuma Hydropower Plant and its associated transmission line interconnection which will contribute to increasing the power supply in the country, and possibly in the East African region[61]. Increasing power generation capacity through development of large hydropower plants and building new transmission lines to evacuate power from new generation plants and improving power service delivery to different areas of the country, are key areas of focus in the National Development Plan (NDP)

The project was scheduled to start in July 2011 and expected completion date was June 2016. However preliminary works commenced in September 2013 so the project is expected to be completed in 2018.

The Project scope includes;

- Civil works majorly comprising of; main access tunnel, escape and ventilation channel, tail race system concrete gravity dam, power intake, pressure shafts, powerhouse, , reservoir, diversion channel, transmission system, labour camps, temporary quality control laboratories, ware house and workshops, temporary aggregate processing system, access roads, among others)
- Electro-mechanical works(installation of; 6 turbines of 100 MW capacity, generators, transformers, construction of the switchyard)

During FY 2013/14 the following outputs were planned;

- Engineering Procurement and Construction contract signed and contractor for Karuma Hydropower Project on site.
- Construction of Karuma HPP commences; 20% of the works implemented
- Five sensitization workshops for Karuma Project Affected Persons and local community held.
- 100% Land freed up for contractors.
- Resettlement Action Plan implementing agency for evacuation lines in place
- 100% of the Project Affected Persons for Karuma Hydro Power Plant and power evacuation lines compensated/ resettled.

Findings

Financial performance

The approved GoU development budget for the project for FY2013/14 was Ug shs 1,096,900,000,000 of which Ug shs 37,270,000,000 (3%) of the budget was released by the end of the FY. The low release performance was because the financing agreement had not yet been finalised. The released funds were from line items of gross tax and other fixed assets. All the released funds were utilised.

Construction works

The contract sum for the EPC of the Karuma Hydro Power Project (HPP) is US$1.4 million. By the end of the FY2013/14, no disbursement had been made to the contractor as the financing agreement had not yet been finalized. The contractor was using own resources for the construction works totaling to US$280,000 (20% of the project cost). It was also noted that due to delays in finalization of the financing agreement, some addendums were made in the EPC contract which provided that 15% advance payment was to be made. By end of FY2013/14, the advance payment guarantees from the China Export Import Bank had been received and submitted to the Bank of Uganda for verification. The 15% advance payment was therefore to be made upon verification of the guarantees.

Physical performance

The EPC contract was signed by Sinohydro Corporation Limited on 16th August 2013. The works commenced on 16th September, 2013. The expected completion date is October, 2018. By 3rd, July, 2014, 100%, 95%, 0% of the land had been handed over to the contractor in Karuma, Nwoya and Awoo respectively. The average percentage of land handed over to the contractor is 65% of the project site. Mobilization of equipment was at 30% while mobilization for labour for the ongoing activities was 100%. The project designs works were 90% complete while the model studies for the hydropower plant were to be implemented in August 2014. Orders for the electro-mechanical and hydro mechanical equipment would be made upon completion of the model studies. This was however conditioned on receiving the 15% advance payment.

The construction activities were ongoing and were at different levels of completion. Overall project completion was 7%. The following updates the progress of construction by component:

Main Access Tunnel (MAT): The upper layer tunnel excavation and support (K0+191.5-K0+247.5) was ongoing. The middle layer tunnel excavation and support from K0+172.5 to K0+226.5 had been completed. Monitoring deformation of MAT was ongoing. The pending works were to continue in July 2014.

Escape and Ventilation Tunnel: The upper layer excavation and support was ongoing (K0+076.2-K0+097.0). The middle layer excavation and support had been achieved at K0+097.0. The under layer excavation and support had also been completed at K0+061.5. The monitoring deformation of EVT was ongoing. The works due for commencement were excavation and support for 40m upper, middle and under layer underground.

Tail race Tunnel: Surface leveling, clearing and open earth excavations had been completed by 3rd July, 2014. Additional open earth excavations were to continue in other two locations of the tail race channel. These sections are located in the wild life reserve and were yet to be handed over to the contractor from the Uganda Wildlife Authority.

Diversion channel: open earth excavations and open rock excavations was ongoing by 3rd July, 2014.

Access roads: 22.5Km (90%) out of the required 25Km of access road with in the project site had been completed by the end of FY2013/14. The outstanding road access network was to be constructed in Awoo village where compensation had not been completed.

Labor camp: six fabricated houses for the project construction staff had been completed by the 3rdJuly, 2014 and three more units were still under construction. The power and water supply installations were ongoing.

Contractor office: Construction of the Sinohydro office was ongoing. By 3rdJuly 2014 20% of the civil works had been completed. The walls construction was at ring beam level and was due for casting. The construction of the mess was at foundation level while the construction of the clinic was yet to commence upon completion of ground surface clearing and leveling.

Aggregate system plant: By end of June 2014, the contractors were using a temporary aggregate processing plant with capacity of 1900tonnes of aggregates. The contractors were still awaiting completion of the Resettlement Action issues in Awoo village before start of the construction of the facility in the village.

Construction of the other components was awaiting receipt of advance payment and complete hand over of the project land to the contractor.

Resettlement Action Plan: By end of FY2013/14, 95% of the PAPs had been compensated. The outstanding PAPs were in Awoo village that had disputes on the land ownership.

Community sensitization workshops: over five sensitization workshops had been held and these will continue to take place until completion of the RAP.

Left: Ongoing excavations, Right: Construction works on the Escape/ Ventilation Tunnel on Karuma HPP

Implementation Challenges

- Delay in disbursement of the 15% advance payment to the contractor. This had been expected in September 2013.
- Delay in the handover of the entire project land that belongs to the PAPs and the game reserve for the Uganda Wild life Authority.
- Delays in the process in waiving the customs duty on the imported equipment for projects development. The delay process is due to the new tax amendments proposed in the FY2014/15 budget speech in the treatment of procured goods and services directly by or through development partner support to be tax inclusive.
- Inadequate resources of the contractors to bridge finance as they await the advance payment.

Analysis

Link between physical and financial performance

A total of Ug shs 37,270,000,000 (3% of the budget) was released by the end of FY 2013/14. This was due to delays in finalizing the financing agreement between Uganda and the Exim bank of China. However, there was 7% progress on construction works at the power plant. The contractor has so far spent US$ 280,000 for construction. The volume of works that were ongoing and those completed were in line with the reported expenditures. The expenditures were made largely on the excavation works for the Main Access and Ventilation and Access tunnels, tail race excavations, ground leveling and construction of access roads.

Achievement of set targets

Overall, the project is behind schedule. However, project performance against set targets was good. The target achievement for FY2013/14 were above 60% except the EPC construction component which was 7% compared to the 20% target by the end of the FY2013/14. Land had been freed up on average by 65% and compensation rate was at 95% of the project affected persons while the sensitization meetings had exceeded the five targeted meetings.

Conclusion

Performance of the project is rated as fair. Civil works were ongoing on the different fronts in spite of non-disbursement of the advance payment. Smooth implementation was interrupted by the delay in disbursement of the advance payment and finalization of RAP particularly Awoo village, Kiryandongo district where various facilities for the HPP are located.

Recommendations

- The MEMD and MFPED should fast track the finalization of the financing agreement for the project.
- The MEMD should fast track finalization of the RAP in the project area.

Project 1143: Isimba Hydro Power Plant (HPP)

Background

Isimba HPP is a public project to be developed by Government of Uganda through a bilateral agreement with the People's Republic of China. GoU is expected to contribute 20% of the cost and 80% from the EXIM bank of China. The HPP is located in the Districts of Kayunga and Kamuli.

The medium term objective of the project is the ultimate development of the Isimba Hydro Power Plant and its associated transmission line interconnection which will contribute to the power supply in the country and possibly the East African region. The project is implemented by the Uganda Electricity Generation Company Limited. The EPC contractor for the HPP and the Isimba-Bujagali interconnection line is China International Waters and Electric Corporation (CWE).

Expected Outputs by 2016 are;

- Construct 188MW Isimba Hydro power plant
- Constructed 132kV Isimba- Bujagali , double circuit steel tower power transmission line (Approximately 50Km)

Annual Planned outputs

The MEMD did not have documented planned outputs for FY2013/14. The contractor however planned the following;

- Soil and Geological surveys completed
- Survey works completed
- Design and camp construction completed
- 2Km gravel access road constructed
- 33 kV line constructed

Findings

Financial performance

In FY2013/14, MEMD did not allocate any GoU development funds to the project. The contractor implemented the project using own resources to a tune of US34.5 million for the actual cost on site. The contractor had also committed some funds (USD 3 million) in the process of purchase of required equipment. Full payments would be completed upon receipt of the advance payment. No disbursement had been as the financing agreement between the China EXIM bank and GoU had not been finalized.

Physical Performance

The EPC contract was signed in September 2013 and the ground breaking ceremony was held on 5th October, 2013. By the 14th August, 2014 soil and geological investigations had been completed. The reports were submitted to the EPC consultant for approval. Design of the camp had been completed and construction works were ongoing. The table 6.29 summarizes the progress of works.

Table 6.29 Activity and Physical Performance

Activity	Observed Physical performance
Construction of contractors camp	15% overall. Different units were at different levels of completion. Some were at foundation or window levels.
Construction of employers camp	15% overall. Some of the units were at ring beam level, others were at roofing level,
2 Filling Stations	50% overall. One of filling station is complete. Construction works for the second one are yet to commence.
2Km of road constructed	70% overall. leveling in some sections were ongoing
33kV of HV power line constructed	100% overall. The camp now has access to power.
Soil and geological investigations	100%
Man power mobilization	100%
Equipment mobilization	100% for the ongoing works.
Site hand over	70% of the project site had been handed over.
Source: Field Findings	

Left: Isimba Hydropower station; Right: Levelling of access road


Ongoing construction works for camps; Right: Storage facilities for explosive magazines to use in excavation works

Challenges

- Delay in complete hand over of the project site. Only 73% of the land has been handed over to the contractor.
- Delayed disbursement of the advance payment. All works were initiated by the contractor using own resources. The advanced payment has not yet been paid. Orders for equipment were made but its procurement cannot begin until the advance payment is received.

Analysis

Link between physical and financial performance

In FY2013/14, MEMD did not allocate any GoU development funds to the project. No disbursement had been as the financing agreement between the China EXIM bank and GoU had not been finalized. The contractor implemented the project using own resources to a tune of US34.5 million for the actual cost on site. The contractor had also committed some funds (USD 3 million) in the process of purchase of required equipment. Ongoing works included; site clearance, construction of access road, power lines, construction of the camps and filling station. The reported works were in line with the expended amounts.

Achievement of targets

In spite of the non-allocation of funds to the project, the project performed well as 70.6% of the targets were achieved. Soil investigations were completed and handed over to the consultant. Manpower and equipment had been mobilized. Camps constructions and access roads construction were all ongoing.

Conclusion

Commendable progress was registered between September 2013 and June 2014. In total, 70.6 % of the targets were achieved albeit the non-disbursement of the advance payments. The key project challenges were delay in finalization of the financing agreement and conclusion of the RAP implementation.

Recommendations

- The MFPED and MEMD should fast track conclusion of the financing agreement between the China EXIM bank and GoU.
- The MEMD should expedite the process of compensation of the PAPs to avoid further project delays.

6.2.3 Vote Function 0303: Petroleum Exploration, Development and Production

The vote function effectively monitors all petroleum operations in the country for the exploitation of the petroleum resource in an economically and environmentally conducive manner. The new legislation, the creation of new institutions and the strengthening of existing ones will be undertaken to effectively carry out various mandates of the vote function. The vote function took only 4.2% of MEMD sector budget.

Projects monitored during the Financial Year included; Project 1142: Management of Oil and Gas; and Project 1184: Construction of the oil Refinery.

Project: 1142: Management of Oil and Gas

Background

The project is financed by both the GoU and the Government of Norway. Norwegian assistance under Oil for Development in Uganda was effected in 2006 under the programme, "*Strengthening the State Administration of the Upstream Petroleum Sector in Uganda*". This program ended in 2009. Discussions were held between Norwegian Embassy, Oil for Development (OfD) and the GoU with regard to continued Norwegian support to the sector. This led to approval for continued support and an agreement for a new five year programme "Strengthening the Management of the Oil and Gas Sector in Uganda" which was signed in July 2009. Formal implementation of the programme commenced in 2010 following an inception period.

The overall objective of the programme is to contribute to the achievement of the goal of the National Oil and Gas Policy of Uganda "*To use the country's oil and gas resources to contribute to early achievement of poverty eradication and create lasting value to society*"[62]. The specific purpose of the program is to put in place institutional arrangements and capacities to ensure well-coordinated and result oriented resource management, revenue management, environmental management and Health Safety and Environment management in the oil and gas sector.

Annual planned outputs for FY2013/14 include:

- Geological, geophysical and geochemical data in the unlicensed basins collected and packaged; Investment promotion undertaken; resource assessment and laboratory analyses conducted
- New regulations and guidelines for the upstream activities developed; Model PSA reviewed and updated; Monitoring and Evaluation strategy for the National Oil and Gas Policy (NOGP) formulated
- Complete construction of Phase-2 new Data Centre and commence on Phase-3; maintenance of existing buildings and related infrastructure undertaken.
- Computer hardware and their accessories procured and computer software licenses renewed.

- Laboratory and geophysical equipment procured and maintained.
- Office Furniture and other Fittings procured and maintained.
- Standards and Codes for midstream petroleum operations are developed.
- RAP study for the acquisition of way eaves for the crude pipelines to the refinery and for products' pipeline from Hoima to Buloba and storage terminal commenced.
- Baseline Environmental Survey for crude oil pipelines and Hoima-Buloba pipeline completed.
- Legal framework for oil refining, gas processing and utilization in place.
- Regulations and the Licensing framework for midstream activities developed
- Geological, Geophysical and Geochemical data in the unlicensed basins collected and packaged; Investment promotion undertaken; resource assessment and laboratory analyses conducted.

Findings

Financial performance for GoU Funds

The GoU approved development budget for FY2013/14 was Ug shs 20,182,440,000, of which Ug shs 16,432,266,588 (81%) was released according to Petroleum Exploration and Production Department (PEPD). All the released funds were absorbed by the end of the FY. The released funds were shared among the outputs with government buildings and service delivery infrastructure taking (31%), Capacity Building for the Oil and Gas Sector (14%), Transfer for Petroleum Refining (Midstream Unit) (12%), Initiate and Formulate Petroleum Policy and Legislation (10%). Other outputs took up between 7 and 3% with the lowest being purchase of office furniture and fittings at 2%. Allocative efficiency was good as the expenditures were majorly on development activities.

Variances of Ug shs 1.9 billion were noted in the released funds from MFPED and the amount that PEPD acknowledged to have received for the output "Government Building and Service delivery infrastructure". The released and the received funds on all other outputs were similar. The absorption rates also varied. The PEPD had indicated that all the released funds had been absorbed. Analysis of IFMS figures indicated that all the outputs had unspent balances. The largest unspent balance was on the output, "Government Building and Service delivery infrastructure" of Ug shs 1.799 billion while the smallest was on output: Purchase of office furniture and fittings of Ug shs 407,769. The variations are presented in table.

Table 6.30 Comparisons of release and expenditure performance from PEPD and MFPED IFMS

Output name	Releases from MFPED to PEPD (A) Ug shs	Received funds by PEPD (B) Ug shs	Variation in Received funds : (A)-(B) Ug shs	Expenditure by PEPD Ug shs	Expenditure According to IFMS Ug shs	Variation in Expenditure; (C) -(D) Ug shs
030301 Promotion of the Country's Petroleum Potential and Licensing	853,000,099	853,000,099	-	853,000,099	846,318,945	6,681,154
030302 Initiate and Formulate Petroleum Policy and Legislation	1,652,000,000	1,652,000,000	-	1,652,000,000	1,635,959,922	16,040,078
030303 Capacity Building for the Oil and Gas Sector	2,358,000,000	2,358,000,000	-	2,358,000,000	2,346,028,720	11,971,280
030304 Monitoring Upstream Petroleum activities	1,230,000,000	1,230,000,000	-	1,230,000,000	1,215,249,453	14,750,547

030305 Develop and implement a Com strategy for the Oil & Gas Sector	945,000,000	945,000,000	-	945,000,000	910,562,931	34,437,069
030306 Participate in Regional initiatives	462,440,000	462,440,000	-	462,440,000	451,991,842	10,448,158
030351 Transfer for Petroleum Refining (Midstream Unit)	2,000,000,000	2,000,000,000	-	2,000,000,000	1,989,951,692	10,048,308
030372 Gov't Building and Service delivery infrastructure	7,049,826,489	5,149,826,489	1,900,000,000	5,149,826,489	6,948,692,074	- 1,798,865,585
030376 Purchase of Office & ICT Equipment & Software	921,000,000	921,000,000	-	921,000,000	906,492,549	14,507,451
030377 Purchase of specialized machinery & equipment	586,000,000	586,000,000	-	586,000,000	585,105,383	894,617
030378 Purchase of office furniture and fittings	275,000,000	275,000,000	-	275,000,000	274,592,231	407,769

Source: PEPD and IFMS data, 11th, July, 2014

Donor financial Performance

The Norwegian funding is used for the programme- Strengthening the Management of the Oil and Gas Sector in Uganda. From table 6.31, the oil resource pillar took up the biggest share of the budget while revenue pillar took up the least share of the budget. By the end of June, 2014 the donor funds budgeted for the different programme areas for four years exhibited varying absorption rates. Expenditures were mostly on the legal and regulatory framework under both the revenue and resource pillar. Least expenditures were on activities for review of existing acts, environmental regulations and standards under the environment pillar.

Table 6.31: Financial Performance of Donor financing

	Total Budget 2010-2014	Cumulative Expenditure to June,2014	Absorption Rates
	USD	Expenditures	Percentages
Resource Pillar (total)	9,893,906	4,164,112	42%
1.2 Legal & Regulatory Framework	2,421,490	1,956,896	81%
1.3 Licensing Strategy and Plan	919,526	389,301	42%
1.4 Monitoring & Supervision	1,115,767	543,025	49%
1.6 Institutional Development & Capacity Building	1,679,199	463,401	28%
1.11 Regional and international Cooperation	87,785	6,639	8%
Revenue Pillar (total)	2,373,602	1,279,533	54%
1 Legal framework and Policy	1,458,149	853,359	59%
Environment Pillar (total)	3,113,830	1,039,921	33%
3.4 Existing Acts reviewed	304,055	0	0%
3.7 Environmental regulations and standards	851,275	116,822	14%
Program Management (total)	2,508,935	847,084	34%
Communication strategy	1,295,741	682,786	53%
Monitoring of Oil and Gas Policy and Programs	599,312	130,485	22%

Source: PEPD Entebbe

i) Physical performance

Progress was noted on all planned outputs. The country's petroleum potential was advertised through a number of conferences and workshops; draft upstream regulations were also in place, equipment was also procured by the end of the FY 2013/14.

In the table 6.32 below the planned outputs and physical performance status for management of oil and gas is presented.

TABLE 6.32PLANNED OUTPUT AND PHYSICAL PERFORMANCE FOR FY2013/14

Annual Planned	**Physical performance by the end of FY2013/14**
030301 Promotion of the Country's Petroleum Potential and Licensing	
The country’s petroleum potential presented at four (04) international conferences Develop and update promotional packages Continue preparations for the first licensing round in the country Appropriate due diligence on companies that expressed interest in participating in the Country’s petroleum industry, undertaken.	Licensing strategy continued to be developed. Due diligence done on 20 companies that have shown interest to invest in the oil and gas sector. One Benchmarking study visit on licensing undertaken at the Tanzania Petroleum Development Corporation, One technical study tour to PETRONAS of Malaysia undertaken. Continued preparations for the country’s 1st licensing round including holding a workshop on data room building with Schlumberger. The International Conferences attended included: Three staff attended Association of American Petroleum Geologists (AAPG) conference in USA Two staff attended Society of Petroleum Engineers(SPE) conference in UK Three staff attended Oil Technology Conference in USA Two staff attended AAPG Unconventional resources workshop, in Denver, USA.
030302 Initiate and Formulate Petroleum Policy and Legislation	
New Regulations and guidelines for the upstream activities developed; Model Production Sharing Agreement(PSA) reviewed and updated; Monitoring and Evaluation (M&E) strategy for the National Oil and Gas Policy (NOGP) formulated.	A zero draft for the upstream regulations was in place. The working group on the regulatory framework was in final stages of development of the upstream regulations. The M&E framework for the National Oil and Gas Policy was finalized; to be operationalized in the next FY-2014/15.
030303 Capacity Building for the Oil and Gas Sector	
National expertise for the oil and gas developed and maintained;	Nine staff continued their Master’s degree studies in petroleum related studies, at various

Annual Planned	Physical performance by the end of FY2013/14
National Content policy and strategy put in place; Creation of new institutions (The Authority, Directorate and National Oil Company).	Universities abroad. Short term trainings included : Two staff in Pipeline systems design, at Japan; Oil, Gas & Minerals; staff in International arbitration in UK; 4 staff, Corelab joint study workshop in UK; One staff CISSP (IT) training in South Africa; eight staff, study visit to Mangala Oil fields in India;2 staff, Health Safety and Environment(HSE)Superintendent training at IFP, USA; four staff undertook Development Geology training in USA; two officers trained in International petroleum management program in USA The process of operationalization of the new petroleum institutions continued.
030304 Monitoring Upstream Petroleum activities	
• Surveys and field operations exploration costs uncured by licensees monitored; • Petroleum Data efficiently managed; • Environmental Impact Assessments (EIAs); • Drilling and Field Development programs; • Well proposals and Production Reservoir reports assessed; • National oil and gas reserves and production volumes compiled.	Monitoring on a 24- hour basis for the following activities undertaken:- Acquisition of 338.10 sq km of 3D seismic data in EA1 and EA1A by TOTAL, which commenced in February 2013, was completed; Acquisition of 9 line Km of 2D seismic data on a test line in Kingfisher Development Area (KFDA) by CNOOC; -Civil works in KFDA; - Drilling of appraisal wells Rii-2, Mpyo-5A, Mpyo-6, Mpyo-7, Jobi East-3, JobiEast- 4, JobiEast-6, Gunya-3, and Gunya-4 in EA1; Testing of wells, Rii-2, Mpyo-6, JobiEast-3, JobiEast-6 in EA1; Drilling of appraisal well Waraga-3 in EA2; Plugging and Abandon for well Ngiri-1 in EA1; Plugging and Abandon for wells Kasamene-2, Karuka-1, Karuka-2, Taitai and Ngassa-2 in EA2; Continued review applications for production licenses over Kigogole-Ngege-Nsoga-Ngara (KNNN) and Kasamene-Wahrindi (KW) in EA2; Continued review application for production

Annual Planned	Physical performance by the end of FY2013/14
	license over Ngiri, Jobi and Rii fields in EA1.
030305 Develop and implement a Communication strategy for the Oil & Gas Sector	
Information on oil and gas disseminated; stakeholders Sensitized on the ongoing oil and gas activities in the country; Departmental website upgraded and updated; Media reporting on the oil and Gas sector improved. Press conferences held; Queries and inquiries on the sector responded to.	Participated in meetings organised by the Rural Initiative for Community Empowerment-West Nile in four districts namely. Buliisa, Nwoya, Nebbi and Arua for district leaders and the Business community; -Participated in two community dialogues in Buliisa district and one dialogue with Anglican Bishops; -Held one media briefing; -Held 15 (fifteen) Radio talk shows; -Participated in three community sensitization meetings with persons affected by the refinery organized by Hoima Caritas Development Organization (HOCADEO); -Held 6 sensitization meetings in refinery area.
030306 Participate in Regional initiatives	
Regional Conferences and meetings on oil and gas prepared and attended.	The department participated in three East African Conference Energy Committee meetings; The department also participated in three preparatory meetings for the East African Petroleum Conference and Exhibition - 2015 in Tanzania; Paid the government contribution for EAPCE'15 (USD50,000) The department participated in three engagements on co-operation with Democratic Republic of Congo in the oil and gas activities.
030351 Transfer for Petroleum Refining (Midstream Unit)	
Support the administrative functions of the new (transitional) units and creation of new institutions	Continued supporting the activities of the transitional units to facilitate the new institutions of Petroleum Authority, National Oil company and the Petroleum Directorate
030372 Government Building and Service delivery infrastructure	

Annual Planned	Physical performance by the end of FY2013/14
• Construction of Phase-2 of the new Data Centre completed and Phase-3 commenced • Maintenance of existing buildings and related infrastructure undertaken	The process of varying the Phase-2 contract to include an additional floor commenced; Routine maintenance of office buildings, the core lab and the surrounding environment was undertaken. Continued with phase 2 of the office building. Renovation of Commissioner's block. Putting up Uni-ports for storage and office accommodation.
030376 Purchase of Office & ICT Equipment & Software	
Computer hardware and their accessories procured and computer software licenses renewed.	Acquired Arc Geographical Information System(GIS) License for Server and Desktop 10.2; Redesigning the Department's Website and Intranet undertaken; The department Procured; 34 desktop computers, 32 UPSs, 12 Laptops; Antivirus License renewal for one year; Heavy duty photocopying machine; 3 power stabilizers - Maintenance kit C and Toner for the Taska Alfa photocopier; Sixteen (16) I-pads procured; Data and Voice installed in Administration Block; Procurement to join the NITA-U NBI commenced.
030377 Purchase of specialized machinery & equipment	
Laboratory and Geophysical equipment procured and maintained.	Procurement of the gas generators, chemicals commenced; Thirty five (35) gas cylinders procured. Purchase and installation of a new Fume cupboard
030378 Purchase of office furniture and fittings.	
Office Furniture and other Fittings procured and maintained.	Ten (10) desks and ten chairs procured.

SOURCE: PEPD AND FIELD FINDINGS

Field findings

a) Field monitoring focused on the two outputs implemented by the PEPD. These were: Office Building and National Data repository/ Data Center; and monitoring upstream activities at the Albertine graben.

a) **Office Building and national Data repository/ Data center**

Background

The MEMD is currently constructing an office building and National Data Repository at Plot 21-29 Johnstone Road-Entebbe after Uganda Wildlife Education Centre. This building will accommodate a modern National Data Repository, laboratories, core store and offices among others. The three storied building is planned to have three storeys and was designed with over 3500 square meters of office space to accommodate the new Petroleum Directorate which includes the Upstream, Midstream and Downstream Departments as well as the Petroleum Authority of Uganda. The building has since been changed to have four storeys to provide additional office space.

Financial performance of the data center

The contract for construction was awarded to Pearl Engineering Company Ltd at a contract amount of Ug shs 9,060,265,560. By the end of the FY Ug shs 6,391,028,061(71%) of the contract amount had been paid to the contractor. No additional certificates had been submitted for payment by the end of the FY albeit the ongoing works. Table 6.33 summarizes the payments to the contractor.

Table 6.33 Financial performance of Data Centre contractor

Date	Item	Particulars	Amount Paid (Incl. 18% VAT)	Balance
		Total Contract Amount		**9,060,265,560**
26/09/2012	1	Advance 20% of contract price	1,812,053,112	7,248,212,448
26/03/2013	2	Payment, Interim certificate No.1	508,216,626	6,739,995,822
31/05/2013	4	Payment, Interim certificate No.2	580,574,070	6,159,421,752
21/06/2013	5	Payment, Interim certificate No.3	429,290,224	5,730,131,528
13/08/2013	6	Payment, Interim certificate No.4	395,387,468	5,334,744,060
23/09/2013	7	Payment, Interim certificate No.5	256,885,221	5,077,858,839
07/10/2013	8	Payment, Interim certificate No.6	320,420,939	4,757,437,900
05/11/2013	9	Payment, Interim certificate No.7	506,578,347	4,250,859,553
03/12/2013	10	Payment, Interim certificate No.8	625,375,849	3,625,483,704
11/02/2014	11	Payment, Interim certificate No.9	483,653,090	3,141,830,614
25/03/2014	12	Payment, Interim certificate No.10	472,593,115	2,669,237,499
TOTAL			**6,391,028,061**	

Source: PEPD Entebbe

The contract for supervision of the construction works was awarded to DESIGN GROUP & ASSOCIATES at a contract amount of Ug shs 315,190,952. By the end of the Ug shs 191,387,070 (61%) of the contract amount including the reimbursable expenses of Ug shs 2,272,500 had been paid. The details of payments are presented in table 6.34

Table 6.34: Summary of Payments to the Supervision Consultant

Date	Item	Particulars	Amount Ug shs	Payments Ug shs	Balance Ug shs
	1	Total Contract Amount	315,190,952		
24/07/2013	2	Payment, Interim certificate No.1		63,038,190	252,152,762
24/07/2013	3	Reimbursable expenses		2,272,500	249,880,262
02/05/2014	4	Payment, Interim certificate No.2		126,076,380	123,803,882
Totals			**315,190,952**	**191,387,070**	**123,803,882**

SOURCE: PEPD ENTEBBE

Physical performance of the data center

Construction of the data center started in February 2013 with an expected completion date of July 2014. By the end of FY2013/14, 85% of the works had been completed. The key activities completed included: Slabbing and construction of columns for the four storey building. Some of the ongoing works included concentrate casting on some sections of the building and works for setting up of the roof.

L-R: Completed Building frame; ongoing construction works of the data center

Challenges

- Unforeseen ground conditions leading to more preparatory works.
- Lengthy processes in the approval of structural designs to include an extra floor on the building.

Conclusion

Construction of Phase II of the data center progressed well upon acquisition of the contractor. The slabs for the four floors had been cast and roofing works had just commenced. The project was affected by the unfore seen ground conditions and the processes for structural redesigns approval by the contract committee of MEMD.

Recommendations

- Contractors should carry out adequate preparatory works before commencement of works.
- In future, MEMD should conclude the structural designs before final award of contracts**.**

b) Monitoring of upstream activities

The FY2013/14 monitoring focused on reviewing China National Offshore Oil Company (CNOOC), and Tullow Uganda Operations Pty Ltd operations.

Exploration Area (EA) 2

Background

The area is operated by Tullow Uganda Operations Pty Ltd. The company carries out seismic data acquisition, and drilling of oil wells for discovery, exploration, and appraisal purposes.

Physical Performance

Appraisal well drilling at Waraga 3 oil well was completed. The company encountered hydro carbons which indicated a potential for additional oil quantities. Additional materials from underground were obtained for further studies. The oil well was plugged and partially abandoned for future use. The first phase of restoration had been completed at Waraga 3 by the end of June 2014.

Other oil wells which had been plugged and abandoned included; Taitai, Karuka I and II, Kasamene II, Ngasa I and II. Restorations of the oil wells was ongoing. This included removal of the marrum and its replacement with the top soil upon which vegetation is planted.

MEMD had requested Tullow Uganda Operations Pty Ltd to select the oil wells which they hope to use in oil production phase. The oil company had submitted one Field Development Plan and two Petroleum Reservoir Reports (PRR) for Kigogole-Ngege-Nsoga- Ngara (KNNN) and Kasamene- Wahrindi (KW) in EA2. The other FDP and PRR that had been submitted to PEPD by end of June 2014 was for Kaiso- Tonyo area for the oil wells of Waraga- Mputa- Nzizi. These were to be reviewed by PEPD and grant production license is the plans meet the GoU requirements.

Left: Partially abandoned site at Waraga 3: Right: Restoration of site at Kasemene 11

Kingfisher Development Area

Background

The area is operated by China National Offshore Oil Company (CNOOC) after the farm in and farm out of CNOOC and Tullow Uganda Operations Pty Ltd respectively in 2012. The total area of the field is 344 square Km.

Physical performance

CNOOC received the production license from GoU in September 2013. Acquisition of 9 line Km of 2D seismic data on a test line in Kingfisher Development Area progressed well. By 8th July, 2014 a number of prerequisite civil works in the development phase of the oil field were ongoing on the following fronts:

a) Rehabilitation of Masika Air strip and Jetty

To ease transport to and from Kanywataba Oil field which is below an escarpment with no access road, during FY2013/14, CNOOC repaired 20 meters of the runway. A total of 1360 meters X 60 metres were fenced off by the end of the June 2014. The jetties for the speed boats and ferry had also been rehabilitated. The rehabilitation involved installation of the gabions and placement of marrum at the jetty approach and some concrete works.

b) Materials storage yard

By the 8th July, 2014 the perimeter fence had been completed. One metre thickness of marrum had been placed and surface hardened in the 200X200 metres of the storage yard. Archor blocks which are to be used for placement drilling equipment had been constructed. Construction activities which were ongoing included: chemical shade, office space and guard house, and waste management unit where concrete casting and walling for the unit was ongoing. All the construction activities were to be completed on 30th July, 2014.

c) Civil works on Pad 2 – for Establishment of the production wells:

The civil works commenced in March, 2014 and were expected to be completed by August, 2014. By 8th July, 2014, derrick foundation (supports the oil drilling equipment) construction was in advanced stages and drilling operations were expected in September, 2014. Rig assembling which was expected to take a four weeks was expected to start mid-July, 2014. Other civil works which were ongoing included construction of: cutting treatment system, drilling fluid tank foundations, evaporation pit, and the dry drill cutting storage facility.

d) **Construction of the main camp**

Civil works which included paving of the construction site was ongoing. Some containers which are to be used as office had been set up.

e) Other civil works were- Construction of resettlement Houses for the PAPs

This was ongoing. Four houses had so far been approved for construction of which civil works had commenced for the two houses. The units were to include: four roomed, with a Kitchen and Pit latrine.

Ongoing construction works at Kingfisher Field Development Area in Hoima District

Implementation challenges

- Delays in approvals of work Environmental Impact Assessment permits. This was noted to take between 60- 90 days.
- Lack of proper and efficient transport means. Water transport takes about 10 days for materials to be delivered to CNOOC while road transport is lacking as Kanywataba is located below the escarpment without an access road.

Analysis

Link between Physical and financial performance

Majority of the funds (31%) were expended on the construction of Government Building and Service delivery infrastructure which took up 31% of the expenditure. A total of Ug shs 191,387,070 was utilized for supervision consultant for the Data centre construction contractor while Ug shs 6,391,028,061 was used for the construction of the building frame. The construction works for the roof had just commenced and the contractor had not yet made a payment claim to PEPD. Ug shs1,230,000,000 was spent on monitoring of the upstream activities which involves the drilling, appraisal operations and the civil works at the Kingfisher Development field.

Achievement of targets

Achievement of annual planned activities for FY2013/14 was excellent. All the planned activities progressed well. The CNOOC was at a stage of developing oil fields. Tullow is also submitted its Field Development plans and is awaiting a production license. Even multiyear projects like the construction of the data center also progressed well as roofing works had commenced by the end of the FY2013/14.

Conclusion

Management of oil and gas project is on course. A production license had been awarded to CNOOC, while Total and Tullow Uganda Operations Pty Ltd had submitted their field development Plans and the petroleum reservoir report to PEPD for analysis and possible award of the production licences. All other planned outputs for the financial year were on track. Construction of the data centre was affected by unexpected ground conditions and processes for completion of the structural design reviews and approval by the contract committee of MEMD. Kingfisher Development Area was constrained by delays in approval of environment permits for the activities in the oil field.

Recommendations

- The MEMD should conclude the design reviews and approval of the building designs before contracts are awarded.
- The NEMA should speed up the approval process of the environmental work permits for the oil companies.

Project 1184: Construction of the Oil Refinery Project

Background

Following the exploration success in Uganda, MEMD formulated a Refinery Development Program (RDP) to guide the development of the refinery and its associated infrastructure. As a step towards implementing the RDP, Government of Uganda undertook a feasibility study for the development of an oil refinery which was completed in August 2010. The study determined that it is feasible to develop an oil refinery. The Public Private Partnership project commenced in July 2011 and is expected completed in June 2016. The main objectives of this project include to;

i) Develop an appropriate legal and regulatory framework for crude oil refining and related infrastructure.
ii) Plan for the development of the refinery, pipelines, storage facilities and related midstream infrastructure.
iii) Contribute to capacity building in new emerging areas of crude oil valuation and midstream petroleum operations.
iv) Develop an appropriate modern institutional framework for crude oil refining and related midstream petroleum operation.
v) Promote private sector participation in the development, operation of refineries and related infrastructure
vi) Promote regional and international cooperation in development of refineries and related infrastructure.

In FY2013/14 the following outputs were planned:

i. Promotion of private sector participation in the development and operation of Midstream Infrastructure
ii. Promote regional and international cooperation for the development of oil refining, gas conversion and infrastructure in Uganda
iii. Legal framework for oil refining, gas processing and utilization in place
iv. Regulation and licensing framework for midstream activities developed
v. Standards and Codes for the Midstream petroleum operation developed
vi. National Expertise for crude oil, refining, gas processing and utilization, transportation and storage development and maintained
vii. Midstream Institutional framework implemented and require human resource capacity developed
viii. Land for the refinery and supporting infrastructure acquired;
ix. Continued implementation and completion of Logistics study
x. Transaction Advisory services for Refinery development undertaken;
xi. Pre - Front End Engineering Design (FEED) for refinery development completed.
xii. Aviation studies for aerodrome development undertaken
xiii. Crude oil pipeline to the refinery and storage facilities study recommendations implemented;
xiv. Pre-FEED for refinery products' pipeline from Hoima to Buloba terminal conducted.

Findings

i) Financial performance

The GoU approved development Budget for the project for FY2013/14 was Ug shs 34,982,279,998. The Budget was shared among the three outputs. Output, "construction of the oil refinery" took the biggest share of 93%. Capacity Building for oil and gas sector took 4%, while Promotion of the country's petroleum potential and Licensing took 3% of the total expenditure. A total of Ug shs 24,560,607,382 (70%) was released according to PEPD. All the released funds were absorbed. Majority (95%) of expenditures were made on the processes for land acquisition including payments to the PAPS, other line items like staff training, travel inland, postage and courier shared the 5% of the expenditures.

Table 6.35 shows the expenditure of funds for the refinery project. Expenditure analysis indicated differences in absorption of funds as reported by PEPD and as shown on the IFMS. Whereas PEPD reported to have absorbed all the funds, IFMS showed unspent balances from all the outputs. The largest unspent balance was Ug shs 1,000,000,000 for the construction of the refinery project, followed by Capacity Building for oil and gas sector at Ug shs 23,311,722 and Promotion of the country's petroleum potential and Licensing with Ug shs 15,315,558. The largest difference was because of differences between what was released and amount received by PEPD.

There was also a marked difference of Ug shs 1,000,000,000 between the amounts released from MFPED and the amount received by PEPD for output; Oil Refinery Construction.

Table 6.35: Financial Performance as indicated by MFPED and PEPD

Output name	Releases from MFPED to PEPD (A)	Received Funds by PEPD (B)	Variation in the received funds (A)-(B)	Expenditure by PEPD (C)	Expenditure from the IFMS (D)	Variation in Expenditure; (C) -(D)
03 03 01 – Promotion of the country's petroleum potential and Licensing	609,388,028	609,388,028	0	609,388,028	594,072,470	15,315,558
30303 Capacity Building for oil and gas sector	715,428,383	715,428,383	0	714,915,388	691,603,666	23,311,722
03 03 80 – Oil Refinery Construction	24,235,790,971	23,235,790,971	1,000,000,000	23,235,790,971	24,235,790,971	-1,000,000,000

Source: IFMS, PEPD, Author (July 2014)

Table 6.36 outlines the planned activities under project 1184 for FY 2013/14 as outlined in the MEMD ministerial policy statement. The physical performance observed during FY 2013/14 is summarized against the planned activities.

ii) Physical performance

Table 6.36: Performance for Construction of Oil Refinery Project

Annual Planned outputs	Annual Cumulative performance
03 03 01 –Promotion of the country's petroleum potential and Licensing	
Promotion of private sector participation in the development and operation of Midstream Infrastructure Promote regional and international cooperation for the development of oil refining, gas conversion and infrastructure in Uganda Legal framework for oil refining, gas processing and utilization in place Regulation and licensing	The Petroleum (Refining, Conversion, Transmission and Midstream Storage) Act 2013 enacted. 120 copies of the Midstream Law printed 37 copies of the refinery brochure printed Zero draft of the regulations for midstream operations developed and stakeholder consultations ongoing. Database of investors updated Technical committee to develop standards and codes for Midstream operations formed and several meetings held. Eight regional meetings/ summits held to support the infrastructure development in the region e.g. pipelines and refinery development

Annual Planned outputs	Annual Cumulative performance
framework for midstream activities developed Standards and Codes for the Midstream petroleum operation developed	
030303- Capacity Building for oil and gas sector	
National Expertise for crude oil, refining, gas processing and utilization, transportation and storage development and maintained Midstream Institutional framework implemented and require human resource capacity developed	Officers in the Unit trained in various aspects e.g. refinery technology, refinery business economics pipelines development, Oil and Gas Flow Measurement and Control Technique and Standards, NOC, regulations Three officers undertaking training long term training Recruitment of additional staff undertaken
03 03 80 – Oil Refinery Construction	
Land Acquired for the refinery and supporting infrastructure Transaction Advisory services for Refinery development undertaken Crude oil pipeline to the refinery and storage facilities study recommendations implemented Planning for acquiring way leaves for the crude pipelines to the refinery, products' pipelines to distribution centers and storage terminals Baseline Environmental Survey for pipelines completed Pre-FEED for refinery products' pipeline from Hoima to Buloba and development of Buloba terminal conducted	To date 1370 PAPs out of 2615 who opted for compensation have been compensated which gives about 52.45% completion of the compensation process Land for resettlement was identified and procurement process to purchase was ongoing Transaction Advisor hired to assist Government procure a lead investor/developer for the refinery, form the Special Purpose Vehicle, source for funding and also structure the refinery project Proposals for refinery development were submitted on 30th May 2014 and evaluated in June 2014. Two bidders were shortlisted for negotiations and final offer submissions. These are; Consortium led by SK Energy (South Korea) and Consortium led by RT Global Resources (Russia). The Government was to commence negotiations with the two preferred bidders and thereafter issue a request for the Best and Final Offers ("BFO") document. The two consortia were expected to submit their respective Best and Final Offers by the end of August 2014. Development of National Strategy and Plan for Petroleum Transportation and Storage facilities still ongoing and expected to be complete by end of 2014 Pipeline development: By the end of the FY2013/14 actual development on the ground had not commenced. It was noted that there are three pipelines to be constructed by the different

Annual Planned outputs	Annual Cumulative performance
Pre-FEED for refinery development completed Aviation studies for aerodrome development undertaken	stakeholders. The first pipeline from the oil fields to the oil refinery is to be developed by government in partnership with the upstream oil companies of: Total Exploration and Production, China Offshore Oil Cooperation (CNOOC), and Tullow Uganda Operations Pty Ltd. The key role of Government is expected to participate in route surveys, land acquisition and sensitization workshops. The second pipe line from the oil refinery to Kampala is to be spearheaded by the Government of Uganda and its studies were concluded in December, 2013. By the end of the FY2013/14, the structuring processes of the line were to be discussed with the lead investor who was under procurement. The third pipeline - component for the crude exportation was reportedly to be implemented using by partner states of Uganda, Kenya which had already signed a Memorandum of Understanding. The duo are still awaiting the possibility of Rwanda joining. Terms of Reference for the Consultancy to conduct a detailed routing survey and Baseline Environmental Survey for the products pipeline from Hoima (refinery) to Kampala (Buloba) completed. Expression of Interest for the above procurement of the Consultancy expected to be issued in the Q1 of FY 2014/2015 Plans to conduct the Pre-FEED for the refinery await the selection of the lead investor Terms of Reference for the Development of the Master Plan design for the Airport in Hoima were developed and procurement process for consultant on going spearheaded by International Civil Aviation Organization Baseline Environmental Survey for the refinery area concluded in December 2014. Aviation studies for aerodrome development had not been concluded except development of Terms of reference and the related meetings towards the output. It was noted that the Civil Aviation Authority of Canada was expected to undertake the studies in FY2014/15.

SOURCE: PEPD AND FIELD FINDINGS

Field Findings

In July, 2014, land acquisition was reviewed to ascertain level of compensation and obtain views from the PAPs on the process of compensation.

Land acquisition: The 29 square Km were identified in Buseruka sub-county, Hoima district. By the end of the FY2013/14, 1370 (51%) of the 2708 PAPs had been compensated. The outstanding payments were due to unavailability funds to pay and some cases of disputed the compensation packages. The revaluations for the disputed cases was ongoing by the end of the FY2013/14.

It was noted that by July 2014, the number of PAPs who opted for resettlement in kind (Construction of resettlement houses) was 93. These were still awaiting the completion of the procurement process for the land and the contractor to construct their houses. Land totaling to 570 Acres had been identified in Kyakaboga village near Buseruka Sub County in Hoima district at a cost of Ug shs 2.7 billion. The payment processes were awaiting release of funds from the Ministry of finance, Planning and Economic Development. It was noted that identified land would also be serviced with utilities (water and electricity) in order to make PAPS live a better life. Box 7.7 highlights some of the challenges that PAPs raised concerning late compensation.

Box 6.3 Challenges that PAPs are facing due to late Compensation

The PAPs expected compensations by end of March 2014 but had not been paid as at 7th July, 2014. The 93 families which also require resettlement had not been catered for. The PAPs however noted that they were aware of some land that had been identified in Kyakaboga village near Buseruka sub-county. The PAPs were very unhappy with the delayed release of funds for compensation. The PAPs whose land was revaluated also complained of over waiting for the fresh disclosures.
The PAPs noted they urgently need to purchase the land elsewhere but have not been compensated. Due to delayed compensation the PAPS were faced with the following challenges:

- Food insecurity due to not planting of food crops since they expected to be relocated. Those who have planted are having their crops eaten by wild animals.
- Attacks from the wild animals in some villages like Nyamasoga due to increased presence of bush as a few PAPs remained unpaid.
- Absenteeism of pupils from schools due to lack of proper income generating activities to support them and the uncertainty about when compensation would be effected.
- Disappearance of road networks with the affected villages
- Loan defaulting since a number of PAPs took loans to purchase alternative land with a hope to reimburse the funds timely.
- Appreciation of land values in the neighboring areas where PAPs hoped to relocate. An acre which used to cost Ug shs 1,000,000 has increased to Ug shs 3,000,000 in 2014
- Worries that the PAPs who missed signing the compensation forms would not be paid.

Source: Field Findings

Field discussions with unpaid Project Affected Persons of the Oil Refinery Project at Kabaale Parish in Hoima District

Implementation challenges

Non release of funds in Q4 FY2013/14 affected the RAP implementation. The number of PAPs who dispute continue to increase due to passage of time before compensation can be effected. The land rates used were for FY2011/12 and yet payments had not been effected by July 2014.

Analysis

Link between financial and physical performance

By the end of FY2013/14, Ug shs 34,982,279,998 was released to the sector and 95% of the funds were spent on processes for land acquisition. However, to date, only 51% of project affected people have been compensated. The outstanding payments were majorly due to unavailability of funds to pay the PAPs. The PAPs expected compensations by end of March, 2014 but had not been paid as at 7th July, 2014. The 93 families which also require resettlement had not been catered for. This was majorly due to the non-release of funds for Q4 FY 2013/14.

Achievement of set targets

The oil refinery project performance was good. However, the non release of funds constrained the process of completion of the resettlement action plan. By the end of the FY2013/14, 1370 (51%) of the 2708 PAPs had been compensated. The outstanding payments were due to unavailability funds to pay and some cases of disputed packages. The revaluations for the disputed cases was ongoing by the end of the FY2013/14. The number of PAPs who opted for resettlement in kind were still awaiting the completion of the procurement process for the land and the contractor to construct their houses. The payment processes were awaiting release of funds from MFPED.

Conclusion

Financial performance for the sector was unclear. Expenditure analysis indicated differences in absorption of funds as reported by PEPD and as shown on the IFMS. Physical performance was good although it was compromised by the non-release of funds for resettling the Project Affected People. The PEPD highlighted that all the funds were used for RAP compensation.

Recommendations

-The MFPED should fast track release of funds to expedite project implementation. Front loading of project funds may be considered in FY 2014/15

6.3 Vote 123: Rural Electrification Agency (REA)

Introduction

The Rural Electrification Agency was established as a semi-autonomous agency by the Minister of Energy and Mineral Development through Statutory Instrument 2001 no. 75. It seeks to operationalize Government's rural electrification function under a public-private partnership. In FY2013/2014, the agency was upgraded to a vote status. It is mandated to facilitate provision of electricity for socio-economic and rural transformation in an equitable and sustainable manner. The medium term goal of REA is to achieve 26% rural electrification by June 2022.

The key functions of the vote include;

a) Maintain a national data base on rural electrification
b) Promote rural electrification
c) Facilitate rural electrification projects,
d) Receive and review applications for subsidy
e) Advise MEMD on policies pertaining to rural electrification
f) Implement government priority rural electrification projects and community schemes
g) Monitor and evaluate rural electrification projects.

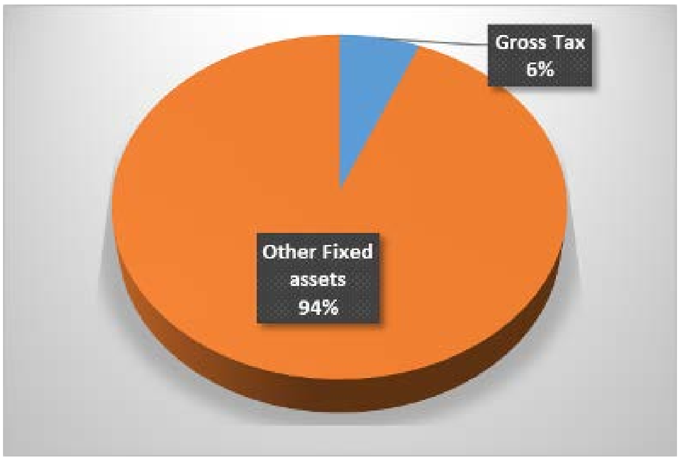
The vote has two key projects. These include; West Nile Grid Extension Program- GBOBA (Project: 1261), and Rural Electrification Project (Project 1262). In FY2013/14, performance of the two projects was reviewed.

Financial Performance of the REA

The approved GoU development budget for the vote for FY2013/14 was Ug shs 36,976,000,000 of which Ug shs 15,946,904,832 (43%) was released by the end of the FY according to the IFMS. This was poor release performance. The REA reported that Ug shs 14,946,904,832 was received by the end of the FY which translates into a release performance of 40%. All the released funds according to REA and IFMS were absorbed by the end of the Financial Year.

The expenditures were made on the two line items. The line item, "other fixed assets" took up the largest share as it represents the materials that are used in the construction of power lines like purchases of construction materials (including poles, conductors, and stay wires). Figure 6.3 shows the expenditure by line item.

FIGURE 6.3: PRIORITIZATION OF EXPENDITURE BY LINE ITEM



SOURCE: IFMS DATA, 11TH JULY, 2014

Project 1262: Rural Electrification project

Background

This project takes over from the old project implemented under Vote 017 that ended with the first Rural Electrification Strategy and Plan (RESP 2001 - 2010). The RESP II (2013-2022) will provide funding for undertaking rural electrification projects with the overall objective of achieving rural electrification access of 26%. The project will be supported with funding by the GoU and Development partners. The projects are initiated by REA in pursuit to achieve increased access to electricity by rural communities.

In the course of FY2012/2013, REA received US$ 20 million from the Energy Fund for implementation of selected priority projects. Preliminary implementation commenced during the same year and continued during FY2013/2014.

The selected planned outputs included:

- 60% construction of Wakiso/Mpigi/Mityana/Busunju - Lot 1 Central: completed.
- 70% construction of embabule/Mbarara/Bundibugyo/Mubende/Kiroso/Kiruhura/Lyantonde/Nakasongola/Ibanda completed. Lot: 2 Western.
- 60% construction of Rukungiri/Kanungu/Ntungamo/Kabale - Lot 8: Western completed.
- 80% construction of Kamuli/Buyende/Kayunga/Jinja - Lot 2 Eastern completed.
- 60% construction of Mbale/Manafwa/Tororo/Butaleja/Kapchorwa/Pallisa - Lot 3 Far-eastern completed
- 60% construction of Masindi/Lira - Lot 4 completed west/Central[63]

Financial Performance

The approved development budget for the project for FY2013/14 was Ug shs 33,976,000,000 which was 92% share of the budget for the vote. A total of Ug shs 14,465,919,460(43%) of the budget was released by the end of the FY. All the released funds as shown in table 6.37 were spent. Expenditures were distributed between other fixed assets (93%) and gross tax. Other fixed assets includes items used the construction of distribution power lines.

TABLE 6.37 FINANCIAL PERFORMANCE OF RURAL ELECTRIFICATION PROJECT.

Approved Budget	Releases	Expenditure	Release performance	Expenditure Performance
33,976,000,000	14,465,919,460	14,465,919,460	43%	100%

SOURCE: IFMS DATA, 11TH JULY, 2014

Physical performance

A sample of power lines in the western and Eastern Uganda were monitored. Some of the lines were under construction, although majority of the power lines were at initial stages of construction. Overall, performance was below average. Construction had not started on two of the sampled lots and none of the power lines met its target of completion by FY 2013/14. Physical performance by lot is detailed below.

a) Lot. 2 Western lot: Construction of the power networks in the districts of Sembabule/ Mbarara/ Bundibugyo/ Mubende/Kisoro /Kiruhura/ Lyantonde/ Nakasongola/ Ibanda

The project involved the construction of sections of High Voltage (HV) power networks in the districts of Sembabule, Mbarara, Bundibugyo, Mubende, Kisoro, Kiruhura, Lyantonde, Nakasongola, and Ibanda. The total route length for the lot is 84.38km of HV power network and 60.871 km of LV network

The contract was awarded to M &T construction company Ltd in November, 2013. Construction works started in January, 2014 with an expected completion date in November, 2014. The contract amount for the lot was Ug shs 6,060,000,000 and by the end of the FY Ug shs 1,400,000,000 had been paid to the contractor.

Pit excavations and pole erections had been completed in most of the districts except in Kisoro where workers had been mobilized to commence pegging, excavations and pole erection. Factory Acceptance tests for the required equipment had been completed and the processes for importation were under way. The equipment was expected in September, 2014. Table 6.38 shows status of implementation by district.

Table 6.38 Physical Performance of the Power line Construction

Scope of works	Observed physical performance by line section in August,2014
Mubende district 2.5Km of HV power network 1.01Km of 3phase LV power network 1.75Km of single phase LV power network 1x25kVA transformer 1x50kVA transformer	Works started in May 2014 and expected completion date was September 2014. However, the contractor expects to complete works by October 2014. Pit excavations and pole erection was ongoing by July 2014. The power line is to serve Nakasaga Trading centre, and extension in Kasambya and environs, Kasambya water supply, a primary school and a church. The delay in implementation was caused by a temporary lack of pole supply from the supplier and delays in the shipment process for the electro mechanical equipment. It was noted that the electromechanical equipment was under shipment and was expected to be received in August from China and Turkey.
Ibanda district 0.12Km of HV power network 1.2Km of LV power network 1x50kVA transformers to serve Njemba and Nyakahita areas. 3Km of HV power network 4.7Km of power network 2x50kVA transformers to serve Bwamate - Kigunga	Works started in July 2014. Excavations and pole erections had been completed by the same month. The Factory Acceptance Tests (FAT) had been completed and the importation of the equipment was underway. Installation of conductor and stringing was expected to commence upon receipt of the equipment from Turkey and China in September 2014. The power line is to serve 10 homes between Njemba and Nyakahita areas, and 45 homes in Bwamate and Kigunga areas. The Bwamate- Kigunga section is addition expected to serve some social institutions like Bugarama Junior school.
Kiruhura district 1.5Km of HV power net work 1Km of LV power network 1x50kVA to serve water sources.	Excavations and pole erections had been completed by August 2014. The power line is expected to serve two water sources in Kiruhura district. This will substitute or reduce reliance on diesel generators to pump water to in the area.
Lyantonde district 3x50kVA transformers 8Km of LV power network to serve Buyanga, Biwolobo, Kagongo, and Kanombe trading centres 13.7Km of HV power network 12Km of LV power network 5x50kVA transformers to serve Rwamiyanga - Rwensali areas 22.3Km of HV power network 9.2Km of LV power network 4x25kVA transformers 1x50kVA transformer to serve Katebe farm – Kasagama areas and environs	Pit excavations and pole erections had been completed awaiting arrival of equipment before stringing commences. The power line is to serve social institutions, trading centres and homes in the different areas. Some of the social institutions include: Biwolobo primary School, Lugalo Church of Uganda Primary School, Kavuya Health Centre (HC) II, St Joseph's Kabatema Primary School, Bamunanika Primary School, Nyabitanga Prmary school, Kabeja Primary School, Namutamba Secondary School, and Nabitanga Valley tanks in Ntusi village.

Scope of works	Observed physical performance by line section in August,2014
Sembabule district 11.2Km of HV power network 6Km of LV power network 3x50kVA transformers 1x100kVA transformers to serve Kyoga water pump	Excavation and pole erection had been completed by the 01st, August, 2014. Installation of conductors was yet to commence. The power line is expected to serve Kyoga Water Pump, Uganda College of Business and Vocational Studies, Mabido Primary school, Sky limit infant school.

SOURCE: FIELD FINDINGS

L-R: Completed Pole erection in Kasambya Subcounty; Ongoing stringing works in Kayunga District

b) **Lot. 1:** Kamuli/Buyende/Kayunga/Jinja**:** The contract was awarded to C & G Andijes Group Limited and construction works commenced in November, 2013. By the 4th July, 2014, excavations and pole erections had been completed in Kayunga, Luuka, Iganga districts. Stringing was ongoing in Kayunga while in other districts stringing was yet to commence.

c) **Lot. 1:** Wakiso/Mpigi/Mityana/Busunju: The contract was awarded to C & G Andijes Group Limited. By the end of the FY, line route surveys and pegging had commenced. Excavations and pole erections was yet to commence.

d) **Lot. 8: Western** Rukungiri/Kanungu/Ntungamo/Kabale**:** The contract was awarded to China Jiangxi. By the end of the FY construction had not commenced. Preliminary works of line surveys and pegging were ongoing.

e) **Lot. 3:** Mbale/Manafwa/Tororo/Butaleja/Kapchorwa/Pallisa**:** The contract was awarded to Dott Services Ltd and Utility Engineering Services Ltd as *a joint venture at a cost of* Ug shs 10,981,401,904. Project commencement date was 11th March 2013 and expected to be completed by 10th March 2014. Completion date was extended to September 2014. Completion rate was 45% by February, 2014. *See Quarter Two/Three BMAU Report for details)*

f) **Lot: 4 Masindi/Nakasongola/Lira**: The contract was awarded to Dott Services Ltd and Utility Engineering Services Ltd as a Joint venture. Completion was 45%. Stringing was ongoing. (*See Quarter Two/Three BMAU Report for details)*

Challenges

- Shortage of electric poles from UEDCL and Nile Ply the key suppliers to the contractors.
- Inadequate financial capacity of local contractors amidst high financial security requirements for contract award.

The PAPs and the beneficiaries for the rural grid extension were interviewed to ascertain level of knowledge about the project and beneficiary satisfaction of the intervention. The details are presented in the text box 6.4 and 6.5

Box 6.4 Level of Knowledge about the Project in Kasambya Sub County, Mubende district

An interview was held with the She sub-county chairperson, Kasambya sub-county, Mubende district. He noted that due to inadequate supply of water, the area leadership wrote to REA requesting for power extension to the water pumping site.

This was to replace the Diesel Generator which the private supplier uses to pump water. The sub-county leadership was happy with the intervention as it was expected to yield a number of benefits including:

- Increased hours of water supply from 3 to at least 12 hours.
- Reduction in the price of water which was at Ug shs 150 per jerrican and a unit (40-45 jerricans) at Ug shs 3,500
- Supply power to the new water supply point once REA grants the request to extend power to the station. The new water supply scheme is expected to have a capacity of 30,000 liters up from 10,000 liters capacity of the current one.

The key challenge was:

- Delayed implementation of the project as stringing had not commenced after a couple of months.

It was recommended that the contractor expedites implementation of the project.

Source: Fieldwork Findings

Box 6.5: Interaction with PAPs on Lot 1: Eastern Uganda

Three PAPs (Semwanga Edward ,Lubanga Emmanuel, and Kakande Moses of Nawandagala Village, Bukoloto Parish, Kayunga Subcounty in Kayunga district and Jesca Kaweile and Naigaga Celina of Naimuli village, Irongo Parish, Irongo Subcounty in Luuka district)were interviewed concerning the Lot and below were their comments:

The PAPs were happy with the project as it was expected to bring electricity nearer to them. The expected uses for the power included:

- Use in the social institutions like schools and health centres
- Charging phones and other business which was being done in Kyampisi Trading Centre(Kayunga) 2Km away from their households

The PAPs in Kayunga were hopeful that with the introduction of prepaid meters community members would at least afford to pay and utilize the extended power.

The key issues noted by the PAPs were: Plantations were destroyed without compensating the owners. The PAPs simply kept silent in order not to sabotage government programmes; and limited sensitization as some local leaders did not know about the commencement of the project.

Source: Field Findings

Analysis

Link between physical and financial performance

A total of Ug shs 14,465,919,460 was spent largely on the payments to the contractors for the construction of the lines and gross tax for tax. Advance payment was made to all the lots reviewed using both the released funds and some other fund amounting to USD20 million from the energy fund. The details of financials from the energy fund were not available. However, the lines visited performed below average.

Achievement of targets

Achievement for the grid extension project was below average. All the monitored power lines were below 60% completion the target for the FY2013/14. Construction of lines, for lots 1 central and 8 in western had not commenced against the planned target of 60% completion by the end of the FY. The lots were physical construction was ongoing were. Sembabule/ Mbarara/ Bundibugyo/ Mubende/Kisoro /Kiruhura/ Lyantonde/ Nakasongola/ Ibanda, Kamuli/Buyende/Kayunga /Jinja, Mbale/ Manafwa/ Tororo /Butaleja/ Kapchorwa/Pallisa and construction of Masindi/Lira

Conclusion

Grid extension is vital in development of business enterprises, improvement in living standards and value addition. The implementation of the selected projects was behind schedule as the planned outputs were not achieved. The slow pace was attributed to shortage of electricity poles from the main suppliers, limited financial capacity of the contractors, and delays in the importation of the required materials for the construction.

Recommendations

- Government should regulate export of electric poles during local peak demand as it interrupts project implementation.
- The REA/ GoU should lower the financial requirements/ package contracts up to a maximum of Ug shs 10 billion to enable local contractors build capacity.
- Advance payment to the contractors should be made early enough to enable timely importation of materials required in the line construction.

Project 1261: West Nile Grid Extension Program-GBOBA

Uganda grid-based Output Based Aid (OBA) project is a four and a half year project funded by the Global Partnership on Output-Based Aid (GPOBA) through the World Bank (IDA), the government of the federal Republic of German and the European Union (EU) through the German Financial Cooperation (KfW), and the Government of Uganda. The project provides subsidization of an output grant for household electricity connection to defray the capital costs associated with obtaining electricity connections, which has been a significant barrier for rural households. The total project funding is US$21.3million; US$4 million by GoU, US$ 5.5million by GPOBA/World Bank, 5million Euros (equivalent to US$ 6.25 million) by German Government/KfW, EUR3.95million (equivalent to 5.5million) by EU/\KfW

The subsidies are channeled through REA to eligible poor households. The output against which funds are disbursed, are household connections to the electricity network and some demonstration of electricity consumed. The service providers pre-finance and make connections to eligible households and claim re-imbursement. The OBA service provider is reimbursed 67% of the cost of a household connection after independent verification of installation of a working connection, and 33% after six months demonstration of use of service. The OBA service providers are electricity distribution companies licensed to make household connections, provide electricity to households, and undertake other aspects of electricity service, including billing, connections and customer service. The connection charges are approved by the Electricity Regulatory Authority (ERA)

The project is intended to facilitate connections under the output based aid arrangement. The objective of the project is to provide connection materials to households and entreprises that have been under the grid for a period of 18 months without connection.

The project specifically targets potential customers in two categories;

a) Households within easy reach of the low voltage network of the Licensed Distribution Companies (LDC), who need a no pole service and are able to pay for the energy consumed but have not connected themselves for at least 18 months after commissioning of the network
b) Eligible poor households identified in newly electrified areas where poverty mapping has been undertaken by an independent consultant.

The project was scheduled to start in June 2012 and expected completion date was June 2017. However, implementation did not commence until July 2013.

The electricity connections under the OBA project are made by; Umeme Limited; West Nile Rural Electrification Company (WENRECO), Ferdsult Engineering Services Limited (FESL), Kilembe Investment Limited (KIL), Bundibugyo Energy Cooperative Society (BECs) and Pader-Abim Community Multi-Purpose Electric Cooperative Society Limited (PECMEC)

Annual monitoring focused on the OBA connections in West Nile, Western and Eastern regions of the country.

The annual planned outputs were; 40,000 customer connections country wide.

Findings

Financial Performance

The approved Development Budget for the project for FY2013/14 was Ug shs 3,000,000,000 of which Ug shs1, 480,985,372 (49%) was released by the end of the FY2013/14. All the released funds were absorbed by the end of the FY. All the expenditures were on the output increased household connections and on the specific line item of other fixed assets. Other fixed assets line item represents the items used in connections and other related costs (Payments for connection wires, meters, among others.)

Donor Financial Performance

The total Project funding is US$21.3million; US$ 4 million by GoU, US$ 5.5million by GPOBA/World Bank, €5 million (equiv. US$ 6.25 million) by German Government/KfW, EUR3.95million (equiv. US$5.5million) by EU/KfW. The operators upon completion of connections are refunded US$200 per connection. By the end of the FY, the expenditures from the donor component were not readily available.

Physical Performance

Overall physical performance for the sector was below average. Table 7.39 outlines the planned activities under the GPOBA project for FY 2013/14.

Table 6.39: Status of connections by FY 2013/14

Planned number of Connections	Actual Connections
40,000	1,803

Source: REA, Field Findings

Over all, the project performed poorly in terms of achievement of the project targets as only 5% connections out of the GPOBA targets were made by the end of FY 2013/14. The reasons for the low performance was attributed to;

- Umeme which is the biggest service provider came on board in April 2014 and yet it was expected to generate most of the connections
- Inadequate connection materials by the service providers
- Unaffordable cost of wiring the houses
- Many of the would be beneficiaries were far away from the LV network

Findings

The FY 2013/14 monitoring focused on electricity connections made by WENRECo in the districts of Nebbi and Arua; Umeme Limited in Iganga and Mbale; and KIL in Kasese and Rubirizi.

The company managers highlighted that the criteria for selection included;

- Building must have been in existence for 18 months without connection
- The premise should be residential. The only enterprises chosen are those are those with a residential facility
- Housing must be wired by a licensed electrician
- Potential beneficiary should be not more than 35 meters from LV pole.

On average, the company spends about Ug shs 450,000 per customer. About 80% of the funds are used for buying materials such as service cables, User Interface unit, communication cables, clips, meter box, circuit breaker, rod wire, meter, connector block, wood screws and wall plugs.

a) Grid Connections by WENRECO

The electricity operator serves the districts of Moyo, Arua, Yumbe, Nebbi, Maracha, and Terego. The operator learnt about the project through REA in December 2013 and started customer connections in January 2014. Connections have only been done in Arua district. The total number of OBA connections was 410 of which 315 were submitted to REA for verification in May 2014.

The electricity rate for the domestic customers was reported to be Ug shs 506 up from Ug shs 440. This rate was considered high for the domestic customer although WENRECO found the rate to be still low given the operational costs the company incurs. The company noted that all OBA connections had active electricity accounts with average monthly payments of Ug shs 7,500.

A sample of three households were interviewed to further establish status of the connection. Beneficiaries were happy with the connections as they were able to light their houses, ability to watch TV, and children can study at night.

House hold connections in Dadamu Sub County, Arua district

The project was popular among the beneficiaries that successfully connected to power. However, they noted a challenge with power interruptions and load shedding.

By July 2014, the connections had stalled as the company had ran out of connection materials. The company had invested approximately Ug shs 131,000,000 using own resources they could not proceeded with other districts due to lack of connection materials. The REA and Electricity Regulatory Authority (ERA) had monitored their connection but the audit firms to verify the connections had not yet visited the areas.

The selection criteria however, was said to be rigid as it compromised the would be beneficiaries. A person may not have a pole close to their residence and yet they are poor. So many places do not have poles to qualify for the OBA. Also, social institutions such as schools, health centres, were majority of the poor households receive services are not eligible for the project.

Potential beneficiaries were also not aware about the program as the sensitization efforts are low. To that end, REA has contacted a company to do the marketing. The REA also aired an advert on two Arua FM radio stations of Pacis Radio and Arua 1.

Challenges to implementation included;

- Delay in verification and reimbursement of funds for the connections by REA and verification team. The REA and ERA visited the site to establish connections made. However, the audit firm had not verified the connections
- The selection criteria leaves out would be eligible customers and social institutions where the poor households access services such as schools and health centres.
- A number of eligible customers have grass thatched houses which cannot easily have an electric wiring.

Recommendations

- The REA should provide advance payment to WENRECO to proceed with the connections.
- The REA should relax conditions for connection

b) Umeme Limited

The OBA progress report (March 2014) had highlighted that connections have commenced in the districts of Mbale and Iganga regions. However, connections had only been made in Iganga service area Overall, there was reluctance by Umeme to commence connections due to lack of return on investment through the OBA connections. According to Umeme, the OBA implementation arrangement is less beneficial. The status of the project performance of Umeme service areas is presented below;

a) Mbale Region

No connections have been made in the district yet. Adverts were run by REA asking people to apply for the connection subsidy. A total of 51 customers have applied by July 2014. It was highlighted that a consultancy firm, Real Marketing Agency was hired to market the project to different communities. However, the community has a perception that Umeme is supposed to wire for them their houses and that electricity is free. Other people are not aware about the project.

The manager recommended an improvement in the marketing of the project.

c) Iganga Region

The Umeme operator in Iganga district serves the districts of; Iganga, Bugiri, Luuka, Kaliro, Kamuli, and Mayuge districts. The operator learnt about the project in 2013.The connections started in March 2014. By July 2014, a total of 46 customers had been connected in the districts of Iganga and Bugiri.

The delay in commencement of customer connections was due to system difficulties. The Umeme system for connections management generates connections instructions upon payment for the inspection and connection fees and yet OBA payments are made after connections are complete. The difference between the system operations in Umeme and OBA project design caused a delay as Umeme had to adjust the automated system to handle OBA customers separately.

It was noted that the response is slow as few people are aware of the connection subsidy. It was highlighted that the project is good but the wiring cost (about Ug shs 500,000) is higher than the connection cost for a no pole service. The social institutions which serve the poor were excluded from the OBA program.

A sample of 10 beneficiaries were selected from Iganga and Bugiri districts. Interviews were held with them concerning the connection subsidy. Beneficiaries received the subsidy between May and June 2014. The requirements that Umeme asked for included; a wired house, recommendation letter from the LC chairperson, passport photograph, land agreement or title, and inspection fee worth Ug shs 41,300. On average, customers were using only two to three lights

Several benefits associated with the electricity were highlighted such as; lighting, improved security due to lighting, ability to charge phone and use the radio, improved health due to reduced smoke emitted from the candles. It was also highlighted that the prepaid meter billing has saved the customers from cases of bill estimations.

Household connections in Bugiri district

Some of the challenge highlighted included;

- Some households highlighted that purchasing cards to load power is not easy as they are in remote places.
- The units get used up very fast. This is because Value Added Tax worth 15% is charged on the units.

Suggested recommendation included;

- The need for Umeme to open up branches in villages to enable users purchase prepaid cards.
- Need to review the tax on the units to enable a poor person also afford the power.

d) Kilembe Investments Limited

The operator serves in the districts of Kasese and Rubirizi. The operator signed the contract to make the OBA connections in December 2012 and commenced connection in 2013. By July 2014, the company had connected 1,347 customers. The REA engaged Real Marketing Limited (RML) to sensitize people about the subsidy but it delayed. Therefore KIL went down to do the sensitization through among others, radio. The manager of KIL highlighted that the response is enthusiastic about the project. The need for power was still high despite the current lack of new LV poles to make the connections

Interviews with a sample of 10 beneficiaries indicated that they received the connection between July 2013 and July 2014. The connection cost for the power ranged between Ug shs 40,000 and Ug shs 50,000. They mentioned similar benefits from the power such as lighting, ability to watch TV, charge phones and improved security. Those that had small enterprises mentioned that they are able to use items like a fridge to sell cold refreshments. The issue of high cost of electricity was highlighted due to the 15% service charge on units purchased. The main recommendation was the need to reduce service fee.

Some of the challenges pointed out with the connection included;

- Difficulty to procure materials. Much as there is a re-imbursement, there are other costs apart from the OBA
- Failure to wire houses. The cost of wiring a house is high. A two roomed house could cost Ug shs 400,000 which is high
- Maintaining standards was challenging as a poor household may settle for cheaper materials
- The benchmark is a pole and the market is exhausted but there are no power lines

Analysis

Link between Financial and Physical Performance

Electricity operators pre finance and make connections to the eligible households and then claim for reimbursement. By the end of FY 2013/14, The REA had not yet reimbursed the operators for the connections made. In Arua the connections that had been made valued and submitted to REA for verification and reimbursement totaled to Ug shs 131,000,000. In Mbale Umeme district office had not made any connections by the end of the FY while in Iganga the connections had not yet been valued. The unavailability of funds slowed down the progress as, as the companies had ran out of connection materials.

Achievement of set targets

The project scored below average in the achievement of its core objective of providing connection materials to households and enterprises that had been under the grid for a period of 18 months without connections. About 5% connections were made. The Umeme was reluctant to make connections due to lack of Return on Investment through the OBA connections. The WENRECO and KIL also noted that they had slowed down on connections after running out of connection materials.

Conclusion

Overall, the project has not been embraced as expected since few poor households have been connected to the grid. Delay in verification and reimbursement of funds for the connections by REA and verification team has slowed down progress. The selection criteria also leaves out would-be eligible customers and social institutions where the poor households access services such as schools and health centres. In addition, there has been a slow start of the roll out of the implementation of the customer awareness campaign and communication strategy

Recommendations

- The REA and development partners should relax the selection criteria to enable key social intuitions like schools, health centres to benefit from the OBA project.
- The OBA project should adopt the use of ready board switches to serve the rural households which cannot afford wiring of their premises.
- The REA should timely ensure that the audit firm quickly verifies the completed connections complete to facilitate the reimbursement.

6.5 Overall Conclusion

Performance for the sector was rated fair. Projects that performed well included; PREEEP, Management of Oil and Gas Sector in Uganda, and Construction of the oil refinery. Overall release performance for the sector was poor with only 15% of approved budget that was released. This was due to the low release of funds for Karuma hydropower plant (3%) and yet it took the largest share of the sector budget. The low release performance to Karuma HPP was because the financing agreement between GoU and the EXIM bank had not yet been finalised. All the released funds to the sector were spent.

The PREEEP project performed well in enhancing access to renewable energy technologies and increasing energy efficiency. Over 17,000 stoves had been distributed to households and 25 stoves for productive use to Small and Medium Enterprises. The management of oil and gas sector project was on course. Construction of the data center progressed on track. The production license had been awarded to CNOOC, while Total and Tullow Uganda Operations Pty Ltd had submitted their field development Plans for review and possible award of the production licenses. In addition, the process of land acquisition for the refinery and supporting infrastructure continued. A total of 1370PAPs (51%) had been compensated. Land for resettlement of the vulnerable PAPs had also been identified in Kyakaboga village near Buseruka sub county in Hoima district.

However, 63% of the projects were below average. The low performance was most common among transmission infrastructure projects where there were delays in acquisition of the corridor. The main causes for delays included; disputes due to low compensation rates, delays in; approval of compensation packages by the CGV, payment of the PAPs; and procurement of RAP consultants. Delay in conclusion of the financing agreement affected performance of especially large hydropower plants. Other projects also highlighted low and late release of funds.

Recommendations

1. Government should come up with fair compensation values for all projects that use the way leave corridor.
2. The CGV's office should be enhanced with staff to speed up approvals submitted by UETCL.
3. The PPDA should develop the capacity UETCL Project Implementation unit to handle procurements.
4. The UETCL, MEMD should initiate procurements early enough to enhance timely funds absorption.
5. The MEMD and MFPED should fast track the finalization of the financing agreement with the EXIM bank to expedite implementation of Karuma and Isimba Hydropower plants.

CHAPTER 7: HEALTH

7.1 Introduction

The health sector comprises a number of spending agencies (Votes), which are responsible for different aspects of service delivery. The Ministry of Health (MoH) is the central agency in charge of policy analysis and formulation, strategic planning, provision of nationally coordinated services such as emergency preparedness, health research, monitoring and evaluation of the overall health sector performance[64].

Other functions are delegated to semi-autonomous institutions; in particular, drug stock management and drug delivery is managed by the National Medical Stores (Vote 116). Other agencies include: Uganda Cancer Institute (Vote 114); Uganda Heart Institute (Vote 115); Uganda Blood Transfusion Service (Vote 151); Uganda Aids Commission (Vote 107); and the Health Service Commission (Vote 134).

Districts and Municipal Councils take primary responsibility for delivery of frontline healthcare services. This is through the 'Primary Health Care' grant system where funds are transferred directly from the Ministry of Finance, Planning and Economic Development (MFPED) to local government general accounts. Local governments are responsible for the management of human resources for District health services, General Hospitals and Health Centre's (HCs) (levels II, III and IV)[65]. The total number of General Hospitals by December 2013 were 43, 182 HC IVs, 977 HCIII and 1,734 HCII.

A total of 14 Regional Referral Hospitals (Votes 163 – 176) offer specialized clinical services and higher level medical and surgical services. The two National Referral Hospitals (Votes 161 and 162) provide comprehensive specialist services, health research and all services of General and Regional Referral Hospitals[66].

During FY 2013/14, the sector's key areas of focus were;

- Human resource in terms of attraction, motivation and retention.
- Improvement of maternal and child health services including reproductive health.
- Control of HIV/AIDS, Malaria and Tuberculosis (TB).
- Improving Primary Health Care focusing on disease prevention, health promotion and functionalizing lower level health facilities.
- Reduction of referrals abroad through equipping, recruitment, staff motivation and acquisition of specialized medicines.
- Enhancing blood collection under the Uganda Blood Transfusion Services.
- Control/preparedness for disease outbreaks including surveillance

Scope of the report

This report reviews progress achieved in health sector development projects and programmes as at the end of FY 2013/14. The report highlights;

- Progress of planned outputs outlined in the annual work plans and performance reports.
- Linkage between physical and financial performance through assessment of whether funds released were commensurate with outputs.
- Project/programme efficiency, effectiveness and beneficiary satisfaction.
- Implementation challenges
- Recommendations.

Annual monitoring focused on; five MoH projects, National Medical Stores, one National Referral Hospital, five Regional Referral Hospitals and Primary Health Care grants in 14 local governments, and. Details are presented in Table 7.1.

Table 7.1 Projects and grants monitored for FY 2013/14

Vote	Program/Project/Grant Name	Location/Institution Visited
014 MoH	District Infrastructure Support Programme (Project 0216)	MoH Headquarters, Kisozi HC III-Gomba district
	Institutional Support to MoH (Project 1027)	MoH Headquarters
	Health Systems and Strengthening (Project 1123)	MoH Headquarters, Kiryandongo General Hospital, Mityana General Hospital, Nakaseke General Hospital and Iganga General Hospital
	Support to Mulago Hospital Rehabilitation (Project 1187)	MoH headquarters, Kawempe Hospital, Kiruddu Hospital
	Global Alliance for Vaccines Initiatives (Project 1141)	MoH Headquarters, Amuru, Gulu, Isingiro, Kaberamaido, Kitgum, Kole, Kumi, Lira, Pader, Soroti, Serere
116 National Medical stores (NMS)	Pharmaceuticals and Other Health Supplies	Mulago National Referral Hospital, General Hospitals (Iganga, Kiryandongo, Nakaseke) Regional Referral Hospitals (Jinja, Masaka, Mbarara, Lira, and Soroti) and Local governments included Gulu, Isingiro, Kaberamaido, Kiruhura, Kitgum, Kole, Masaka, Mbarara, Mityana, Pader, Soroti and Serere
161 Mulago Hospital Complex	Mulago Hospital Complex	Mulago
Vote 163-176 Regional Referral Hospitals	167 Jinja RRH	Jinja
	169 Masaka RRH	Masaka
	171 Soroti RRH	Soroti
	172 Lira RRH	Lira
	173 Mbarara RRH	Mbarara
Vote 501-850	PHC Wage and Development Grants	Gulu, Isingiro, Jinja, Kaberamaido Kiruhura, Kitgum, Kole, Kumi, Lira, Masaka, Mityana Namutumba, Pader, and Soroti,

Source: Author Compilation

7.1.1 Financial Performance of Sector

The sector was allocated a total of Ug shs 1,142.825 billion inclusive of donor funding, after tax and arrears adjustments in FY 2013/14. This was 8.6% of the national budget. Approximately 41% of the health budget was allocated to MoH, 27% to local authorities and district hospitals, 19.5% for National Medical Stores; 6.2% for Regional Referral Hospitals, 4.2% for National Regional Hospitals and 2.5% for all other spending agencies.

A total GoU budget was Ug shs 705 billion (62% of the health sector budget), Ug shs 629 billion (89%) was released and Ug shs 611 billion (97%) was spent on both development and recurrent activities 30th June 2014. Table 7.2 indicates budget performance of the health sector.

Table 7.2 Budget performance of the health sector (Ug shs) by 30th June 2014

Vote	Name	Revised Budget	Releases	Expenditure	Un spent Balances
14	Ministry of Health	57,173,035,161	47,933,815,333	46,776,261,552	1,157,553,781
107	Uganda Aids Commission	5,547,968,117	5,508,133,156	5,359,101,355	149,031,801
114	Uganda Cancer Institute	6,582,207,543	6,482,207,543	6,480,107,441	2,100,102
115	Uganda Heart Institute	5,111,047,114	4,977,591,921	4,817,388,848	160,203,073
116	National Medical Stores	219,374,586,943	219,374,586,943	219,374,159,625	427,318
134	Health Service Commission	3,883,401,949	3,603,119,831	3,541,919,552	61,200,279
151	Uganda Blood Transfusion Service	4,087,083,672	4,057,083,672	4,004,844,196	52,239,476
161-162	National Referral Hospitals	47,372,956,644	45,716,791,513	44,746,261,766	970,529,747
163-176	Regional Referral Hospitals	71,550,915,852	67,144,506,599	63,384,000,000	3,760,506,599
501-850	Vote 501-850 (PHC Development Grant, Wage and Non-Wage)	284,761,327,000	224,428,100,000	212,820,000,000	11,608,100,000
Total		705,444,529,995	629,225,936,511	611,304,044,335	17,921,892,176

Source: IFMS, legacy system, sector quarter four progress report and field findings

7.2 District Infrastructure Support Programme (Project 0216)

Background

The programme was established to enable government equip and rehabilitate selected health facilities for improved health care delivery. It commenced in July 2010 and is expected to be completed in June 2015[67]. Its main objective is to improve infrastructure of the health system by purchasing essential equipment and rehabilitating regional and district health facilities.

Expected outputs by June 2015

- Essential equipment procured and maintained
- Regional and district health facilities rehabilitated
- New health facilities constructed.

Planned outputs FY 2013/14

- Construction and equipment of Kisozi HCIII in Gomba district completed
- Construction and equipment of Buyiga HCIII in Mpigi district completed
- Retention for Kapchorwa Hospital in Kapchorwa District and Masafu Hospital in Busia district paid.

Findings

Financial Performance

The project revised budget for FY 2013/14 was Ug shs 1,075,865,000; 100% of the budget was released and 63% spent (Ug shs 679,530,437) by 30th June 2014. The release was excellent and resource absorption was good. Expenditures were mainly on payment for non-residential buildings with 68%, gross tax 15%, Travel inland at 8%, maintenance of machinery 4%, Printing and stationery ay 4% and goods and services at 1%.

Physical performance

Complete construction and equipping of Kisozi HC III was monitored.

i) Complete construction of Kisozi HC III

The Health Center is located in Kabulasoke sub-county, Kisozi parish, Gomba district. It serves a total population of 6,625 people in three parishes of Degeya, Kisozi and Kawanda. Construction was awarded to M/s Ambitious Construction Company Limited at a contract sum of 2,445,648,148 exclusive of Value Added Tax (VAT).

The scope of works involved construction of an Outpatient Ward (OPD), general and maternity wards, two bedroom staff houses accommodating 10 staff and external works involving establishment of waste pits, access roads, attendants' kitchen and laundry room, toilet and bathrooms. The scope also included provision and installation of medical equipment and furniture according to MoH standards of HC III.

Works commenced on 17th August 2011 and were expected be completed within 12 months (by August 2012). The contractor did not complete the works as scheduled and requested for extension of time. The completion date was revised to 30th November 2012 and the defects liability period from 22nd December 2013 to 11th February 2014. A number of defects were identified including substandard equipment that was supplied by the contractor. The MoH rejected substandard equipment like fridges and advised the contractor to attend to the defects.

The contractor was paid a cumulative total of Ug shs 2,394,550,637 of which Ug shs 65,641,204 was paid in FY 2013/14. Physical progress was at 100% against 98% financial progress. The health facility was operational, the OPD accommodated four admission rooms, an examination, treatment, immunization, dispensing, store, laboratory and counselling room. The maternity block had an office, examination, delivery and postnatal rooms. Staff houses were in place accommodating 12 health workers. Equipment delivered included two oxygen cylinders, three Blood Pressure (BP) machines, one auto clave, two delivery sets, weighing scales, furniture (chairs, cabins, wheel chairs stretchers and examination couch).

Newly constructed Kisozi HC III

Staff houses at Kisozi HC III

Users were happy with the quality of works and a number of benefits had been registered. These include;

- Ability to admit patients due to availability of beds and admission rooms.
- Staff accommodation led to availability of health workers at the facility 24 hours a day. This had greatly improved the efficiency and improved service delivery at the facility.
- Access to health services including Voluntary Counselling and Testing (VCT), antenatal, immunization and treatment of general illness. The facility undertook outreaches leading to reduction of the disease burden.

The administration was dissatisfied by the quality of equipment supplied. The contractor was tasked to replace all substandard equipment; however, some of the replaced equipment like delivery sets had rusted in less than six months of use.

A delivery set that had rusted

Medical beds delivered to Kisozi HC III

In spite of the rust, health workers continued to use them due to lack of alternative means, thus causing a health risk to mothers. Two out of six BP machines failed to work and gave inaccurate results when used. The solar system was weak and could not light for more than six hours a night. The health facility therefore resorted to use of lamps and torches to deliver mothers that gave birth at night.

Implementation challenges

- Equipment including fridges worth Ug shs 5.5million was substandard and rejected by MoH. The equipment had not been replaced by end of the financial year.
- Delays in payment of contractors leading to accumulation of interest. A total of Ug shs 43,898,246 accrued to the contractor after failure to pay a total of Ug shs 789 million in stipulated timelines.

Recommendations

- The MoH should ensure that all the substandard equipment is replaced including the weak solar system.
- The MoH should procure competent contractors to supply standard and quality equipment.
- The MoH should also check, verify and test the quality of equipment prior to acceptance and delivery to benefiting entities.
- The Uganda National Bureau of Standards should strengthen monitoring and supervision to control substandard materials on the market.
- The MFPED should front load development funds to enable MoH pay its commitments and avoid accumulation of interest.

Analysis

Link between financial and physical performance

There was a positive link between financial and physical performance of the project, the release performance of the project was good (63%) and 68% of the funds were spent on completion and equipping both Buyiga and Kisozi HC III. A total of Ug shs 396,334,569 remained was not spent and therefore returned to consolidated fund.

Achievement of set targets

One out of three targets was achieved; Buyiga HCIII in Mpigi district remained incomplete while review of the payment report from MoH indicated that retention for Kapchorwa and Masafu Hospital was not made during FY 2013/14.

Challenges affecting effective project implementation

- Inadequate allocations to the program leading to scaling down on a number of projects to be implemented and rolling over works to subsequent FYs.
- Program versus project mode of implementation often affected budgetary allocations. Project implementers believed the project should be a program streamlined in the Ministry rather than a project with timelines.

Conclusion

The project fairly performed well in terms of achievement of set targets during the FY (at approximately 63%). Construction and equipping of Kisozi HC III was complete while Buyiga HCIII was reportedly at 90%. Both projects were roll over projects that had time progress of over 200%. Quality of works at Kisozi HCIII was good, however, equipment supplied was substandard. Replication of such projects across different parts of the country should be prioritized, however, it requires capital investments and use of contractors with credible history of good quality works.

Recommendations

- The MoH should integrate the project activities into the mainstream programmes of the ministry.
- The MoH should forward contractors that continually supply substandard equipment to the Public Procurement and Disposal of Public Assets Authority (PPDA) for blacklisting.

7.3 Institutional Support to MoH (Project 1027)

Background

The project started in FY 2008/09 and is expected to end on 30th June 2015. The project aims to rehabilitate and retool MoH headquarters and other ministry units such as the research centers and mechanical workshop which were depreciating at high rate. In terms of retooling, the project was expected to procure office and transport equipment for entitled officers and political leaders. These needs could not properly be met under the recurrent budget allocations to MoH.

Expected outputs by June 2015

- Full rehabilitation and retooling of MoH Headquarters undertaken,
- Additional office space and other service rooms provided,
- A fully equipped and staffed institutional clinic established,
- Office furniture, equipment and transport equipment.

Planned outputs FY 2013/14

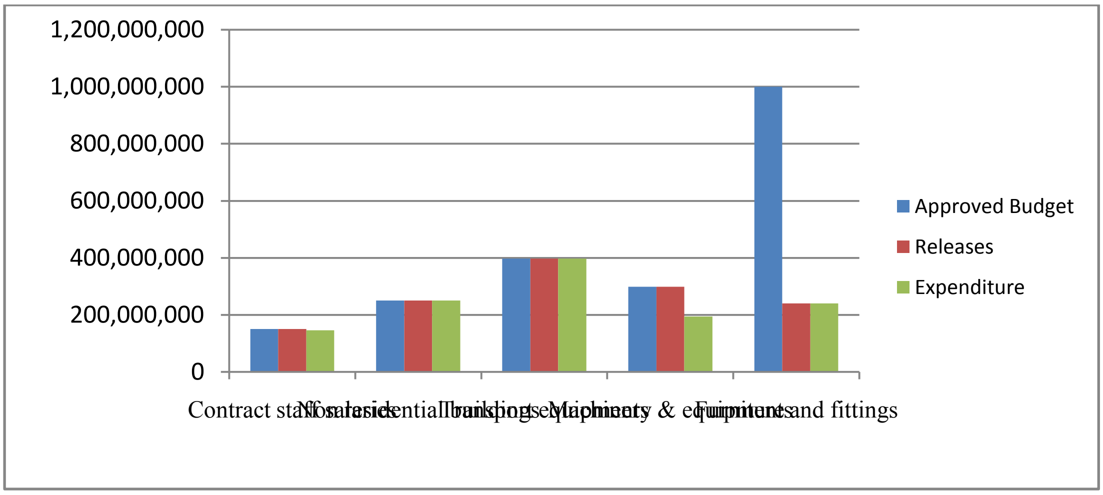
- Vehicles for top ministers procured,
- The MoH headquarters and Wabigalo offices renovated,
- Machinery and equipment procured,
- Contract staff salaries paid,
- Plumbing and electrification works at the MoH headquarters done.

Findings

Financial performance

The project total approved budget for FY 2013/14 was Ug shs 2,096,320,774 of which Ug shs 1,336,320,774 (63.7%) was released and 1,227,597,016 (91.8%) spent by 30th June 2014. Figure 8.1 illustrates that all funds released under contract staff salaries, machinery and nonresidential buildings (renovations) were spent except the machinery and equipment line item with 65% spent. Release performance under the furniture and fittings line was poor with only 24% released of the approved budget.

Figure 7.1: Financial performance (Ug shs) of the project in FY 2013/14



Source: IFMS MFPED

Physical progress

Procurement of vehicles for top ministers; one out of the three cars ordered had been delivered and fully paid by end of June 2014. M/s Toyota Uganda supplied one Land Cruiser VX, 4000cc capacity vehicle at a sum of Ug shs 344million. There was a change in vehicle specifications (from 3,000cc to 4000cc) upon clearance from the Office of the Prime Minister.

One of the new vehicles procured for top management of MoH

Procurement of machinery and equipment; Information, Communication Technologies (ICT) equipment like computers, software and printers were procured. Numbers could not be verified because most of the procurements bypassed the project manager and different projects procured their own accessories and equipment.

Renovation at Wabigalo offices; M/s Rohi Engineering Services had been contracted to re-roof the board room, replace ceiling and paint MoH offices at Wabigalo. The contract was signed in March 2014 and expected to be completed in March 2015.The contract sum was Ug shs 550 million and no funds had been advanced to the contractor. No civil works had been done by end of June 2014; the project manager had recommended termination of the contract upon establishment that the contractor lacked adequate capacity to undertake the works in a timely manner.

Renovation at MoH headquarters; remodeling and refurbishment work was ongoing on the 3rd and 4th floors. Tiling was being done by ABM Investments at a sum of Ug shs 79,000,000. Works were certified and contractor paid 100% of the total sum by end of the FY.

Plumbing and electrification works at MoH headquarters; this was premised on the need to reduce the utility bills of the Ministry. It was established that the MoH loses over Ug shs 300,000 monthly in wastage of water through faulty systems. Electrical installations and replacement of pipes and taps had not started by 30th June 2014.

Payment of staff salaries; 40 contract staff of the MoH were paid a total of Ug shs 145,965,817.

Implementation challenges

- **Weak internal controls:** lack of clarity on the procedure of acquiring funds to implement project activities. Various officers requisitioned project funds directly from the accounting officer without clearance from the project manager.
- Ineffective supervision of the project due to under staffing
- Inadequate capacity of the contractor stalling works at MoH Wabigalo.

Analysis

Link between financial and physical performance

The project exhibited good release performance (63%) and excellent absorption performance (91.8%). High absorption was in the areas of contract staff salaries, nonresidential building, furniture, fittings and transport equipment as all funds allocated to these activities were absorbed. Physical performance was rather poor because only one planned project was completed by end of the financial year.

Achievement of set targets

The project did not achieve its targets for FY; a few activities were completed while the major activities were rolled into FY 2014/15. Poor performance here was attributed to the inadequate capacity of some contractors and weak controls on project implementation.

Conclusion

Although 91% of the funds released were spent, some of the set targets were not achieved for example the plumbing system was not done, one out of three vehicles was procured, renovations at Wabigalo did not commence by end of the FY. Weak internal controls and management of project resources were noted.

Recommendations

- The MoH should streamline project activities into the development grant. This should come along with staffing for proper project implementation.
- The accounting officer MoH should ensure that staff follow work plans and guidelines in relation to use of project funds
- The contracts and evaluation committee of MoH should adequately assess and verify capacity of contractors prior to contract award.
- The MoH should forward poor performing contractors to PPDA for blacklisting.

7.4 Uganda Health Systems Strengthening (Project 1123)

Background

The Uganda Health Systems Strengthening (UHSSP) project commenced on 25th May 2010 and is expected to end on 31st July 2015. It is aimed at reducing maternal mortality through renovation and infrastructure development of health facilities in Uganda. It is set to achieve the following objectives;

i) Strengthen human resource management and development.
ii) Enhance physical functionality of health facilities by renovating health infrastructure and provision of medical equipment.
iii) Strengthen provision of reproductive health services to reduce maternal and pre-natal death through provision of Emergency Obstetric and New-born Care (EmNOC) equipment.
iv) Strengthen the leadership and management of the health sector through training, performance, contracting, and client charters among others.

The project is financed by a World Bank loan worth US$130million over a period of five years. It is expected to benefit two Regional Referral Hospitals, 17 General Hospitals and 27 Health Centre IVs.

The project has four components namely;

(a) Improved infrastructure of existing health facilities: allocated US$85 million (US$ 61million for civil works and US$ 24 million for medical equipment and furniture). Funds for civil works were insufficient thus the number of beneficiary health facilities were scaled down from 13 to nine and an additional US$90 million has been approved for remaining works.
(b) Improved maternal health, new-born care, and family planning services allocated US$30 million.
(c) Improved management, leadership, and accountability for health service delivery allocated US$10 million.
(d) Improved health workforce development and management allocated US$5 million.

Expected outputs by June 2015

- Physical functionality of health facilities enhanced by renovation of health facilities.
- Leadership and management strengthened in areas of logistics and procurement, contracting, health communication and feedback management, accreditation of health facilities and training managers of health facilities.
- Systems for Human Resource Development and Management strengthened through offering scholarships to health workers and support to professional councils.

Planned outputs for FY 2013/14

- Civil works in 13 General Hospitals
- Procurement and distribution of 276,000 safety delivery kits
- Family planning methods, contraceptives and gloves procured and distributed under NMS
- Hospital equipment and furniture procured and distributed to 13 health facilities
- A total of 19 ambulances and mobile workshop vehicles procured and distributed to 19 hospitals
- Support Village Health Teams to register mothers
- Short term consultancies in hospital accreditations, community strategy for MoH, business plans for professional councils, customer satisfaction survey among others.

Findings

Financial Performance

Cumulatively, the World Bank disbursed US$ 51,272,946.47[68] out of the signed loan amount of US$130 million. A total of US$ 42,727,977 was spent by end of the financial year.

During FY 2013/14, the GoU released only 29% while World Bank disbursed 99% of its annual budget. In terms of expenditure, 100% of GoU funds and 45% of World Bank disbursements were spent. Tale 7.3 indicates detailed financial performance of the project in FY 2013/14.

Table 7.3: Financial performance of UHSSP FY2013/14 (Ug shs)

Funder	Budget	Release	% release of the Budget	Expenditure	% Expenditure of the release
GoU	5,400,000,000	1,544,450,000	29	1,544,450,000	100
World Bank	107,420,000,000	106,904,093,389	99.52	47,889,807,158	45
Total	**112, 820,000,000**	**108,448,543,390**		**49,434,257,158**	

Source: IFMS, field Findings and MoH

Over 78% of GoU releases were paid as gross tax, 4% on allowances 4% on staff training among others in FY 2013/14. Cumulatively, good allocative efficiency of donor funds was noted with 61% on civil works and procurement of medical equipment while 23% of the funds were spent on reproductive health. Table 7.4 indicates cumulative expenditure details by component.

Table 7.4 Cumulative Expenditure details of UHSSP by component (World Bank) by 30th June 2014

Component	Budget (US$)	Cumulative Expenditure (US$)	% Cumulative expenditure
Health Infrastructure	84,231,244	26,219,597	61.4
Human Resource Development and Management	4,168,714	1,758,159	4.1
Reproductive Health	30,000,000	9,949,868	23.3
Leadership and Management	3,220,000	1,353,629	3.2
Project Management	8,380,042	3,446,726	8.1
Total	**130,000,000**	**42,727,977**	**100**

Source: MoH

Performance by component

Component 1: Improved infrastructure of existing health facilities

This component focuses on provision of medical equipment and hospital furniture, strengthening the referral system, improving operations, maintaining existing health infrastructure and renovation of selected health facilities.

Financial performance

Phase I covered nine hospitals and contracts worth US$52,609,809.63 were signed to undertake construction works in Anaka, Entebbe, Iganga, Kiryandongo, Mityana, Moroto, Moyo, Nebbi and Nakaseke. Contracts were signed in November 2013 and expected to be completed within 18 months (Table 7.5).

Table 7.5: Contracts for UHSSP civil works under Phase I

Hospital	Contractor	Contract sum (US$)
Mityana	Sino Hydro Corporation Ltd	6,090,929.55
Nakaseke	Yanjian Uganda Company Ltd	5,090,612.33
Kiryandongo	China National Complete Plant (COMPLAT)	5,654,229.90
Nebbi	China Railway No.5 Engineering Group Ltd	3,876,045.19
Anaka	Excel Construction Ltd	6,545,233.13
Moyo	Prism Construction Company Ltd	4,541,931.32
Moroto	Excel Construction Ltd	8,842,878.01
Entebbe	China National Aero-technology International Engineering Corporation (CATIC)	7,034,065.42
Iganga	China National Aero-technology International Engineering Corporation (CATIC)	4,933,884.78

Source: MoH

The M/s Arch Design Limited was contracted to supervise construction works at five hospitals (Nakaseke, Mityana, Entebbe, Moroto and Iganga) at a sum of US$ 521,777.80. The rest of the hospitals (Kiryandongo, Anaka, Moyo and Nebbi) were contracted to M/S Infrastructure Design (ID) Forum at a sum of US$ 1,222,200.625. All contractors had been paid the advance payment of 20% by 30th June 2014.

Physical performance

Civil works under Phase I commenced in February 2014 and will be completed August 2015. Overall physical progress was reported to be 25%. The monitoring team sampled and visited four out of nine General Hospitals. These included; Kiryandongo, Mityana, Nakaseke and Iganga. The following was established;

7.4.1 Iganga General Hospital

It is a 100-bed district hospital serving a population of 1.5 million people in the surrounding districts of Iganga, Bugiri, Namutumba and Mayuge among others. The project was introduced to the hospital in 2013. The physical performance was at 42% ahead of the target of 40% and beneficiaries were extremely happy with the project and its core objectives. The hospital administration however noted that the entire infrastructure at the health facility was dilapidated and needed renovation. The contract details for rehabilitation of Iganga hospital are presented in Table 7.6;

Table7.6: Contract details and progress of civil works of the UHSSP at Iganga Hospital by 4th August 2014

Contractor	China National Aero-Technology International Engineering Corporation (CATIC)
Contract Sum	4,933,884.78 (US$)
Contract period	18 months
Commencement date	31st January 2014
Completion date	31st July 2015
Physical progress	42%
Financial progress	1,142,876.81 US$ (23%)
Time progress	39%
Scope of Works • Remodelling and refurbishment of the OPD • Construction of OPD extension • Remodelling of Maternity ward to enlarge labour suites • Construction of new theatre with two operating rooms • Construction of four unit-two bedroom staff houses • Construction of attendants kitchen and laundry • Construction of new mortuary with nine body fridge • Construction of placenta pit and medical pit • Upgrading water supply including 144,000 reservoir and boreholes with solar water pumps • Construction of new sewage lagoons and upgrading network	
Consultant	Arch Design

Source: MoH, contractor, consultants and field reports

Physical progress was estimated at 42% against the planned 40%. The contractor was ahead of schedule by 2%, works were progressing well with the placenta and medical pit completed. Renovation works on the antenatal and maternity block had not commenced save for the T-Block which was at 10%. Table 7.7 indicates physical progress by scope.

Table 7.7: Implementation status of the UHSSP at Iganga Hospital as of 4th August 2014

Item	Physical Progress	Remarks/ Outstanding works
New Infrastructure		
Mobilisation	100%	All equipment, material and human resource required on ground with over 128 workers.
Theatre	60% superstructure complete, electrical and plumbing conduits fixed.	Roofing, window and door installations, plastering, painting, floor works and general finishes.
Causality ward	50%, structure was at ring beam level	Roofing, window and door installations, plastering, painting, floor works and general finishes
OPD	45%, structure was at ring beam level	Roofing, window and door installations, plastering, painting, floor works and general finishes
Staff houses	60% super structure in place	Painting, Plastering, electrical, plumbing fittings and general finishes.
Placenta pit	100%	Handed over to hospital
Medical pit	100%	Handed over to hospital
Kitchen and attendant laundry	80%	Roofing, mechanical and electrical fittings.
Mortuary	50% at ring beam level	To be completed and handed over by September 2014. Procurement of the fridge was completed and installation was awaiting completion of the infrastructure.
Renovation Works and scope involved scrapping off old plaster, roofing, plastering, painting, splash apron and floor works (Terrazzo), new toilet system		
Existing OPD	10%	Demolitions and works on the new toilet system were ongoing
Antenatal and Maternity Block	0%	Awaiting completion of OPD then antenatal patients will be shifted there
External works	20%	Clearance was completed and outstanding works included construction of walk and drive ways, demolitions, fencing with chain link and upgrading water systems.

Source: Field findings and CATIC reports

Left: Ongoing works on the OPD and (right) completed Placenta Pit at Iganga General Hospital

Implementation challenges

- Delays in payment of the contractor: payment of approved certificates took more than 60 days yet the contract stipulated a payment period of 56 workdays upon certificate approval.
- Unavailability of materials within the project area delayed implementation of scheduled activities and increased transport costs.

Recommendation

- The MoH should ensure timely payments to avoid delay in implementation and payment of interest that may accrue to late payments.

7.4.2 Kiryandongo General Hospital

Kiryandongo Hospital is located 225km along the Kampala - Gulu Highway. The hospital is in Kikube parish, Kiryandongo sub-county, Kibanda County in Kiryandongo district. It is a 109 bed hospital serving a population of over 400,000 people from areas of Kiryandongo, Masindi, Nakasongola, Oyam, Apac, Amuru, and Nwoya districts. The hospital offers a number of services including OPD, in patient, optical, X-ray, ultra sound, orthopaedics, health promotion and education, occupational therapy, HIV, immunisation, environmental health special clinics among others. Implementation of the UHSSP project in the hospital started in 2013. The contract details and progress are shown in Table 7.8

Table 7.8: Contract details and progress of civil works of the UHSSP at Kiryandongo Hospital by 30th July 2014

Contractor	China National Complete Plant (COMPANT)
Contract Sum	5,654,612.33 (US$)
Contract period	18 months
Commencement date	6th December 2013
Completion date	30th June 2015
Physical progress	40%
Financial progress	US$1,590,000 (28%) was paid to the contractor by 27th July 2014. Payments were inclusive of advance payment of 20%
Time progress	39%
Scope of Works Construction of new OPD, causality, T-block extension, laundry house, attendant's kitchen, incinerator house, placenta and medical pit. Renovation of old OPD, old T-block and staff houses (12 units). This included replacement of old roof, re-enforcement with steel structure and suspended ceiling. Internal and external painting, electrical and plumbing works. Replacement of glasses in the windows and doors, old 50KVA transformer with a 500KVA capacity transformer. Upgrading water supply including 144,000 reservoir and boreholes with solar water pumps	
Consultant	Infrastructure Design (ID) Forum

Source: MoH, contractor and consultants meetings and reports

The contractor had registered 40% physical progress and was on schedule. Works were at different levels of completion as indicated in Table 7.9.

Table 7.9: Implementation status of the UHSSP at Kiryandongo Hospital as of 27th July 2014

Item	Physical Progress	Remarks/ Outstanding works
New Infrastructure		
Mobilisation	100%	All equipment, material and human resource on ground.
Theatre	40% super structure, internal and external plastering was complete	Ongoing works including fabrication of windows and doors, electrical and plumbing works were ongoing.
Construction of new OPD and causality	50%, super structure was at ring beam level	Roofing, window and door installations, plastering, painting, floor works and general finishes were outstanding
T-Block (Wards, Theatre, offices and Mortuary)	30%, the buildings were roofed	Ongoing works were internal and external plastering. Outstanding works included installation of windows and doors, floor works, painting, electrical and mechanical works.

Laundry house	40% structure and roof were completed	Floor works, painting, washing basins and toilets, electrical and plumbing works were outstanding.
Attendants Kitchen	40% completed structure and roof structure and roof were completed	Contractor was awaiting consultants approval of a sub-contractor to fix 22 stoves
Placenta pit	0%	Consultant indicated a change in designs and contractor had not received the structural designs yet.
Incinerator	80% structure, roofing and internal walls were completed	Painting, splash apron, windows and doors and power connection was outstanding. The relocation of the incinerator had not been planned; US$ 9,000 was therefore paid as a variation cost. (within the contingency allocation)
Renovation works and scope involved scrapping off old plaster, roofing, plastering, painting, splash apron and floor works (Terrazzo), new toilet system,		
Existing T-Block	45% Works were ongoing with demolition of old ceiling and roofing complete.	Painting, ceiling, replacement of damaged parts of the floor were outstanding while electrical and plumbing works, tiling of toilets and bathrooms was ongoing,
Old OPD	0%	Not started. Site had not been handed over to contractor due to lack of space to relocate patients
Power house	0%	Not started
Staff houses	0%	Not started
External works	0%	Not started

Source: COMPANT; field findings

Ongoing renovation works on the existing T-block at Kiryandongo Hospital

New T-Block with Wards, Theatre, offices and Mortuary under construction at Kiryandongo Hospital

Gender, HIV, Environment and Safety Measures

- The contractor hired a safety and environmental officer. She was tasked to oversee safety and environmental issues on site.
- No environmental and safety complaints had been received from both the hospital and surrounding community.
- All workers were provided with safety wear including gloves, helmets and safety belts
- Sensitization about HIV, first aid and provision of condoms to all workers was done.
- Workers had access to a first aid tool box, fully stocked with essential drugs on site.
- The project hired 20 females out of 100 workers on site. Most of the female were involved in casual labour.

Equipment delivered

The hospital received a list of assorted equipment from Sino Africa and Simed International by 11th April 2014; these included autoclaves, bowel kick and stand, examination light, patients trolley, vasectomy instrument set, anesthesia unit, obstetric bed, surgeon stool, cabins and filling cabinets, incubator, examination couches, drip stands, hot air oven, sterilizing equipment, oxygen concentrators, patients screen, evacuation and delivery beds, mattresses and mackintosh among others.

Oxygen concentrator and incubator in the maternity ward of Kiryandongo Hospital

Benefits

- Ability to handle intensive care cases due to availability of oxygen concentrators.
- Reduction of patients without beds due to availability of more beds and mattresses.
- Training on usage of some of the equipment delivered like operation of oxygen concentrators, suction and Electrocardiogram (ECG) machines.
- Safety of drugs and other supplies due to availability of cabinets.
- Eased movement of patients due to availability of patient trolleys and wheel chairs.

Challenges

Delivery bed that had broken down in the Maternity Ward of Kiryandongo Hospital

- Delays in payment of the contractor, although the contract clearly stipulated that all payments shall be made within 58 days upon submission of certificates; the contractor often received payments beyond 70 days.
- Delays in approval of construction samples. For example the contractor submitted door and window samples to the consultant M/s ID Forum in March 2014 and approval was received in July 2014.
- Delayed project implementation due to regular design changes and lack of space for relocation of patients.
- The scope of works was inadequate; it did not take into consideration overhauling the sewerage system in staff houses.
- Poor quality equipment like BP machines, examination light, delivery beds, and the mackintosh was weak and already tearing apart.
- Some equipment was not used; midwives and nurses were not trained on how to use the incubator in the maternity ward.
- The sterilizing equipment (autoclaves) was not used due to lack of space.

Recommendations

- The MoH together with World Bank should make timely payments to avoid interest on delayed payments.
- The MoH should engage M/s ID Forum to make timely investigations and approvals of samples submitted by the contractor.
- The MoH should ensure that the sewerage system at the staff houses is fully overhauled.
- The MoH and project consultant should support the contractor to complete at least one block and have patients relocated to allow timely renovation of other structures.
- The MoH should task the suppliers to collect and replace poor quality equipment.
- The MoH through the National Advisory Committee on Medical Equipment (NACME) should effectively inspect and reject all substandard equipment delivered.
- The UNBS should strengthen quality assurance of medical equipment in the country.
- The hospital should prioritize use of delivered equipment.

7.4.3 Mityana General Hospital

The hospital is located 77km away from Kampala City in Mityana district. It is the main health care facility in the district serving over 600,000 people in Mityana, Mpigi, Kiboga, and Gomba districts. It is a 100 bed capacity hospital. The monitoring team visited the project on 22nd July, 2014, and the following was established the following; The UHSSP project commenced on 24th February 2014 and expected to be completed by 24th August 2014, contract details are indicated in table 7.10.

Table 7.10: Contract details of UHSSP civil works at Mityana General Hospital by 22nd July, 2014

Contractor	Sino Hydro Corporation Ltd
Contract Sum	6,090,929.55 (US$)
Contract period	18 months
Commencement date	24th February 2014
Completion date	24th August 2015
Physical progress	35% out of 40% expected works
Financial progress	US$ 1498,380.65 (25%)
Time progress	33%
Scope of Works Construction of new Out Patient Department (OPD), Causality unit, female and maternity wards, theatre, mortuary, six unit staff accommodation, placenta and medical pit, attendants kitchen and laundry. Electricity, water and sewerage improvement works, external works including construction of walk ways and compound works among others.	
Consultant	Arch Design

Source: Sino Hydro Corporation Ltd

Physical progress was estimated at 35% against the planned 40% for a time lag of 33%. Some works were completed including the placenta and medical pit, kitchen and laundry. Other activities were still ongoing (Table 7.11).

Table 7.11: Implementation status of the UHSSP at Mityana General Hospital by 22nd July, 2014

Item	Physical Progress	Remarks/ Outstanding works
Mobilisation	100%	All equipment, material and human resource required on ground.
T-block accommodating wards, theatre and mortuary	10%	Earth works were 100%; construction of the retainer wall was ongoing at 90%. Pending works involved superstructure, roofing and general finishes.
OPD/Causality ward	25% at slab level	Earth works at 100%, foundation 100%. Outstanding works included erecting of the super structure, roofing, plastering, painting, electrical and plumbing works as well as general finishes.
Generator house	45%, structure was at ring beam level	Roofing, window and door installations, plastering, painting, floor works and general finishes were pending.
Staff houses	70% super structure at three levels and works were ongoing. The structure was at wall plate level.	Roofing, plastering, Painting, fixing windows and doors, electrical and plumbing fittings.
Placenta pit	100%	Not yet handed over to hospital
Medical pit	100%	Not yet handed over to hospital
Generator house	100%	Not yet handed over to hospital
Kitchen and attendant laundry	95%	Outstanding works involved painting of the structure
External works	0%	Not yet done

Source: Sino Hydro Corporation Ltd and field findings


Left: Ongoing works on the staff house and Status of works on the T-Block at Mityana General Hospital (Right)

Equipment delivered

The hospital received equipment from Simed International and Sino Africa Medicines between 31st May 2013 and 31st January 2014. Equipment included delivery beds, patient beds (adult and paediatric), examination couches, incubator, cupboards and cabins, patient screens, BP machines, vaccine fridge, hot air oven, autoclave and delivery sets among others. The monitoring team noted that only 40% of equipment delivered was in use, the rest was stored due to lack of space.

Patients using beds delivered in the male ward

Benefits

A number of benefits were registered from the use of equipment including;

- Motivation of health workers to offer services in the different units of the hospital.
- Reduced patients that did not have beds due to availability of 53 beds and mattresses.
- Reduced theft of mattresses due to labelling of mattress covers (Mackintosh)
- Enhanced theatre operations due to availability of an auto clave and delivery sets.
- Improved storage of drugs

Challenges

- Regular design changes due to errors in the drawings.
- High taxes on imported machinery.
- Unfavourable Weather conditions delayed implementation of scheduled works.
- Delayed commencement of works due to unskilled personnel operating the construction equipment.
- Poor quality equipment; a number of items broke down in less than three months of use. These included patient trolleys, incubator, delivery beds, lockable cupboards and examination couches.

Recommendations

- The MoH should ensure that adequate designs are developed to avoid delays in project implementation. Designs should also be reviewed for any changes prior to contract signing and site handover.
- The MFPED could consider exempting Value Added Tax (VAT) from all supplies and contractors undertaking activities in the health sector.
- The Ministry of Works and Transport (MoWT) should train more personnel operating construction equipment.
- The MoH should ensure that the supplier replaces substandard equipment.

7.4.4 Nakaseke General Hospital

The 100 bed capacity hospital is located in Nakaseke town, 65km away from Kampala, and serves a population of over 200,000 people. The district hospital was built in the 1970s and serves people in Nakaseke, parts of neighbouring Luweero, Nakasongola and Wakiso districts among others. Construction works were ongoing and the following was established (Table 7.12).

Table 7.12: Contract details of civil works for the UHSSP at Nakaseke General Hospital by 23rd July 2014

Contractor	Yanjian Uganda Company Ltd
Contract Sum	US$ 5,090,612.33
Contract period	18 months
Original Commencement date	21st December 2013
Revised commencement date	31st January 2014
Original completion date	31st June 2014
Revised Completion date	31st July 2014
Physical progress	44.62% out of 40%
Financial progress	US$ 771,459.30 (15%) exclusive of advance payment
Time progress	39%
Scope of Works • Mobilisation • Construction of new OPD • Construction of causality block • Construction of attendants kitchen and laundry • Construction of placenta pit and medical pit • Remodelling and refurbishment of the T-block (Theatre, labour suit, private wards and mortuary) • Refurbishment of the two staff houses • Upgrading water supply including 144,000 reservoir and boreholes with solar water pumps • External works involving construction of walk ways, compound access roads, fending, clearing and landscaping, earth works and embankments, drainage works among others.	
Consultant	Arch Design
Variation amounts	40,682.96 Paid (part of 5% variation orders in the BoQs). This was paid for relocation of the incinerator house, diversion of utility lines, door and window structural related changes.

Source: Yanjian Uganda and field findings

Physical progress was estimated at 44.62% against the planned 40% and the project was ahead of schedule. Construction works had commenced on the new buildings and renovation and expansion works had started on the T-block. Implementation status is indicated in Table 7.13.

Table 7.13: Implementation status of the UHSSP at Nakaseke General Hospital as of 23rd July 2014

Item	Overall physical Progress	Remarks/ Outstanding works
Preliminary works (Mobilisation, setting out, access and temporary roads)	70%	Mobilisation was 100%, area to be occupied by contractor at 100%, access roads 100%, and setting out at 75%. Materials on site at 60%.
Construction of new OPD	51%	Super structure was roofed. Plastering at 70%, internal wall finishes 40%, mechanical and electrical installations at 60%. Outstanding works included; stair cases, ramps and guard rails, joinery fittings, (concrete waiting benches), floor works, gutters, fascia boards, fixing windows and doors and general finishes.
Construction of Causality ward	51%	Super structure completed, internal finishes at 40%, external finishes at 70%, electrical and mechanical installations at 58%. Pending works included fixing of doors and windows, stair cases, ramps and guard rails.
Attendants Kitchen	53.3%	Substructure, reinforced concrete frame and walling were completed. External finishes at 70%, internal finishes at 40%, joinery fittings (Concrete benches and shelves) 20%, electrical and mechanical installations 60% and 55% respectively.
Attendants Laundry	60%	Substructure, reinforced concrete frame and walling completed. Door installations at 0%, windows at 50%, external walls 70%, electrical and mechanical installations at 60% and 50% respectively.
Placenta pit	56%	Walling completed, general surface doors at 0%, vent installation at 10%. Plastering, painting, decorations at 70%
Medical pit	90%	Walling completed, plastering, painting and decorations at 70%
Refurbishment and expansion works		
T-block	39.7%	Demolitions and alterations were ongoing at 30%, substructure at 100%, stair cases, ramps and guard rails at 40%, walling at 80%, doors and windows at 0%. The contractor was handed over only 25% of the entire block.
Existing OPD	0%	Not handed over to the contractor
Staff houses	0%	Not handed over to the contractor
Generator house	0%	Not yet done
External works	10%	Filling of embankments around the T-block, kitchen and laundry was ongoing

Source: Yanjian Uganda Company Ltd and field findings

Left: Ongoing expansion works on the existing T-block. Right: new OPD under construction at Nakaseke Hospital

Gender, HIV and Safety Measures

- The project employed 7 females out of the 70 workers on site. Most females were involved in casual work.
- All workers were provided with safety wear including gloves, helmets and safety belts
- Sensitization on compliancy to safety was routinely done.
- Sensitization on HIV and provision of condoms to all workers was done.

Beneficiary satisfaction

The hospital administration staff were happy with the project. They however, expressed dissatisfaction on the following issues;

- Mismatch between the BoQs and signed contract. The contract signed on 29th October 2013 clearly stated that six units of new staff accommodation will be constructed, however, the contractor planned to renovate only one staff house accommodating only two health workers. Stakeholders sought an explanation regarding that anomaly from both MoH and contractor which has not been given.
- Failure to take into consideration priorities identified in the needs assessment. The most pressing need of the hospital was staff accommodation since most of the staff houses were dilapidated leaving several health workers demotivated. One of the health workers noted "*…how do you expect me to work happily when my house is leaking, I have to stay awake all night during the rainy season," senior midwife, Nakaseke Hospital.*

  "We did not need a patients laundry yet the main hospital did not have a place to wash linen not to mention a washing machine….there was need for prioritization of needs," said the Senior Hospital Administrator.

- The quality of window frames and iron sheets used was poor. During renovation, the old iron sheets of gauge 22 were replaced by gauge 26 which are weaker.
- Future projects should consider involvement of stakeholders from the planning stage to implementation to enable enhanced ownership of projects.

Implementation challenges

- Regular design changes leading to structural variations.
- Delayed implementation of scheduled activities due to failure to locate existing utility lines within the project area.
- Intermittent power delaying progress of works.
- Unavailability of materials on the local market leading to high costs of transporting materials from Kampala.
- Delays in site hand over, 75% of the T-block had not been handed over to the contractor by 23rd July 2014.

Recommendations

- The MoH should have approved designs and drawings prior to project implementation.
- The MoH should avail as-built drawings to the contractor to enable location of utility lines in the project area.
- The MoH should ask the contractor to get a heavy duty standby generator for continued progress of works without UMEME power.
- The UMEME should minimize power shutdowns to hospitals and high return investments to avoid losses and delays.
- The contractor should expeditiously accomplish renovation works on the T-block so that patients can be relocated. This will enable the hospital handover the remaining 75% of the block.

Component 2: Improved health workforce development and management

This component focuses on strengthening human resource management in the health sector, consolidation of central level human resource development functions at the MoH including pre-service and in-service training and improvement of staff retention in remote and hard to reach areas.

A number of achievements were registered including training of MoH officials in management and 789 health workers since May 2010 (of whom 390 health workers were trained during FY 2013/14) from hard to reach areas. The project supported recruitment of a consultant to set up a Job Bureau in collaboration with the Health Service Commission; this was expected to curb the high staffing gaps in the health sector.

Component 3: Improved management, leadership, and accountability for health service delivery

This component involves implementing performance-based management approaches; professionalizing and strengthening the management of hospitals; developing and rolling out implementation of the hospital policy framework and procurement, logistics, and supply chain management.

Key project achievements include;

- Development of client charters for referral, general hospitals and HCIVs
- Training of health workers in a number of fields to develop professionalism and strengthening the management of hospitals. A total of 46 health workers completed the Advanced Diploma in Health Services Management in FY 2011/12 and 2012/13 while 47 completed the MSc in Hospital Administration, and 42 successful candidates for the FY 2013/2014 were still pursuing their studies.
- Completion of the Supervision, Performance, Assessment and Reward Strategy (SPARS) training of health workers which were identified by District Health Teams (DHTs) in all districts. Trained personnel are expected to be Medicines Management Supervisors in their areas of jurisdiction.

Component 4: Improved maternal health, new-born care, and family planning services

This component aimed at improving access to quality maternal, neonatal care and family planning services through expansion, improvement of quality, demand and availability of the above services to communities.

The EmONC equipment was procured and distributed to 191 out of 230 selected health facilities. The EmONC and Family Planning hands-on training was ongoing with particular focus on management of post-abortion care. Mentorship of health workers in the provision of family planning methods was ongoing. The National Medical Stores (NMS) was contracted to supply safe delivery kits, estonogesterel implants, medroxyprogesterone, and gloves (Family planning supplies). By March 2014, none of the above consignments had been delivered save for medroxyprogesterone supplies.

Summary of the UHSSP performance

The performance of the UHSSP during FY 2013/14 is summarized in Table 7.14. Most of the project targets were not achieved while others were partially achieved. The number of beneficiary hospitals reduced from thirteen to nine due to limitation of funds, the rest of the facilities were moved to subsequent phases of the project. Procurement and distribution of safety kits, family planning contraceptives and ambulances were ongoing.

Table 7.14: Achievement of set targets of the UHSSP by 30th June 2014

Out put	Performance	Remarks
Civil works in 13 General Hospitals	Ongoing works in Mityana, Nakaseke, Anaka, Moyo, Entebbe, Nebbi, Iganga Kiryandongo and Moroto RHH	Works were phased into two; in the first phase construction of nine hospitals was on going and on schedule. The rest was expected to be undertaken in phase two which is yet to begin.
Procurement and distribution of 276,000 safety delivery kits.	Not achieved	Procurement stalled because of misplaced performance securities
Family planning methods, contraceptives and gloves procured and distributed under NMS.	Not achieved	The contract had stalled following inclusion of a pre-shipment clause in the Letter of Credit by Bank of Uganda. This had earlier been excluded in the signed contract for procurement of gloves. Procurement stalled because of NMS reservations on capacity to distribute contraceptives. The World Bank had recommended that MoH directly procures the supplies and consigns them to Uganda Health Marketing Group (UHMG) for distribution.
Hospital equipment and furniture procured and distributed to 13 health facilities	Achieved	A number of benefits had been registered however; some equipment had broken down while others were not used.
A total of 19 ambulances and mobile workshop vehicles procured and distributed to 19 hospitals.	Partially achieved	Procurement was on-going; No successful bidder from local procurement system was registered, a decision was therefore made to procure vehicles using the United Nation Procurement systems (UNOPIS)
Supporting Village Health Teams to register mothers.	Partially achieved	On-going in selected villages and parishes
Short term consultancies in hospital accreditations, community strategy for MoH, business plans for professional councils, customer satisfaction survey among others.	Partially achieved	Activities were still ongoing

Source: Field findings, MoH and UHSSP reports

Analysis

Link between Financial and Physical performance

Over Ug shs 108.448 billion (96%) of the project budget was released and only Ug shs 49.434 billion (45%) of was spent. This indicated poor absorption capacity. The project however exhibited good allocative efficiency with 61% of the disbursed donor funds spent on construction and equipping of health facilities. Reproductive health 23%, Human Resource Development and Management 4%, Leadership and Management 3%. All the above was expected to translate into remarkable effects on service delivery.

Achievement of set targets

Project performance was below average with absorption at 45%, however remarkable achievement was noted in the health infrastructure component. Civil works were ongoing in nine out of thirteen hospitals. The rest of the civil works were planned to be implemented in the subsequent phases of the project. Supply of medical equipment to health facilities was also achieved and some benefits had been registered. However, some equipment was noted to be of poor quality. Procurement and distribution of family planning contraceptives and gloves was not achieved. Initiatives under Human Resource Development and Leadership Management components were partially achieved since a number of set activities were still ongoing.

Comparative Analysis

Of the four hospitals visited, works at Nakaseke General Hospital were ahead of schedule by 5% mainly because they contractor had heavily mobilized both material and personnel. Mityana General Hospital works were behind schedule by 5%, delays in commencement of works and unfavorable weather conditions were noted.

Compared to other programmes like PHC development projects monitored, the UHSSP involved all key stakeholders in project implementation, monthly site meetings were carried out to track performance of the contractor, check quality of works, discuss challenges and way forward of the project. . This strategy not only led to ownership of projects, it also led to timely implementation of good quality works by the contractor.

Implementation challenges

- Regular design changes affected progress of works on all projects visited.
- Procurement delays.
- Poor quality equipment delivered to health facilities
- Inadequate counterpart funding for activities like servicing of project vehicles, monitoring, supervision by MoH and payment of taxes among other things.

Conclusion

Some of the project targets were partially achieved while others were not. The MoH should fast track implementation of this project to ensure achievement of set targets in the remaining one year. All construction works visited were progressing well at physical progress (35%-45%). Performance of the project regarding other components like Reproductive Health, Human Resource Development and Leadership Management was relative with some activities under procurement while others were still ongoing.

Stakeholders were happy with the project, however expressed concerns about unexplained design changes, poor quality of equipment delivered and scope of the project. The need to implement priorities identified in the needs assessment is paramount for genuine project ownership and sustainability.

Recommendations

- The MoH should ensure accuracy and readiness of designs for construction of the remaining health facilities to avoid regular changes and delays.
- The Uganda National Bureau of Standards should strengthen monitoring and supervision to control substandard materials on the market.
- The MoH should forward contractors that continually supply substandard equipment to the Public Procurement and Disposal of Public Assets Authority (PPDA) for blacklisting.

7.5 Global Alliance for Vaccines Initiatives (Project 1141)

Background

The Global Alliance for Vaccines Initiatives (GAVI) was launched in 2000 to improve access to immunisation services for children in Uganda. The project main objective is to contribute to strengthening Uganda's health system to deliver the Uganda National Minimum Health Care Package (UNMHCP), including immunization, in an efficient, equitable and sustainable manner for reduced morbidity and mortality in Uganda. The first phase of the project is expected to end in June 2015.

In 2006, support to the project was suspended due to misappropriation of allocated funds. On 2nd April 2008, an agreement on further support was reached and an Aide Memoire was signed between GoU and the GAVI Alliance. It led to suspension of a ban on cash transfers towards support to immunisation services in Uganda.

Grant disbursements and approval to utilise recovered funds from the alleged misappropriation of Ug shs 2,046,060,487 followed the signing of another Memorandum of Understanding (MoU) between the two parties in June 2012. The funds were directed to support of Immunisation Support Services (ISS one).

Disbursements were made on three project components as; Health System Strengthening (HSS) at US$ 19,242,000, Immunisation Support Services (ISS Two) at US$ 2,649,520 and Introduction of new vaccines-Pneumococcal Conjugate Vaccine (PCV) US$ 1,372,000.

Additional funds amounting to US$ 7,022,215 were disbursed to GoU on 5th June 2013, of which US$ 4,372,695 (62%) was allocated to the HSS while US$ 2,649,520 (38%) was allocated to the ISS to improve immunization coverage in Uganda.

Expected outputs by June 2015

- Staff accommodation, vaccines and medicine stores in selected districts constructed
- Transport and logistics provided to selected districts
- Health care delivery and decision making at village level supported through training of Village Health Teams (VHTs)
- Health workers at Health Sub District (HSD) level to manage and utilize Health Management Information System (HMIS) trained
- A total of 35 newly created districts equipped with computers and Internet connectivity
- Capacity of private sector to deliver immunization and child health services strengthened
- Medicine and vaccines stores for Uganda National Expanded Programme on Immunisation (UNEPI) constructed
- Vaccine storage and transfer equipment purchased and installed
- 95% of infants immunised against Diphtheria

Planned outputs/ activities for FY 2013/14

According to the Ministerial Policy Statement (MPS) of the health sector; the following activities were planned;

- Traditional vaccines like Pentavalent, Polio, Tetanus (TT), Bacillus Calmette–Guérin (BCG), Measles vaccines procured; Pneumococcal vaccine and immunization related supplies procured
- Cold chain maintenance
- Community awareness and sensitization carried out
- A total of 52,347 kits procured to support VHTs
- Mapping and accreditation of private clinics in Kampala conducted
- Static and outreach immunization including child health days operationalised
- A total of 200 health workers from private clinics in Kampala trained
- Consultancy services for design, construction and supervision of Central Vaccine Store and UNEPI Offices in Butabika, eight Regional vaccine hubs at regional referral hospitals, 20 District medicines stores in 20 new districts and 26 staff houses in 13 districts with hard to reach areas procured.
- Two (50KVA) generators, eight (25KVA) generators for the regional hubs and solar energy in 26 new staff houses procured and installed.
- Motorised boats (40HP) for Namayingo, Kalangala Mukono, and Buvuma districts with deep water islands procured.
- Six motorised boats (25HP) for Wakiso, Kabale, Kisoro, Nakasongola, Mayuge and Bugiri procured
- Four insulated trucks for transportation of vaccine supplies, 69 pick-up motor vehicles for districts and two station wagon vehicles for monitoring of GAVI operations procured.
- Motorcycles for HC III's (584) and 3,000 bicycles for HCII's procured
- Computers (35) with all accessories and connectivity for new districts procured
- Assorted cold chain equipment including, 22 cold rooms, one freezer room, 270 assorted cold chain equipment (refrigerators and freezers), 1,000 vaccine carriers, assorted tool kits and spare parts, regional hubs and other health facility's (public and private) procured and installed.

Financial Performance

The approved project budget for FY 2013/14 was Ug shs 63.9 billion, of which Ug shs 60.71 billion (95%) was financed by GAVI and Ug shs 3.2 billion (5%) by GoU. All funds (100% of GoU) were released and reportedly spent on procurement and distribution of vaccines through NMS (IFMS data/ the MPS and the Approved estimates and Expenditure for MoH).

Contrary to the above policy documents, GAVI Alliance indicated that the total approved budget for FY2013/14 was US$ 21,945,013.55 (Ug shs 54,862,533,887) and US$ 605,102.95 (Ug shs 1,512,757,372) spent during the FY[69]. There is a discrepancy between the financial information from GAVI and MFPED. The need to harmonise both positions is paramount for accountability and transparency.

Table 7.15 indicates that 40% of the funds released were spent on activities of ISS two grant, 34% on Vaccine introduction grant, 15% on HSS grant and 11% on ISS one.

Table 7.15: Financial Performance of GAVI project by grant in FY 2013/14

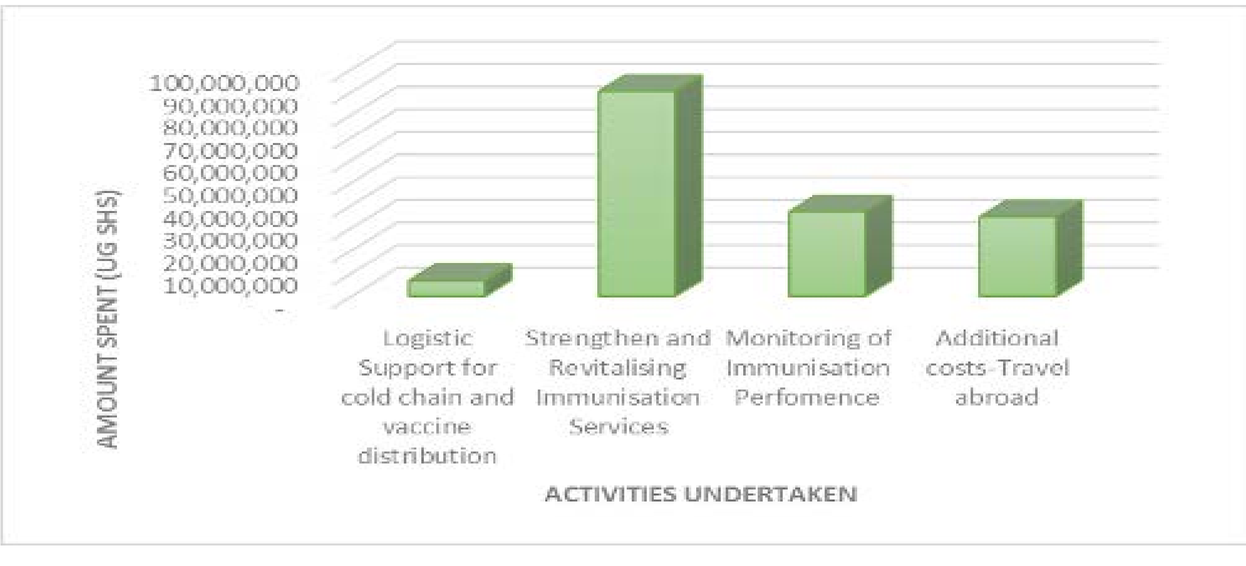
Grant	Rolling Budget	Disbursement for FY 2013/14	Expenditure by 30th June 2014	% Expenditure
HSS Grant	46,180,800,936	46,180,800,936	223,878,800	15
ISS One Grant	2,046,059,631	860,950,281.3	169,139,020	11
ISS-Two Grant	6,358,853,680	6,358,853,680	605,206,500	40
Vaccine Introduction Grant	3,384,276,000	1,461,928,990	514,533,052	34
Total	57,969,990,247	54,862,533,887	1,512,757,372	100

Source: GAVI Secretariat MoH

Expenditure of the grants is indicated as follows;

- Health System Strengthening (HSS Grant); a total of Ug shs 223,878,800 (100%) of the funds were spent on strengthening the capacity of the private sector to deliver immunisation and other child health services. Activities included; accreditation and mapping of private clinics in Kampala, evaluation of the private sector involvement in Expanded Programme on Immunisation (EPI) and other Maternal Child Health Activities (MCH).
- Immunisation Support Services (ISS One Grant); these were recovered funds allegedly been misappropriated. Figure 2 indicates that a total of Ug shs 90,358,000 (50%) was spent on strengthen and revitalising immunisation services and Ug shs 37,220,000 (22%) on monitoring of immunisation performance, Ug shs 34,841,520 (20%) spent on travel abroad and only Ug shs 6,719,500 (4%) on logistic support for cold chain and vaccine distribution.

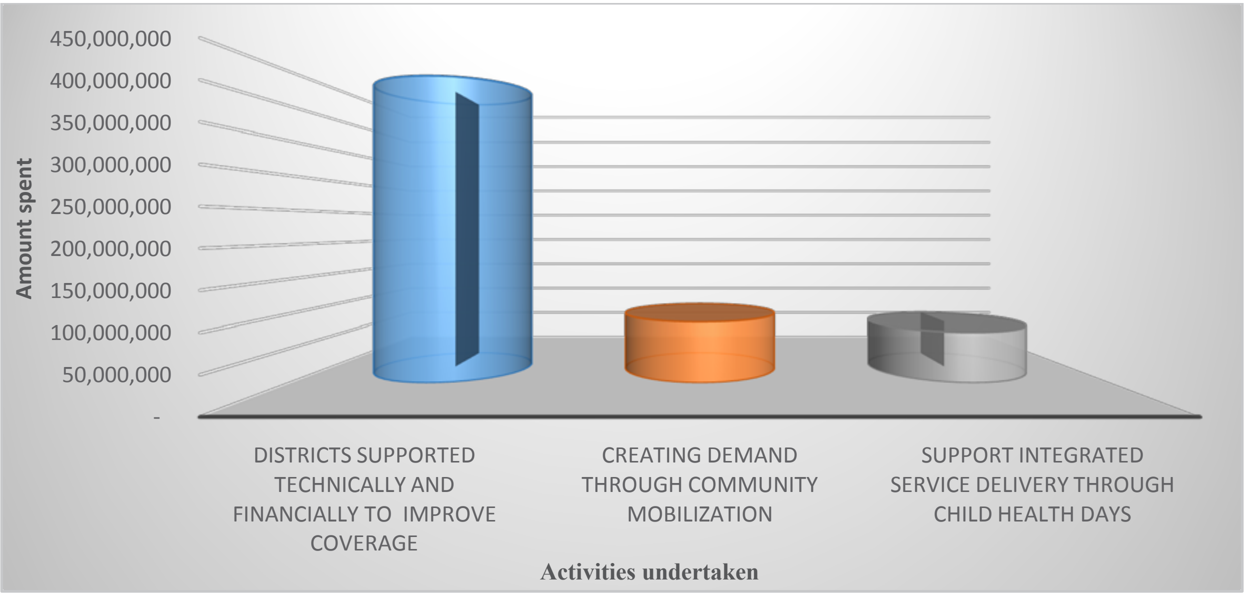
Figure 2: Expenditure of recovered funds under ISS one grant by 30th June 2014



Source: GAVI, MoH

- ISS-Two Grant; figure 3 illustrates that a total of Ug shs 444,272,500 (73%) of the expenditures were made on technical and financial support to improve immunisation coverage at district level, Ug shs 88,048,000 (15%) on community mobilization and Ug shs 72,886,000 (12%) on support to integrated service delivery through child health days.

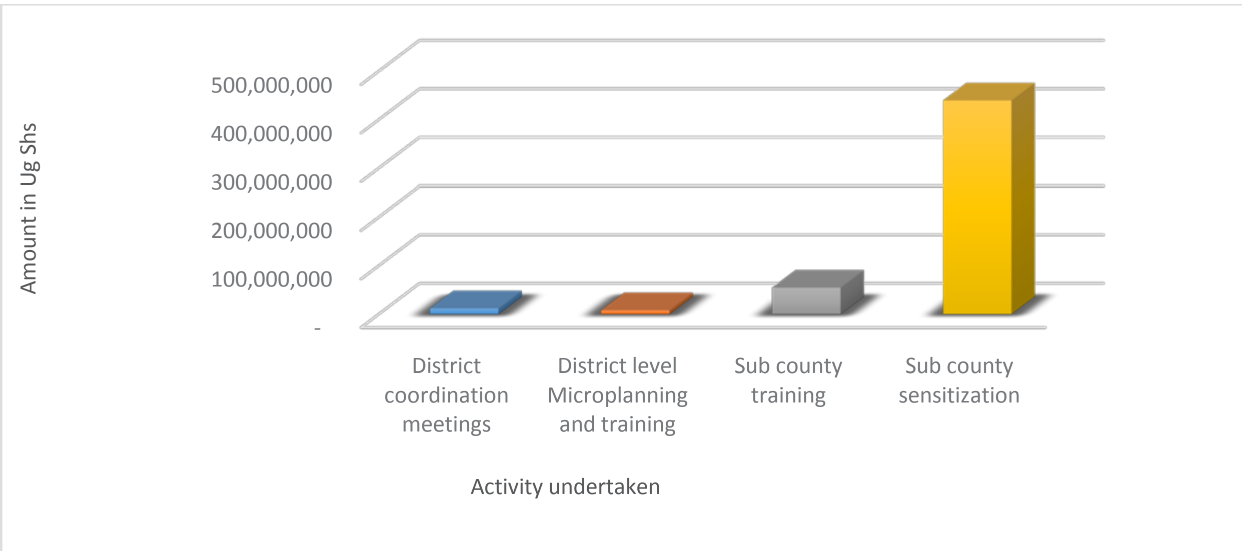
Figure 3: Expenditure of GAVI-ISS Two Grant (Ug shs) by 30th June 2014



Source: GAVI, MoH

- Vaccine Introduction Grant; Figure 4 illustrates that Ug shs 439,599,052 (85%) was spent on sub county sensitisation, Ug shs 54,682,500 (10%) on sub county training, Ug shs 12,049,000 (2.3%) on district coordination meetings and Ug shs 8,202,500 (2%) on district level micro planning and training.

Figure 4: Expenditure details of GAVI-Vaccine Introduction Grant by 30th June 2014



Source: GAVI, MoH

Physical Performance

Most of the planned targets were not achieved; this was mainly because of procurement delays caused by several administrative reviews. The GAVI Alliance resolved to undertake delegated procurement using international agencies like UNICEF, United States Agency for International Development (USAID) and Catholic Relief Services (CRS). Table 7.16 indicates project performance by output.

Table 7.16: Performance of GAVI on set targets by 30th June 2014

Out put	Performance	Remarks
Traditional vaccines (Pentavalent, Polio, Tetanus (TT), BCG, Measles vaccines) procured	Achieved	Procurement through NMS
Pneumococcal vaccine and immunization related supplies procured	Achieved	Procurement through NMS, however communities noted that they were inadequate.
Community awareness and sensitization carried out	Achieved	Most of beneficiaries were aware about the need and availability of the new PCV vaccine.
Static and outreach immunization including child health days operationalized	Achieved	Child health days operationalized and most health units visited had work plans to this effect. Outreach programs had partially been achieved due to lack of transport facilities for EPI activities.
Cold chain maintenance	Not achieved	No fridges were procured and cold chain maintenance support at district level was constrained at all districts visited
Mapping and accreditation of private clinics in Kampala conducted	Partially achieved	Ongoing
Health educators trained and operationalization of VHT strategy targeting 36 poorly performing districts	Not achieved	This activity was dependant on the procurement of VHT kits which was not yet be done.
52,347 kits procured to support VHT's	Not achieved	Procurement ongoing
200 health workers from private clinics in Kampala trained	Not achieved	Had not commenced, awaiting for completion of mapping.
Consultancy services for design, construction and supervision of Central Vaccine Store and UNEPI Offices in Butabika, eight Regional vaccine hubs at regional referral hospitals, 20 District medicines stores in 20 new districts and 26 staff houses in 13 districts with hard to reach areas procured.	Not achieved	Under procurement. Confirmation of land availability was received from 9 out of 19 districts.
Two (50KVA) generators, eight (25KVA) generators for the regional hubs and solar energy in 26 new staff houses procured and installed	Not achieved	Procurement ongoing
Motorised boats (40HP) for Namayingo, Kalangala Mukono, and Buvuma districts with deep water islands procured	Not achieved	Procurement ongoing

Six motorised boats (25HP) for Wakiso, Kabale, Kisoro, Nakasongola, Mayuge and Bugiri procured	Not achieved	Procurement ongoing
Four insulated trucks for transportation of vaccine supplies, 69 pick-up motor vehicles for districts and two station wagon vehicles for monitoring of GAVI operations procured.	Not achieved	Procurement ongoing
Computers (35) with all accessories and connectivity for new districts procured	Not achieved	Procurement ongoing
Motorcycles for HC III's (584) and 3,000 bicycles for HCII's procured	Not achieved	Procurement ongoing
Assorted cold chain equipment including, 22 cold rooms, one freezer room, 270 assorted cold chain equipment (refrigerators and freezers), 1000 vaccine carriers, assorted tool kits and spare parts, regional hubs and other health facility's (public and private) procured and installed.	Not achieved	Procurement ongoing

Source: GAVI Country office, MoH

Field Findings

Eleven districts that had benefited from GAVI were monitored. The monitoring focused on three grants namely; ISS one, ISS two, and Vaccine introduction grant, however, all districts monitored could not distinguish funds received by grant.

Gulu district

The project was introduced in September 2013 and the district received Ug shs 43,883,000. Funds received were used for re-orientation of Expanded Programme on Immunisation (EPI) programs in 79 health facilities including the Private not for Profit (PNFP) facilities, cold chain maintenance, outreaches in the hard to reaches areas, social mobilization, support supervision by the District Health Team (DHT) and Health sub district.

In addition the district benefited from Training of Trainers (ToT), vaccines including 2,000 doses of PCV and Ug shs 24 million that was used to re-orient health workers and local leaders about the new vaccine. The district conducted a mini launch of the vaccine on 8th July, 2014.

Benefits

Since introduction of the project, the following benefits were registered;

- Introduction of immunisation services in hard to reach sub-counties of Odek, Paibona, Anywer and Latwong.
- Motivation of health workers to participate in the integrated outreach activities involving immunization.
- Created good collaboration, enhanced partnerships and team work among district, Sub Counties and communities, politicians, religious leaders, non-governmental and faith based organisations.
- Reduced stock outs of antigens; this led to 100% district performance on immunisation indicators.

Challenges

The district EPI focal person noted the following;

- Delays in project implementation due to a communication gap between GAVI officials and the district. Funds meant for GAVI activities were often sent to the District General Fund Account without communication or guidelines on utilisation. Funds sent to the district in September 2013 were utilised in February 2014.
- Lack of transport constrained distribution of logistics and outreach programs in the district.
- Poor record keeping due to lack of immunisation logistics like vaccine control books and revised child health cards.
- Inadequate supplies of items like vitamin A.
- Limited budget for community mobilisation and cold chain maintenance.

Recommendations

The MoH should adequately communicate to districts regarding funds released and guidelines on expenditure.

- The MoH should expedite the procurement processes to facilitate provision of transport facilities to enhance immunisation services at lower levels of government.
- The MoH should provide adequate funds to facilitate effective mobilisation of communities and cold chain maintenance.
- The MoH, MFPED and NMS should ensure that adequate logistics like vaccine control books and revised child health cards are provided to enhance proper record keeping and track performance of the project at outcome level.

Isingiro District

The project was introduced in FY 2012/13. In FY 2013/14, the district received Ug shs 20,393,000 which was used for payment of health worker outreach allowances, delivery of vaccines to HSD, quarterly meetings, parish mobilization, cold chain maintenance and district support activities. All funds had been utilized and accountabilities submitted to GAVI. In addition the district benefited from vaccines including 36,000 doses. The communities had embraced the new vaccine and immunization coverage had improved.

Challenges:

- Limited coverage of immunization services in 58 out of 68 health facilities (in 64 out of 94 parishes) due to inadequate funding.
- Lack of transport to undertake immunization outreaches in the entire district.
- High stock outs due to presence of refugees who access health supplies and are not planned and budgeted for.
- Limited number of gas cylinders available to health facilities.

Recommendations

- The MoH/GAVI should revise the budget allocations based on consultations with districts and other stakeholders to reach all health facilities.
- The MoH should provide transport to the district EPI office to increase the coverage of both immunization services and outreach programs.
- The MoH and districts should prioritize procurement of gas cylinders. Each health facility should have a minimum of two cylinders to ensure availability of gas at all times.

Lira District

The district received training on the introduction of PCV, funds amounting to Ug shs 22,652,000 and vaccines including 27,600 doses of PCV by 30th June 2014. The funds were used to undertake the following activities; Micro planning and travel at district and HSD level, social mobilization, coordination meetings, cold chain maintenance, District Health Team (DHT) support supervision, payment of allowances to health workers and parish mobilizers, distribution of vaccines and other supplies and sensitization of communities about immunization programs.

Challenges

- Lack of adequate transport to deliver vaccines to the lower level health facilities in the district.
- Poor record keeping and management due to lack of immunization logistics like vaccine control books, child health cards and tally sheets.
- Lack of adequate skills in administering vaccines limits participation of some health workers in immunization activities.
- Demotivation of health workers due to differences in amounts of outreach allowances between GoU and development partners. The GoU paid only Ug shs 5,000 while development partners paid Ug shs 30,000.

Recommendations

- The MoH should provide transport to the district EPI office to increase the coverage of both immunization services and outreach programs.
- The NMS should supply adequate immunization stationery to enable the district keep proper records.
- The MoH should support refresher training programs in administration of vaccines. This will create confidence among health workers to effectively undertake immunization programs.
- The MoH should prioritize support to outreaches through increased budgets allocated to immunization services at the district.

Kaberamaido District

The project was introduced in July 2013. The district received vaccines including 9,400 doses of PCV, training and funds amounting to Ug shs 29,012,100 inclusive of Ug shs 2,521,000 released during FY 2013/14. Activities regarding district level planning, training and social mobilization were undertaken. The community embraced the new vaccine and immunization coverage had greatly improved. Cases of pneumonia illnesses among infants had reportedly reduced.

Challenges

- Irregular release of funds led to inconsistencies in project implementation.
- Lack of transport to conduct regular outreach programs in all the 18 health facilities of the district.

Recommendations

- The MoH should release funds on a quarterly basis to facilitate effective delivery of immunization services in the district.
- The MoH should facilitate provision of transport facilities to enhance immunization services in the district.

Kole District

The project was introduced in the district during FY 2012/13. In FY 2013/14, a total of Ug Ug shs 3,979,500 was received. Funds received were spent on the following activities; payment of supervision allowances and fuel for DHT, operationalization of static and routine outreach immunization programs at the lower health units, DHT immunization meetings, cold chain maintenance, distribution of immunization logistics and sensitization of communities through radio talk shows. The district was happy with the intervention because it led to increased coverage of immunization services within the area.

Kumi District

The project was introduced in April 2013. The district received vaccines including 20,400 doses of PCV and Ug shs 4,789,000 in FY 2013/14. The following activities were undertaken; Immunization outreaches in hard to reach areas. Integrated health services such as nutrition screening, mobilization, postnatal services, and health education. Payment of allowances, stationery and fuel expenses for the above activities.

Challenges

- Lack of transport to conduct all EPI activities such as trainings, outreaches and cold chain maintenance.
- Poor road network translating into inadequate coverage of immunization services specifically in hard to reach areas.
- High staffing gaps at all levels constrained coverage of immunization services.
- Lack of cold chain equipment like vaccine fridges especially at HCIIs.
- Lack of a power back-up facility at the district specifically for the vaccine store often disorganized the immunization schedule at both the district and lower health facilities.

Recommendations

- The MoH should facilitate provision of transport facilities to enhance immunization services in the district.
- The Uganda Road Fund together with district should improve the state of the roads at lower levels of government in order to make the hard-to-reach areas accessible.
- The MoH, MoPS, Health Service Commission and the districts should improve the staffing levels to enhance service delivery.
- The MoH should revitalize the regular maintenance of cold chain equipment. Old fridges with frequent breakdowns should be replaced.
- The MoH should provide solar backup equipment for the district vaccine store to avoid regular interruptions in planned immunization schedules.

Masaka District

The project was introduced in FY 2012/13 and by end of June 2014, the district had received vaccines including 16,000 doses of PCV, training on the introduction of the vaccine and a total of Ug shs 13,042,500. The following activities were undertaken; micro planning, district support supervision, DHT immunization practice orientation, cold chain maintenance, distribution of logistics, operationalization of static immunization and outreaches, community mobilization, payment of allowances and fuel.

The district officials noted that pneumonia cases have reduced among infants. Infection levels were expected to further reduce to zero cases for children completing their doses. The new vaccine led to increased turn up of community members for immunization services, this translated into increased receipt of other antigens among infants. The initiative was expected to contribute towards a health population in the long run.

Challenges

- Inadequate funding to immunization services making distribution of gas and other logistics very difficult. Instances of failure to adhere to immunization schedules due to lack of logistics were noted.
- Inadequate transport to undertake outreach immunization programs.
- Vaccines stock out of PCV10, BCG and sometimes times Polio. The NMS delivered only 45% of PCV doses ordered.

Recommendations

- The GoU should support provision and distribution of adequate vaccines and other immunization sundries. This could be done through sourcing alternative sources of funding.
- The MoH should facilitate provision of transport facilities to enhance immunization services in the district.

Mbarara District

The project was introduced in May 2013 and by end of June 2014. In FY 2013/14, the district received vaccines including 11,600 doses of PCV 10, training and Ug shs 22,117,500. The main purpose of funds were spent on revitalization of immunization services and introduction of PCV10 vaccine. Activities undertaken involved; revitalization of the EPI activities, micro planning, parish mobilization, outreaches at lower level units, cold chain maintenance and repairs, logistics and vaccine distribution, sensitization programs and training on introduction of PCV, DHT supervision and meetings with all in charges to discuss the status of immunization, performance and challenges.

Challenges

- Delays in project implementation due to communication gaps between GAVI (MoH) and the district. The GAVI released funds to the district in May 2013; however, the Health Department received the funds in September 2013. Details on availability and guidelines on utilization of funds were not received in a timely manner.
- Inadequate transport to undertake routine and adequate immunization outreaches.
- Demotivation of health workers and parish mobilisers due to deductions in field allowances. These reduced from Ug shs 12,000 in 2013 to Ug shs 6,000 in 2014.
- Lack of immunization logistics like gas cylinders, vaccine control books, child health cards, registers and tally sheets.
- Regular delays of immunization activities at lower health facilities due limited resources to collect vaccines and gas from the district store.
- Stock outs of BCG and PCV vaccines.
- Limited coverage of immunization services in hard to reach areas of Rwampara HSD.
- Lack of coherency between district and GAVI work plans on immunizations services.

Recommendations

- The MoH should establish an effective communication strategy taking into consideration methods like text messaging, e-mails and telephone calls notifying project implementers about funds released and implementation guidelines.
- The MoH should prioritize provision of transport facilities to enhance immunization services within the district.
- The MoH should allocate more funds to PHC-Non-wage to facilitate timely collection of vaccines and gas from the district store. District authorities should also sensitize health workers on the need to collect vaccines from the district store in a timely manner.
- The district should procure more gas cylinders to ensure continuous supply of gas, cold chain management and effective immunization services.
- The NMS should step up its procurement and distribution efforts to effectively deliver vaccines, stationary and other immunization logistics to districts.
- The GAVI should release funds to selected beneficiaries based on their work plans.

Pader District

The project was introduced in May 2013. It received vaccines including 17,600 doses of PCV, training on introduction of the PCV vaccine and a total of Ug shs 5,458,000 in FY 2013/14. The following activities were undertaken; support supervision of lower level health facilities, micro planning, immunization outreaches and static immunization.

Challenges

- Inadequate transport to effectively undertake immunization services.
- Inadequate facilitation of vaccinators and mobilisers
- Delays in project implementation due to communication gap between GAVI and the district.
- Lack of cold chain technicians and equipment. Eight health facilities did not have fridges and health workers moved over five miles to store their vaccines.
- Lack of logistics like vaccine carriers affected quality and proper handling of vaccines.

Recommendations

- The MoH should facilitate provision of transport facilities to enhance immunization services in the district.
- The GAVI should prioritize facilitation of mobilisers and vaccinators for effective project implementation.
- The MoH/GAVI should adequately communicate to districts regarding funds released and implementation guidelines.
- The MoH/GAVI should fast track the procurement process of all equipment including the cold chain.

Serere District

The project was introduced in the district in May 2013 and it received the following in FY 2013/14; vaccines and funds amounting to Ug shs 2,569,500. The funds were used to undertake district level planning and training on the introduction of PCV10, social mobilization, support and strengthening of immunization services. The district officials were happy with the intervention because it enabled revitalization of immunization services in hard to reach areas.

Challenges

- Inadequate transport to effectively undertake immunization services in hard to reach areas of Kateta, Pangire and Bigondo islands on Lake Kyoga.
- Lack of a district store hence vaccines were stored at Serere HC IV.
- Vaccine stock outs of both PCV and BCG meant that the children could not complete their immunization schedules, leading to frustration among communities.
- Staffing gaps to effectively deliver immunization services at all levels. The district had 193 out 204 health workers required on ground.

Recommendations

- The MoH should prioritize provision of transport facilities to enhance immunization services.
- The district should prioritize construction of a district store.
- The NMS should step up its planning, procurement and distribution efforts to effectively deliver vaccines, stationary and other immunization logistics.
- The MoPS, MoH and Health Service Commission should ensure reduction in staffing gaps by recruiting and deploying staff required on ground for effective service delivery.

Soroti District

People waiting for immunisation services at the Paediatric Section of Soroti RRH

The GAVI activities were introduced to the district during FY 2012/13. A total of Ug shs 22,767,000 and 11,600 PCV10 doses were received during FY 2013/14. Funds received were spent on training of 130 health workers on administering and importance of the new vaccine, strengthening immunization systems, delivery of vaccines and other immunization logistics at health facilities, maintenance of cold chain equipment and support supervision.

Challenges

- Delays in project implementation led to loss of morale and skills in application of the vaccine; health workers and communities were mobilized and trained in November 2013 however, vaccines were brought in April 2014.
- Inadequacy of the PCV 10 vaccine led to stock outs and frustration of communities. Only 11,600 out of 43,734 doses ordered were received. Soroti RRH received only 400 doses during the FY and 80% administered in the first three days of delivery.
- Lack of immunization logistics such as vaccine control books, tally sheets, weighing scales among others.
- Lack of transport to undertake outreach programs and support supervision.
- Lack of motivation for VHTs to carry out effective mobilization of communities.

Recommendations

The following recommendations were made;

- Availability of adequate vaccines, deliveries should be made according to orders submitted to NMS.
- The MoH should avail transport to both the district and HSD to ease both support supervision and immunization outreach programs.
- The NMS should avail all immunization logistics like tally sheets, child immunization certificates and vaccine control books.
- The MoH through the district should motivate VHTs to effectively mobilize communities and enhance health service delivery.

Analysis

Link between Financial and Physical performance

There was good allocative efficiency for GoU allocated funds, 100% of the funds were spent on procurement and distribution of vaccines under NMS. Only 3% of the GAVI budget was spent. Expenditures were made on activities regarding strengthening and revitalizing immunization services in districts. All grant components performed below average with introduction of PCV at 35%, HSS at 0.4%, ISS one (recovered funds) at 20% and ISS two at 10%[70]. Most of the planned works had not taken off.

Achievement of set targets

A number of project set targets including procurement of transport and cold chain equipment, were not achieved as indicated in table 7.16; however progress was registered in the introduction of the pneumococcal vaccine and revitalization of immunization services at local government level. The new vaccine was embraced by the population; both districts and health facilities had started recording fewer cases of pneumonia cases among infants. Coverage of immunization services especially in hard to reach areas was greatly embraced by DHOs.

Implementation challenges affecting effective project implementation

- Delays in procurement procedures leading to enormous delays in project implementation.
- Inadequate co-funding from GoU to facilitate coordination activities including travel and communications.
- Restricted chart of accounts on the Integrated Financial Management System (IFMS) constrained reporting systems and accountabilities as required by GAVI Alliance.

Conclusion

The project was on track in revitalization of immunization services at lower local units. Communities have greatly embraced the pneumococcal vaccine and coverage of immunization services was improved through provision of vaccines through NMS. This is expected to translate into healthy population with less expenditure on immunisable diseases. Procurement processes greatly delayed implementation of planned activities however, procurement lead agencies like John Snow Inc. were engaged and approval from GAVI Alliance was awaited to award contracts to both contractors and service providers.

Recommendations

- All stakeholders including procurement lead agencies should expedite the procurement processes to avoid further delays in project implementation.
- The MFPED should expedite the process of approving an already developed template including specific items on the IFMS as requirements by GAVI alliance.

7.6 Support to Mulago Hospital Rehabilitation (Project 1187)

Background

The project is aimed at improving health services at Mulago Hospital, the referral and counter referral system. The excess demand for services and overcrowding of facilities at Mulago hospital necessitated creation of new facilities serving Kampala area, remodelling and rehabilitation of Mulago existing facilities. This was done to precipitate its functioning to provide super specialised services for a national referral hospital.

The project total loan is US$ 86 million of which US$ 71.3 million (82%) is from African Development Bank (ADB) and US$ 15.5 million (17%) is financed by Nigerian Trust Fund (NTF). The Project commenced in January 2012 and is expected to be completed in June 2015.

The project is premised on three components. These include;

- Expanding and Improving Specialised Health Services in Kampala City
- Capacity Development and Systems Strengthening
- Revitalising Referral and Counter-referral Systems

Expected out puts by June 2015

- Master plan for Mulago Hospital
- Health workers trained
- Ambulance management system
- Kawempe and Kiruddu hospitals and lower Mulago constructed.

Planned outputs for FY 2013/14

- Construction of hospitals at Kawempe and Kiruddu.
- Maternal and neonatal health unit constructed in Mulago.
- Signing of the design and supervision consultancy contract, completion of designs and tender documents, tendering and selection of contractors for rehabilitation of Mulago hospital.

Financial Performance

The total project approved budget for FY 2013/14 was Ug shs 59.7billion of which Ug shs 58.0 billion (97.2%) was financed by African Development Bank (ADB) and Ug shs 1.2 billion (2%) by GoU. The GoU budget (100%) was released and 94% spent by the end of the FY. The GoU expenditures were spent on operations, non-residential buildings and trainings.

During FY 2013/14, a total of US$ 9,942,264.32 was released by ADB and a cumulative total of US$ 8,926,169.82 (90%) was spent by 30th June 2014. Expenditures were mainly made on payment of both Kawempe and Kiruddu contractors (63%), the balance was paid to project consultants.

Physical performance by component

Planned activities were progressing well; table 7.17 indicates project perfomence by component.

Table 7.17: Physical performance of Support to Mulago Hospital Rehabilitation by 30th June 2014

Component	Planned Activities	Progress	Remarks
Capacity Development and Systems Strengthening	Trainings in Leadership and Management, Clinical Excellence and Ethics and Customer Care	300 health workers (71 male and 229 female) from Mulago and Kampala City Council Authority were trained on infection control measures, 83 health workers in Trauma and Injury, 31 officers (12 male and 19 female) in Administrative Law, two officers in Nuclear Medicine, 15 nurses in Pulmonology, 40 nurses in Intensive Care, 15 health workers in Geriatrics and Stroke Management, 10 physicians in Echocardiography, 10 technicians in Electrocardiogram (EcG).	On track and a number of benefits including; reduction in abroad referrals upon training of two officers in nuclear medicine and installation of a lamina floor bench at Mulago hospital. Trainings informed the set up a renal transplant equipment. Knowledge enhancement led better services to patients.
	Awarding long term scholarships to eligible health workers	10 Scholarships (7 male and 3 female) were awarded for Masters of Medicine (MMED), Internal Medicine Paediatrics Surgery Obstetrics/Gynaecology, Anaesthesia and Ophthalmology	

Revitalising Referral and Counter-referral Systems	Procurement of 10 ambulances for Kampala metropolitan area	Procurement of ambulances was ongoing	Component not achieved by end of FY.
	Training of paramedics to manage the ambulance system	Training was awaiting procurement of ambulances.	
	Establishment of ambulance call centres and sensitization of communities on referral system and ambulance services.	Direct procurement of a consultant to provide technical assistance to MoH in design and development of a sustainable referral, call centres and ambulance management system in the Kampala metropolitan area was under way. International Finance Corporation (IFC) had been identified to offer the service at a cost of US$40,000.	
Expanding and Improving Specialised Health Services in Kampala City	Construct and equip two 200-Bed General Referral Hospitals at Kawempe and Kiruddu.	Physical progress was at 20% for both contracts. M/s Perse Architecture was contracted on 23rd May 2013 to review designs, evaluate and supervise civil works for both Kawempe and Kiruddu at a sum of US$ 693,059 and by end of June 2014, he had been paid a total of US$ 199,253.74 (28.7%).	Construction was on going and on schedule.
	Develop a 30 year Master Plan for Mulago National Referral Hospital	The consultant (Joadah Consult) was contracted to develop the master plan at a sum of US$ 369,900.00, 50% of the contract sum had been paid. The contractor had submitted the final draft of the master plan which was yet to be reviewed.	Although, a final draft of the master plan was submitted, Joadah Consult had delayed to complete the work despite several warning letters about implications of delays. Original completion date was 30th November 2013, it was revised to 30th April 2014.
	Rehabilitate, modernise and equip lower Mulago Hospital to provide super specialised services	Project to rehabilitate lower Mulago was under procurement.	

Source: MoH

Details of project implementation on the infrastructure component

i) Construction of Kawempe General Referral Hospital;

This project was awarded to M/S China National Aero-Technology International Engineering Corporation at a contract sum of US$ 11,341,651.23. Works commenced on 1st January 2014 and expected to be completed by 31st December 2015 (within 2 years). Selection of the hospitals was based on; consideration of a health centre with land, proximity to the main road and population of the area.

Scope of works involved construction of a 10 storey main hospital building, two storey services /administration block, four storey staff housing block for 16 staff houses and external works involving opening and construction of access roads, parking, fences and gate. Equipment of the hospital with CT-Scan, medical gas installation for each bed and a centralised oxygen plant.

The hospital will house the following services;

Level 1: Accident and emergency/casualty, laundry and mortuary;
Level 2: OPD housing consultation rooms, treatment rooms, ample waiting spaces; Level 3: Laboratory, imaging diagnostic services including Ultra sound, X-Ray, Fluoroscopy, Mammography, CT-Scan, Magnetic Resonance (Imaging MRI) Pharmacy with Dispensing and Store;
Level 4: Central Sterile Supply Department (CSSD), Main Operation Theatre with two operation rooms and recovery beds.
Level 5: Maternity Ward complete with obstetrics theatre with 26 patient beds, 10 delivery beds.
Level 6: Paediatric Ward with 66 beds
Level 7: Male and Female Wards with 66 beds
Level 8: Private Clinic and Ward with 5 Single bed rooms, 7 twin bed rooms and 1 Four-bed room, Clinic to include Paediatric, Dental, Antenatal and Laboratory;
Level 9: Main Board Room (100 Sitter)
Level 10: Helipad and water tank

Financial performance

The contractor was paid a total of US$ 3,295,765.11 (29%) inclusive of advance payment by 1st August 2014.

Physical performance

The contractor was fully mobilised with over 250 workers on site, demolitions and excavations were completed. Foundation was completed and superstructure frame at 50%, slab casting of the main hospital building at level 5. Foundations works for the services block was also ongoing at 5%. Works on the staff accommodation had not yet started due to inadequate land. The KCCA was advised to find suitable space for construction of the block. External works were also at 0%. Overall physical progress was 20%. The client (MoH) was happy and satisfied with quality of work done do far.

Left: Artistic impression of proposed Kawempe General Hospital. Right: Ongoing works on the main hospital block

Challenges

The contractor noted the following;

- Demarcation of site boundaries delayed commencement of works for over one month.
- Inadequate BoQs; these missed out important items like the ramp leading to variations; these were however contained in the contingency amount.
- Lack of space to construct the staff houses delayed progress of works.

ii) **Construction of Kiruddu Hospital;** M/s China New Era – China No.4 Metallurgical Joint Venture was awarded the contract to construct the hospital at a sum of US$ 10,369,012.18. The hospital was a selected because of its proximity to Kampala City, availability of land and high population in its catchment area. It is expected to serve people from surrounding areas of Salama, Busabala, Makindye, Munyonyo, Muyenga, Kabalagala and Kasanga among others.

Scope of works involved construction of a 10 storey main hospital building, two storey services or administration block, four storey staff housing block for 16 staff houses and external works involving opening and construction of access roads, parking, fences and gate. Equipment of the hospital with CT-Scan, medical gas installation for each bed and a centralized oxygen plant. The 10 storey main building will house a number of services (*as those of Kaweppe General Hospital).* Civil works commenced on 1st January 2014 and expected to be completed on 31st December 2014.

Financial performance

The contractor had been paid a total of US$ 2,973,795.22, inclusive of advance payment (29% of the contract sum) by 1st August 2014.

Physical Performance

Overall physical progress was 20% against time progress of 25% by end of the FY. Super structure frame and casting works on the main building were at the 4th floor (20%), service block at 5% and further works awaited completion of the main building. This was because structural works necessitated use of a crane which was already engaged on the main building. Staff houses at 30% and external works at 0%. The contractor was fully mobilized with over 120 workers on site, adequate equipment and materials necessary for scheduled works were noted to be on site. The client represented by the clerk of works on site was satisfied with the quality of works done

Left: Ongoing works on the main hospital block Right: staff house at Kiruddu General Hospital

Outstanding works included roofing, internal and external walling, mechanical and electrical installations, plastering, painting and general finishes on the staff houses. Main building works included completion of the frame structure on the remaining six levels, walling, mechanical and electrical installations, internal and external decorations as well as general finishes. Works on the services block involved completion of structural works on the remaining levels, walling, roofing, internal and external finishes, electrical and mechanical works.

In terms of safety and gender measures, the monitoring team noted that the workers had protective wear. The contractor had over 20 female workers on ground, as casual laborers.

Challenges

- Unforeseen additional works affected project time and physical progress. These included extension of the fence and relocation of service utility lines.
- Delayed approval of architectural designs led to interruptions in submission of procurement plans. The contractor could not establish the exact quantities of certain materials or fittings needed.

iii) **Rehabilitate modernise and equip lower Mulago Hospital to provide super specialised services;** works were estimated to cost US$ 23million. Planned civil works included overhauling mechanical and electrical systems including;

- Installation of an oxygen plant.
- Installation of medical gases and vacuum for every patient bed.
- Expansion of the Intensive Care Unit to 26 beds.
- Expansion and redesigning the Accident and Emergency Unit
- Expansion and remodeling of the Main Operation Theatre from 8 to 15 operation rooms.
- Installation of ICT systems to support telemedicine, human resource management, access control, display screen for health education and supply and installation of new lifts.

The project will involve supply and installation of an assortment of high tech-medical equipment estimated to cost US$18.3m. Procurement of the equipment was also ongoing with the main batch expected to be delivered in June 2016 just before completion of construction works.

Planned activities FY 2013/14

These were;

- Signing of the design and supervision consultancy contract,
- Completion of designs and tender documents,
- Tendering and selection of contractors for rehabilitation of Mulago hospital.

Financial Performance

M/S AMPC in Joint Venture with Sharp Shop Architects, South Africa and Joadah Consult of Uganda were awarded the contract to design, review tender documents and supervise contractors at a sum of US$ 935,945.00. By 30th June 2014 a total of US$ 46,797.25, (5% of the contract sum).

Physical performance

The consultancy was ongoing with tender documents delivered, approved by the MoH and received the ADB No Objection. The procurement process of attaining a contractor on board was underway, civil works were expected to commence in September 2014 and completed within two years.

iv) **Support to Maternal and neonatal health unit constructed in Mulago;** this project is funded by both the Islamic Development Bank (IsDB) and GoU. It is estimated to cost US$ 34.14 (IsDB $ 30.72 and GOU $3.42). The project's main objective is to reduce maternal and neonatal mortalities through improvement of healthcare service delivery. It has two components namely;

- Improvement of access to specialized maternal and neonatal health care services through construction and equipping a 320 bed six storey hospital complex to offer services including risk antenatal, delivery, postnatal, gynecological oncology, urogynaecology especially obstetric fistula, assisted Reproductive Health technologies and a private wing.
- Improve quality of care through specialized training, preparation of guidelines and medicals protocols.

Financial performance

The IsDB disbursed US$ 411,653.00 exclusive of US$277.058 direct payments to Arch Consultant, undertaking detailed engineering/architectural designs. A total US$ 293,466.71 (71%) had been spent and expenditures were mainly made on office operations.

Physical progress

The training plan was developed and expected to be implemented mid-August 2014. Arch design was contracted to develop detailed engineering/architectural designs and bid documents at a contract sum of US$ 542,000. Designs were completed and submitted to the MoH on 10th July 2014. The consultant had been paid a total of US$ 217,058 inclusive of advance payment. Tender for a supervision consultant advertised and bids were under review. Procurement of the contractor to undertake civil works and equipment of the hospital was in its early stages and expected to be completed by December 2014. Civil works were expected to commence in January 2015 and completed within two years.

Analysis

Link between financial and physical performance

There was good allocative efficiency of the project with 80% of funds directly paid for civil works at both Kawempe and Kiruddu General Hospitals. The GoU funds were spent on operations and trainings. It is worth noting that these are two different projects with different funders and objectives however all policy documents lumped them together as one project, with support to maternal and neonatal health unit constructed in Mulago as an output of Support to Mulago Rehabilitation project**.** This means that objectives of the former were not clear and targets could not easily be measured. Over 71% of funds disbursed from IsDB to support to maternal and neonatal health unit project were made on office operations and salaries.

Achievement of set targets

Support to Rehabilitation Hospital had achieved two out three planned outputs of the FY. Construction of Kawempe and Kiruddu was on track at 20% physical and time progress. Signing of the design and supervision consultancy contract, completion of designs and tendering process was completed. The maternal and neo natal unit had not taken off. Training programs were ongoing with some benefits achieved especially under nuclear medicine. The final 30 year master plan for Mulago Hospital had not been submitted to MoH.

Implementation challenges

- Land issues for Kawempe Hospital delayed construction of staff houses.
- Inadequate funds for rehabilitation of Mulago Hospital led to reduced scope of works. Upgrading of hospital was budgeted to cost US$ 23 million yet the actual total project cost was estimated at US$38 million.
- Delayed commencement of works at both Kawempe and Kiruddu hospitals. This was mainly due to changes in ADB payment procedures hence late advance payments to contractors.

Conclusion

Overall the project performed well since it achieved most of its set targets within the FY save for works at lower Mulago. The project was on track and enormous benefits related to improvement of health service delivery in Uganda are expected. The need to separate two projects is paramount to facilitate tracking of progress and measuring achievement of project targets.

Recommendations

- The KCCA, MoH and Ministry of Justice and Constitutional Affairs (MOJCA) should expeditiously verify the authenticity of Kawempe land claimants and agree on requisite compensation.
- The GoU should explore alternative sources of funding to facilitate adequate works on rehabilitation of lower Mulago.
- The two projects should be separated and given different coding, defined targets and outputs to facilitate clear tracking of implementation.

7.7 National Medical Stores (Vote 116)

National Medical Stores (NMS) was established in December, by the National Medical Stores Statute no.12 of 1993 and it is responsible for ensuring continuous distribution of pharmaceutical products in a financially viable and sustainable manner. It distributes various drugs which include; Uganda Essential Drug Kits, Sexually Transmitted Infections *(*STIs*),* Anti-Retroviral (ARV), Family Planning Products and MoH direct distributions to the districts. The mission of the NMS is to effectively and efficiently supply essential medicines and medical supplies to health facilities in Uganda.

Its core objectives include;

- Efficient, economic procurement of medicines and other medical supplies of good quality primarily to the public health services.
- Secure safe and efficient storage, administration, distribution and supply of goods in question in accordance to the National Drug Policy and Authority.
- Establishment and maintenance of systems to ensure the quality of goods supplied.
- Estimation of current and future needs as a basis for procurement, planning and budgeting.

Planned activities FY 2013/14

- Procure, store and distribute essential medicines and health supplies to HCIIs, IIIs, General hospitals, Regional and National Referral hospitals worth Ug shs 81billion.
- Procurement and distribution of Anti-Retroviral (ARVS) and TB drugs valued at Ug shs 100billion to health facilities and accredited centres.

- Specialised items procured and distributed to Uganda Heart Institute (UHI), Uganda Cancer Institute (UCI), Uganda Blood Transfusion Services (UBTS), and Uganda National Expanded Program on Immunization (UNEPI) in accordance with their procurement plans and resource allocation worth Ug shs. 17billion.
- Supply of Emergency and donated medicines.
- Supply of Reproductive Health Items (RHI).
- Acquire land in a strategic location and construct a state of the art warehouse installed with integrated management business solution.
- Distribution of health worker's uniforms in all districts.

Financial performance

The total approved budget for NMS in FY 2013/14 was Ug shs 219,374,586,943 of which a total of Ug shs 219,374,586,943 was released and 219,374,159,625 (99%) spent by end of the FY representing 100% absorption rate.

Physical Progress

Health centres II and III received their Essential Medical Supplies (EMIS) Kits worth Ug shs 29.523 billion using the push system. Kits received included antibiotics, painkillers, non-ACT antimalarial, Intravenous (IV) fluids and cannulas, gauze, wool, plasters, gloves, iodine among others. These were delivered bi-monthly. NMS was yet to implement the EMIS kit taking into consideration regional (district) population, needs and disease burden of beneficiary health facilities.

HC IVs received essential medicines and health supplies worth Ug shs 7.992 billion, Ug shs 18.106 billion for General Hospitals, Ug shs 13.024 billion for RRHs and Ug shs 12.366 for National Referral hospitals.

Anti-Retroviral (ARVS) and TB drugs worth Ug shs 100 billion were distributed to accredited centres. Specialised items worth Ug 27.863 billion were procured and distributed to Uganda Cancer Institute (UCI) Uganda Heart Institute (UHI) Uganda Blood Transfusion Services (UBTS) and UNEPI. Distribution of emergency and donated medicines worth Ug shs 2.5billion and RHI worth Ug shs 8.0 billion.

A total of 10 acres was procured at Kajjansi, Wakiso District at Ug shs 4billion. Structural works were expected to commence during FY 2014/15. Designs were made and approved by the Board.

The NMS distributed uniform and shoes of health workers made by Nytil Limited, total number of uniforms distributed was not available at the time of monitoring.

Implementation challenges

These challenges were noted at NMS-Entebbe office;

- Constant drug stock outs at health facilities due to
    - Poor planning characterised by failure to present adequate and timely procurement plans
    - Poly pharmacy tendencies and irrational prescriptions due to failure to follow clinical guidelines by some health workers.
    - Abuse of the referral system with most people seeking services of referral hospitals without references from respective regional health care systems. This compromised proper functioning of referral hospitals since most of their allocations were spent on basic rather than specialised services, ite 1`qqqq`ms and equipment.

- Absenteeism of health workers to receive delivered drugs.
- High costs incurred on curative services rather than health promotion and prevention of diseases at household level.

Stock of drugs at the NMS Warehouse in Entebbe

Recommendations

- The MoH and NMS should continue sensitising hospital administrators and health centre in-charges about the need for accurate predictions based on situations on ground.
- The NMS should continually invest in communication regarding requisition and delivery schedules for timely planning and drug management at all levels.
- The MoH should invest in staff accommodation, prioritise motivation of health workers to reduce absenteeism rates and improve service delivery.
- The MoH and other development partners should focus more on health promotion and disease prevention to reduce the country's disease burden and curative expenditures.
- The MoH should monitor the work of health workers at all levels to ensure that they follow and adhere to clinical guidelines.
-

Gender, Equity and HIV issues

Prioritisation of maternal health through procurement and distribution of mama kits for delivering mothers, family planning, and reproductive health and child medicines for all health centres. Drugs like Ampiclox (antibiotic), misoprostol which stop maternal bleeding were provided. Iron tablets like Fefol, Folic acid for pregnant mothers were also part of the packages sent to health facilities. Child medicines included Oral Rehydration Solutions (ORS) and zinc kid to prevent and cure diarrhoea one of the number one killer diseases among infants. All above was done to reduce maternal and child mortality rates in Uganda.

In terms of equity, NMS delivered medical supplies to all health facilities throughout the country at the same cost irrespective of the facilities location and population composition.

Procurement and distribution of ACTS, ARVS and TB drugs was intended to deter death arising from HIV/AIDs as well as other opportunistic diseases. Access to antiretroviral treatment was enhanced by accrediting lower health centres to receive and distribute ARVs to HIV patients in their catchment areas.

Field Findings

The monitoring team sampled and visited one National Referral Hospital (Mulago National Referral Hospital), Five RRH (Jinja, Masaka, Mbarara, Lira and Soroti), three General Hospitals (Iganga, Kiryandongo, and Nakaseke) and 13 districts (Amuru, Gulu, Isingiro, Kaberamaido, Kiruhura, Kitgum, Kole, Masaka, Mbarara, Mityana, Pader, Soroti and Serere). The following was established;

National Referral Hospital

One national referral hospital was monitored; the following was established;

1) Mulago National Referral Hospital

The hospital drug budget for FY 2013/14 was Ug shs 12,866,157,000 of which drugs of Ug shs12, 011,166,699 were received. The hospital also received;

- Special items worth Ug shs 281,796,406. These included dental supplies, record sheets, forms, folders charts, cards, equipment and supplies among others.
- General supplies of Ug shs 1,049,788,032 were also received, these included administrative sets; syringes, cannulas, bandages and dressings, blades, disinfectants, gloves, x-ray supplies, consumables and Computerized Tomography (*CT)* scan supplies among others.
- The hospital also received 11,741 uniforms worth Ug shs 2,047,442,156.

It was reported that the NMS had greatly improved in terms of meeting their delivery schedules over the years; however, a number of challenges were noted. These include;

- Difficulty in prediction and drawing accurate procurement plans. Instances of over/under ordering of supplies were common and this sometimes led to drug expiries.
- Inflation and volatile exchange rates affected quantity of drugs supplied.
- Non-supply of ordered items with no clear explanations from NMS. On 26th February 2014, medical orders worth Ug shs 531,175,250 were made, however items worth Ug shs 380,449,461 were received in March 2014. Phenytoin Sodium (an anticonvulsant) required by the Neuro unit to treat emergency or traffic accidents cases and convulsions among others was not received since February 2014 yet the unit receives over 47 medical cases daily. Patients were therefore referred to buy the drug from nearby pharmacies. *"…. Non-delivery of ordered items has adverse effects of both human health and service delivery''* Principal Pharmacists, Mulago Hospital.
- Inadequate data management and monitoring systems to track amounts of drugs ordered, dispersed, prescribed and balances.
- Fixed drug budget that has not changed over the years in relation to population.
- Poor quality drugs delivered for example experience and reports from the Micro Biology Department of Mulago indicated that Ceftriaxone sodium IG Powder for injection made in China and India were of inferior quality. Clinicians at the hospital had rejected the drug citing ineffectiveness in killing bacteria.

Recommendations

- The MoH together with Mulago hospital should upgrade data management systems from manual to online orders by requisitioning pharmacies and individuals.
- The NMS should consider undertaking fixed drug contracts with its suppliers to avoid losses on exchange rates.
- The NMS should ensure adequate supply of ordered items in stipulated time lines to avoid loss of lives.
- The MFPED and MoH should increase the hospital drug budget in relation to increase in population.
- The National Drug Authority should ensure that good quality and effective drugs access the Ugandan market. Client satisfaction surveys and reporting systems on use and effectiveness of supplied consignments should be undertaken.

Regional Referral Hospitals

Five Regional Referral Hospitals (RRH) were monitored. The following was noted;

1) Jinja RRH

During FY 2013/14, the hospital budget for essential medicines was Ug shs 1,049,000,000 and supplies worth Ug shs 866,264,249 were received during the FY. The administration noted a number benefits following improvements in medical supplies. These include;

- Improvement in quantity and diversity of supplies over the years.
- Timely supply of drugs and other supplies.
- Communication and feedback on deliveries enabled early planning and drug management.

Challenges

These included;

- Insufficient supply of medical stationery like patient files, books, medical forms among others. This had adverse effects on record keeping and data management.
- Limited supply of laboratory reagents led to wastage of medical resources due to presumption treatment and prescriptions since illnesses could not be adequately diagnosed.
- Poor quality items delivered for example adhesive plaster.
- Inadequate supply of some medicines like antibiotics limited choice in disease management.
- Inadequate order forms and procurement plans with fixed quantities and budgets. These have not changed over the years despite changes in population and disease patterns.

Recommendations

- The NMS should provide necessary and adequate medical stationery to enhance record keeping and data management.
- The NMS should consistently supply laboratory reagents to avoid medical wastage.
- A stocktake of all laboratory equipment should be taken and suppliers identified to supply reagents for different types of equipment to avoid stock outs.
- The National Drug Authority should undertake random quality tests to all supplies delivered by NMS for quality assurance.

2) Masaka RRH

During FY 2013/14, the hospital budget for essential medicines was Ug shs 1.5billion and supplies worth Ug shs 1.09billion were received. The hospital administration acknowledged that deliveries were made according to schedule and emergency orders were delivered in a timely manner. The hospital also received 179 uniforms; these were delivered at the district and later transferred to the hospital.

Challenges

These included;

- Constrained options of essential and health supplies given to referral hospitals yet they were expected to provide specialised services to the population. Items to treat orthopaedic, dental and optical services among others were not provided. This not only led to demotivation of consultants, it also undermined performance of regional referral system.
- Limitations in uniforms delivered in terms of in numbers, sizes and delivery of uniforms of retired health workers.

3) Mbarara RRH

The hospital budget for essential medicines was Ug shs 1.4billion and supplies worth Ug shs 1.8billion (400million over the budget) were received. The hospital received a total of 51 uniforms with belts for enrolled nurses. The hospital was happy with the timely delivery of medicines and supplies; however the following challenges were noted;

- Inadequate budget led to;
  - Accumulation of debts at the NMS,
  - Suffocation of service delivery including postponement of operations.
  - Drug stock outs hence referral of patients to buy certain items from private entities.
  - Frequent borrowing of supplies from lower health units.
- Non-delivery of specialist medicine yet RRH were supposed to offer specialised services like cancer, urology, cardiology, renal surgery, eye, nose and ear services among others. Ordering for such medicines infringes on the budget of essential medicines which was unviable.
- Delivery of drugs with short shelf life, delivery of drugs with two-three months of expiry was noted to be unviable.
- Delivery of incomplete sets of supplies for example intravenous fluid medicine lacked giving sets hence could not be used.
- Gaps in delivered uniforms with some health workers receiving more than three sets of uniforms yet others did not get.

Recommendations

- The hospital administration recommended that their budget should be increased to at least Ug shs 3billion in order to attend to all patient needs in terms of diagnosis, prevention and cure.
- The NMS should accredit RRHs to receive specialist medicines to allow proper functionality of the referral system.
- The NMS should refrain from purchasing and accepting donations of drugs close to expiry.
- The NMS should deliver complete sets of items to facilitate use of ordered items in stipulated timelines.

4) Lira RRH

The hospital budget for essential supplies FY 2013/14 was Ug shs 1.1 billion and a total of Ug shs 907,115,955 (82%) worth of supplies was received. It was noted that the NMS had markedly improved in timely delivery of supplies and effectively communicated regarding delivery schedules. Client queries were also attended to in a timely manner.

The embossment of drugs secured them at both the hospital and lower level health facilities. The hospital received a total of 136 uniforms; 42 uniforms for nursing officers, 33 uniforms for enrolled nurses and 61 uniforms for nursing assistants on 4th February 2014. No shoes were delivered.

Challenges

These included;

- Non-delivery of essential items like oxygen in stipulated timelines yet the functionality of the theatre and Intensive Care Unit (ICU) depended on consistent supply of such. This led to either postponement or failure to undertake certain operations.
- Non-delivery of ordered items like dexamethasone, acetazolamide and sodium ringers among others affected hospital operations.
- Gaps in delivered uniforms; some health workers received more than three pairs of uniforms yet others did not receive. Some male officers received female uniforms (dresses) while other got over/undersized uniforms. The hospital also received *stray uniforms* (with names on unknown health workers).
- Failure to establish the exact numbers and prices of uniforms since deliveries were made at the district headquarters.

Recommendations

- The MoH should support establishment of oxygen plants in all RRHs for improved health service delivery.
- The NMS should ensure delivery of ordered items to avoid interruptions in delivery of services.
- Nytil should be tasked make uniforms in relation to sex and measurements submitted by beneficiaries.
- The NMS should collect and distribute stray uniforms to respective beneficiary health facilities.

5) Soroti RRH

During FY 2013/14, the hospital was allocated a budget of Ug shs 949 million and received medical supplies received worth Ug shs 893,834,964. A total of 66.8% of the essential medicines were received in the six delivery cycles during the FY and the balance of the medicines were out of stock.

Health worker wearing a pink uniform delivered by NMS at Soroti RRH

Health worker wearing a pink uniform delivered NMS at Lalogi HCIV-Gulu district

Non-delivery and delays meant that patients had to be referred to private pharmacies to buy medicines. Approximately, 50% laboratory items, 32% of health supplies and 49% of medical stationary ordered were supplied. The hospital received 30 uniforms during the FY for nursing assistants. Measurements were taken in 2012 and deliveries were made in 2014.

Challenges

- Constant stock outs of some medical and health supplies including sundries, gauze, cotton wool and cannulas among others. This was partly due to high population and disease incidence
- Lack of adequate complementary items for equipment supplied, for example glucometer machines (used to measure glucose levels among diabetic patients) lacked strips, Blood Pressure (BP) digital machines lacked replacement batteries and vaccine syringes lacked diluting agents. All these were not readily available on the local market.
- Delays in delivery of drugs for example during cycle one, deliveries delayed for four days, six days for cycle two, nine days for cycle four, two days for cycle five and six.
- Uniforms delivered were characterised by incorrect sizes, limitations in number, lack of complementary items like shoes, inconsideration of other cadres and delivery of uniforms for retired staff.

Recommendations

- The NMS should step up its planning and projection mechanisms to avoid constant stock outs.
- Use of items like glucometer machines was dependant on delivery of complementary items. It is important that NMS deliveries such items all together to avoid mishaps in service delivery.
- The NMS should stick to delivery schedules and dates as communicated to health facilities

General Hospitals

Three general hospitals were monitored and the following was established;

1) Iganga General Hospital

The drugs and supplies budget for FY 2013/14 was Ug shs 440,000,000 and Ug shs 408,398,000 (93%) was received by end of the FY. All the six cycles were delivered and last mile deliveries were promptly made however the following challenges were noted;

- Stock outs of essential medicines like anti-malarial drugs. Ordered quantities were often not met by NMS. Vital drugs and items like quinine, chloramphenicol injection, surgical blades chloramphenicol injection, insulin and ampicillin, oxygen among others were in most cases inadequate.
- Unbudgeted travel expenditures to collect emergency orders from NMS-Entebbe. Emergency orders were reportedly due to non-delivery of all ordered items, discrepancies and stock outs.
- Insufficient budget led to limitations in ordering adequate essential items.
- Poor quality products for example apron protective disposables.
- Late and weekend deliveries. This hindered thorough verification of delivered items.
- Delivery of incomplete items for example x- ray films or fixers were often delivered without chemicals to develop images.

Recommendations

- The NMS should ensure adequate delivery of ordered items.
- The NMS should ensure delivery of emergency orders to requisitioning entities.
- The NMS should refrain from late and weekend deliveries.
- The NMS should ensure delivery of complete sets of ordered items.

2) Kiryandongo Hospital

The hospital had received medical supplies for essential medicines worth Ug shs 306,414,341.12 in all the six cycles. The hospital received only three pairs of shoes and no uniforms by end of the FY.

Challenges;

The following challenges were noted;

- Poor quality supplies for example zinc oxide plasters imported from Yiwu Bangmei Medical Products Company Limited-China were rejected by clinicians citing quality issues.
- Delivery of non-ordered items for like sputum mugs instead of stool containers ordered as an emergency during cycle four.
- Continuous non-supply of ordered items. These include laboratory items and surgical blades which were not delivered for three consecutive cycles in the financial year. Mothers delivering at the facility were requested to either buy or come along with surgical blades to use during labor.
- Limitations of order forms regarding amounts and quantities of items required. These could not be adjusted according to need. The form provided for only 175 doses of Artesunate injection 60ml yet the hospital requirements were over and above 800 doses.

Recommendations

- The GoU and MoH should explore alternative sources of funds to ensure adequate supply of medical supplies to avoid continuous stock outs.
- The NMS should refrain from pushing big quantities of non-ordered items to avoid expiries and wastage.
- The National Drug Authority should be held accountable for allowing poor quality medical items on the market.
- The NMS should ensure timely supply of ordered items

3) Nakaseke General Hospital

The hospital drug budget was Ug shs 368,982,300 for FY 2013/14, of which Ug shs 350,533,185 (94%) was received as essential medicines and Ug shs 18,449,115 (5.2%) were non-communicable diseases items.

The hospital received 400 sets of uniforms at a total cost of Ug shs 15,613,500 and 112 pairs of shoes at Ug shs 6,241,230. The hospital acknowledged that NMS had greatly improved in terms of delivery of drugs; however a number of challenges regarding delivery of items were noted. These included;

- Delays in delivery of uniforms. Measurements were taken in December 2011 and were made in 2014 hence 32 uniforms could not fit their owners.
- Delivery of stained uniforms hence could not be used.
- Errors in uniform allocations hence some health workers received more than three pairs of uniforms yet others had not got.
- Stock outs for items like jik, intravenous fluids, surgical blades and injection water among others.

Recommendations

- It was recommended that NMS should deliver items as ordered by the hospital to avoid stock outs.
- The MoH should undertake properly planned and viable projects to avoid losses resulting from delayed implementation.

District Local governments

Thirteen district local governments were monitored. The following was established;

1) Gulu district

The district received medical supplies for 50 government health facilities (two HC IVs, 16 HC III and 32 HC II) in all the six cycles of FY 2013/14. Each HC IV received items worth Ug shs 48 million, Ug shs 3.6million for HC IIIs and Ug shs 1.2million for HC IIs per cycle. All supplies were delivered according to NMS delivery schedules, last mile deliveries were also made satisfactorily. However, some items like HIV testing kits were often inadequate and sometimes not supplied.

The district received a total of 442 sets of uniforms, of which 229 uniforms were for the district health workers, 98 for Gulu RRH, 16 for Gulu Municipal Council and owners of the 99 sets (balance) could not be verified. By the time of monitoring done on 30th June 2014, the district had distributed 111 out of 229 sets of uniforms received. The uniforms had a number of challenges. These included;

- Size variances with some staff getting under/oversized uniforms.
- Cases of staff getting more than two sets of uniforms were common.
- Inadequate supply with many health workers not getting uniforms.
- Cases of male health workers getting dresses were also noted.

The monitoring team visited two HCs to establish availability of medical supplies, good practices, challenges and recommendations to improve service delivery. The following was established;

a) ***Awach HCIV;*** it is located in Achwa Health Sub-district, Awach Sub county, Puduny Parish, Parongo village. It serves over 19,000 people from the neighboring sub counties. The HC noted that NMS delivered supplies in a timely manner, availed information on drug costs, reminders on submission of orders, supplied order forms and organized quarterly meetings to review budget performance. More than 50% of the staff at the HC had not received uniforms, those that received, had to travel to DHOs office to pick them. This had a cost implication in relation to transport and time off duty.

   Other challenges in relation to delivery of medical supplies were noted. These included;

- Non-delivery of requisitioned items for example STI laboratory reagents, testing kits, Tuberculosis's (TB) drugs, mental health drugs like Phenbarbtone yet mental illnesses were rampant in the north as effects of the war.
- Limited budget allocations to facilitate requisitioning of adequate drug items.
- The MFPED and MoH should prioritize and provide adequate budgets to medical supplies to cater for the above inadequacies.

b) ***Lalogi HCIV;*** it is located in Gem parish, Lalogi village and Lalogi Sub county. It serves a total population of 21,000 from the sub counties of Odek, Lakwana, Gobi, Koro, Ngai

in Oyam district and parts of Awere in Pader district. The HC received medical items worth Ug shs 47 million during FY 2013/14, it was noted that;

- A number of ordered items like injectable drugs and antibiotics were not delivered without clear explanations from NMS.
- Special order items like gum boots had not been delivered for three subsequent cycles.
- Chronic stock outs of BCG vaccines and diluents.
- Lack of gas used in maintenance of cold chain.
- Although all the 26 health workers at the facility had taken measurements, only 10 received uniforms from NMS, however, many were over/under sized and could not be used. Beneficiaries noted that the uniforms were of high quality, made health workers look smart and very professional.

Recommendations
The in charge of the HC recommended that;

- The NMS should promptly communicate to health facilities about unavailability of certain items to facilitate properly planning and drug management. Better still; certificates of non-availability of drugs should be given.
- The NMS should deliver all ordered items to avoid stock outs
- MoH should provide solar fridges at all health facilities to avoid wastage resulting from lack of timely and adequate supply of gas.
- The MoH should consider taking back the delivery of vaccines and immunization responsibility to UNEPI to avoid mishaps caused by stock outs.

c) ***Odek HC III;*** located in Omoro Sub district Odek Sub county, Palaro Parish. It serves a total population of 14,000 in four parishes, Awere Sub County from Pader, some sub counties from Oyam in Lango sub region. HC noted that supplies were made on time however essential medicines often ran out in the first three weeks of delivery.

Quantities of drugs supplied were very minimal compared to population served. The supplies received lacked hypertensive drugs like Bendro and Propranolol. These were not supplied since February 2014 yet hypertensive cases among the elderly were rampant area of operation.

2) Isingiro District

The district's medical supplies budget for FY 2013/14 was Ug shs 726,220,938 of which Ug shs 701,310,916 (96%) worth of supplies was received. All cycles were delivered according to schedule and the last mile deliveries were efficiently done. Minimal discrepancies between ordered and delivered items were noted. The hospital was therefore happy and appreciated the service.

Challenges

- Inadequate budget for essential medicines.
- The push system often led to unbudgeted travel expenses to redistribute excess supplies to other health facilities. Examples of drugs oversupplied include Septrin 960ml and 480ml at HC IIs and HC IIIs respectively.
- Non supply of vital items like intravenous and dextrose fluids, normal saline water, antimalarial drugs like coarterm and quinine, ethromisine and laboratory supplies to HCIIIs.
- Fixed online order forms that cannot be adjusted to capture amounts and quantities of supplies required for use.
- Delivery of wrong packages to some health centres for example Kasana and Kanywamaizi HCIIIs were upgraded in 2011 but continued receiving HCII level packages.
- Non-supply medical supplies to some HCs like Rwanjongyera HCII, this partly contributed to stock outs in some HCs that continued to share their supplies with the above HC.
- Lack of capacity to dispose expired drugs. Expiries were caused by the push system, directives to phase out certain drugs and continued failure to use some drugs like family planning and antenatal related supplies.
- Non delivery of uniforms and shoes for health workers.

Recommendations

- The NMS should implement the revised basic kit to avoid over/under supply of non-required items.
- The MoH should continuously update NMS on new developments including newly established and upgraded HCs.
- The NMS should pick up and dispose expired drugs at the district to create space for other activities.
- The NMS should step up its planning activities to enable full supply of ordered items.
- The NMS should expeditiously deliver uniforms and shoes of health workers.

3) Jinja District

The district received supplied for all the 53 health facilities in six cycles. These were delivered in according to schedules and last mile deliveries were promptly made.

The district received a total of 378 sets of uniforms, with Ug shs 136,620 charged for male enrolled nurses and Ug shs 111,375 for female enrolled midwives. A total of 232 pairs of shoes for female nurses and 37 pairs for male nurses were received at a cost of Ug shs 28,803,200.

Challenges

The following challenges for both drugs and uniforms delivered were noted;

- Wrong sizes received with some staff receiving over/under sized uniforms and shoes.
- Misspelt name tags and wrong cadre titles of uniforms of health workers.
- Wrong deliveries with the Jinja district receiving uniforms of other districts like Ntungamo and Luweero.
- Some health workers received over five pairs of uniforms.
- Stock outs of essential medicines like anti-malarial drugs.
- Order quantities were often not met by NMS.
- Over and understocking of medical supplies in HC IIs and IIIs using the push system.
- Delivery of unordered drugs like Dexamethasone in HCIIs
- Cases of delivering injectable drugs without syringes were common.
- Inadequate verification of ordered items. This was due to communication delays to facilitate timely mobilisation of various stakeholders to witness delivery and undertake verification.
- Failure to deliver supplies to health centres at Kisiima Island. Three ways, the last mile contractor made deliveries to the main land and staff of different health facilities were often asked to pick up the supplies. This affected health service delivery in terms of costs and time off duty by respective health workers.

4) Kaberamaido District

The district's drug and supplies budget for FY 2013/14 was Ug shs 805,568,104.73, 100% of the budget was received. The district also received Anti-retroviral drugs worth Ug shs 378,560,396.73 during the FY. The district had not received uniforms and shoes for health workers. NMS relatively followed the delivery schedules and the last mile deliveries were adequately done.

Challenges

- Inadequate supplies of essential medicines like anti-malarial drugs causing stock outs and mishaps in health service delivery.
- Discrepancies between ordered items and actual deliveries.

The monitoring team visited one HC IV to establish availability of medical supplies, good practices, challenges and recommendations to improve service delivery.

a) ***Kaberamaido HCIV;*** it is located in Kaberamaido Health Sub-District and serves a population of 24,466 including people from some areas of Amolator and Dokolo districts. The HC noted the following challenges

- Inadequate medical supplies leading to stock outs and frustration among community members. Stock outs were rampant for anti-malarial drugs including Coartem, quinine and injectable drugs.
- Delays in delivery of ordered items, this led to referral patients to buy drugs from private entities.

Recommendations

- The NMS should deliver adequate drugs in line with orders and catchment population.
- The NMS should promptly follow its delivery schedules.

5) Kiruhura District

During FY 2013/14, the district received medical supplies of Ug shs 471,677,327 against a budget of Ug shs 479,601,224. The NMS greatly improved in terms of timely delivery of supplies, last mile deliveries were promptly done and stock outs had greatly reduced.

The district did not receive any uniforms and shoes for health workers. A number of challenges were, these included;

- Continued pushing of drugs irrelevant to the communities' disease burden like Aspirin and drugs with short shelf live.
- Continued non-delivery of ordered items.

Recommendations

- The NMS should push drugs in line with the district's disease burden.
- The NMS should refrain from buying and accepting donations of supplies about to expire.

6) Kole District

The district received health supplies for all the six cycles, no uniforms and shoes were received during the financial year. A number of challenges were noted regarding delivery of medical supplies by NMS. These included;

- Lack of a district store, all medical supplies were made at Aboke HC IV, 8kms away from the district. This made verification of medical supplies by the district difficult.
- Delivery of unordered drugs about to expire for example promethazine was delivered on 3rd March 2014 and expiring in July 2014.
- Gaps in the push system including over/under supply of certain items. This led unplanned transport and redistribution costs to HC facilities with undersupplies to avoid expiries.
- Inadequate supplies of ordered items for example Aboke HCIV ordered for 35 HIV test kits on 23rd June 2014 and received only nine kits, therefore a big number of people could not be tested as required.

Recommendations

- The district should prioritize construction of a district store using PHC development fund.
- The NMS should expeditiously implement the revised basic kit per district needs, population and disease burden.
- The NMS should refrain from pushing unordered items especially those about to expire.
- The NMS should step up its planning mechanisms to deliver items as ordered by the district and health facilities.

7) Kitgum

The district that noted all the six cycles of medical supplies were received during FY 2013/14. It was noted that the district received only four uniforms for the nursing assistants out of 300 health workers. A number of challenges regarding deliveries were noted. These include;

- Continued pushing of items non-ordered leading to expiry of drugs.
- Low utilization of family planning drugs hence expire on shelf.
- Inadequate supply of some items like antibiotics, EmOC drugs, magnesium sulphate, and hydrazine tablets at HCIII.
- Loss of lives due to failure to offer certain services at lower health units (HCIIs). In 2012/13, 46 maternal deaths were registered due to lack capacity and EmOC drugs at that level.
- Inadequate budgets compared to the population and disease burden. Only Ug shs 1.2 million was allocated to HCII and Ug shs 3.2million for HCIII.
- Failure to dispose accumulated expired drugs.

Recommendations

- The NMS should expeditiously implement the revised basic kit to avoid continuous pushing of irrelevant supplies.
- The MoH and district should continuously sensitize communities about the importance and use of family planning methods.
- The NMS should endeavor to deliver all ordered items to avoid stock outs.
- MoH should train health workers at HC II to handle and use EmOC drugs to improve service delivery at lower levels of government and reduction in maternal deaths.
- The NMS should be encouraged to collect all expired drugs for safe disposal.

8) Masaka district

The district medical supplies budget for FY 2013/14 was reportedly Ug shs 345,179,325.15 and supplies worth Ug shs 342,015,086.01 (99%) were received by end of the FY. The district received 395 uniforms at a total cost of Ug shs 44,900,266, 53 pairs of female shoes at Ug shs 5,437,800 and nine pairs of male shoes at Ug shs 1,089,612. A number of challenges regarding delivery of medical supplies by NMS were noted;

- Continued balances on the credit line due to non-delivery of ordered items In FY 2012/13, there was a balance of Ug shs 135,562,188.3 and Ug shs 3,164,162 during FY 2013/14.
- Delivery of non-ordered items for example oxytocin injectable drugs (these are used to induce labour, strengthen labour contractions during childbirth) to HC IIs which do not carry out deliveries.
- Delivery of drugs that were about to expire during cycle five and six during the FY. For example Bukakata HC III received 2,500 HIV test kits on 31st May 2014 and expiring 10th September 2014. Kiyumba HC IV received 3,600 kits that had been shipped in the country on 26th May 2014 and expiring on 10th September 2014. The same applied to other health centres.
- Lack of adequate time given to the districts stores department to check and verify items delivered.

- Lack of dispensing envelops often led to use of patients books/records to pack patient drugs.
- Inadequate supply of highly demanded items like anti-rabies leading to loss of lives. Five cases of dog bites were reported every week.
- Failure to respond complaints forms regarding discrepancies as submitted by health units.

Recommendations

- The NMS should endeavour to give ample time for verification of all items delivered. This will facilitate rejection of none ordered items and those about to expire.
- The NMS should prioritise delivery of items like anti-rabies and dispensing envelops to the district.
- The NMS should effectively communicate to health facilities regarding discrepancies and non-delivery of ordered items.

9) Mbarara district

The district received medical supplies Ug shs 953,666,115 of during FY 2013/14, these included medicines on the credit line, non-communicable diseases, family planning items, supplies from Centre for Disease Control (CDC). In January 2014, the district received 132 uniforms 65 pairs of shoes. The district received all the six cycles and were delivered on time. The last mile delivery improved from delivery of drugs in 28days to zero days. Improved communications regarding deliveries, online orders and opening up regional offices greatly reduced travel costs to NMS-Entebbe. A number of challenges were however noted;

- Delivery of items about to expire for example delivery of HIV testing kits expiring in October 2014 were received.
- Gaps of the push system were health facilities received more items than those required for example Bwizibwera HC IV ordered for 30 HIV testing Kits on 29th April 2014 and received 60 kits on 2nd June 2014. Other items include TB drugs, progestin, syringes and green cannulas gauge 18.
- Gaps in delivered uniforms; for example some health workers received over four pairs of uniforms, over/under sized uniforms and shoes.
- Undisposed expired drugs taking up much of the space at the district health store.
- Limited training on effective handling methods of new drug items.

Recommendations

- The MoH should facilitate districts to redistribute excess items and drugs about to expire to avoid losses.
- The NMS should refrain from distribution of large quantities of items about to expiry.
- The NMS should encourage Nytil to cross check finished uniforms for any anomalies for timely correction of errors.
- The NMS should pick up all expired drugs from both the district and health centres for safe disposal.
- The NMS and MoH should organise training sessions for pharmacists and stores personnel proper handling of new drug items.

10) Mityana district

The district medical supplies budget for FY 2013/14 was Ug shs 986,548,509 and supplies worth Ug shs 855,739,417 (87%) were received by end of the FY. In January 2014, the district received 396 uniforms at Ug shs 42,512,445 and Ug shs 18,775,800 for 183 pairs of shoes. The district was happy with the services of NMS; however, the following challenges were noted;

- Continuous delivery of items not ordered and non-delivery of those ordered. This led to drug stock outs. Essential drugs like anti-malarial were often delivered in small quantities.
- Failure to honor discrepancy reports by NMS for example Mwera HC IV ordered for drugs on 30th April 2014, by 13th June 2014 the deliveries had not been made. Ordered items included Gynecological gloves, cannulas, ibuprofen, syringes, Ciproffloxen, Albendazole, Aiazepam, Paracetamal, bandage cotton, Phenytoin sodium, eye ointment, dispensing envelops among others.
- Wrong sizes, misspelling of name tags and mix up of cadre titles for some uniforms delivered.
- Inconsideration of the following health workers for uniforms and shoes; Doctors, Clinical Officers, Biostatistician, Accounts Assistants, Health Inspectors, Health Educator, Dental Surgeon, Public health Dental Officer, Hospital Administrators, Laboratory Technicians, Laboratory Assistants, Medical Records, Assistants, Dispensers, Kitchen attendants, Askari, Entomological Officer, Stores Assistants and Supplies Officer.

Recommendations

- The NMS sold effectively communicate to districts and health centres regarding delivery failures and discrepancy issues of ordered items.
- Nytil should endeavour to avail all health workers with uniforms, verification of name tags, titles and sizes should also be done.

11) Pader District

The district received medical supplies for all the government health facilities in six cycles during FY 2013/14. The district noted that NMS had greatly improved service delivery in the district; this was mainly due to continued delivery of supplies in specified timelines, training in drawing up clear and accurate procurement plans, regular meetings to review performance and challenges involved in delivery of health supplies.

Challenges

- Continued delivery of HC II packages to HCIIIs like Laguti HCIII.
- Non-delivery of uniforms and shoes.
- Non delivery of supplies to two health centers for three consecutive cycles. These were; Awere and Agangura health facilities.
- Discrepancies between deliveries and information of the delivery notes for example in cycle two, delivery notes for Ogonyo HC II in Puranga Sub county indicated that coartem had been delivered yet the HC had not received it.
- Inadequate supply of essential medicines like anti-malarial and antibiotics frustrated communities. Other vital drugs included asthma, epilepsy, and hypertension drugs.
- Continued Non-delivery of pediatric drugs. Infants and children shared supplies with adult causing stock outs.

Recommendations

- The MoH and districts should continually update NMS on upgraded health facilities for timely deliveries.
- The NMS should ensure supply of health supplies to both Awere and Angangura HCs.
- The NMS should ensure delivery of all items indicated on delivery notes.
- The NMS should include adequate pediatric medicines as part of the package delivered to the district.

12) Soroti District

The district drug budget for FY 2013/14 was reportedly Ug shs 332,459,667 and Ug shs 290,071,942 (87%) worth of supplies was received by end of the FY. All the six cycles were delivered and last mile deliveries were promptly made. The district had not received any uniforms and shoes for health workers yet measurements were done in FY 2011/12.

Challenges

- Late deliveries characterised by one week delays over stipulated delivery schedules. The February 2014 cycle was delayed for over three weeks constraining service delivery in some health centres.
- Inadequate deliveries of essential medicines led to drug stock outs of STI drugs, Oral Rehydration Salts (ORS) and antimalarial drugs.
- Expiry of supplies like injection water and green cannulas.
- Non- supply of some items like Tuberculosis (TB) reagents for the entire FY.
- Failure to redistribute EMIS kits because they were similar across health centres.
- Lack of space for expired items.

Recommendations

- The NMS should ensure that the one- week delay is further reduced to prompt and timely deliveries of supplies.
- The NMS should fast track implementation of the district based kit to take into consideration demand, population and disease burden.
- The NMS should supply TB drugs to avoid further infections and loss of lives.
- The NMS should ensure that all balances carried forward (resulting from undelivered items) are fully paid in subsequent FYs.
- The NMS should continually invest in effective communication regarding outstanding balances on the credit line.

13) Serere District

Information on the drug budget and deliveries was not available at the time of monitoring. The district noted that NMS deliveries had improved over time however a number of challenges were noted;

- Inadequate supply of some drug items including vaccines.
- Poor methods of vaccine handling and delivery compromising quality.
- Weekend deliveries.
- Inadequate verifications of deliveries due to lack of ample time given to the district by distributors.
- Accumulated balances on supplies due to continuous out stocks.

- Late delivery of supplies characterized by 5-10 days delays at Serere HCIV. This led to stock outs and referral of patients to buy from private entities.
- Non delivery of ordered items like normal saline water which was not delivered for three consecutive cycles.
- Limited budgets constraining operations especially at HCIV level leading to frustration of health workers. For example allergy medicines used in theater were limited to only referral hospitals yet HC IVs also undertake theater operations.

Recommendations

- The NMS should improve the methods of vaccine delivery to districts and health centers.
- The NMS distributors should refrain from weekend deliveries and give ample time to districts to verify items delivered.
- The NMS should supply items in line with set delivery schedules.

Analysis

Link between financial and physical performance

There was a positive link between physical and financial performance, 100% of GoU funds released to NMS were reportedly spent on procurement and distribution of essential medical supplies to all government health centers. Despite the fact that, 100% of funds released were spent, cases of balances on the credit line due to non-delivery of ordered items at districts and health facilities were noted. Development partners supporting GAVI and Global Fund greatly contributed to Uganda's health care system, NMS distributed items like vaccines, reproductive health items, and other donations in a timely manner. Health facilities visited acknowledged receipt of such items.

Achievement of set targets

All the set targets were achieved with health supplies worth 219.3billion delivered to all government health facilities. Land for construction of a ware house was acquired in Kajjansi. Distribution of uniforms of health workers in all districts was not achieved, 100% of entities visited did not receive expected quantities of uniforms and shoes.

Summary of implementation challenges

- Continuous stock outs at 100% of all entities visited.
- Non delivery of ordered items at 100% of entities visited.
- Inadequate budgets constraining amounts and quantities of items ordered. Field findings indicate budgets for all entities visited were grossly inadequate to respond to curative and preventive needs of their catchment population.
- Inadequacies of the push system leading to over/under supply of basic kits. This not only led to stock outs, it also led to expiry of some drug items.
- Inadequacies of distributed uniforms and shoes; 100% of entities visited noted that they experienced issues with sizes, name tags, and adequacy of items received.
- Poor record keeping regarding amounts and quantities of medical supplies received from NMS. Some district health officers did not know their drug budgets and items received by end of the FY.

Conclusion

Field findings indicate that over 77% of both health facilities and local governments monitored noted that the NMS had improved health service delivery through timely distribution of health supplies. The NMS warehouse in Entebbe was fully stocked with drugs on 24th June 2014. However, a number of challenges including continuous stock outs of supplies still existed at all levels. It is important to note that non availability of certain types of supplies at a particular time directly translates into loss of lives and undermines the public health care system. The need to minimise stock outs at all health facilities is paramount at all levels.

Key Recommendations

- The MFPED should increase the allocations to NMS in relation to the population and demand for medical supplies across the county. This will translate into reduction in stock outs and delivery of ordered items.
- The NMS should expeditiously implement the district basic kits taking into consideration population and disease burden. Efforts to move towards facility based kits should be undertaken. This will go a long way in minimising stock outs, drug expiries and strengthening of the referral system.
- The MoH should task NYTIL to make uniforms according to details and measurements of health workers submitted. They should also expeditiously complete the assignment within stipulated timelines to avoid wastage of resources.
- Proper planning is paramount for successful project implementation; the MoH therefore should have implemented the uniform project soon after completion of health worker measurements to avoid challenges related to sizes and adequacy. Future initiatives should therefore take into consideration effects of delays and time variances in project implementation.

7.8 Mulago Hospital Complex (Vote 161)

The hospital is Uganda's largest health facility and it's located at Mulago hill in Kampala City. It was founded in 1913 and expanded in 1962 by constructing lower Mulago. It is one of the two National Referral Hospitals in Uganda with a bed capacity of 1,790 and receives an average of 40,000 people daily. The hospital is mandated to provide super-specialized health care, training and conduct research in line with the requirements of MoH.

The monitoring team assessed performance of the complex (Vote 161) on three components; wage, non-wage and development. The following was established;

Planned outputs (FY 2013/14)

In addition to offering various specialized services, the hospital anticipated to achieve a number of outputs. These include;

- Inpatient, outpatient and diagnostic services. These included; 150,000 admissions , 35,000 deliveries, 20,000 surgical operations, 870,230 outpatients, 60,791 emergencies, 245,000 specialized cases, 20,000 renal dialysis sessions, 25,000 Ante natal attendances and 160,000 immunizations, 1,500,000 investigations, 25,000 X-Rays, 30,000 Ultrasound scans, 1,939 ECGs and 1,967 Echos conducted.
- 1,000 mattresses, blankets, bed sheets and motorized cleaning equipment procured.
- 100 unit staff house constructed.

Financial Performance

In FY 2013/14, the hospital was allocated a total of Ug shs 38,135,045,901 of which 52% was earmarked for wages, 34% Non-wage and 13% development activities. A total of Ug shs 37,021,295,523 (97%) was released and Ug shs 36,444,144,820 (95%) was spent by the end of the FY.

Wage Component

The budget for FY 2013/14 was Ug shs 19,744,477,400, Ug shs 19,080,729,005 was released and Ug shs 18,530,000,000 was utilised representing excellent wage performance (97.1%). Performance was attributed to the introduction of the new salary payment system. Salaries were paid by the 22nd of every month. The gap of 3% was attributed to failure to recruit key staff and non-payment of workers that had wrong bank details by the close of the FY. A total of 1,822 staff employed by the hospital were paid.

Non-Wage Component

The budget for FY 2013/14 was Ug shs 13,362,940,286, 100% was released and Ug shs 12,676,091,086 spent (representing 96% performance). According to the IFMS, expenditures were made on medical services at 49% (inpatient, outpatient and diagnostic services) and management at 46% (maintenance, utilities and arrears). *Table 7.18*

Table 7.18: Expenditure of the Non-Wage grant at Mulago Hospital Complex

Programme	Item	Budget (Ug shs)	Release (Ug shs)	Expenditure (Ug shs)	% Expenditure of released Funds
1	Management	6,539,829,393	6,539,829,391	6,105,492,623	46
2	Medical Services	6,389,407,108	6,389,405,628	6,389,405,628	49
3	Common Services	141,832,000	141,831,500	87,529,835	0.6
4	Internal Audit	99,500,000	99,499,999	93,663,000	0.7
Total		**13,170,568,501**	**13,170,566,518**	**12,676,091,086**	**96**

Source: Mulago NRH and IFMS

Development Component

The total approved development budget was Ug shs 5,220,000,000, of which 5,120,000,000 (98%) was released and 100% of the release spent. Expenditures were made on procurement of 1,000 mattresses, blankets and bed sheets at 23%, construction of staff houses 58%, machinery and equipment 13%, gross tax at 4%, roads and bridges at 2%

Physical Performance

Monitoring focused on all planned outputs highlighted in quarter three performance report. The following was established;

i) Inpatient, outpatient and diagnostic services

The hospital performed well in achievement of set targets especially in offering specialised services. The following (Table 8.18) illustrates performance against set targets.

Table 7.19: Achievement of set targets on service outputs FY 2013-14

Service type	Service Output	Target	Achievement	% Achievement
Inpatients services	Admissions	150,000	140,788	94
	Deliveries made	35,000	34,411	98
	Surgical operations done	20,000	21,022	105
	Bed occupancy	90%	95%	106
	Inpatient days	750,000	716,000	95
	Laboratory procedures carried out	1,500,000	1,652,958	110
	Inpatients attended to	150,000	140,788	94
Outpatient's services	General Out Patients	870,230	838,120	96
	Emergencies	60,791	50,079	82.4
	Special cases	245,000	253,451	103
	Renal dialysis sessions	20,000	2,577	13
	Immunization	250,000	202,387	81
	Specialised outpatient cases	245,000	253,451	103
	Antenatal attendances	25,000	39,333	157
Diagnostics services	X-ray examination	26,000	42,360	163
	Ultra sound examinations	30,000	27,054	90
	CT scans	4,000	6,428	161

Source: Mulago NRH

ii) Procurement and distribution of 1,000 mattresses, blankets and bed sheets

These were procured and distributed by Sino Firm Uganda Limited at a contract sum of Ug shs 1,498,900,000 in May 2014. These had been distributed in different wards and a number of benefits were registered. These included;

- Increased hospital bed capacity of the hospital
- Reduced number of inpatients without beds and mattresses (floor cases).
- Increased willingness to be admitted, this increased the number of inpatients.
- Reduced vermin infestation (Lice and bedbugs from beddings of patients and attendants).

Beds in the female Ward-Mulago Hospital

Despite the above benefits, a number of challenges were noted. These included;

- Inadequate space leading to congestion of wards hence patients run a risk of being infected by diseases from their bed neighbours.
- Theft of bed sheets by runaway patients.
- Beneficiaries noted that the beds were weak compared to the old metallic beds. The beds have plastic connections which often come out and users did not have adequate capacity to fix them.

iii) Procurement of motorised cleaning equipment

The process of procuring a scabbing machine was ongoing and the equipment was expected at the hospital by end of September. Part of the funds for this item had been paid to Sino Firm, the supplier for beds and mattresses.

iv) Construction of a 100 unit staff house

This output was premised on the fact that over 80% of the hospital staff were not accommodated. This greatly affected the hospital efficiency levels especially during schedule handover periods (5pm-8pm) when some staff were either caught up in traffic jam or rushing to beat the traffic.

A contract to construct two blocks of a 100 units was signed between MoH and Block Technical Services Limited at a sum of Ug shs 17 billion. The works were supervised by MoH Technical Division. Civil works commenced on 24th October 2013 and were expected to be completed within two years (by 24th October 2015). The scope of works involved construction of two-five floor block houses accommodating 100 health workers.

Financial performance

A cumulative total of Ug shs 5,858,942,955 (29.4% of the contract sum) was paid to the contractor, 51% of the payment (Ug shs 2,988,060,907) was made in FY 2013/14.

Physical Performance

Works were on schedule at 45% physical progress. The first floor substructure was done and the second floor had been cast. Outstanding works involved casting of third, fourth and fifth floors, roofing, plastering, painting, electrical, plumbing works and general finishes. The contractor was fully mobilised with necessary materials and over 120 workers on site.

A variation estimated at Ug shs 21million was established had not been approved. It resulted from design changes and omission of some items from BoQs like demolitions, lift shaft, mass excavations, levelling of the parking area and a storm water channels. The contractor had undertaken the above activities and was awaiting approval of the variation request by the client. The administration of Mulago NRH was satisfied with the quality of works done.


Existing accommodation of Health Workers at Mulago Hospital


Front and side view of the new staff house under construction at Mulago Hospital

Analysis

Link between physical and financial performance

There was a positive link between physical and financial performance with over 96% of funds allocated under the wage, nonwage and development grants absorbed. This represented excellent performance. Works on the staff house were at 45% and on schedule. Patient mattresses and beds were procured and had greatly reduced the number of inpatients without beds (floor cases).

Achievement of set targets

The hospital achievement all its set targets save for procurement of motorised cleaning equipment. Excellent performance in achievement of service out puts was registered. All the mattresses and beddings were bought; the construction of the 100 unit was on track. Good performance was attributed to timely delivery of drugs and release of all budgeted funds by both MFPED and NMS respectively.

Implementation Challenges

- High understaffing levels; the hospital had 1,832 out of 2,166 health workers as per the 1995 structure.
- Low payments of consultants in the public compared to private sector led to demotivation and brain drain.
- Limited budget to effectively run the hospital. The hospital had accumulated electricity arrears of over Ug shs 3.1billion. The electricity budget was Ug shs 1.9 billion against consumption of Ug shs 3.6billion per annum. The water budget was Ug shs 1.07 billion against consumption of Ug shs 2.8 billion per annum.
- Complaints and demotivation of service providers regarding limited payments in relation to work requirements. For example the cleaning service providers were paid a monthly fee of Ug shs 35 million, this was very inadequate compared to the hospital cleaning requirements.
- Lack of necessary work items constraining the quality of health services for example the hospital lacked necessary materials like body bags to facilitate safe transportation of people that have died of highly infectious diseases like TB. This not only risked the lives of health workers but also attendants and communities.
- Lack of staff accommodation amidst limited development funds allocated to the hospital.
- Changes in project design led to variations under the construction of the 100unit staff houses.

Conclusion

Although the hospital achieved much of its set targets during the financial year, it was not able to offer quality medical care required of national referral hospital. A lot needs to be done to improve the health care system in Uganda. This includes provision on an adequate budget to improve the staff welfare in terms of accommodation. This will not only motivate health workers but will translate into increased efficiency of the hospital and improved service delivery. The staffing structure of the hospital should be prioritised taking into consideration both new preventive and curative needs in the population.

Recommendations

- The MoPS should expeditiously revise the staffing structure of Mulago to include a mixture of cadres like neurosurgeons, eulogists, and specialists in plastic surgery construction, ICT experts to facilitate telemedicine, counsellors, senior consultants and customer care specialists.
- The GoU should prioritise motivation of health workers including consultants at all levels for improved service delivery.
- The nonwage budget should be increased to at least Ug shs 60billion to effectively run the hospital and improve health service delivery in Uganda.
- The Mulago Hospital together with service providers like Umeme and National Water and Sewerage Corporation (NWSC) to should fast track installation of pre-paid meters to all user departments and all staff houses to allow full control over hospital bills.

- The MoH should prioritise staff accommodation by earmarking adequate funds for either renovation or establishment of new structures.
- The GoU should embrace Public-Private Partnerships in establishment of staff housing. Health workers at Mulago were willing to contribute towards this noble cause.
- Design consultants should be tasked to draw adequate designs taking into consideration all infrastructure needed.

7.9 Votes 163 – 175: Regional Referral Hospitals

Background

Regional Referral Hospitals offer specialist clinical services such as psychiatry, Ear, Nose and Throat (ENT), ophthalmology, higher level surgical, medical services, and clinical support services (laboratory, medical imaging, and pathology). They are also involved in teaching and research.The mission of these votes is to provide specialized and high quality health services, conduct tertiary medical health training, research and contribute to national health policy.

Annual monitoring focused on five of the fourteen RRHs in Uganda. These were; Lira, Soroti, Mbarara, Jinja, and Masaka. Analysis and verification of outputs reported in the Q3 FY2013/14 progress reports was done, with focus on wage and development grant-Rehabilitation of Regional Referral Hospitals (Project 1004). Objectives of Project 1004 include;

- Rehabilitation of old and broken infrastructure.
- Construction of vital infrastructure including accommodation of staff.
- Adequately equip the hospitals with medical and office equipment and furniture.
- Improve on infrastructural security of the hospitals.
- Provide appropriate transport for the performance of hospital activities
- Improve on internal and external communication.
- Provide alternative/backup power and water sources.

Overall financial performance

During FY 2013/14, the approved budget including wage, non-wage and development for referral hospitals was Ug shs 71,550,915,852 (10% of the health sector budget). A total of Ug shs 67, 144,506,599 (94%) was released and Ug shs 63,384,000,000 (94%) spent by the end of the FY. RRHs visited were allocated Ug shs 25.5billion, received Ug shs 23.4 billion and spent Ug shs 22.0billion (94%).

Jinja Regional Referral Hospital

The hospital is located in South-eastern Uganda, approximately 87 km east of Kampala. Its bed capacity is 500, serving over 4,000,000 people around Bugiri, Kamuli, Iganga, Mayuge, Namutumba, Kaliro, and islands like Namayingo, Buvuma and Jinja districts.

Planned outputs FY 2013/14

These include both service and development outputs;

- 32,000 admitted
- 5 000 Deliveries made
- 90% bed occupancy rate
- 7 ,000 major Surgeries made
- 120,000 general out patients
- 3,000 casualty cases

- 85,000 special clinics outpatients
- 4,000 x-ray examinations
- 3,000 ultra sound examinations
- 95,000 laboratory and pathological examinations
- 4,000 blood transfusions
- 12,000 immunizations
- 5,000 family planning contacts
- 15,000 antenatal attendances
- 4,000 prevention of mother to child transmission of HIV
- 7,000 physiotherapy cases handled
- W water plumbing system in the hospital overhauled.
- Consultancy Design for the services, supplies and planned hospital renovations
- Renovation of the interns mess.
- Maternity ward renovated.
- Completion of the incinerator.
- The 1st phase of the private patient's wing completed.
- Children's ward renovated.
- Procurement of assorted equipment

Findings

Financial performance

The hospital annual approved budget for FY 2013/14 was Ug shs 5,506,309,000 of which Ug shs 3.4 billion (62%) as wage, Ug shs 1,200,000,000 (22%) was development and Ug shs 906,309,000 (16.4%) was non-wage. The hospital spent Ug shs 5,306,308,324 (96%) of the releases.

Wage component

During FY 2013/14, the approved budget for the wage component was Ug shs 3,400,000,000 and a total of Ug shs 3,200,000,000 was released. The hospital had 360 health workers on pay roll by 30th June 2014. The hospital was happy with the new payment system with most of the health workers getting their salaries on time save for a few cases that had wrong account details and misspelt names. A number of challenges affecting the wage bill were reported.

These included;

- Non-payment of 16 intern doctors posted by MoH for over three months (since May 2014).
- Staffing gaps of more than 165 health workers in the hospital.

Recommendations

- The MoH was should pay all intern doctors posted to various parts of the country to boost their performance.
- The MoPs and Health Service commission should fill existing staffing gaps at the hospital.

Development Component (Project 1004)

During FY 2013/14, the approved development budget for the Referral Hospital was Ug shs 1,200,000,000, 100% of the budget was released and spent by end of the financial year. The following was noted under this component;

Physical performance

i) **Service outputs**

With the above allocations, the hospital achieved the following;

Table 7.20 Service outputs achieved by Jinja RRH during FY 2013/14

Service type	Planned Target	Achievement	Remarks
Inpatients services	32,000 admitted	27,309	85.3% achieved
	90 % bed occupancy rate	78% of bed occupancy rate	More than half of the target was achieved
	5,000 deliveries made	7,920 deliveries made	158% achieved
	7,000 major surgeries	3823 major surgeries made	55% achieved
Outpatient's services	120,000 general out patients	123,373 general patients	102% achieved
	3,000 casualty cases	2,582 causality cases handled	86% achieved
	85,000 special clinics outpatients	85,363 special clinics of outpatients	100.4% achieved
Diagnostics services	4,000 x-ray examinations	3,436 x-ray examinations made	86% achieved
	3,000 ultra sound examinations	6,008 ultra sound examinations made	200% achieved
	95,000 laboratory and pathological examinations	107,937 lab tests done	114% achieved
	4,000 blood transfusions	9,085 blood transfusions made	227% achieved
Prevention and Rehabilitation	12,000 immunizations	9,259 immunizations conducted	77.1% achieved
	5,000 family planning contacts	3,959 family planning contacts	79% achieved
	15,000 antenatal attendances	10,102 antenatal attendances	67% and
	4,000 prevention of mother to child transmission of HIV	5,425 contacts for PMTCT achieved	130% achieved
	7,000 physiotherapy cases handled	5,228 cases handled	

Source: Jinja RRH

ii) Development outputs

Completion of the Private Wing; M/s Lamber Enterprises Limited was contracted to construct and complete the Private Wing at Jinja RRH at a contract sum of Ug shs 2.7billion.
Works commenced on 11th Jan 2011 and were expected to be completed by 30th January 2013 (within two years) however, the contractor was arrested and blacklisted by PPDA. Works stalled and the process of procuring another contractor to complete the works was in advanced stages.

M/s Lamber contractors had completed 90% of the works and paid 79% (Ug shs 2.13 billion). During FY 2013/14, the contractor was paid a total of Ug shs 292,351,441. Completed works included all structure works, plastering and some painting, fixing of windows and doors and floor works with terrazzo. Outstanding works included mechanical and electrical fittings, painting, plumbing, clean up works and polishing of terrazzo.

Newly constructed Private wing at Jinja RRH (Left) Walk way of the private wing with green algea growing on the walls

Completion of the incinerator; M/s Jenach Enterprises Limited was contracted to construct and install an incinerator at a sum of Ug shs 24 million, Works commenced on December 2013 and completed in March 2014. Although the incinerator was completed, it was not operational due to lack of the protective wear estimated at a cost of Ug shs 3 million for the operator. The hospital was in the process of procuring three sets of the protective wear to facilitate operations. The equipment was tested, proved environmentally friendly and improved hospital hygiene. The hospital expected to collect Non Tax Revenue from the Municipal Council and other users for use of the incinerator.

Renovation of the interns mess; works were contracted to M/s Kata Technologies Limited at a sum of Ug shs 264,024,600. Works commenced in March and expected to be completed in six months (by October 2014). The scope of works involved removal of asbestos and replacement with iron sheets gauge 24, new ceiling and floor works, internal works including scrapping off old plaster and painting, new locks, wiring, plumbing works and external works involving compound works, a walkway and gate.

The contractor was paid a total of Ug shs 171,279,500 (65% of the contract sum). Works were ongoing by 4th August 2014 and physical progress was estimated at 60%. Completed works included re-roofing with iron sheets, ceiling works, walkway and replacement of the locks. Outstanding works included painting, kitchen finishes, electrical and plumbing works, installation of the tank stand and tank.

Renovation of the maternity ward; M/s Block Technical Services were awarded at Ug shs 446,057,850 contract to re-roof the delivery wards, remodelling of special care units, give the maternity ward a facelift, new wiring and plumbing system, provision of new toilets and floor works involving laying of terrazzo. Civil works commenced on 19th April and expected to be completed by 19th September 2014 (within six months). The contractor had been paid Ug shs 104,000,000 (23% of the contract sum) and physical progress was 40%. Outstanding works glassing, tiling of toilets and bathrooms, faciar-boards, roofing toilets, painting and floor works.

On-going works on both the maternity ward (Left) and interns mess at Jinja Referral Hospital

Renovation and extension of children's hospital; M/s Kiru General Services Company was awarded the contract at sum of Ug shs 689,279,175. Works commenced on 28th April 2014 and expected to be completed by 28th November 2014. Scope of works involved construction/extension of an office block, floor works involving change of cement to terrazzo, internal remodelling, new outside toilets, plumbing and electrical works, installation of a tank stand with two 5,000 litre tanks. By 4th August 2014, physical works were at 50% with the extension block of four offices, one tea room, a laundry area and a tank stand in place. Completion of works awaited floor works, painting, fixing of internal doors, electrical wiring and fixing the two tanks.

Procurement of assorted equipment; the contract to procure assorted equipment was awarded to Circular Supply Limited at a sum of Ug shs 193,285,000. A total of Ug shs 41,712,000 was paid to the supplier as advance payment. The consignment of assorted equipment including medical beds, paediatric beds, adult mattresses, blankets, delivery beds, wheel chairs, patients trolleys, digital thermometers, oxygen concentrators, bedside lockers, television sets, medical waste pits, incubators, examination couches among others arrived in Uganda in July 2014 and the hospital was awaiting clearance from MoH regarding quality and adherence to specifications provided to the contractor.

Overhauling of the plumbing system; this was undertaken upon advice from NWSC to minimise water losses, bills and arrears. M/s Rural Urban Contractors Limited was contracted to overhaul the water system at a sum of Ug shs 48,000,000. Works commenced on 15th June 2014 and completed on 30th June 2014 (within two weeks). Over 95% of the works were done and the entire contract sum was paid. Use of the facility was awaiting testing and commissioning of the systems. Additional works involving clearing, unblocking and bypassing of the sewage system were noted and the contractor had agreed to undertake the activity at a fee to be agreed upon.

Consultancy design for the services, supplies and planned hospital renovations; a contract was awarded to Fusione Consultants to design, prepare BoQs and supervise works at the children's ward at Nalufenya, maternity ward and interns mess. The contract was signed on 8th October 2013 and completion was slated at actual completion of all specified works. The contract value was Ug shs 100,000,000 and a total of Ug shs 80,000,000 (80%) had been paid.

Lira Regional Referral Hospital

The hospital is 340 Km north of Kampala, located in Lira town. It serves over 4million people in the Lango sub-region comprised of the districts of Lira, Oyam, Amolatar, Otuke, Kole, Alebtong, Dokolo and Apac. The hospital has a capacity of 400 beds, annual inpatient admission of over 18,000 and 20,000 outpatients.

Planned outputs (FY 2013/14)

These include both service and development outputs;

- 20,000 Admissions,
- 220,000 outpatient attendance,
- 90,000 specialised clinic attendance
- 66,000 lab tests,
- 8500 x-ray imaging
- 6500 Ultra sounds
- 22,000 antenatal cases
- 34,000 immunisations
- 3,800 people receiving family planning services
- Renovation of the interns mess
- Installation of intercom
  Procurement, construction and installation of the medical waste incinerator

Findings

Financial Performance

The hospital was allocated a total of Ug shs 4,069,928,902 during FY 2013/14, of which Ugshs 2,483,775,112 (61%) was wage, Ug shs 986,153,790 (24%) non-wage and Ug shs 600,000,000 (15%) was development. A total of Ugshs 3,781,985,376 was released and Ugshs 3,501,099,023 spent by 30th June 2013.

Wage component

The wage budget (FY 2013/14) for the hospital was 2.483 billion and Ug shs 2.287 billion, 92.1% was released and 100% spent by 30th June 2014. The hospital had 268 health workers on payroll by end of the FY. The hospital was happy with the new payment system noting a number of benefits including;

- Timely salary payments done by the 23rd of every month.
- Knowledge of payees hence payment of ghosts ceased to be.
- Discipline and reduced absenteeism among staff hence improved service delivery.

A number of challenges regarding the wage component were mentioned. These include;

- Staffing gaps with only 268 out of 349 health workers on ground. The hospital had only 9 out of 38 doctors, 108 out of 114 nurses, no internal auditor, procurement officer and stores person on ground.
- Gaps in staffing establishment; the hospital was still using the structure of 2003, missing out technical cadres like ICT personnel for improved record management.

It was therefore recommended that the MoPs, MoH, Health Service Commission and the hospital should expeditiously fill the staffing gaps to enhance service delivery.

Development Component (Project 1004)
During FY 2013/14, the approved development budget was Ug shs 500,000,000, 100% of the budget was released and spent by end of the financial year.

Physical Performance

i) Service outputs

The hospital performed excellently in achievement of service outputs, Table 7.21 indicates that 207% achievement in undertaking laboratory tests under diagnostic services. Performance of administering family planning services was also excellent at 118%.

Table 7.21 shows the status of service outputs at Lira Regional Referral Hospital

Service Outputs	Planned Annual Outputs	Performance	% Achievement of planned targets
In-Patient services	20,000 Admissions	21,714 Admitted	109
Out-Patient	220,000 out-patient attendance	228,514 treated	104
	90,000 Specialised clinic attendance	1,919 attended to	2.1
Diagnostics	66,000 lab tests	136,537 lab tests done	207
	8,500 X-Ray imaging	7,868 X-Ray done	93
	6,500 Ultra Sound Scans	5,783 Ultra scans	89
Prevention and rehabilitation services	22,000 antenatal cases	15,836 Antenatal cases	72
	34,000 people immunised,	34,328 people immunised	101
	3,800 people receiving family planning services	4,492 family planning services offered	118

Source: Lira RRH

ii) Development Outputs (Project 1004)

Procurement, construction and installation of the medical waste incinerator; the contract to undertake the works was awarded to M/s Biomed Systems at a sum of Ug shs 380,000,000. Works were supervised by M/s KK Partnership Architects at a sum of Ug shs 7,000,000.

Works commenced on September 2013 and expected to be completed within six months, the contract was extended to end of June 2014. Works were completed on 26th June 2014. The project was under defects liability period and the contractor was attending to defects including replacement of wood with metallic tranches on the roof. The contractor had been paid a total of 95% of the contract sum, balance was retention.

Installation of intercom; this was done by Adel Communications Limited at a sum of Ug shs 47,103,500. Works were carried forward in FY 2013/14 and completed on 15th October 2013. The facility was working well and had greatly improved communications at the hospital. It also enhanced coordination of activities in a timely manner.

Renovation of the interns mess; M/s Mikomi General Suppliers and Contractors was awarded the contract to renovate the mess at a sum of Ug shs 24,000,000. Works commenced on 1st August 2013 and completed on 20th August 2013 (within two weeks). Scope of works included replacement of glass and locks in windows and doors, internal and external and external painting of the main house, replacement of all the defective ceilings and iron sheets leaking, security lighting and general plumbing works.

Renovated Interns mess (left) and newly constructed walk ways on the (right)

The facility was in use and intern doctors were happy and comfortable with the newly renovated mess. The contractor was paid 100% of the contract sum by end of the FY.

- **Construction of a walk way linking the theatre to surgical units;** this activity was undertaken using force account. A total project sum was Ug shs 15million, of which Ug shs 11.7million was earmarked for materials and Ug shs 3.3million for labour. A total of Ug shs 10.4 million was spent; Ug shs 7,423,000 on procurement of materials and Ug shs 3million on labour. Two walk ways were completed, some benefits including easy access to theatre and wards using patient trolleys were noted.

Implementation challenges

- Limited development budget to construct new infrastructure. The hospital was still using an OPD constructed in 1922 which was heavily dilapidated and posed a risk to both health workers and patients.
- Lack of necessary infrastructure like staff houses and causality unit.

Recommendation

- The MoH under the Uganda Health Strengthening Support Project (UHSSP) should consider supporting Lira Hospital with the new OPD and causality ward in the next phase of implementation.

Masaka Regional Referral Hospital

The hospital is located in Masaka town in south-central Uganda. It was constructed in 1927 with a bed capacity of 330, it has since then expanded to 540 beds. It serves total population of 2million people in districts of Masaka, Bukomansibi, Kalungu, Sembabule, Kalangala, Lwengo, Rakai, and Lyantonde. The mission of the hospital is to provide the highest possible level of health services to all people in Masaka region through quality general and specialized health service delivery.

Planned out puts (FY 2013/14)

These include both service and development outputs;

- 36,000 Inpatient admissions
- 114,000 In-patient days
- 8,000 Deliveries
- 2500 Major operations
- 85% Bed occupancy
- 9,000 General outpatients y rate
- 3,500 Surgical Patient contacts
- 3,500 Specialized Pediatric Patients
- 8,000 Ear, Nose and Throat
- 25,500 Specialized medical OPD
- 53,000 HIV/AIDS patients contacts
- 12,000 Eye contacts
- 10,000 Mental Health
- 8,000 Ultra sound
- 100,000 Laboratory tests
- 15,000ANC contacts
- 9,000 PMTCT contacts
- 15,000 Immunizations done
- ICT Equipment procured
- Assorted medical equipment procured (Oxygen concentrator and flow station splitter)
- Diagnostic complex constructed
- 100 mattresses with Mackintosh
- cover for adults procured
- Completion of retaining wall and land scaping for the staff hostel
- Maternity complex constructed
- Road network reaching the incinerator constructed
- Three phase power line extended to incinerator
- Consultancy services for design and supervision of the maternity ward complex
-

Findings

Financial Performance

The hospital was allocated a total of Ug shs 4,197,829,021 during FY 2013/14, of which Ug shs 2,574,032,778 (61%) was wage, Ug shs 897,540,097 (21%) non-wage and Ug shs 706,255,649 (17%) was development. A total of Ug shs 4,072,061,100 was released and Ug shs 4,177,829,000 spent by 30th June 2013.

Wage Component

The hospital received and spent a total of Ug shs 2,574,033,000, (100% of the budget) during the FY. The hospital had 252 health workers on the pay roll by end of the FY. The hospital administration was happy with the new payment system and noted the following benefits;

- Timely payment of salaries with health workers receiving their monthly salaries by the 27th
- Reduction in absenteeism of staff
- Easy access to pay roll
- Enhanced performance of health workers since administration had control over salaries.

Despite the above, a number of challenges affecting the wage component were noted. These include;

- Inadequate staffing structure missing critical cadres in line with present-day disease patterns. The hospital has 252 out of the 322 (78%) health workers required on ground. This translated into heavy workload in relation to remuneration and long waiting hours of about of six hours.
- Frequent and costly travels to Kampala to make salary payments.

Development component (Project 1004)

The approved budget for capital development was 726,256,146 of which Ug shs 706,256,000 was received and spent by the end of the FY 2013/14.

Physical Performance

i) Service outputs

Table 7.22 indicates achievement of service targets, the hospital undertook 326% of outpatient surgeries, 200% of laboratory tests, 144% of HIV patient contacts and 128 major surgeries.

Table 7.22 shows the service outputs at Masaka Regional Referral Hospital

Service category	Indicator	Planned output	Actual Performance	% of achievement of planned targets
In Patients	Inpatient admissions	36,000	33,563	93
	In-patient days	114,000	115,421	101
	Deliveries	8,000	8,879	111
	Major operations	2,500	3,210	128
	Bed Occupancy rate	85	96	85
	Average Length of stay	5	3	60
Outpatients	General outpatients	90,000	64,552	72
	Surgical patient contacts	6,000	19,560	326
	Specialized Pediatric Patients	3,500	4,649	132
	Ear, Nose and Throat	8,000	8,995	113
	Specialized medical OPD	25,500	76,202	85
	HIV/AIDS patients contacts	53,000	76,202	144
	Eye contacts	12,000	12,030	100

Diagnostics and Preventive services	Mental Health	10,000	11,444	115
	Ultra sound	8,000	0	0
	Laboratory tests	100,000	199,655	200
	X-ray Exams	8,000	8,782	109.8
	Blood transfusions	0	5,306	0
	ANC contacts	15,000	13,475	89.8
	PMTCT contacts	9,000	6,386	71
	Immunizations done	15,000	14,080	94%

Source: Masaka RRH

ii) Development component (Project 1004)

Construction of the maternity and children's complex; M/s Tirupati (U) Limited was awarded the contract to construct the complex at a contract sum of Ug shs 10,612,395,786 on 28th May 2014. Scope of works involved construction of a five storey building to completion. M/s Joadah Consult was contracted to design and supervise construction at a sum of Ug shs 328,000,000 in February 2014. By the 30th June 2014, a total of Ug shs 198,800,000 (60%) was paid upon submission of the final designs.

The site was handed over to the contractor on 17th June 2014 and expected to be completed within 36 months. (M/s Tirupati (U) Limited) was paid a total of Ug shs 358,310,160 as advance payment. By 11th August 2014, site clearance was ongoing and civil works had not commenced.

Site clearance for the maternity ward complex

Artistic impression of the maternity and children's complex

Extension of an access walkway to the incinerator and wiring of the incinerator; M/s Sauda Nampera Contractors was contracted to undertake the works at a contract sum of Ug shs 13,208,250. Scope or works involved construction an access walk way, wiring and fencing of the incinerator with chain link. Works commenced in June 2014 and expected to be completed in July 2014. M/s St Jude electrical and medical equipment was contracted to extend a three phase power line to the incinerator at a sum of Ug shs 4,917,000. The facility was wired, power connected and the access road was in place. The fence was however not done to completion due to limited funds. The contractor was in the process of compiling a variation order to facilitate completion of the fence. All the contract values were paid to 100%.

Supply of 100 adult mattresses with covers; M/s Joint Medical stores supplied mattresses at a sum of 9,478,350 on 23rd April 2014. These had just been engraved by time of monitoring done on 11th August 2014. Distribution of the mattresses was awaiting requisitions from both maternity and TB wards.

Payment of outstanding balances for completion of a retaining wall and land scaping for the staff hostel; M/s Block technical services was paid a total of Ug shs 92,844,614 (24% of the contract sum) on 10th October 2013 as balance (Ug shs 75million) and retention (Ug shs 17million) for works completed in September 2013. The works involved construction of a retaining wall, landscaping and paving of the new staff house.

Procurement of ICT equipment; M/s Computers and Beyond Africa Limited supplied equipment worth Ug shs 23,950,000. The equipment included seven desktop computers, three laptops, a fax, scanning machine and a printer. The equipment had greatly improved record keeping and data analysis at the hospital.

Supply of oxygen concentrator and oxygen flow station splitter; M/s St Jude electrical and medical equipment supplied the equipment at Ug shs 19,080,000 in May 2014. The equipment was expected to be installed in the neo-natal unit; installations and use were waiting for training on operation and proper handling.

Implementation challenge

- Limited budget to undertake development activities. The hospital was allocated only Ug shs 700billion against a development contract of Ug shs 10billion.

Recommendations

- The MoH should prioritize construction of the maternity and children's complex by allocating adequate funds to development activities.

Mbarara Regional Referral Hospital

The hospital is located in western Uganda and serves over 4million people in the districts of Mbarara, Ibanda, Kiruhura, Isingiro, Ntungamo, Sheema, Bushenyi, Buhweju, Rubirizi and Mitooma. The hospital also received patients from Kabale, MasakaFortPortal and neighbouring countries like Rwanda and Tanzania. The hospital has a capacity of 350 beds and attends to about 1,200-1500 patients including 300 at the HIV clinic and 100 at the Maternal and Child Health Unit.

Planned outputs (FY 2013/14)

These include both service and development outputs;

- 30,000 admissions
- 80 % Occupancy rate
- 5.5 days average length of stay
- 40,000general outpatients attended to
- 110,000 special clinics patients attended to
- 6,000 X-ray examinations done
- 6,000 Ultra sound examinations performed
- 240 CT Scans' done
- 40,000 laboratory examinations done
- 6000 blood transfusions carried out
- 300 post mortems performed

- 30,000 immunizations
- 11,000 antenatal attendances
- 3,000 family planning contacts
- 4,000 PMTCT contacts
- 60 medical equipment repaired and maintained.
- Completion of the 4 level staff house
- Partial overhaul of the sewerage system
- Assorted medical equipment for neuro surgery and maternity delivery sets.

Findings

Financial Performance

In FY 2013/14, the hospital was allocated a total of Ug shs 5,307,141,194, of which Ug shs 3,279,398,031(62%) was wage, Ug shs 1,077,743,163 (20%) non-wage and Ug shs 950,000,000 (18%) was development. A total of Ug shs 5.707billion was released and Ugshs 4.136 billion (72%) spent by 30th June 2013.

Wage component

The wage budget (FY 2013/14) for the hospital was Ug shs 3,279,398,031 of which Ug shs 3,005,360,511 (92%) and 100% spent by 30th June 2014. The hospital had 285 health workers on the pay roll by end of June 2014. The hospital was happy with the new payment system noting a number of benefits including;

- Control over the hospital wage bill.
- Timely payment of salaries.
- Timely establishment of over and under payments.

Challenges

The following affected proper service delivery under the wage component;

- Staffing gaps with 285 out of 369 health workers required on ground.
- Monthly travels to Kampala to effect salary payments were costly and tedious.

Recommendations

- The GoU should deploy health workers to a tune of 800 for effective service delivery at the hospital.
- The MFPED should consider establishing an IFMS site at the hospital to ease payments of salaries.

Development Component (Project 1004)

During FY 2013/14, the approved development budget was Ug shs 750,000,000 100% of the budget was released and Ug shs 522, 000,000 (70%) was spent by end of the financial year.

Physical performance

i) Service outputs

Table 7.23 indicates that hospital performed excellently in achievement of set targets, 564% in offering Voluntary Counselling and testing services, 309% was achieved in undertaking laboratory tests and 243% for CT scans. This indicates that more people were attended to in relation to those planned.

Table7.23 shows the status of service outputs at Mbarara Regional Referral Hospital

Service Category	Indicator	Planned output	Actual performance	Percentage achievement
Inpatients	Admissions	30,000	28,614	95
	Occupancy rate	80%	78%	98
Outpatients	General outpatients	40,000	36,850	92
	Special clinics patients attended	110,000	127,245	97.5
Diagnostic and Other outputs	X-ray	6,000	2,783	46.3
	Ultra sound examinations performed	6,000	2,953	49
	CT scans done	240	585	243
	Laboratory examinations done	40,000	123,887	309
	Immunizations	30,000	28,351	95
	Antenatal attendances	11,000	9,593	87
	Family Planning contacts	3,000	2,199	73
	VCT and PMCT contacts	4,000	22,561	564

Source: Mbarara RHH

ii) Development Component (Project 1004)

Procurement of assorted medical equipment; M/s Circular supply (U) limited was awarded a contract to supply assorted equipment at a sum of Ug shs 131,345,000. The equipment was delivered in October 2013. It included; maternity delivery sets, oxygen regulators, delivery sets, needle holders, suction machine, size four blades, sterilizing drums, kichery bowls, mosquito forceps, telescope, drug trolleys, voltage stabilizer among others.

Some equipment was observed to in use while others was still kept in the hospital general store on 17th July 2013. It was noted that the store keepers involved in acknowledgement and verification of delivered items were often not informed of quantities and specifications of items to be delivered. This means that they received and acknowledged whatever supplies delivered without proper knowledge quantities and specifications expected at the hospital.

Oxygen regulators still being kept at the hospital store (right) and drug trolleys in the male ward of Mbarara Hospital

Payment of balances and retention for completion of a four storey staff quarters; a total of Ug shs 429,408,239 was paid to M/s Block technical services as balance on works done and retention for works completed in FY 2013/14. The houses had not yet been occupied by 14th July 2014.

Partial overhaul of the sewerage system; M/s Cream general and technical was awarded the contract to work on the hospital drainage system at a sum of Ug shs 98,564,000.Works commenced on 15th August 2013 and completed by 30th June 2014. A total of Ug shs 56,628,344 (57%) had been paid to the contractor by end of the FY.

Soroti Regional Referral Hospital

The hospital serves a total population of over 2,000,000 people in districts of Soroti, Bukedea, Kumi, Serere, Ngora, Amuria, Katakwi and Kaberamaido.

Planned out puts (FY 2013/14)

The following out puts include both service and development;

- Attend to 158,804 out patients,
- 28,578 in patients admissions,
- 4,672 deliveries made,
- 2,220 major surgeries done,
- 7,000 minor surgeries done,
- 80% of essential medical supplies procured and dispensed,
- 120,000 laboratory test undertaken,
- 6,000 Antenatal Health Classes done,
- 8,000 immunisations done,
- 3500 Family planning services conducted,
- First floor of a 24 unit staff house constructed,
- Maternity ward to include theatre renovated,
- Sheltered walk ways constructed.

Financial Performance

The hospital annual approved budget for FY 2013/14 was Ug shs 5,133,659,051 of which Ugshs 2,663,616,000 (52%) was wage, Ug shs 1,570,000,000 (30%) was development and Ug shs 900,043,051 (17%) was non-wage. The hospital received a total of Ug shs 5,028,592,577 and spent Ug shs 4,859,768,491 (97%). Releases for non-wage and development were released as below (Table 7.24)

Table: 7.24 Releases amounts against dates received during FY 2013/14.

Grant	Amount	Quarter	Date of Release
Non-Wage	224,689051	Q1	13th August 2013
	224,689,000	Q2	23rd October 2013
	224,689,000	Q3	3rd February 2014
	225,976,000	Q4	8th May 2014
Total	**900,043,051**		
Capital Development	519,500,000	Q1	13th August 2013
	507,500,000	Q2	23rd October 2013
	303,200,00	Q3	28th February 2014
	270,800,000	Q4	5th June 2014
Total	**1,297,800,000**		
Grand total	**2,197,843,051**		

Source: Soroti RRH

Wage Component

The approved annual budget for wages was FY 2013/14 Ug shs 2,663,616,000 of which 2,339,725,440 (88% of budget) was spent. The hospital had 295 health workers on pay roll by end of FY 2013/14. A number of challenges were noted;

- Staffing gaps with only 295 out of 330 health workers on ground. The hospital lacked key personnel like Orthopaedic Surgeon, Psychiatrist and Consultant Physician.
- Lack of feedback from Ministry of Public Service (MoPS) on approvals of recruitment and replacement of staff.

Recommendation

- The MoPS should expeditiously respond to recruitment and replacement requests from the hospital.

Development Component (Project 1004)

The annual budget for this component was Ug shs 1,620,000,000, 100% of the funds were released and spent by end of the FY.

Physical Performance

i) Service outputs

The hospital performed excellently in achievement of service out outs, 129% of inpatients were attended to while 279% ultra sound scans were done. (Table 7.25)

Table 7.25: Service outputs achieved by Soroti RRH during FY 2013/14

Service Category	Indicator	Planned output	Actual performance	% achievement of set targets
Inpatients	Admissions	28,578	21,063	74
	Deliveries	4,762	4,381	92
	Major surgeries	2,200	2,255	103
	Bed occupancy rate	100%	106%	106
Outpatients	General outpatients	56000	72,377	129
	Special clinics patients attended	48,000	60,843	127
Diagnostic outputs	X-ray	5,000	2,783	56
	Ultra sound examinations performed	3,200	8,917	279
	Laboratory examinations done	120,000	153,895	128
	Immunizations	8,000	8,591	107
	Antenatal attendances	6,000	7,647	127
	Family Planning contacts	3,500	3,083	88

Source:Soroti RRH

Construction of a 24 unit staff house; this project was contracted to M/s Nicole Associates at a contract sum of Ug shs 4,374,874,130. Civil works commenced in May 2013 and expected to be completed in May 2014 (Within 34 months). The scope of works involved construction, 24 -two bed roomed self-contained staff units on four floors and a septic tank. The units were designed by M/s Joadah Consults at a total of 49,500,000 in 2012.

Physical progress was estimated at 50% in July 2014. Construction of first and second floor was completed. Outstanding works included construction third and fourth floor, roofing plastering, painting, installation of electrical and plumbing works, construction of a septic tanks. The contractor was paid a total of 1,043,104,325 (24% of the contract sum). The target for construction of phase one (first floor) during the financial year was achieved.

L-R: New staff houses under constraction and sfaff accommodation at Soroti RRH

The hospital administration was satisfied with quality of works done however the project had enormously been affected by unavailability of building materials for example sand is ferried from Malaba. Maxpan blocks from Kajjansi-Kampala, timber and eucalyptus from Masaka.

Inadequate and untimely release of funds affected timely project implementation. The total approved budget of the hospital was 36% of the contract sum, this was grossly inadequate to complete the project in scheduled time.

Maternity ward to include theatre renovated; this activity was not done, hospital management made a decision with approval from MFPED to reallocate funds from this project to remodelling of the private wing. Renovation of the maternity ward is expected to be done with help of donors from Canada.

Remodelling of the private wing; this contract was awarded to M/s Akuca Engineering Works Limited at a contract sum of Ug shs 206,991,710. Works commenced in June 2013 and expected to be completed in December 2013 (within six months). The scope of works included; partitioning of the old building and creation of more work space, ceiling works on the second floor, floor works involving laying terrazzo on the first floor and tiling the second floor, installation of windows and doors, plumbing and electrical installations, external works involving laying of paver blocks in the parking area, construction of the ramp and a gate man's house. Physical performance was estimated at 75% against time progress of 150%. The contractor was granted time extension of two more months and expected to complete all works by end of August 2014. The contractor had abandoned site for over five months, this caused delays in project implementation. Works resumed in June 2014. A total of Ug shs 41,398,342 (20% advance payment) was paid to the contractor. Outstanding works included; grinding of the terrazzo, skirting, painting, fitting windows and doors, plumbing and installation of electrical fitting, installation of the ceiling boards, fitting guard rails on the ramp, completion of laying of paver blocks.

Newly constructed sheltered walkway at Soroti RRH

Construction of the walk ways (Phase I); this contract was awarded to M/s Site tech Uganda Ltd at a contract sum of Ug shs 50,120,175. Works commenced in March 2014 and completed in June 2014. Scope of works included construction of sheltered walk ways from the private wing to paediatric ward connecting to medical and surgical ward. Physical performance was 100% against 99% financial performance (Ug shs 49,565,020).

The hospital administration was satisfied with quality of works however, upon project completion, it was noted that the walk ways needed lighting and guard rails to avoid misuse by patients. The district engineer was engaged to cost additional works and repair of existing walk ways. The hospital was awaiting response from the district engineer by 7th July 2014.

Implementation challenges

- Delayed release of quarter four funds led to late implementation of planned activities. Releases were made two weeks (5th June 2014) to the end of the FY.
- Inadequate funds to effect substantial payment of certificates.

Recommendations

- The MFPED should ensure timely release of funds in stipulated timelines.
- The hospital should prioritize its development budget to focus on implementation of key outputs.

Analysis

Link between financial and physical progress

Funds released to RRHs were far less that outputs on ground and services offered in hospitals visited, all hospitals attended to more clients than those anticipated. This was partly due to proper planning, use of Non-Tax Revenue (NTR), and borrowing of medical supplies from lower health facilities also contributed to attendance to more cases than planned.

Achievement of set targets

All referral hospitals visited achieved all their set targets. This was mainly due to timely release of budgeted funds, over (92%), timely delivery of drugs by NMS and in some cases utilization of the NTR.

Challenges affecting performance of referral hospitals

- Inadequate staffing and obsolete structures at 100% of RRHs visited.
- Inadequate budgets to implement planned activities.
- Inadequate staff salaries led to demotivation of workers.
- Lack of equipment and machinery.
- Non functionality of the referral system partly due to high population, lack of infrastructure and equipment at lower health facilities. This led to congestion of all hospitals visited.

Conclusion

All hospital visited received more inpatient and outpatients than expected meaning that GoU, MoH, NMS and other stakeholders must step up their planning mechanisms for effective service delivery. Findings indicate that a number of both service and development targets were achieved for hospitals visited. Despite the achievements, the health care systems was constrained by a number of factors including inadequate budgets, staffing gaps and nonfunctional referral system. Hospitals operated shoestring budgets in relation to their needs and priorities. The GoU budget should priorities the health sector by allocating at least 15% of the national budget for improved service delivery.

Recommendations

- The MoPS, MoH and Health service commission should recruit and deploy health workers to all RRHs, staffing levels should be enhanced to at least 90%
- MoPS should revise staffing structures of referral hospitals to enhance service delivery.
- The MFPED should increase budget allocations to the health sector to facilitate procurement of equipment, undertake development activities and improve service delivery at all levels.
- The GoU should support the referral system through equipping health facilities at all levels with necessary requirements like equipment, drugs, infrastructure and staff. This will facilitate decongestion of referral hospitals.

7.10 Votes 501-850 Primary Health Care Development Grant (Program 0422)

Local governments through the Primary Health Care (PHC) system are responsible for delivery of majority of frontline health service delivery through management of resources for general hospitals and health centers II, III, and IV.

Services offered under PHC include;

- Health service delivery by District Health Offices, Health Centres and General Hospitals
- Recruitment and management of personnel for District Health Services.
- Health infrastructure development such as construction of operating theatres, medical wards, staff houses and sanitary facilities at health facilities.
- Provision of basic medical equipment.
- Monitoring, mentoring and support supervision.
- Coordination and supervision of health service delivery by private not for profit facilities.
- Training and capacity building of human resource.

Findings

During the annual monitoring for FY 2013/14, focused on PHC wage and development grants in 14 districts. These included; Gulu, Isingiro, Jinja, Kaberamaido, Kiruhura, Kitgum, Kole, Kumi, Lira, Masaka, Mityana, Namutumba, Pader and Soroti

Financial Performance

The total approved PHC budget for both districts and municipal councils for FY 2013/14 was Ug shs 284.6 billion (24.4% of the health sector budget), Ug shs 224.8 billion (79%) was released and 100% spent[71].

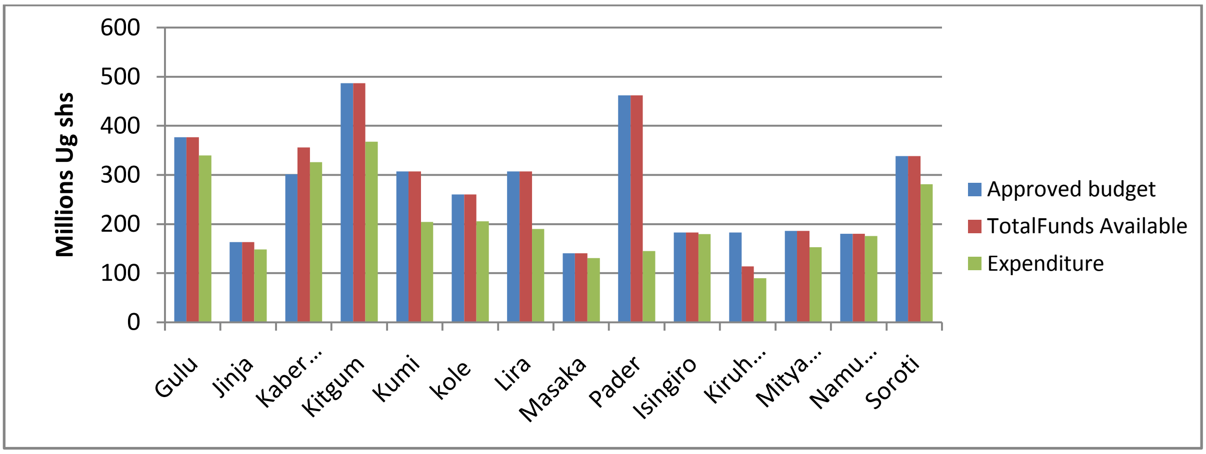
PHC Wage

The total wage budget was Ug shs 215,022,996,269 of which Ug shs 205,375,017,005 (96%) was released. Among district visited, Gulu district had the lowest release performance of 80% of the approved budget while Kaberaimado, Kumi, Kole, Masaka and Mityana received 100% of their wage allocations in FY 2013/14.

PHC Development

The total development budget was Ug shs 30,083,598,965 and 100% was released and spent[72]. Field findings indicate that all local governments visited received over 95% of their budgets. In terms of expenditure, Pader district had the lowest expenditure performance at only 31% while Isingiro district had highest expenditure at 98% of the released funds. The expenditures in Kaberaimado were higher than the releases because the district had balances carried forward from the last financial year. The figure 5 below shows the release and expenditure performance for PHC development (FY 2013/14) in districts monitored.

Figure 5 showing the budget, release and expenditure performance of local governments under PHC development



Field findings

Physical Performance

Gulu District

a) PHC Wage

The allocated budget for PHC wage was Ug shs 2,713,960,041 of which Ug shs 2,165,305,330 (96%) was released and the district had a total of 519 health workers on pay roll by 30th June 2014. A number of challenges faced at both district and health center level were noted and these included;

Challenges

- Lack of timely responses to several pay change queries filed by the district Human Resource Department to MoPS. This led to assignment of wrong account numbers and several computer numbers to one staff member.
- Regular non-payment of MoH bonded health workers. These included four laboratory technicians. This led to demotivation and accumulation of salary arrears for the above mentioned health workers.
- At Lalogi HCIV, nine health workers had not received their allowances for over six months. Mr Ojok Richard, a Records Assistant at the HC had reportedly not been paid a total of Ug shs 1,400,000 as his consolidated allowance since January 2013.
- Unexplained salary deductions for five health workers Lalogi HC IV for over seven months.
- At Awach HCIV, 25 out of 42 health workers complained of unexplained salary deductions.

Recommendations

- The MoPs should step up its communication strategy for timely and adequate feedback to local governments in light of the complaints submitted.
- The MoH should ensure timely payment of bonded staff assigned to districts.
- The districts together with MoPs should harmonize their records and ensure timely payment of salary and allowance arrears for all health workers in the district.

b) PHC Development

In FY 2013/14, the following activities were planned to be undertaken;

- Completion of staff house at Lanenober HCIII,
- Construction of a four in one staff house at Ongako HCIII,
- Completion of a general ward at Pabwo HCIII,
- Completion of a general ward at Labworomor HCIII,
- Completion of OPD at Ngany HCII,
- Completion of general ward at Odek HCIII,
- Completion of administration block DHO's office,
- Completion of OPD at Lujorongole HCII,
- Completion of staff house at Lalogi HCIV,
- Renovation of general ward at Awach HCIV,
- Procurement of ambulance tyres,
- Procurement of furniture for health facilities,
- Construction of a 4 stance pit latrine at Lukwir HCII,
- Completion of a 4 stance pit latrine at Bobi HCIII.

Financial Performance

In FY 2013/14 the approved budget for PHC development grant including PRDP was Ug shs 467,931,000 of which Ug shs 390,856,780(83.5%) was released. A total of Ug shs 339,386,565 (86.8%) was spent. Table 7.26 indicates payments made per output during FY 2013/14.

Table 7.26: PHC Development payments by output at Gulu District FY 2013/14

Output Description	**Contractor**	**Contract Sum (Ug shs)**	**Payments in FY 2013/14**
Completion of staff house at Lanenober HCIII-Retention	Blair foundation		3,748,950
Construction of a four- in-one staff house at Ongako HCIII	Pukwany General Services	85,863,000	81,569,850
Completion of the general ward at Pabwo HCIII	Dento construction company	46,805,000	39,691,000
Construction of general ward at Labworomor HCIII	Pukwany General Services	199,816,500	24,987,938
Completion of OPD at Angany HCII	Pukwany General Services	28,204,230	26,794,019
Construction of the general ward Odek HCIII	Lacan bill	54,564,600	47,083,900
Completion of administration block, DHO headquarters	Ingenuity	80,632,495	0
Renovation of general ward at Awach HCIV	Vosh Uganda limited	47,310,715	46,385,068
Procurement of Ambulance tyres	City tyres	9,017,732	5,653,000
Procurement of furniture to health facilities	Pathway	40,500,000	39,940,000
Construction of 4 stance latrine at Lukwir HCII	Adyero	13,268,840	13,268,840
Completion of a 4stance pit latrine at Bobi HCII	Agira	10,264,000	10,264,000
Total		616,247,112	339,386,565

Source: Gulu District Local Government

Physical performance:

The monitoring team visited four projects; Completion of a four-in-one staff house at Lalogi HCIV, completion of a general ward Odek HCIII, renovation of the general ward at Awach HCIV and procurement of furniture for health facilities.

Completion of a staff house Lalogi HCIV; M/s Pukwany General Services was contracted to undertake works at a contract sum of Ug shs 85,863,000. Works commenced during the third quarter of FY 2012/13 and were completed on September 2013. The contractor was paid Ug shs 81,569,850 (95%). The facility was handed over to the HC in December 2013.

Four-in-one staff house at Lalogi HC IV, Gem Parish, Lalogi Sub County in Gulu District

The monitoring team noted good workmanship and staff was satisfied with quality of works. The facility had greatly reduced absenteeism and made health workers available at the HC 24 hours of seven days of the week. Staff were also motivated to work since payment of rent and transport expenses ceased to be. This translated into improved service delivery at the HC. "*we can now give more time to our patients.....before the staff house, most of us would leave the health unit on Thursday and come back to work on Monday*" Madera Agnes, Health Assistant, Lalogi HC IV. The facility however, lacked solar installations and sanitary facilities. The staff occupying the units shared latrines with their neighbors which were over 70metres away. It was therefore recommended that the district should prioritize construction of sanitary facilities and grid or solar estimation to the newly constructed staff house.

Completion of a general ward Odek HCIII; M/s Lacan bill was awarded the contract to undertake works commenced on 24th October 2012 and completed in October 2013. By the end of the FY, a total of Ug shs 47,083,900 (86%) was paid to the contractor. The facility was occupied before official hand over by the contractor, it lacked sanitary facilities and the floor had poorly repaired cracks. The door and locks were already coming out since they were not properly fixed. The ward lacked medical equipment hence couldn't be effectively utilized.

Right: Completed general ward at Odek HCIII. Left: a staff showing a broken part of the swing door inside the ward

Renovation of the general ward at Awach HC IV; renovation works were awarded to M/s Vosh Uganda Limited at a sum of Ug shs 47,385,068. Works started in April 2014 and were expected to be completed by mid-July 2014. The scope of works involved; repair of the ceiling board, construction of new toilets in the male section, floor screeding, changing the ventilation nets, painting, fitting of four solid flush doors, new windows and a two elbow complete sink.

General ward at Awach HC IV in Gulu District under renovation

Physical progress was estimated at 90%. Civil works were of good quality however, the building lacked a complete gutter system to avoid water splashing through the walls of the facility.

Procurement of furniture for health facilities; M/s Pathways supplied 93 chairs, 50 tables on 9th June 2013 and 250 benches on 30th June 2014 at a sum of Ug shs 40,500,000. By end of the FY, a total of Ug shs 39,940,000 had been paid to the supplier. Some of the furniture was seen at Lalogi HCIV.

Isingiro District

a) PHC Wage

The district was allocated a total of Ug shs 2.6 billion of which 91% was released during the financial year. A total of 390 health workers were on the payroll by end of the FY 2013/14. The DHO noted that all health workers at the district had accessed the payroll. Staffing levels were noted to be at 55%, the district lacked midwives, nurses and clinicians among other cadres.

b) PHC development

During FY 2013/14, the following activities were planned to be undertaken;

- Construction of a maternity/general ward at Kasana HCIII,
- Construction of the DHO's office,
- Construction of a staff house at Rushasha HCIII.

Financial performance

In FY 2013/14 the approved budget for the development grant was Ug shs 182,620,250 of which Ug shs182, 620,250 (100%) was released and Ug shs 179, 393,807 (98.2%) spent on activities undertaken highlighted in Table 7.27:

Table 7.27: PHC Development payments by the Health Department of Isingiro District FY 2013/14

Output Description	Contractor	Contract Sum(Ug shs)	Payments in FY 2013/14 (Ug shs)
Construction of the DHO office	Starlite Engineers	129,866,900	70,713,090
Construction of the staff house at Rushasha HCIII	M/S Ham and Kam General Suppliers Limited	34,668,000	17,765,100
Construction of the maternity ward at Kasana HCIII	Buckley Left (U) Limited	98,024,100	77,060,950
OPD construction at Kikokwa HC III Kaberebere T/C	M/S Kabingo Contractors Limited	101,685,840	6,186,292
Monitoring, supervision and approval of capital works	NA	NA	7,668,375

Source: Isingiro District health department

****NA-Not Applicable***

Physical Progress

The monitoring team visited all outputs undertaken during the FY. The following was established;

Construction of the staff house at Rushasha HCIII; M/S Ham and Kam General Suppliers limited was contracted to undertake the works at a sum of Ug shs 34,668,000. Works commenced in March 2014 and were expected to be completed by July 2014. Physical progress was at 97% with all major works complete save for completion of inside painting for the staff house. The contractor had been paid a total of Ug shs 17,765,100 (51%). Completed works on the staff house included; roofing, plastering and shuttering. The pit latrine was 100% complete. The team noted good quality works at this site

Completed staff house and pit latrine Rushasha HCIII

Construction of the DHO's office; Phase one works were contracted to M/s Starlite Engineers at a contract sum of Ug shs 129,866,900. The works involved construction of the substructure, super structure and roofing. Physical progress of the planned activities under phase one was completed. The remaining works were planned under phase two and these include; plastering, fixing of doors and windows, ceiling, laying floor tiles, painting, plumbing and electrical works. Good quality civil works were noted on the completed structure.

Construction of maternity ward at Kasana HCIII; M/s Buckley Left (U) Limited was contracted to undertake the works in during FY 2012/13 and completed in March 2014. The contract sum was Ug shs 98,024,100 and 79% of the contract sum had been paid by 30th June for works completed. The ward was handed over to the health centre; it accommodates a general ward, antenatal unit, post natal ward, labor suit, washrooms, stores and the nurses' offices. It was noted that *some door locks were faulty and could be opened by one key, large cracks in the floor, verandah and poor quality timber used for the curtain boxes in the postnatal ward was noted.*

Right: Completed maternity ward, Left is a cracked floor of the ward

Benefits

- Access to delivery and postnatal services; before the intervention, the facility could only offer antenatal services due to lack of a maternity ward.
- Ability to undertake delivery services 24hours a week due to availability of solar lighting system.

In spite of the benefits, it was established that the ward;

- Lacked equipment like the delivery and medical beds. The general ward had only one mattress on the floor. This meant that the ward could not be effectively utilized.

Mattress in the general ward of Kasana Health III in Isingiro District

- Lack of water in both the general maternity ward and labor suit. Expectant mothers were therefore encouraged to come along with a jerry can of water to be used during labor. The nearest water source was over one kilometer from the health facility.
- Lack of a midwife to effectively run the facility. All services in the maternity ward were offered by a comprehensive nurse.
- **Jinja District**

a) PHC Wage

The total approved budget for FY 2013/14 was Ug shs 3,118,388,525, of which Ug shs 2,980,555,593 (96%) was released. The total number of health workers on payroll was 498 in the district by end of FY 2013/14. The following challenges were noted;

- Staffing gaps; the district had 498 out of 555 health workers required on ground. Missing cadres included; senior medical officers, bio-statistician, assistant DHO, anesthetic officers, public health nurses, dispensers, psychiatric nurses and midwives.
- Inadequate funds to facilitate recruitment of midwives and nurses for existing health facilities and staffing of newly upgraded Kagoma hospital.

b) PHC Development

The following activities were planned to be undertaken during in FY 2013/14;

- Renovation of roof and ceiling at Budima HC III,
- Renovation of Mutai HC II,
- Renovation Kabembe Health center II,
- Payment of retention for works done at Buwenge General Hospital and Butagaya HC III.
- Completion of Lukolo maternity Phase III.

Financial performance:

The approved development budget for FY 2013/14 was Ug shs 163,380,000, 100% of the funds were released and Ug shs 148,620,350 (92%) was spent. The balance of 9% had been committed to payment for renovation works at Mutai HC II. Table 7.28 gives a summary of the capital development payments for Jinja district local government

Table 7.28: PHC Development payments by the Health Department of Jinja District FY 2013/14

Project	Contractor	Contract Sum (Ug shs)	Payments to date (Ug shs)
Renovation of roof and ceiling at Budima HC III	M/s Wanira Investments Limited	20,000,000	18,000,000
Renovation works ceiling at Buwenge and Butagaya HC IIIs-Retention	M/s Kimato Traders and Constructors M/s Batta Engineering Co. limited	12,000,000	12,000,000
Renovation of Mutai Health center II	M/s Batuli Investment Limited	14,970,000	0
Completion of Lukolo maternity Phase III	M/s Wananira Investments Limited	132,499,050	104,203,750
Renovation of Kabembe Health center II	M/s Jaluuko Hardware and Contractors	14,416,600	14,416,600
Total			148,620,350

Source: Jinja District Health Department

Physical performance:

The following projects were monitored: renovation of roof and ceiling at Budima HCII, renovation of Mutai HCII and renovation of Kabembe HCIIs.

Renovation of roof and ceiling at Budima HC III; M/s Wanira Investments Limited was contracted to undertake works at a sum of Ug shs 20,000,000. The civil works commenced on 23rd May 2014 and expected to be completed on 24th June 2014. The scope of works included replacement of the roof and ceiling, fixing of the gate, demolition of weak walls, reinforcement of internal and vertical cracks, splash apron, replacement of old doors and shutters painting, external works. Physical progress of the facility was estimated at 98% against 90% financial progress. Although a works had been certified and a completion report was submitted by the district engineer. *It was noted that no door frames were replaced, no works on the splash apron and external works (Compound)* were done. The wiring system of the structure had been alternated and not fixed by the contractor.


Left: Renovation works of the OPD and Right is the old door flame filled with FILA instead of replacement at Budima HCIII in Jinja District

Renovation of Mutai Health center II; M/s Batuli Investment Limited undertook civil works at a sum of Ug shs 14,970,000. Works commenced on 13th June 2014 and were expected to be completed on 12th August 2014.

Scope of works involved demolition and renovation of OPD walls, floor and ceiling. Assemble and fix widows, door frames and shutters, replacement of broken glass, damaged iron sheets with five ultra violet iron sheets, repair of the splash apron, painting, external works involving soak pit, renovation of the pit latrine and leveling of the compound.

Physical works were estimated at 40% by 4th August 2014, walls and floor works were ongoing, facier board, doors and the transparent iron sheets had been replaced. Outstanding works included replacement of broken glasses, painting, compound levelling and floor works on the splash apron. The contractor had not been paid for works done.


Renovation works at Mutai HCII and right is the replaced doors on the toilet

Renovation of Kabembe Health center II; M/s Jaluuko Hardware and Contractors was contracted to undertake the works at a contract sum of Ug shs 14,416,600. The Scope of works involved removal and replacement of broken roof, ceiling and door shutters, fixing ultra violet iron sheets, painting and repairs on the sanitation facility.

Works commenced on 29th April 2014 and were expected to be completed on 29th July 2014. Physical and financial progress was 100%. Works were completed and handed over the community. The staff at the health facility noted that they were satisfied and happy with quality of works done by the contractor. It was further noted that hygiene had greatly improved at the facility upon removal of a bat infested roof. This translated into increased demand and access to health services.

Kaberamaido District

a) PHC Wage

The total approved budget for FY 2013/14 was Ug shs 1,327,167,972 and 100% was released. The health department could not establish the exact number of health workers on the pay roll, however the staffing levels were reported to be at 66%. A number of challenges were however noted;

- Staffing gaps at 34%.
- Some health workers had reportedly not received February, March and May salaries while others were underpaid. This led to demotivation of staff and affected service delivery.

b) PHC Development

Planned activities for FY 2013/14 were;

- Construction of a pediatric ward at Ochero HCIII in Ochero sub county,
- Completion of the renovation OPD in Bululu HCIII,
- Renovation of staff house at Kaberaimaido HCIV,
- Repair of two ambulances and one double cabin for the DHOs office,
- Procurement of specialized medical equipment for Kaberaimaido HCIV, Alwa HCIII, Kobulubulu HCIII, Ochero HCIII, Anyala HCIII, Bululu HCIII, Kalaki HCIII and Otuboi HCIII,
- Completion of staff houses at Alwa HCIII,
- Construction of staff houses at Aperikira HCIII,
- Completion of staff houses at Ochero HCIII,
- Completion of construction of laboratory block at Anywara HCIII and Kobulubulu HCIII.

Financial performance

The approved PHC development budget including PRDP for FY 2013/14 was Ug shs 301,526,771 and 100% of the funds were released. A total of and Ug shs 326,215,591 (108%) was spent by the end of the financial year. Over expenditure was due to utilization of Ug shs 24,688,820 which was part of Ug shs 54,457,779 carried forward from FY 2012/13. Table 7.29 indicates payments made in FY 2013/14.

Table 7.29: PHC Development payments by the Health Department of Kaberaimaido District in FY 2013/14

Project	Contractor	Contract Sum	Payments to date
Construction of a pediatric ward in Ochero HCIII	Rovacco Uganda Limited	70,087,500	66,583,125
Completion of the renovation of OPD at Bululu HCIII	Joana Investments	14,000,000	13,775,000
Renovation of staff house at Kaberamaido HCIV	Onyangor Contractors	44,168,000	43,726,369
Repairing of two ambulances and double cabin	Uganda Martyrs Vocational Institute	33,000,000	31,055,000
Repairing of double cabin	Uganda Martyrs Vocational Institute	8,500,000	8,519,000
Completion of staff houses in Alwa HCIII	Light Investment Limited	50,996,788	2,549,839
Construction of pitlatrines in Bululu HCIII, Kaberamaido HCIV, Otuboi HCIII and Arwa HCIII	Benezer Trading and Construction Company Limited	11,900,000	595,000
Construction of staff houses at Aperikira HCIII	Epuku Joshua Enterprises	49,566,038	49,566,038
Completion of staff houses at Ochero HCIII	Eriga Engineering Works	43,000,000	23,000,000
Completion of construction of laboratory block at Anyara HCIII	Euro Light Foundation Uganda Limited	47,115,762	23,437,124
Payment of retention for construction of laboratory block at Kobulubulu HCIII	Anyimlach Enterprises	44,409,960	4,409,096
Procurement of specialist medical equipment-dental extraction sets, binocular microscopes, electric autoclaves, and delivery sets	M/s Vet drug (U) Limited	59,000,000	59,000,000
		Total	326,215,591

Source: Kaberaimaido District Health Department

Physical performance

The following projects were monitored; renovation of Kaberamaido HCIV, completion of OPD at Aperikira HCIII, specialist medical equipment supplied to Kaberamaido HC IV, and renovation of OPD at Bululu HCIII.

Renovation of staff house at Kaberaimaido HCIV; The renovation works were done by M/s Onyangor Contractors at a sum of Ug shs 44,168,000. Works commenced during FY 2012/13 and completed in March 2014. Scope of works included; removal of the floor screed, plastering, ceiling works, re-roofing, electrical works and plumbing works. It was noted that physical progress was at 100% against 95% financial progress. The facility was handed over to the HC and was occupied by staff. Users noted that they had no sanitary facilities and therefore bathed from the bush while others walked more than 50 meters to use toilets of the health facility.

Completion of OPD at Aperikira HCIII; M/s Epuku Joshua Enterprises was awarded the contract to undertake works at a contract sum of Ug shs 49,566,038. Works commenced during October 2013 and were completed at the end of November 2013. Physical and financial progress was at 100%. In spite of the completion, the health facility was not yet to be operationalized by 9th July 2014.

Renovation of the OPD at Bululu HCIII; M/s Joana Investments was awarded the contract to undertake renovation works at a contract sum of Ug shs 14,000,000. Works commenced in June 2014 and completed in mid-July 2014. The scope of works included fitting of new doors and windows, plastering, painting, and construction of a verandah. Physical progress was at 100% against 95% financial progress. The facility was under defects liability period, it was handed over to the HC and was occupied by staff.

Procurement of specialist medical equipment at Kaberamaido HCIV; these were supplied by M/s Vet drug (U) Limited in March 2014 and in use. The procured equipment included two dental extraction sets, three binocular microscopes, five electrical autoclaves and ten delivery sets. Some of the equipment could not be used due to lack of electricity.

Kiruhura District

a) PHC wage

The district budget for PHC wage was Ug shs 2,294,636,000 of which Ug shs 2,196,425,579.2 (95.72%) was released. The district had a total 300 health workers on the pay roll by 30th June 2014. The new payment system was embraced and payments were made on time. The new system reduced frequent travels by health workers to Kampala to complain about salary issues including nonpayment and deductions in payments among others.

It was noted that the district's operational costs had increased due to monthly travels to MoPS to make salary payments. The district did not have a budget line for such travels. It was therefore recommended that districts should be empowered to make salary payments to avoid frequent monthly travels.

b) PHC development

In the FY 2013/14, the district planned to undertake the following activities:

- Construction of an OPD at Kashongi HCIII,
- Wiring and connection of electricity from the pole to Kiruhura HCIV and Kazo HCIV
- Payment of balance for completed staff house at Nyakashshara HCIII,
- Payment of retention for completed staff house at Burunga HCIII,
- Repair fuel services and allowances for transfer of patients within the district. The construction of OPD at Kashongi HCIII and wiring of Kiruhura HCIV were monitored.

Financial performance

The approved budget for PHC development grant is Ug shs 114, 000,000, 100% was released and Ug shs 89,977,487 (78.9%) was spent by the end of the FY 2013/14. Details of the expenditures are indicated in Table 7.30 below.

Table 7.30: PHC development payments by Kiruhura district by end of FY 2013/14

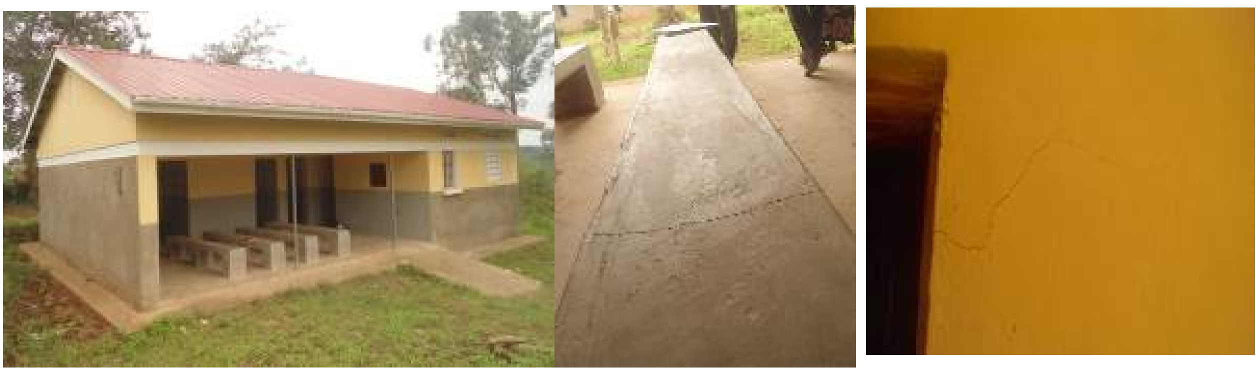
Output Description	Contractor	Contract Sum(Ug shs)	Payments in FY 2013/14 (Ug shs)
Construction of OPD at Kashongi HCIII	M/s BATA Engineering Company Limited	50,225,400	47,153,607
Payment of balance for completed theatre at Kazo HCIV	M/s Woodfix Technical Services	81,267,000	15,352,224
Payment of balance for a staff house at Nyakashashara HCIII	M/s Bridge holdings Limited	30,389,838	5,721,656
Payment of retention for maternity ward at Kinoni HCIII	SAGM Technical Services Company Limited	75,000,000	3,750,000
Repair and Servicing of Ambulance	Total Mbarara and Mogas Petro Station		18,000,000
		Total	89,977,487

Source: Kiruhura District Health Department

Physical Performance

Annual monitoring focused on; Construction of an OPD at Kashongi HCIII and wiring and electricity connection at Kiruhura HCIV.

Construction of OPD at Kashongi HCIII; M/s BATA Engineering Company Limited was awarded the contract to undertake works at a sum of Ug shs 50,225,400. Works commenced on 9th March 2014 and were expected to be completed by end of the FY 2014. The scope of works involved; construction of the substructure, excavation, setting out, super structure, roofing, fixing of doors and windows, plastering, painting, electrical wiring, floor finishes, and external works including soak pit and drainage. The OPD was completed and operational by 20th July 2014. The monitoring team noted substandard works on the entire structure, the floor and patient benches had cracked. The users were also not happy with the quality of works done by the contractor.



Left: Completed OPD, cracked patient bench (middle) and cracked wall in the new OPD at Kashongi HCIII (Right)

Wiring of Kiruhura HCIV: M/s MaPV Engineering Contractors Limited were contracted to wire both Kirihura and Kazo HCIV at a sum of 18,665,000. Works started on 6th June 2014 and completed on 26th June 2014. Works in Kiruhura involved wiring the old maternity and OPD wards, store and the laboratory. Four electricity poles had been erected and connections were made.

Kitgum district

a) **PHC wage**

The total approved budget for FY 2013/14 was Ug shs 2,356,888,999 and Ug shs 2,296,939,768 (97%) was released. The district pay roll had a total of o 350 health workers by 2nd July 2014. It was noted that over 50% of the health workers had complained of payment irregularities and salary deductions at the district Human Resource Department. This affected service delivery and greatly demoralized staff, some health workers were reported to have resorted to alternative means of survival.

Case study one: Mr. Adiga James of IPPS number: 834009 and computer number of L50313004346 is a senior clinical officer at Macwiny HCIII. He assumed duty on 30th January 2013 and had not been paid since February 2013. Accumulated arrears of Ug shs 14,312,177 had not been paid by June 2014.

Although he was appointed as a senior clinical officer, the first payment received was that of a nursing officer. It was also established that he was sharing the same computer number with Mr. Adiga George of Arua district. Despite the fact that the pay roll was decentralized, he still made countless trips to MoPS and MoH but his problems were never solved. He was therefore demotivated and was almost giving up work.

Recommendation

- The district Human Resource Managers at the district should fast track Mr. Adiga's case by activating him on the pay roll and making all necessary payments including arrears.

Source: Field findings

b) **PHC development**

The following activities were planned to be undertaken during FY 2013/14;

- Completion of maternity ward at Kitgum Town council HCII,
- Payment of retention for the two stance drainable pit latrine at Pawidi HCII
- Construction of OPD at Tumangu HCII,
- Rehabilitation of OPD at Lochomo HCII,
- Completion of maternity ward at Akunalaber HCIII,
- Completion of children's ward at Timiya-anyima HCIII.

Financial performance

The approved development budget was Ug shs 486,708,250 of which 100% was released and Ug shs 367,566,078 (76%) was spent by end of the FY 2013/14. Details of expenditure are indicated in Table 7.31

Table 7.31 PHC development payments by Kitgum district by end of FY 2013/14

Output Description	Contractor	Contract Sum (Ug shs)	Payments in FY 2013/14 (Ug shs)
Completion of maternity ward at Kitgum town council HCII	Abermaicel Construction Company Limited	45,000,000	45,000,000
Payment of retention for the construction of two stance drainable pit latrines at Pawidi HCII	Perse Trust Company Limited	NA	2,867,172
Construction of OPD and pit latrine at Tumangu HCII	Abayo Foundation Stores	120,000,000	81,347,841
Rehabilitation of OPD at Lochumu HCII	Komato Company Limited	52,576,000	42,880,050
Completion of maternity ward at Akubalaber HCIII	Kichaparwot Enterprises	20,000,000	20,000,000
Completion of children's ward at Omiya Anyima HCIII	Force on account	NA	175,471,015
		Total	367,566,078

Source: Kitgum District Health Department

Physical performance

Annual monitoring focused on; Construction of the OPD at Tumangu HCII, and completion of maternity ward at Kitgum town council HCII were monitored.

Left: OPD at Tumangu HCII, right is the excavated drainable pit latrine

Construction of the OPD Tumangu HCII; M/s Abayo Foundation Stores was contracted to undertake works at a sum of Ug shs 120,000,000. Physical progress was at 80% against 68% financial progress. The structure had been roofed and plastered; pending works included solar installations, plastering, and painting and construction of drainable pit latrines.

Completion of maternity ward at Kitgum town council HCII; M/s Abermaicel Construction Company Limited was awarded the contract to undertake works at a sum of Ug shs 45,000,000. Works commenced during FY 2012/13 and rolled over to FY 2013/14.

Completed maternity ward Kitgum HCIII

Physical and financial progress were 100% and the facility was expected to be handed over to the community in Mid July 2014. The monitoring team visited the facility on 2nd July 2014 and found no one on ground. The health center was closed by 3pm, this meant that patients in need of health services at that level could not access them and verification of internal quality of works of the maternity ward was impossible.

Kole district

a) PHC Wage

The total approved budget for FY 2013/14 was Ug shs 914,052,035.5and Ug shs 914,052,035 (100%) was released. The district had a total of 156 health workers on payroll by 30th June 2014. The payroll management system was decentralized in July 2014. It had been embraced by the district, however, a number of challenges including salary deductions and nonpayment of consolidated allowances to health workers still existed. Staffing gaps of 14% were noted.

b) PHC development

In FY 2013/14, the district planned to carry out the following activities;

- Construction of OPD at Omolodyang HCII,
- Construction of twin staff house at Ayer HCII,
- Purchase of 3 motorcycles for DHO's office,
- Remodeling of general ward at Okole HCII,
- Purchase of 2 computers for DHO's office,
- Supply of two medical beds at Aboke HCIV
- Expansion of OPD at Okole HCII.

Financial performance

The total approved budget including PRDP was Ug shs260,446,000 of which Ug shs 260,445,000(99.9% was released and Ug shs 205,359,090 (79%) was spent by end of FY2013/14 Expenditure details are indicated in table 7.32 below;

Table 7.32: PHC development payments by Kole district by end of FY 2013/14

Project	Contractor	Contract Sum (Ugshs)	Payments to date (Ugshs)
Construction of OPD at Omolodyang HCII	M/s Olet Magezi Lira Hardware Limited	88,027,500	85,713,630
Construction of twin staff house and a two stance pit latrine at Ayer HCII	M/s Yen Pharmacy Limited	65,000,000	23,991,015
Purchase of 3 motorcycles for the DHOs office	M/s Toyota Uganda	43,304,820	43,304,820
Remodeling of general ward at Okole HCII	M/s Soloka Enterprises	34,500,000	32,929,625
Purchase of two computers for the DHOs office	M/s Computer Plaza	2,420,000	2,420,000
Supply of medical beds at Aboke HCIV	M/s Robing Enterprises	14,000,000 (10,000,000 was counter funded by LGMSD grant)	4,000,000
Monitoring and supervision of health projects			13,000,000
		Total	**205,359,090**

Source: Kole District Health Department

Physical performance

Annual monitoring focused on; construction of OPD at Omolodyang HCII, construction of staff house at Ayer HCII, expansion of OPD and remodeling of the general ward at Okole HCII.

Construction of OPD at Omolodyang HCII; M/s Olet Magezi Lira Hardware Limited was contracted to undertake works at a sum of Ug shs 88,027,500. Works were planned to be implemented into two phases.

Construction of OPD at OMolodyang HCII

The first phase involved construction of the sub structure, super structure up to roofing level while the second phase will involve roofing, plastering, installation of windows and doors, painting and general finishes.

The first phase started in March 2014 and completed in June 2014. Physical progress was a 100% against 97% financial progress. District officials were happy and satisfied with quality civil works accomplished so far.

Construction of staff house at Ayer HCII; M/s Yen Pharmacy Limited was awarded the contract to undertake civil work at a sum of Ug shs 65, 000,000. Civil works commenced in December 2013 and expected to be completed by end of June 2014. The scope of works involved construction of two bedroomed staff houses and a pit latrine.

Physical progress was estimated at 65% against 37% financial progress the staff house was roofed while the pit latrine had been excavated by 5th August 2014. Outstanding works included plastering, floor screeding, painting, fitting of windows and doors as well as walling of the pit latrine.

Staff house and pit latrine under construction at Ayer HCII

Expansion of OPD Okole HCII; the contract was awarded to M/s Kole Engineering Company at a sum of Ug shs 36,562,000. Works commenced in 22nd July 2014 and expected to be completed by end of August 2014. Physical progress was estimated at 20% against 0% financial progress. The OPD had been expanded to include a consultation room, patients waiting shed and a store. The structure was at wall plate level and pending works included roofing, plastering, fitting of windows and doors as well as general finishes.

Remodeling of the general ward at Okole HCII; M/s Soloka Enterprises was awarded the contract to undertake works at a sum of Ug shs 34,500,000. Works had commenced during FY 2012/13 and completed in 2014. Physical progress was at 100% while financial progress was 95%. *Poor workmanship was noted at the health facility, the floor, verandah and patient's benches had large cracks while the glasses in some widows were already coming out. Some widow locks were also not fixed.*

Left: Completed general ward and (right) patient waiting bench at the same ward at Okole HCII

Supply of medical beds at Aboke HCIV; M/s Robing Enterprises supplied 52 medical beds at a sum of Ug shs 14,000,000 in June 2014. Approximately 71% of the total sum was financed under Local Government Management Services Delivery Grant (LGMSD) and 29% was PHC development grant. A total of 36 beds were being utilized while the rest were kept for lack of space in the wards.

A number of benefits were noted including;

- Reduction in floor cases by 100%, this led to improved care given to patients.
- Eased administering of treatment including intravenous fluids due to presence of IV stands

Left: Bed in the children's ward. Right: Some of the beds not in use at Aboke HC IV in Kole District

Kumi district

a) PHC Wage

The total approved budget for FY 2013/14 was Ug shs 1,787,710,256 and Ug shs 1,787,710,256 (100%) was released. The district payroll had a total of 275 health workers by 30th June 2014. Challenges affecting the above component included delays to access the pay roll by new staff and staffing gaps of over 30%.

b) PHC development:

The following activities were planned to be undertaken in FY 2013/14;

- Construction of OPD in Oseera HCII,
- Construction of OPD with 2 stance pit latrine at Aterai HCII
- Construction of a theatre in Kumi HCIV,
- Procurement of medicals equipment for the theatre in Kumi HCIV, and Mukongoror HCIII,
- Payment of retention for construction of OPD, VIP pit latrines and medical pit,
- Construction of 2 in 1 staff house, 2 stance lined pit latrines at Nyero HCIII.

Financial progress

In FY 2013/14 annual approved budget including PRDP of Ug shs 307,274,438 of which 100% was released and Ug shs 204,135,097 spent by end of the FY. This represents absorptive capacity of 66.4 %. Details of expenditures are indicated in Table 7.33

Table 7.33: PHC development payments by Kumi district by end of FY 2013/14

Project	Contractor	Contract sum (UShs)	Payments (UShs)
Fencing of Kumi HCIV	M/s Cecila Electrical Limited	22,678,948	19,542,091
Procurement of medical equipment for the theatre in Kumi HCIV	M/s Joint Medical Stores	14,152,517	14,152,517
Payment of retention for construction of two in one staff house and 2 stance pit latrines at Nyero HCIII	M/s Enways Consult Limited	36,764,640	31,167,540
Construction of a theatre at Kumi HCIV	M/s Green Consult Company	179,579,400	24,352,200
Payment of retention for construction of OPD, VIP latrines and medical pit at Ongoom HCII	M/s Mem Associates Limited	74,200,000	7,269,836
Construction of a two in one staff house and 2 stance lined pit latrine	M/s ALCA (U) Limited	44,291,250	45,669,893**
Payment of outstanding obligations for completion of un finished at Osera HCII OPD	M/s Mem Associates Limited	68,870,550	61,981,020

Source: Kumi District Health Department; ** contractor was overpaid by Ug shs 1,378,643

Physical progress

Annual monitoring focused on construction of theatre and procurement of medical equipment for the theatre in Kumi HCIV.

Construction of theatre at Kumi HCIV; the contract was awarded to M/s Green Consult Company at a sum of Ug shs 179,579,400. Works commenced in May 2014 and were expected to be completed by end of September 2014.

Theatre under construction at Kumi HCIV

The scope of works involved mobilization, construction of the sub and super structure, roofing, plastering, painting, floor works fitting doors and windows and general finishes.

By 10th July 2014, physical progress was estimated at 30% against 13.5% financial progress.

The structure was at ring beam level and both the district and the administration of Kumi were happy with the quality of works done so far.

Procurement of medical equipment for the theatre in Kumi HCIV; M/s Joint Medical Stores supplied medical equipment worth Ug shs 14,152,517 in May 2014. Equipment included Anesthesia machine, examination couch, two operation laboratory sets, 20 sets vacuum aspirations, heraniorraphy sets among others. Use of the equipment was awaiting completion of the theater under construction.

Lira District

a) PHC Wage

The total approved budget for FY 2013/14 was Ug shs 1,637,711,909 and Ug shs 1,552,310,869 (95%) was released. A total of 267 health workers in the district were on the district pay roll by 30th June 2014. The district was happy with the decentralization of the payment system, however some staff were still complaining about nonpayment of salaries, allowances and underpayments by the district. The district PHC staffing gaps were at 10%.

b) PHC development

The following activities were planned to be undertaken in FY 2013/14;

- Completion of fencing of Ogur HCIV,
- Completion of staff house at Abala HCIII,
- Completion of staff house at Apuce HCII,
- Construction of staff house at Ogur HCIV,
- Paving of the DHO's Compound.

Financial performance:

The total approved development grant for FY2013/14 was Ug shs 345,282,000 of which 100% was released and Ug shs 190,239,000 (55%) spent by end of the FY. Expenditure details are indicated in the table 7.34

Table 7.34: PHC development payments by Lira district by end of FY 2013/14

Project	Contractor	Contract Sum (Ugshs)	Payments to date (Ugshs)
Paving of the DHO's office	M/s Mid North Contractors	15,680,000	14,896,000
Construction of a staff house at Abala HCIII	M/s CanPay Company Limited	48,000,000	45,600,000
Completion of a staff house at Ogur HCIV	M/s Robtom Company Limited	35,045,000	35,045,000
Completion of OPD at Aromo HCIII	M/s Emman Investment Limited	26,706,000	26,706,000
Completion of payment of balance of medical equipment and supplies of FY 2012/13	M/s Crown Health Care	22,000,000	21,500,000
Completion of fencing Ogur HCIV	M/s Flexsi Investment Limited	43,417,000	43,417,000
Payment of retention for the staff house at Akangi HCII	M/s Megum Technical Services Limited	3,075,000	3,075,000
		Total	**190,239,000**

Source: Lira District Health Department

Physical Performance

Annual monitoring focused on; construction of a staff house at Apuce HCII, construction of a staff house and fencing at Ogur HCIV and completion of a staff houses at Abala HCIII.

Fencing of Ogur HCIV; M/s Flexsi Investment Limited was contracted to fence Ogur HC IV at a sum of 43,417,000. Works were completed in May 2013, both physical and financial progress were at 100%. It was noted that the fence had secured the health facilities since theft cases at both the health center and staff houses had reduced.

In spite of the above, the monitoring team noted that the gate had broken down in barely three months of use. The base of the poles were not reinforced with concrete, this made the fence weak and broke down in some places.

Completion of staff house Ogur HCIV; M/s Robtom Company Limited was awarded the contract to undertake the works at a sum of Ug shs 35,045,000. Completion works commenced in May 2014 and completed in July 2014. Physical progress was at 95% against financial progress of 100%. Outstanding works included fitting internal doors and glasses in widows.

Construction of a staff house at Abala HCIII; M/s CanPay Company Limited was contracted to undertake works at a sum of Ug shs 45, 00,000. Works were rolled over from FY 2013/14 and expected to be completed in August 2014. The contractor was noted to have been slow at implementation of the project, physical progress was at 90% against 95% financial progress. The superstructure was completed, floored, plastered, roofed, doors and window were fitted, outstanding works included glassing, completion of the toilet, and painting.

Completion of staff house at Apuce HCII; Works on the facility were abandoned by the contractor in FY 2012/13 and a decision was made by the district authorities to complete the structure using force account. Works started in June 2014 and expected to be completed by end of August 2014. The scope of works included roofing, plastering, fitting doors and windows, ceiling, and flooring. By 4th August 2014, the structure had been roofed and plastered. Outstanding works included floor works, fixing of doors and completion of pit latrines. Physical progress was at 90%. Good quality works were noted.

Left: Staff house and Pit latrine, (Right) under construction

Masaka District

a) PHC wage

The total approved budget for FY 2013/14 was Ug shs 1,4162,44,220 and Ug shs 1,413,276,821 (100%) was released. Information on number of health workers on pay roll by end of FY 2013/14 was not readily available by time of monitoring done on 12th August 2014.

b) PHC development

The following activities were planned to be undertaken in FY 2013/14;

- Construction of OPD at Mpugwe HCIII,
- Partial construction of staff house at Kitonga HCII
- Payment of retention and balance for renovation of the OPD at Bukakata HCIII
- Payment of balance for construction of OPD Phase at Kamulegeya HCIII.

Financial performance

The approved development budget for FY 2013/14 was Ug shs 140,378,850 of which 100% was released and Ug Shs 130,581,375 (93%) spent. Expenditure details are indicated in table 7.35.

Table 7.35: PHC development payments by Masaka district by end of FY 2013/14

Project	Contractor	Contract Sum (Ugshs)	Payments to date (Ugshs)
Construction of staff house at Kitonga HCII	M/s Bekabye General Enterprises	33,610,500	30,000,783
Construction of OPD at Mpugwe HCIII	M/s Tick Services (U) Limited	99,950,000	94,948,890
Extra electrical works on OPD at Bukakata HCIII	M/s SMM General Services	40,917,000	1,948,498
Completion of maternity ward at Kamulegeya HCII-retention	M/s SMM General Services	72,079,890	3,683,204
		Total	**130,581,375**

Source: Masaka District Health Department

Physical performance

Annual monitoring focused on; construction of staff house at Kitonga HCII and OPD at Mpugwe HCIII.

Construction of staff house at Kitonga HCII; M/s Bekabye General Enterprises was awarded the contract to undertake works at a sum of 33,610,500. Works commenced on 12th February 2014 and expected to be complete by 23rd June 2014. The scope of works under phase one included mobilization, substructure, superstructure and roofing. By mid-August 2014 the first phase works were completed (100%) against financial progress of 89%. Civil works were noted to be of good quality. Phase two works will involve completion of the structure with fitting of doors and windows, electrical and plumbing works, plastering, painting and general finishes.

Construction of OPD at Mpugwe HCIII; M/s Tick Services (U) Limited was contracted to undertake works at as um of Ug shs 99,950,000. Civil works commenced in March 2014 and were expected to be completed in June 2014. The scope of works included: mobilization, substructure, super structure, roofing, fitting of doors, windows, ceiling, lockable shelves, electrical and plumbing fittings, lightening protection, mechanical installations and water supply. By 12th August 2014, the works were still ongoing with the following complete; super structure, roofing, plastering, flooring, and doors and window frames fitted. The monitoring team noted *poor quality works characterized by floor and ring beam cracks, weak door fitted on the drug store of the newly constructed OPD.*

OPD under construction at Mpugwe HCIII

Mityana District

a) **PHC wage**

The total approved budget for FY 2013/14 was Ug shs 3,470,709,903 and Ug shs 3,470,709,902 (100%) was released. Information on number of health workers was not readily available by 22nd July 2014. `

b) **PHC development**

The following activities were planned to be undertaken in FY 2013/14;

- Completion of the staff house at Kasikombe HCII,
- Construction of a four in one staff house at Kitanga and Kikandwa HCIIIs,
- Rehabilitation of Lusarira HCII
- Surveying land titles for Kyamusis HCII and Nam HCIII,
- Fencing of Sekanyonyi HCIV,
- Carry out additional works for the maternity ward at Bulera HCIII

Financial performance

In FY 2013/14 the approved development budget was Ug shs 186,355,205 of which 100% was released and Ug shs 152,883,443 (82%) was spent. This represents excellent absorptive capacity of 82% %. Table 7.36 indicates expenditure details during the FY.

Table 7.36: PHC development payments by Mityana district by end of FY 2013/14

Output Description	Contractor	Contract Sum(Ug shs)	Payments in FY 2013/14 (Ug shs)
Construction of a staff house at Kikandwa HCIII.	M/s Trevor and Son Limited	96,251,500	20,212,766
Construction of a staff house at Kitanga HCIII	M/s Trevor and Son Limited	96,251,500	64,344,926
Completion of the 2in1 staff house at Kasikombe HCII	M/s Cribbson	51,384,425	29,951,776
Construction of Sekanyonyi HCIV theater	M/s Bana Enterprises Limited	56,822,400	9,500,000
Additional works for Bulera HCIII maternity ward		71,855,000	1,417,625
Completion of Nama staff house	M/s Mable and Son Limited	93,719,995	27,456,350
		Total	**152,883,443**

Source: Mityana Health Department

Physical progress

The team monitored construction of the staff house at Kitanga HCIII.

Construction of a four in one staff house at Kitanga HCIII: M/s Trevor and Son Limited was contracted to undertake the works at a sum Ug shs 96,251,500. Civil works started in December 2014 and expected to be completed by end of June 2014. By end of July 2014, physical works were at 90% against 66% financial progress, the super structure was roofed, and plastered. Floor works were ongoing. Outstanding works included; completion of the pit latrine, and painting the staff house. Good quality works were noted.


Staff house pit latrine under construction works at Kitanga HCIII

Namutumba District

a) **PHC wage**

The total approved budget for FY 2013/14 was Ug shs 1,138,840,942 and Ug shs 1,103,083,369 (97%) was released. Information on number of health workers was not readily available by time of monitoring done on 6^{th} August 2014.

b) PHC development

The following activities were planned to be undertaken in FY 2013/14;

- Completion of medical store at the district headquarters
- Procurement of patient beds
- Construction of OPD and two stance pit latrine at Mulama HC II
- Repair of solar system and replacement of seven doors at Bulange HC III
- Partial construction of four unit staff house and pit latrine at Kiranga HCII
- Payment of retention for completion of Maternity ward at Nsinze HC
- Construction of OPD and two stance pit latrine at Bukonte HCII

Financial performance

The total approved budget for FY 2013/14 was Ug shs 180,161,920 and 100% of the budget was released. A total of Ug shs 175,655,395 (97.4%) was spent. Expenditures details are indicated in the Table7.37;

Table 7.37: PHC development payments by Namutumba District FY 2013/14

Project	Contractor	Contract Sum (Ug shs)	Payments to date (Ug shs)
Completion of the medical store at the district	M/s Masaka Agricultural Dealers Enterprises Uganda Limited	53,262,500	50,599,345
Construction of OPD and two stance pit latrine at Bukonte HCII;	M/s Jinja General Company Limited	37,871,821	28,729,015
Construction of OPD and two stance pit latrine at Mulama HC II	M/s Poor no beggar	37,575,275	35,576,528
Partial construction of a four unit staff house and pit latrine at Kiranga HCII	M/s Nile Establishments Uganda Limited	22486500	21,367,115
Procurement of patient beds	Joint Medical Stores	7,778,200	7,778,200
Repair of Solar system and replacement of seven doors at Bulange HC III;	M/s Teco Investments limited	9,928,000	9,922,000
Payment of retention for Completion of Maternity ward	M/s Nile Establishments Uganda Limited	59,986,904	7,149,787
Total			161,121,990

Source: Namutumba District Health Department.

Physical performance

The monitoring team visited all the four planned outputs during the FY and the following was established;

Procurement of patient beds; a total of ten beds were supplied by Joint Medical Stores on 30th June 2014. These were delivered to the district on 6th August 2014; the beds were still in the district store waiting for distribution to the recipient health facilities.

Completion of the medical store at the district; M/s Masaka Agricultural Dealers Enterprises Uganda Limited was awarded the contract to undertake works at a sum of Ug shs 53,262,500. Works commenced on 7th April 2014 and were expected to be completed by 30th June 2014. Scope of works involved fixing of windows and doors, internal and external finishes, joinery, electrical and mechanical fittings. By end of July 2014, the store had been completed with physical progress was at 100% against 95% financial progress. The beneficiaries were happy and satisfied with quality of works.

Construction of OPD and two stance pit latrine at Bukonte HCII; M/s Jinja General Company Limited was awarded the contract at sum of 37,871,821. Works commenced on 24th November 2013 and expected to be completed on 24th February 2014. Physical progress was 100% complete, however, the facility had not been handed over to the users. The health facility was still renting at a cost of Ug shs 400,000 per year in the nearby trading center. *Cracks were noted in the newly constructed splash apron and OPD concrete benches.*


Completed OPD and Pit latrine Bukonte HCII

Construction of OPD and two stance pit latrine at Mulama HC II; M/s Poor no beggar was awarded the contract at a sum of Ug shs 37,575,275. The scope of works involved construction of a substructure, roof, super structure, fitting of doors, windows and furniture, internal finishes and construction of a two stance pit latrine. The works commenced on 24th January 2014 and were expected to be completed by 30th June 2014. Physical progress was at 100% against 95% financial progress. The facility was under defects liability period. Works completed were noted to be of *poor quality characterized by cracks in the floor and verandah. Some windows were not closing and glasses were coming out.*


Completed OPD and incomplete Pit latrine Mulama HC II

Pader District

a) PHC Wage

The total approved budget for FY 2013/14 was Ug shs 1,949,780,701and Ug shs 1,859,208,361 (95%) was released. The exact number of health workers paid by end of the FY was not readily available by 3rd July 2013; however, the district staffing levels were reportedly at 62%.

The district was happy with the decentralization of the payment system noting that a number of ghost workers were deleted from the pay roll. The system facilitated management of personnel in the health sector.

A number of challenges affecting the new salary payment system were noted. These included; irregularities in payment of salaries and some staff had not received salaries for two months. Deletion of staff from the government pay roll, high attrition rates, and nonpayment of salary arrears.

b) PHC development

The following activities were planned to be undertaken in FY 2013/14;

- Construction of OPD at Pajule HCIV,
- Completion of maternity block at Puranga HCIII, Kilak HCIII and Angagura HCIII.
- Completion of staff house at Angagura HCIII, completion of staff house at Lawire HCII, and Dure HCII,
- Completion of staff house at Lapul HCIII
- Construction of OPD and staff house at Lapul Ochwida HCII.

Financial performance

The approved budget development for FY2013/14 Ug shs 462,264,000 of which 100% was released and Ug shs 145, 427,403 (31.5%) had been spent. Poor absorption was attributed to late award of contracts and break down of the IFMS system which delayed payments to most contractors. Details of expenditure are indicated in Table7.38

Table 7.38: PHC development payments by Pader District FY 2013/14

Project	Contractor	Contract Sum (Ug shs)	Payment(Ug shs)
Construction staff House Lapul Ocwida HCII	M/s Losha Agro & Construction Company Limited	80,721,600	18,196,650
Construction of staff House Lapul HCIII	M/s LimweloLutwa Company Limited	71,788,200	10,914,638
Construction of a drainable latrine Atanga HCIII	M/s Utech Construction Company limited	10,793,000	2,581,828
Construction of a staff house Lawire HCII	M/s Muti Hope Construction Limited	85,499,000	8,049,950
Construction of a staff house Puranga HCIII	Model Partners Limited	84,346,200	7,918,490
Construction of a drainable Latrine Atanga HCIII	M/s Utech Construction Company Limited	10,793,000	993,845

Construction of a staff House Angagura HCIII	M/s Ted Wii Company Limited	80,463,000	75,40,300
Construction of a staff House Dure HC II	M/s Abrash Enterprise Limited	84,738,200	8,207,370
Construction of a Mortuary Pader HCIII	M/s Lujong United Company Limited	33,788,800	3,024,380
Construction of a staff house Lapul Ocwida HC II	M/s Losha Agro & Construction Company Limited	80,721,600	9,914,500
Construction of a drainable Latrine Ogom HCIII	M/s Gene Construction & Motor Garage	10,936,290	1,872,129
Construction of a staff House Lapul HCIII	M/s Limwelo Lutwa Company Limited	71,788,200	15,296,217
Completion of maternity ward at Angagura HCIII	M/s Ted Wii Company Limited	80,463,000	38,150,796
Construction of a mortuary Ward Pajule HCIV	M/s Akemkwene Enterprise Company Limited	79,250,295	7,925,029
Staff House Awere HC III	M/s Getano Company Limited	70,545,668	4,841,281
Total			**145,427,403**

Source: Pader District Health Department

Physical Performance

Annual monitoring focused on four out puts, the rest of the planned activities had just commenced and delays were attributed to procurement. The following was established;

Completion of maternity ward Kilak HCIII; M/s Utech Construction Company limited was contracted to undertake works at a sum of Ug shs 31 million. Overall physical progress was 90% against 0% financial progress. Works were expected to be completed by end of end of June 2014. The super structure was roofed, plastered, doors and windows fitted. Outstanding works included painting and glassing.

Completion of a staff house at Lapul HCIII; Completion of staff house at Lapul HCIII had been completed but not yet occupied. The works were contracted to M/s M/s Limwelo Lutwa Company at a cost of Ug shs 71,788,200. It was noted that the staff house did not have sanitary facilities.

Completed Staff house at Lapul HCIII and completed Maternity ward Kilak HCIII

Construction of staff house and OPD at Lapul Ocwida HCII; Construction of the staff house was contracted to M/s Losha Agro and Construction Company limited at a contract sum of Ug shs 80,721,600.The monitoring team noted that the facilities were completed and good quality works were noted at the staff house. *The facilities were not in use (operational), they lacked sanitary facilities. The OPD was already infested with bats and its paint was peeling off.* Some *door locks on the OPD had been vandalized.*




Top Clockwise: OPD, staff house and the defects inside the OPD at Lapul Ocwida HCII

Construction of maternity ward and staff house Angagura HCIII; M/s Ted Wii Company Limited was awarded two contracts to undertake works at both the maternity ward and staff house at a sum of Ug shs 160,926,000. Construction of maternity ward was almost complete, the super structure was roofed, plastered and painted. Outstanding works included fitting of glass in the doors and windows. The staff house was completed and occupied by July 2014. Good quality works were noted.


Completed staff house and maternity ward at Anyagura HCIII

Soroti district

a) **PHC Wage**

The total approved budget for FY 2013/14 was Ug shs 1,237,493,140 and Ug shs 1,063,693,674 (86%) was released. A total of Ug shs 169 health workers were paid. A number of challenges related to the wage component were noted; these include

- Staffing gaps of over 33% and phasing out of nursing assistants with no indications of replacement would make the situation worse.
- Some health workers did not receive their salary arrears and consolidated allowances.

b) **PHC Development**

The following activities were planned to be undertaken in FY 2013/14;

- Construction of a four stance lined pit latrine at Kamuda HC II in Kamunda sub county,
- Construction of a semidetached staff house block at Lalle HC II in Kamunda sub county
- Construction of a three in one staff house block in Tiriri HC IV in Katine sub county,
- Payment of retention on five contracts completed during FY 2012/13.

Financial performance

The total approved budget for FY 2013/14 was Ug shs 338,422,000 of which 100% was released. A total of Ug shs 281,361,633 (83%) had been spent. Details of expenditure are indicated in table (Table 7.39)

Table 7.39: capital development payments by Soroti district FY 2013/14.

Project	Contractor	Contract Sum (Ugshs)	Payments to date (Ugshs)
Construction of 4 lined stance pitlatrine for the OPD at Kamuda HCIII	M/s Halado Enterprises	12,002,936	11,220,725
Construction of a semidetached staff house and 2 stance pit latrine at Lale HCII	M/s Gilads Enterprises Limited	69,682,830	65,513,449
Construction of a general ward at Soroti HC III(balance and retention)	M/s Gillards Enterprises limited	125,605,453	19,683,537
Construction of a 3in1 staff house at Tiriri HCIV	Ogororo Hill constructors	139,446,563	135,254,572
Payment of retention for fencing of Tiriri HCIV	M/s Rukiti Company Limited	66,688,543	2,574,304
Payment of retention for construction of a semidetached staff house at Gweri HCIII – balance and retention	M/s Epic Engineering Services	40,958,416	13,500,788
Payment of retention for the	M/s Moru Farmers	36,174,557	12,813,559

construction of two blocks of semidetached staff house at Tiriri HCIV	Agency		
Payment of retention for the construction of an OPD block at Dakabela HC III	M/s Basere Contractors	67,982,732	6,686,082
Payment of retention for construction of a semi-detached staff house and lined pit latrine at Kamuda HC II	M/s Sky Rock Consultancy Company Limited	45,892,008	14,114,617

Source: Soroti district health department.

Physical performance

The monitoring team visited the construction of staff house at Lale HCII, construction of a four stance lined pit latrine at Kamuda HCIII and the construction of a three in one staff house at Tiriri HCIV and the following was established;

Construction of a four stance lined pit latrine for the OPD at Kamuda HC II in Kamunda Sub County; M/s Halado Enterprises was awarded the contract to undertake the works at a sum of Ug shs 12,002,936. Civil works commenced on 28th January 2014 and were completed on 10th May 2014 (within four months). Physical progress was at 99% against 97% financial progress. Good quality civil works were noted however, the facility was poorly maintained since the health facility did not have permanent or casual workers to ensure proper sanitation of the facility.

Constructions of a semidetached staff house block at Lalle HC II in Kamunda Sub County; M/s Gilads Enterprises Limited was awarded the contract to undertake the works at a sum of Ug shs 69,682,830. Works commenced on 28th January 2014 and expected to be completed by 10th May 2014. Contrary to the report presented to the DHO, works were at 90% physical progress rather than 100%. Outstanding works included; painting, rough casting, installation of facier-boards, glassing, sock pit works, solar installation; roofing and plastering of the pit latrine. Good quality works were observed at the site.


Left staff house at Lale HCII and right is the adjacent Pit latrine.

Construction of a three-in-one staff house blocks in Tiriri HC IV in Katine Sub County; M/s Ogororo Hill Constructors was awarded a contract to undertake works at a sum of Ug shs 139,446,563. Works commenced on 28th January 2014 and expected to by April 2014 (within three months). The scope of works involved foundation works, sub and super structure, roof structures, window and door fittings, ceiling works, plumbing and septic works, three stance pit latrine and plastering of the entire structure. Actual completion of works was in June 2014 and the project was still under defects liability period expected up to end in December 2014. Physical progress was 100% with all works completed except installation of a 1500 litre tank which had already been delivered and awaiting National Water and Sewerage Corporation (NWSC) water connections.

Completed staff house, Pit latrine and tank stand at Tiriri HCIV

Implementation challenges

- Failure to return committed funds that were unspent balances in FY 2011/12 left Soroti district with a total debt of Ug shs 180million owed to contractors that had already undertaken the works.
- Stagnated budget allocations to development activities has over the years constrained implementation of development plans of some district.
- Procurement delays affected implementation of planned activities
- Shoddy works were noted in Namutumba, Masaka, isingiro, Kole, Gulu and Kiruhura were noted.
- Inadequate capacity local contractors to implement activities in scheduled timelines.

Analysis

Link between financial and physical performance

Absorption of released funds by end of June 2014 in the 14 monitored districts varied between 31% in Pader and 98% in Isingiro districts. High absorption rates in Isingiro district resulted from spending on the few rolled over projects from FY 20112/13. Pader district had the lowest absorption. Overall, the average absorption rate for the districts monitored was 79%. Most of the funds were spent on rolled over projects from the previous financial year especially in the PRDP districts.

Physical performance ranged from 50% in Pader district to 100% in Isingiro district. Pader district had completed few of the projects planned during the financial year while Isingiro district completed all the planned projects. Overall physical performance of the monitored districts was 89%.

Achievement of set targets

All the districts monitored with the exception of Pader were on course of achieving the set targets for the financial year. With most of the planned activities in these districts either completed or near completion. Whereas there completed projects in Pader district, most of the planned projects were just starting by the end of the financial year.

Comparative analysis

Performance in FY 2013/14 varied significantly across the local governments monitored. Isingiro, Kaberaimaido, Gulu, Soroti, Namutumba, Mityana, Kiruhura, and Masaka districts performed best in terms of implementing planned activities. They had completed over 90% of their planned projects for the financial year. Isingiro district and Namutumba district had the highest absorption rates of the released funds of 98% and 97% during the financial year. Pader and lira district had the lowest absorption rates of 31% and 62% of the released funds. Pader the worst performance, having implemented only 50% of the planned projects in the financial years.

Conclusion

Release performance for wage was excellent, all local governments monitored received over 80% of their wage allocations. All entities (100%) visited were very happy with the new payment system noting; timely payment of salaries with health workers receiving their monthly salaries by the 27th, enhanced management of staff hence reduction in absenteeism of staff, easy access to pay roll, enhanced performance and motivation of health workers due to timely response to salary issues among others.

Utilization of PHC funds was excellent with less than 25% unspent by end of the financial year for all districts visited save for Pader and Lira. Local governments were already reaping from investments in both health infrastructure. These included availability of staff at health facilities 24 hours, seven days a week. A number of constraints relating to the implementation of the PHC development activities still existed, these include; slow procurement process, limited capacity of contractors, lack of adequate supervision led to shoddy works in some districts among others.

Recommendations

- All local governments should initiate procurement process in a timely manner to avoid delays in project implementation.
- District engineers should be held responsible for certifying poor quality works.
- District administration should also forward contractors that continue to do shoddy works to PPDA for blacklisting.

7.11 Key Factors affecting Health Service Delivery

A number of factors affected health care delivery in health facilities visited. This section presents key challenges faced by both health facilities and local governments in provision of health services;

- **Inadequate non-wage recurrent budget;** allocated budgets were too small to cater for operational costs such as payment of utilities, cleaning services, referral of patients, maintenance of equipment, provision of technical support to lower health facilities and continuous capacity buildings. As a result Mulago hospital had accumulated utility arrears of Ug shs 3.1billion.

- **Misappropriation of the PHC funds**: the former in-charge for Kasana HCIII in Isingiro district misappropriated funds for the PHC recurrent non-wage grant. As a result, the health facility did not carry out any outreach programs during FY 2013/14.
- **Irregular payment of staff salaries and arrears**; it was established that some health workers had not received their salaries for over twelve months, for example Mr. Adiga James of IPPS number: 834009 and computer number of L50313004346, a senior clinical officer at Macwiny HCIII in Pader, had not received salary since February 2013.
- **Constant stock out of essential medicines including anti-malarial and antibiotics**, 100% of health facilities visited suffered stock outs in FY 2013/14. Variations between ordered and delivered medical were noted. Non availability of certain supplies at a particular time directly translates into loss of lives and poor service delivery.

- **Lack of key staff at all health facilities visited;** for example regional referral hospitals visited lacked key specialist to offer specialized services. This was partly due to limited remuneration packages offered in government hospitals compared to the private sector. Jinja Referral Hospital had staffing gaps of over 165 health workers, Mbarara RRH had 117 health workers, Lira RRH had 81 health workers and Masaka RRH had gaps of 78 health workers. This translated into heavy workload on part of health workers, long waiting hours of about of six hours for patients to access health services and in most cases loss of lives.
- **Absenteeism of health workers at lower health units;** for example Kitgum HCII, Lapul HCIII in Pader district had no staff on greound during working hours.

- **Lack of staff accommodation; this led to demotivation and absenteeism of some staff especially in lower health units.** The efficiency levels of Mulago national hospital heavily dropped during schedule handover (5pm-8pm) when some staff were either caught up in traffic jam or rushing to beat the traffic.

- **Lack of transport** to undertake support supervision, outreaches, referral of patients and other administrative services. All local governments visited reported that immunization services could not effectively be undertaken due to lack of transport.

Recommendations:

- The MoH should prioritise preventive measures through investment in non-wage supported activities like integrated health out reaches. This will in the long run translate into a healthy and disease free population.
- The Chief Administrative Officer (CAO) of Isingiro district should ensure that the charged officer is expelled and made to refund all funds misappropriated.
- The Health Service Commission, MoPS, MoH and health facilities should fast track deployment of health workers at all levels for timely and effective delivery of health services.
- The need to minimize drug stock outs in health facilities is paramount. The NMS should step up its planning and projection mechanisms to avoid constant drug stock outs.
- The MoH and NMS should invest in training personnel of health facilities to come up with viable procurement plans.
- The Ministry of Health should fast track the private public partnerships in the areas of construction of staff accommodations especially at the major hospitals so as to reduce on the number of staffs staying far and outside the hospitals.
- The MoH should prioritize investment in transport to both district health offices and health facilities to facilitate timely referrals and outreach programs.

CHAPTER 8: INFORMATION AND COMMUNICATION TECHNOLOGY

8.1 Introduction

The Information and Communications Technology (ICT) sector is comprised of the telecommunications, broadcasting, postal and information technology subsectors. It is structured into three functional levels namely: policy, regulatory and operational. The Ministry of Information and Communications Technology (MoICT) heads and coordinates all the ICT sector activities in collaboration with other stakeholders.

The key regulatory bodies are Uganda Communications Commission (UCC) and the National Information Technology Authority (NITA-U), while the operational level is composed of: Telecommunications, Postal, Information Technology (IT) and broadcasting operators with Uganda Posts Limited and Uganda ICT Training Institute as agencies affiliated to the Ministry[73].

The mandate of the Ministry is ‘‘to provide strategic and technical leadership, overall coordination, support and advocacy on all matters of policy, laws, regulations, and strategy for the sector for sustainable, effective and efficient development, harnessing and utilization of ICT in all spheres of life to enable the country achieve its development goals’’[74].

Objectives of the sector

According to the National Development Plan (2010), the objectives of the ICT sector are to:

- Enhance access to quality, affordable and equitable ICT services country wide.
- Enhance the use and application of ICT services in business and service delivery.
- Enhance access to quality, affordable and equitable broadcasting services country wide.
- Enhance access to quality, affordable and equitable library services country wide.
- Rejuvenate the application of postal services country wide.

8.1.1 Scope

The report reviews progress of selected projects/programmes implemented by; the MoICT, that is, E-government ICT policy implementation, and Strengthening Ministry of ICT. Under the NITA-U, two development projects were reviewed, that is, National Transmission Backbone Infrastructure (NBI), and Business Process Outsourcing (BPO). Under the Ministry of Education and Sports (MoES), Development of Secondary Schools project was reviewed.

The report covers FY 2013/14. It aims at ascertaining whether; planned outputs as outlined in the Ministerial Policy Statement (MPS) were achieved, and establish whether financial expenditure was commensurate with physical progress. The report provides an update of the implementation against key performance indicators during the period under review.

8.2: Ministry of Information and Communications Technology (Vote 020)

8.2.1 Introduction

The mission for this vote is to promote the development of information and communications technology infrastructure and services throughout the country. Key deliverables are arranged in three vote functions, that is:

(i) Information technology and information management services, which is charged with developing enabling policies, laws and regulations as well as promoting, guiding and providing technical support, supervision, monitoring and evaluation to the development and use of IT and Information management services.

(ii) Communications and broadcasting infrastructure, which is charged with developing enabling policies, laws. Regulations as well as quality assurance in infrastructure development for communications service delivery and it also provides technical support, supervision, monitoring and evaluation in the development of communications and broadcasting and

(iii) Policy, planning and support services which is responsible for ensuring that the sector complies with policy guidelines and financial management standards in accordance with laws and regulations established. The vote function also supports planning, budgeting, supervision, monitoring and evaluation of ICT service delivery at all levels.

The vote has two development projects namely: E-government ICT policy implementation (code 0900) and Strengthening Ministry of ICT (code 0990). Both projects support activities across the three vote functions.

Annual planned outputs FY2013/14

The annual planned outputs for the MoICT were: i) Complete the development of the National ICT policy; ii) Develop the postcode and addressing system strategy and legal framework - Complete the pilot of National Post code and Addressing System in Entebbe; iii)Feasibility studies for development of ICT parks; iv) Develop ICT standards (National and Ministries, Departments and Agencies (MDAs)); v) Operationalise the UCC Act 2013 and appoint the board of UCC and Rural Communication Development Fund (RCDF); vi) Additional 1% levy and the charge on international incoming voice traffic; vii) Operationalise the cyber laws and NITA-U act with attendant regulations- National e-government regulations, National Databank regulations; viii) Implement National Information Security Framework in MDAs; ix) Implement the Internet Protocol Version Six (IPv6) strategy; x) Implement National Information Security Strategy.

Others are; xi) Disseminate the existing ICT policies (postal, telecom, Country Code Top Level Domain (ccTLD), e-waste management and national ICT); xii) Implementation of analogue to digital migration of TV transmission; xiii) Complete installation of signal distribution infrastructure for Digital Television broadcasting in Greater Kampala; xiv) Put in place mechanism for managing the .ug (dot UG) Country Code Top Level Domain (ccTLD); xv) Rationalisation of ICT services in MDAs and Local Governments (LG); xvi) Ratify three instruments for international ICT organizations (Universal Postal Union, Pan African Postal Union, and International Maritime Satelite Organization (IMSO)); xvii) Acquire permanent home for MoICT and NITA-U; xviii) Promote research and innovation in the sector and xix) Monitor and evaluate ICT sector activities.

Financial performance

The approved budget for the Vote, excluding taxes, arrears and Appropriations In Aid (AIA) for FY 2013/14 was Ug shs 4.960 billion all of which was released (100%). A total of Ug shs 4.919 billion (99.2%) was spent, representing an excellent release and expenditure performance.

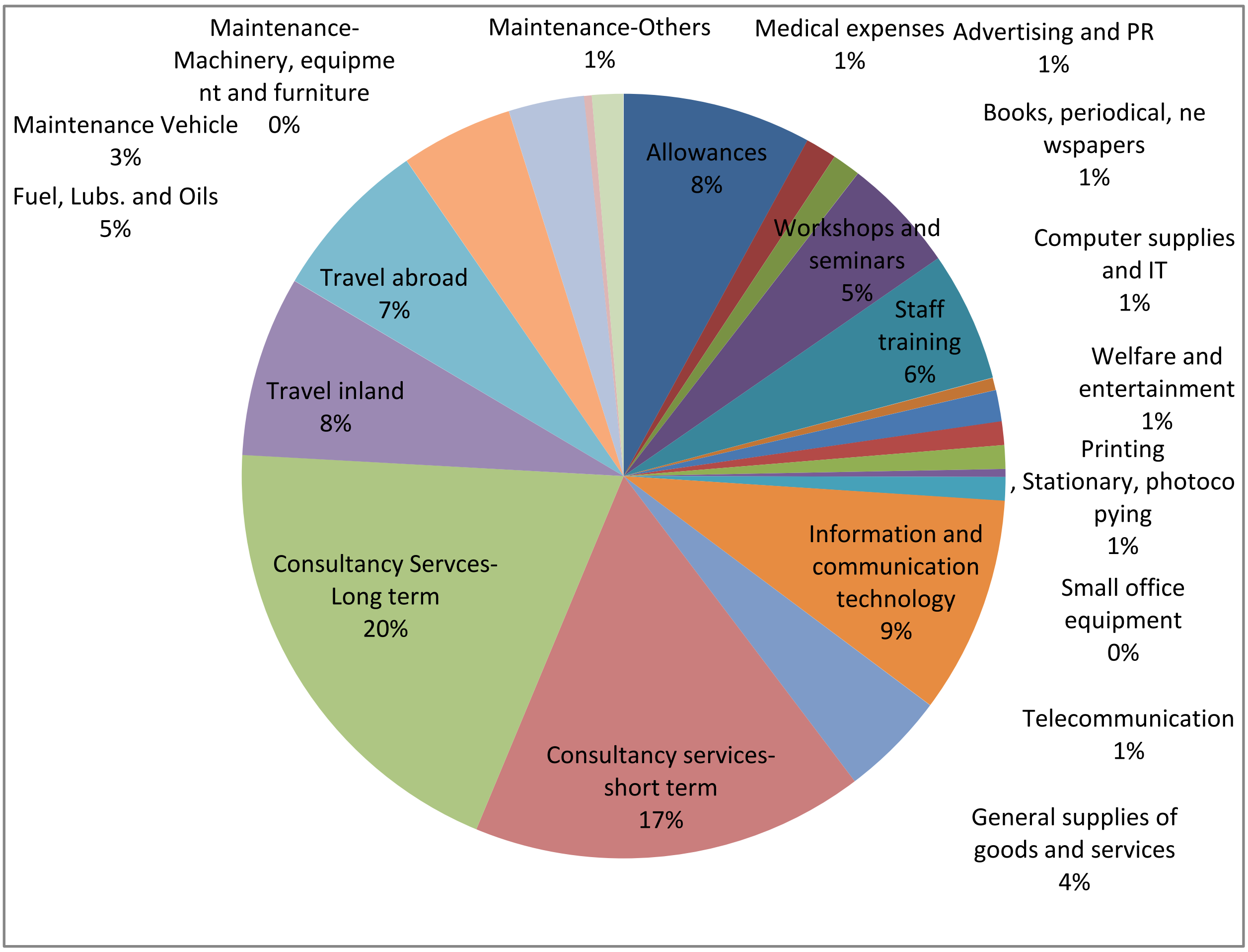
Table 8.1: Budget performance for MoICT FY2013/14 (Ug shs, million)

		Approved Budget	Release	Expenditure	% Release	% Expenditure
Recurrent	Wage	944	944	925	100	98.0
	Non wage	1,528	1,528	1,522	100	99.6
Development	Project 0900	1,518	1,518	1,505	100	99.1
	Project 0990	970	970	967	100	99.6
Total (excl. taxes, arrears)		**4,960**	**4,960**	**4,919**	**100**	**99.2**

Source: IFMS and Ministry of ICT

Table 9.1 shows that the MoICT budget is evenly distributed between recurrent and development (49.8% and 50.2% respectively). However, most of the planned outputs and expenditures under the two development projects, that is, E-government ICT policy implementation-0900 (see figure 8.1) and Strengthening Ministry of ICT-0990 (see figure 8.2) were recurrent in nature.

Figure 8.1: Distribution of expenditure by line item under E-government ICT policy implementation project by 30th June 2014

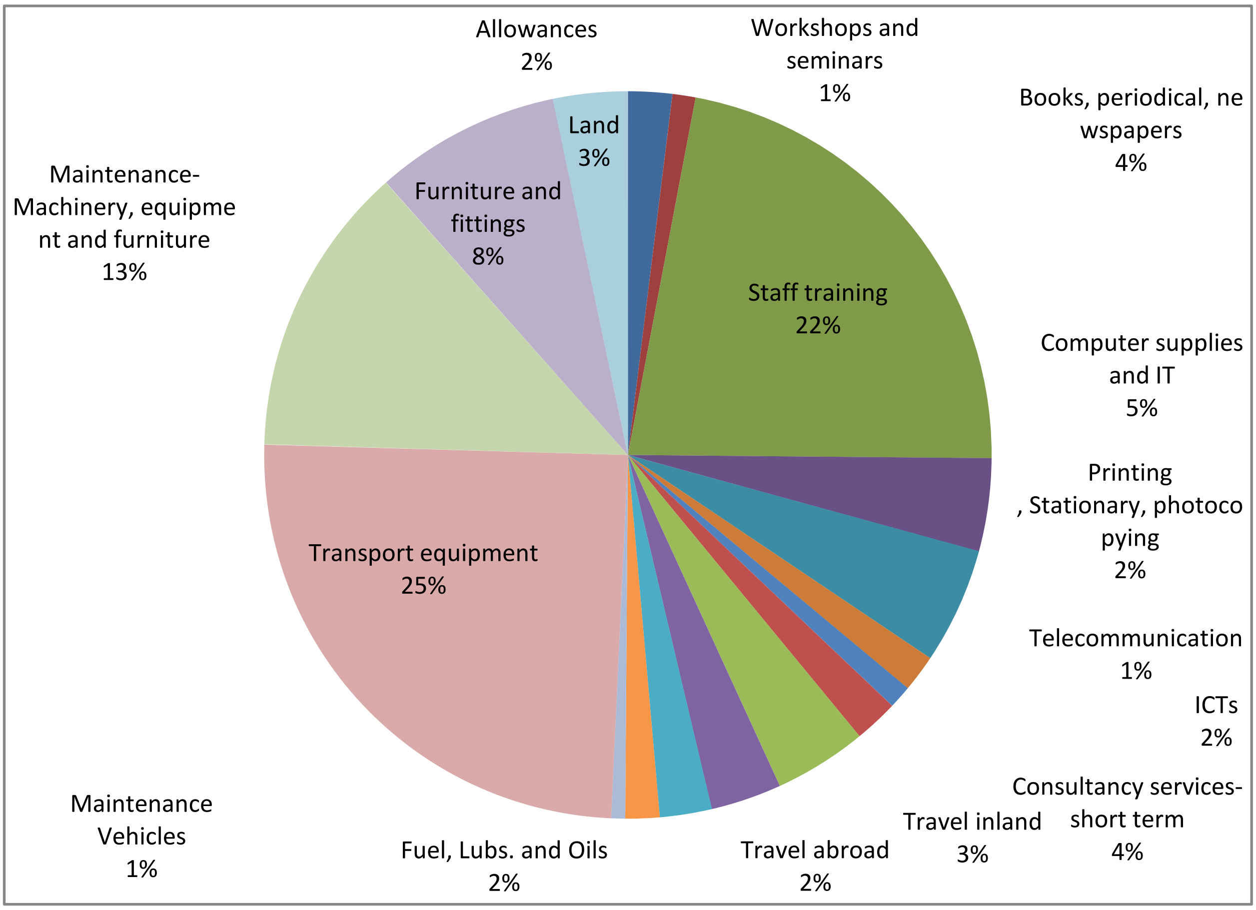


Source: MoICT

Both long and short term consultancies took 37% of the total project budget, followed by information and communication technology (9%), allowances (8%), travel inland (8%) and travel abroad (7%). The rest of the expenditures went to other recurrent activities shown in figure 8.1.

Under project 0990 (strengthening MoICT), 25% of the expenditures went to procurement of a vehicle for the office of the Minister, 22% on staff training, 13% on maintenance of machinery and equipment, and 3% on land. The remaining 37% was distributed on other recurrent activities as shown in figure 8.2.

Figure 8.2: Distribution of expenditure by line items under strengthening MoICT project by 30th June 2014



Source: MoICT

Physical progress

- **Complete the development and disseminate the National ICT policy**

  The national ICT policy was submitted to cabinet for approval. Dissemination is still awaiting the approval and gazetting.

- **Develop the postcode and addressing system strategy and legal framework**

  The principles for the development of the national postcode and addressing system bill were agreed upon by the top management of the Ministry; a multi-institutional task team was formed to examine the existing legal framework to identify the gaps for incorporation.

- **Operationalise the UCC Act 2013 and appoint the board of UCC and RCDF**

  By the end of FY 2013/14, regulations for operationalisation of UCC Act, 2013 were developed and submitted to cabinet for approval. Appointment of the board members was awaiting finalization of the vetting exercise.

- **Additional 1% levy and the surcharge on international incoming voice traffic**

  The additional 1% levy was operationalised during FY 2013/14. It was estimated that about Ug shs 9 billion was realized from the levy during the financial year. The surcharge on incoming international voice traffic was operationalised and an average of Ug shs 8 billion was realized on a monthly basis from the levy.

- **Operationalise the cyber laws and NITA-U Act** with attendant regulations (National e-government regulations, National Databank regulations). The national e-government regulations, and national databank regulations were developed. The electronic transactions regulations, and electronic signatures regulations were gazetted.

- **Implement National Information Security Strategy**

  The national information security strategy was developed and disseminated at a workshop attended by 80 selected participants. Users were urged to align their strategies to the national strategies.

- **Implement the Internet Protocol Version Six (IPv6) strategy** and acquire a block of addresses

  Internet Service Providers (ISPs) were engaged through meetings and workshops on rolling out the first phase of IPv6 strategy. The NITA-U had acquired a block of addresses for government.

- **Implementation of analogue to digital migration of Television (TV) transmission**

  The ministry provided technical support to Uganda Broadcasting Corporation (UBC) and Uganda Communications Commission (UCC) in the planning of country wide rollout of transmission equipment for the switch over from analogue to digital broadcasting. The public awareness and sensitization seminars were not conducted due to limited funding.

- **Disseminate the existing ICT policies** (postal, telecom, ccTLD, e-waste management and national ICT)

  One thousand copies of the Country Code Top Level Domain (ccTLD) were printed and disseminated and a stakeholder's workshop held as part of the exercise.

- **Put in place mechanism for managing the .ug** (dot UG) ccTLD

  A task team for the creation of the interim body for management of the .ug ccTLD was put in place. Two teams carried out technical training with ccTLD registries in Rwanda and Kenya.

- **Rationalisation of ICT services in MDAs and LGs**

  The Ministry of ICT provided technical support to 10 MDAs and 10 LGs. The guidance was mainly on development of institutional ICT policies and strategies and information management systems. Supported agencies include: NITA-U, Ministry of Foreign Affairs, Ministry of Trade, Uganda Business and Technical Education Board, Ministry of Gender, Ministry of Internal Affairs, Makerere University, Office of the Prime Minister, Ministry of Agriculture, and Ministry of Health. Local governments supported include: Jinja, Mbale, Gulu, Mbarara, Ibanda, Ntungamo, Iganga, Mukono, Kibaale, and Hoima.

- **Acquire permanent home for MoICT and NITA-U**

  The MoICT was allocated land in Kampala Business and Industrial Park (KIBP) – Namanve for development of an ICT park. The ministry intends to use part of the land for construction of her headquarters. The planned start up activities (architectural designs) for construction of the buildings was however differed to FY2014/15.

- **Promote research and innovation in the sector**

  One partnership with a leading company in software and hardware industry to set up innovation/incubation centers in Uganda was in advanced stages with a draft memorandum of understanding with M/s Dell Incorporation in place.

  The ministry initiated two partnerships for promotion innovations and research; one with Microsoft under Makerere University on software and another with an alliance of hardware manufacturers (HP, Philips, Microsoft, Dell and East African Compliance Recycling). The alliance was to pilot the feasibility of establishing an e-waste collection infrastructure in Uganda.

Analysis

Link between physical and financial performance

The approved budget for the MoICT, FY 2013/14 was Ug shs 4.960 billion all of which was released. A total of Ug shs 4.920 billion (99.2%) was spent, representing an excellent release and expenditure performance. Most of the expenditures rhymed with the planned outputs of regulatory and policy formulation as well as dissemination.

Achievement of set targets

About 70% of the planned outputs were achieved during the financial year. The National ICT policy was submitted to cabinet for approval, the post code and addressing system strategy and legal framework initiated, cyber regulations developed and gazetted, country code top level domain policy disseminated among others. The preparations for construction of an ICT headquarters did not take off and migration from analogue to digital television broadcasting ongoing but on a rather slow pace and behind the original national deadline of December 2013.

8.2.2 National Postcode and Addressing System pilot project - Entebbe

Introduction

The postcode system is primarily a piece of information identifying the locality of the addressee of a mail item and therefore is a fundamental and essential element of an address.[75] Identifying and addressing individuals the world over has moved from the post office to a physical location of the addressee. This applies to mail, parcels, or any other deliverable. The migration to physical location enhanced the ability of governments, commercial entities, utility and emergency service providers to identify and tailor messages in the most suitable form to reach the intended persons.

The project was conceived in 2008. Execution of the project throughout the country was expected in seven years. The pilot project started in July 2011 and was expected to be completed by June 2012. However, due inadequate funding among other challenges the implementation has been extended to October 2014.

Since FY 2011/12, the MoICT has been coordinating the implementation of the National Postcode and Addressing System pilot project in collaboration with UCC, Posta Uganda, Ministry of Lands, Housing and Urban Development (MLHUD), Ministry of Local Government (MoLG), Uganda National Bureau of Standards (UNBS) and Entebbe Municipality.

The Government of Uganda, through the Ministry of ICT, with advice from UCC and Posta Uganda, started planning for the implementation of a Postcode system in Uganda. Execution of the project required a total of Ug shs 49 billion. The project is phased, starting with a one year pilot - the Entebbe Pilot project. Entebbe was chosen mainly because of its relatively good physical planning with a mix of urban and semi-urban settings.

Project Objectives

The main objective of the project is to introduce and operationalise a national address and postcode system so as to support meaningful and social economic development in the country. The project specific objectives are:

i. To provide an address to every house and location in the country;

ii. To improve the quality of postal and other services to government, community organizations, business and the general public throughout the country;

iii. To develop and maintain a geographic information address management system; and

iv. To lay a foundation for modernizing and expansion of the postal delivery infrastructure in Uganda.

Planned project outputs/activities

The main outputs in the pilot project included: development and adoption of addressing standards, initial sensitization; naming and numbering of all streets, roads, lanes plots, residential houses and business building among other things in the pilot area; mapping, digitization and Geographic Information System (GIS*)* of the Entebbe municipality map; optimizing the Entebbe post office sorting office with financial support from Uganda Posts Limited; initial postcode operations (mail delivery), involving effective transportation and delivery of postal items between Kampala and Entebbe post offices; postcode office set up to manage the existing operations.

Financial performance

The pilot project was originally estimated to cost Ug shs 975,297,635 of which UCC was to contribute Ug shs 662,589,735 for the key project deliverables (consultancy on status of infrastructure, development of marketing strategy, development of Geographical Information System [GIS], fabrication and installation of road signs and house numbers, 10 bicycles for mail delivery, 2 motorcycles, 2 pickup trucks and 3 laptop computers).

The Ministry of ICT was to contribute the balance of Ug shs 312 million to take care of the recurrent activities including supervision, vehicle running, training of managers from Posta Uganda, benchmarking of best practices, allowances, steering committee meetings, test mail delivery, and monitoring and evaluation of the project. Table 8.2 shows the releases and expenditures from UCC and MoICT to the project by 30th June 2014.

Table 8.2: Cumulative project budget, releases and expenditures (FY 2011/12-2013/14) Ug shs

Contributing Entity	Approved budget	Release	% Release	Expenditure	% Expenditure
UCC	662,589,735	625,257,490	94	550,329,603	88
MoICT	312,707,900	312,707,900	100	282,619,900	90
Total	**975,297,635**	**937,965,390**	**96**	**832,949,503**	**89**

Source: MoICT

A total of Ug shs 30 million from MoICT had not been spent on test mail delivery, awaiting installation of mail boxes. Monitoring and evaluation of the pilot project to assess impact was awaiting final completion and handover. Although funds for fabrication and installation of road signs and house numbers had been released, the final payment was awaiting completion of works and expiry of the defects liability period. Table 9.3 shows the payment status on key contracts under UCC.

Table 8.3: Budget, contract amount and payments (Ug shs) as of 30th June 2014

No.	Description	Budget	Contract amount	Actual paid
1.	Consultancy for determination of status of Infrastructure in Entebbe Municipality	50,000,000	38,586,000	38,586,000
2.	Consultancy for development of a marketing strategy for the project	10,000,000	23,010,000	23,010,000
3.	Development of a Geographical Information System (GIS)	120,000,000	122,479,200	122,479,200
4.	Fabrication and Installation of Road signs and house numbers	232,500,000	198,392,882	123,464,995
5.	10 Bicycles	1,500,000	2,360,000	2,360,000
6.	2 Motorcycles	4,000,000	23,347,008	23,347,008
7.	2 Pickup trucks	120,000,000	200,644,800	200,644,800
8.	3 laptops	7,200,000	16,437,600	16,437,600
9	Monitoring and Evaluation	117,389,735		
	Total	**662,589,735**	**625,257,490**	**550,329,603**

Source: MoICT

The significant variation in actual expenditure against the budget on some items was due to, under, and over costing contained in the March 2008 study report of the Universal Postal Union (UPU) consultant. However, the overall expenditures were within the approved budget.

Physical performance

During FY 2011/12 and 2012/13, all the planned activities save for test mail delivery, had been initiated and were at varying levels of implementation (refer to the Annual Budget Monitoring Report FY2012/13). During FY 2013/14, the Ministry of ICT planned to finalise the activities and handover the pilot phase to Posta Uganda and Entebbe Municipality as per the Memorandum of Understanding (MoU). Progress on key deliverables is highlighted below:-

Development and adoption of addressing and postcode standards

The country drafted Universal Postal Union S.42 compliant National Addressing Standards which were approved by the Uganda National Bureau of Standards (UNBS) and the UPU. This made Uganda the third African country, after South Africa and Egypt, to have S. 42 compliant standards approved by the UPU.

Uganda adopted a five digit (numeric) system for the post code standard as shown in Table 8.4

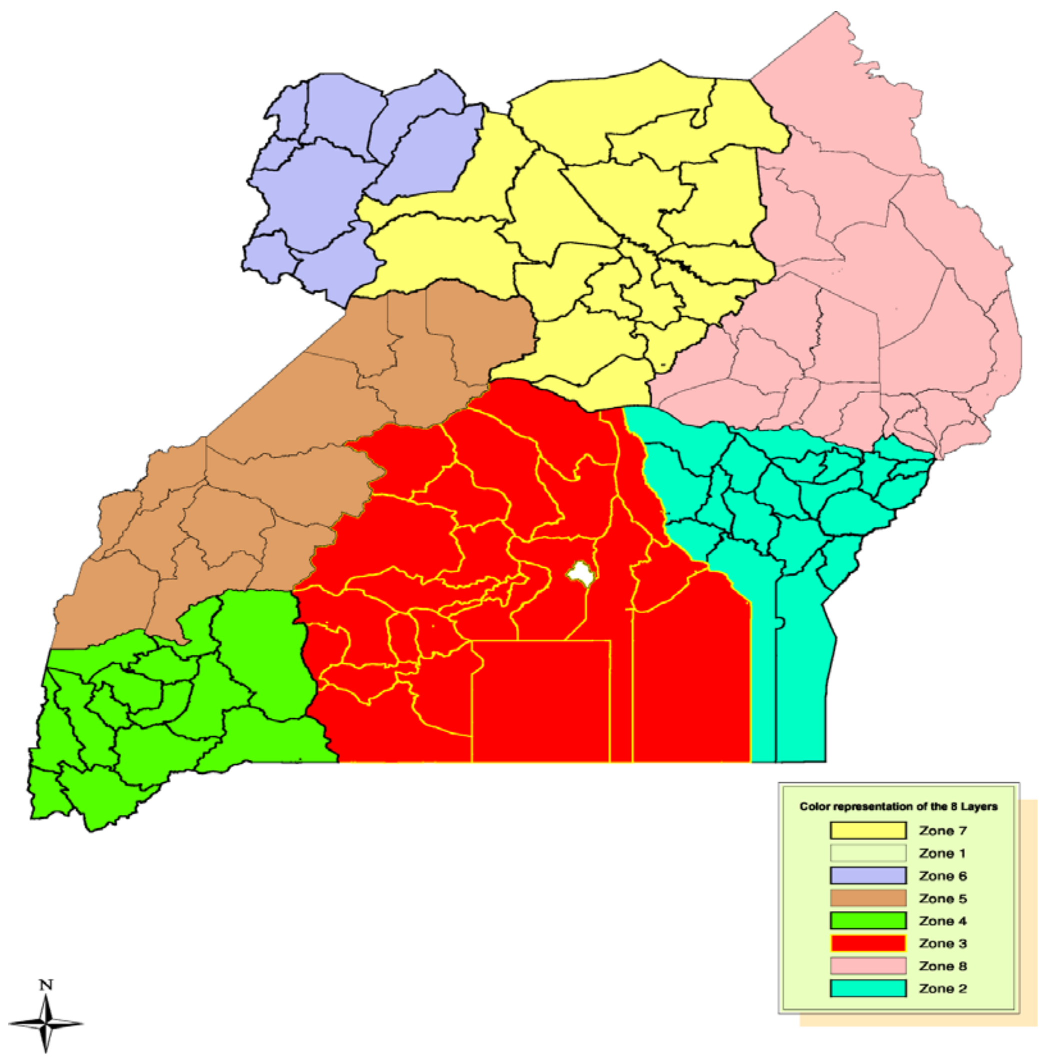
Table 8.4: Post code system standard

POSTCODE	EXPLANATION
33110 (XXXXX)	5 digits (numeric)
X - - - -	1st digit = Zone
XX - - -	1 and 2 (1st two digits) = Region
XXX - -	1 and 2 and 3 (1st three digits) = District
XXXXX	All 5 digits = Ward/Sub – Ward/Village
	All 5 digits = Post Office/Big Mailers/Landmarks/ Activity Postcodes

Source: MoICT

Uganda is divided into eight administrative zones. Each zone is assigned a code, for example zone 1 covers Kampala while other districts in Buganda where Entebbe fall under zone 3. This means that a postcode with the first digit as 3 falls in Buganda. These zones are further subdivided into 16 regions and the process continues until the last unit is identified (district, ward, sub ward and village). Figure 9.3 shows the zoning of the country.

Figure 8.3 Map of Uganda showing the eight zones



Source: MoICT

Sensitisation workshops

During FY 2013/14, three sensitisation workshops were held in Entebbe municipality targeting Local Council heads, selected users of the addressing system (banks, utility companies, hospitals, NGOs, among others) and residents. Residents are realizing the benefits of the project and proud to be associated with it. For example, several boda-boda cyclists and users noted that the system had eased locating destinations.

Completion of road sign installations and house labeling

Installation of road signage was finalized in all the wards within Entebbe Municipal Council. House labeling was ongoing and a total of 1,439 house labels out of 1,600 had been installed

Houses labeled along Nambi Road, Kitooro Road and Church Road in Entebbe Municipality

Mapping, digitization and Geographic Information System (GIS*)* of Entebbe municipality

A web based GIS system covering Entebbe Municipality was developed for the project. Three core layers were used in the development of the system, these included; the cadastral /parcel layer, the road network, the buildings/properties, and the postcode layer. A total of 1,500 buildings were fully addressed with plot numbers and road names. The system was uploaded and can be accessed from the Ministry of Information and Communications Technology website at www.ict.go.ug.

One of the procured project vehicles at Shell Entebbe and a vandalized road sign in Katabi

Development of a marketing strategy

A marketing strategy for the project was developed and approved. The objective of the strategy was to develop a guide to facilitate the project stakeholders in communicating the National Post Code and Addressing System to the beneficiaries in the area of Entebbe. This involved a plan for the various media activities, advising on the best approaches to communicate using a combination of media vehicles, sequencing of the media activities and stipulation of the exact nature and quality of the materials required during the communications campaign.

Initial postcode operations (mail delivery)

By 30th July 2014, the project was at the stage of testing mail delivery. The MoICT was to provide resources to Posta Uganda to undertake the activity given the mandate of the agency. However, mail test delivery was awaiting installation of the 50 mail boxes procured.

Commissioning and hand over

Once mail delivery testing is complete, a review of the project and impact assessment shall be undertaken to inform the next steps in project rollout. It was reported that the pilot project was to be commissioned and handed over to Posta Uganda and Entebbe municipality in September 2014.

Analysis

Linking financial to physical progress

Apart from monitoring and evaluation, all the key deliverables from UCC were contracted, and over 70% completed. A number of core components of the project were under budgeted, for example; only 50 mail boxes were procured for 50 out of 1,600 houses. The GIS developed lacks the occupancy and postal layers which are key in effective mail delivery. The project funds have been optimally spent on the core project outputs. However, delayed implementation increased pilot project costs as assets had to be maintained until hand over.

Achievement of set targets

The pilot project was originally expected to be completed in one year, (FY 2011/12) however, due to inadequate funding; implementation has gone on for more than three years. 80% of the planned project outputs had been achieved.

Challenges

- The GIS developed lacks the occupancy and postal layers which are very relevant for easy delivery of mails in the postcode environment.
- Lack of updated cadastral maps and established property identification mechanisms in the area.
- There were no developed criteria for selecting the fifty recipients of the procured mail boxes.
- Some roads do not have names, whereas in some areas there is a disagreement between the council and the locals over assigned road names.
- There has been vandalism of the road signage especially in rural areas mainly due to disputed road names, exact point to mount the signage, among others. Many areas lack a road reserve on which to install road signposts. Some roads have barriers, such as other signposts that hinder placement of the road signage.

Conclusion

At least 80% of the expected project outputs had been achieved by end of FY 2013/14. Residents of Entebbe had started appreciating and owning the project. Implementation was however delayed by underfunding, vandalism and under scoping.

Recommendations

- The MoICT and UCC should provide funds to capture property occupancy and postal layers in the GIS system to improve efficiency in mail delivery. This layer should define the current occupancy of the property. There is need for periodic (regular) update of the GIS.
- The physical planning department of the Entebbe Municipality should continuously update the cadastral maps.
- Entebbe Municipality in consultation with Posta Uganda should develop criteria for location of the procured mail boxes. For proper impact assessment, the ministry of ICT and UCC should fund the acquisition of additional mail boxes to cover at least one third (500 houses) of the project area.
- The municipal officials should engage local councils and residents in areas with disputed road names to mitigate vandalism.

8.3 National Information Technology Authority (NITA- U)

Introduction

The agency's mission is to *["coordinate, promote and monitor the development of Information Technology (IT) in the context of social and economic development of Uganda"]* At the beginning of FY 2013/14, NITA-U was elevated to a Vote status (Vote 126) and retained two of the previous four development projects, that is, the National Transmission Backbone Infrastructure (NBI) and Business Process Outsourcing (BPO). Financial and physical progress shows the overall performance of the agency and the two development projects.

Objective

The objectives of the project are to:

- Establish a national backbone infrastructure (high bandwidth data connection) in major towns of Uganda.
- Connect all ministries in a single wide area network.
- Establish a government data centre.

Planned outputs for NITA-U: FY2013/14

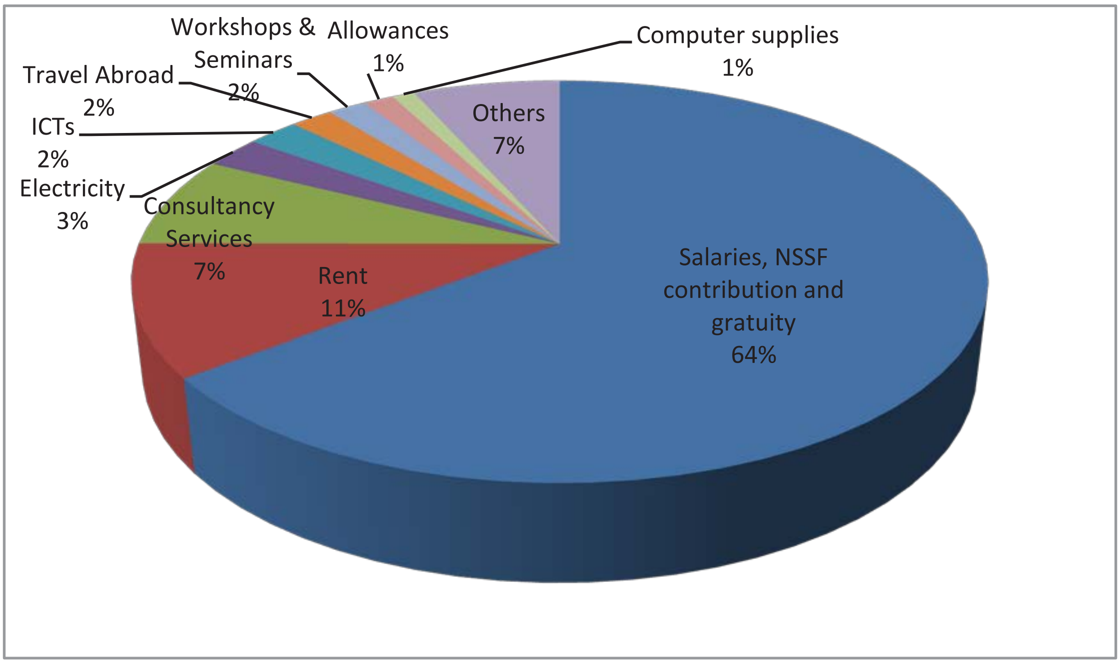
These included; i) Implementation of phase III of the NBI; ii) Reinforcement of NBI information security; iii) Implementation of national information security framework in MDAs; iv) Implementation of e-Government master plan; v) Operationalisation of the cyber laws and NITA law; vi) Development of National IT standards; vii) Continuous operation and maintenance of the BPO incubation centre; viii) Conduct feasibility studies on: Public Key Infrastructure (PKI), National Data Centre and disaster recovery, shared services and a national data bank, last mile connectivity, and development of an IT park; ix) Establish a National Computer Emergency Response Team (CERT) and x) Development of NITA-U headquarters (acquisition and servicing of land).

Financial performance

The approved budget for the Vote, excluding taxes and arrears for FY 2013/14 was Ug shs 10.469 billion of which Ug shs 9.718 billion (92%) was released and Ug shs 9.712 billion (99.9%) of released funds expended by 30th June 2014. Both release and expenditure performances were excellent.

Absorption of funds was highest under the recurrent-wage component, with 64% of the total release spent on staff salaries, NSSF contribution and gratuity; 11% on rent, 7% on consultancy services, 3% on electricity, while information and communications technology, workshops and seminars, and travel abroad took 2% each, and 7% on others (See Figure 8.2).

Figure 8.2 NITA-U expenditures by line item, FY 2013/14



Source: NITA-U

Development projects performance under NITA-U

8.4.1National Transmission Backbone Infrastructure (NBI): Project 1014

Background

The National Data Transmission Backbone Infrastructure and e-Government Infrastructure Project (NBI/EGI) is implemented by the NITA-U. It is aimed at connecting Ministries and Government Departments onto the e-Government Network. This is done to create an efficient government through simplifying procedures, bringing transparency, accountability and making timely information available to citizens.

The main objectives of the project are: to establish a National Backbone Infrastructure (NBI) (high bandwidth data connection) in major towns of Uganda; connect all Government Ministries, Departments and Agencies (MDA) in a single wide area network; establish a Government Data Centre; and establish District Information Centres.

Expected outputs at completion of the project include: all government ministries connected; e-government implemented; an optic fiber backbone transmission cable set up across the country(1,536.39km); district information centres established to improve communication, improved service delivery by government ministries, and reduced cost of communications.

According to the public Investments plan (2013), the project commenced in July 2007 and was expected to be completed in July 2012. The end date was revised to July 2014. The project was divided into three phases and implementation was to take 27 months. It is funded by a concession loan from EXIM Bank of China with counterpart funding from Government of Uganda. In 2006, a contract was signed between the Ministry of ICT and M/s Huawei Technologies Company Limited of the Peoples' Republic of China at a contract sum of US$ 106,590,305. By 30th June 2013, a total of 1400.7km of optic fiber cables had been laid and US$91.2 million paid for Phase I and Phase II.

Annual Planned Outputs FY 2013/14

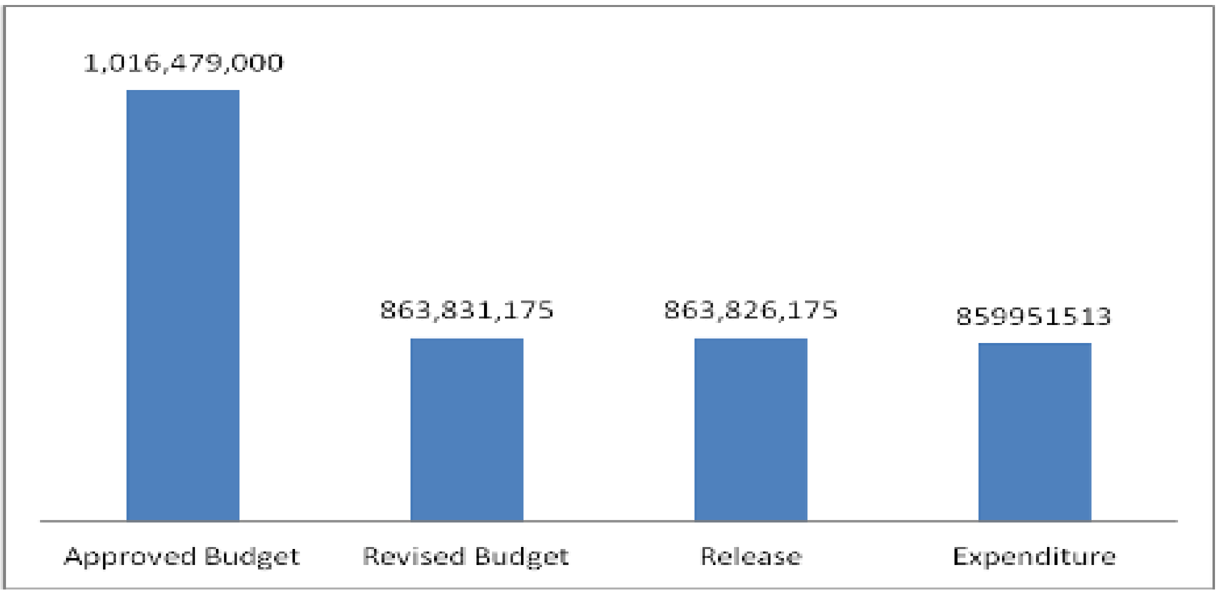
(i) Implementation of Phase III of the NBI completed.
(ii) Implementation of priority interventions of the rationalization strategy undertaken.
(iii) Remedial action to address NBI Information Security vulnerabilities undertaken.
(iv) National Information Security Framework developed.
(v) Commercialization of NBI.

Findings

Financial performance

The approved (GoU) budget for FY 2013/14 for project 1014 was Ug shs 1.016 billion which was revised down wards to Ug shs 863 million all of which was released, and Ug shs 859 million (99.5%) spent by 30 June 2014. Both release and expenditure performances were excellent against the revised budget (See figure 9.3).

Figure 8.3: NBI/EGI approved budget, release and expenditure (Ug shs) by 30th June 2014



Source: NITA-U

Expenditures were on: Consultancy services (35%) maintenance of machinery and equipment (21%), electricity (15%), computer supplies and IT services (11%), travel abroad (11%) and 7% on others. Funds were mainly spent on the project core components. There was no donor release for the FY 2013/14.

Past performance
Phase I and II of the National Backbone Infrastructure/e-Government Infrastructure (NBI/EGI) project were completed in 2012. These phases entailed laying of 1400.76 kms of fibre optic cables and setting up of the NBI primary data centre and Metropolitan Area Network (MAN). The MAN network consists of the connectivity of 27 ministries and some departments through the laying of optical fiber cable onto the e-government network. Twenty two district headquarters across the country were connected and are benefiting directly from the project.

Physical performance for FY 2013/14

I) Implementation of Phase III of the NBI: During the course of the FY 2013/14, the contract for Phase III between GoU and M/s Huawei Technologies was approved by the Solicitor General. The Memorandum of Understanding (MoU) with the contractor for inclusion of a supervisor under phase III was signed, however, actual implementation, that is; laying of optic fibre cables and transmission stations to connect Kabale, Katuna, Malaba, Masaka –Kyotera and Mutukula did not commence as the necessary surveys on all installations in the initial phases to ensure quality and reliability in providing services to users were being done.

Phase III will also avail an alternative route to the undersea cables at Mutukula through mainland Tanzania to the East African Submarine cables and will also connect Uganda to the Rwandan border. All other districts will be reached using the last-mile connectivity programme using other connectivity technologies like WiMax.

II) Remedial action to address NBI information security vulnerabilities: To counter the security gaps from the vulnerabilities that had been identified, NITA-U undertook consultations with key stakeholders. Upgrade of software on the NBI devices had been done on four sites that is NITA-U, Ministry of Finance, Planning and Economic Development (MFPED), Ministry of Health (MoH) and MoES. It was reported that implementation of security controls would be completed once all the software at targeted sites are fully upgraded.

III) Rationalisation of NBI and bulk procurement of band width

Background
During FY 2013/14, NITA – U commenced the operationalization of bulk internet bandwidth for Government of Uganda Ministries, Departments and Agencies (MDAs). This is implemented through the delivery of centralized bandwidth for the agencies connected to the NBI and extending it to those that are willing to connect to the e-Government Infrastructure. The overall objectives of the bulk purchase of internet bandwidth by NITA – U were as follows:

(i) Reduce the cost of internet bandwidth through the economies of scale.
(ii) Enable NITA – U rollout e-Government services like online education, and health that are dependent on the accessibility to high speed internet service to the rural schools and hospitals;
(iii) Connect MDAs and Special Interest Groups onto the NBI/EGI for delivery of internet services
(iv) Promote the BPO industry across the country through the delivery of cheap internet bandwidth in all the towns that will be covered by the NBI.

Findings

By 30th March 2014, NITA – U had completed the procurement of suitable firms to provide bulk internet for Government of Uganda resulting into the selection of Bandwidth Cloud Services (BCS) and Safaricom Limited. By 30th June 2014, BCS had commenced delivery of bandwidth to Statistics House. A total of 36 MDAs had signed MoUs with NITA-U for supply of bandwidth and a total of 21 MDAs were receiving internet over the NBI.

The bulk procurement of bandwidth experienced delays in the signing up of MDAs most notably State House, Ministry of Defense and Ministry of Lands. A number of MDAs, notably Ministry of Foreign Affairs, Ministry of Local Government, Ministry of Education, Ministry of Trade and Ministry of Finance have internal technical issues which affect the quality of Internet service.

Some aspects of the contract, such as; Bandwidth Monitoring and Distribution Tools and Supply and installation of Internet Capacity to Statistics House using 10 Gigabit Ethernet Port on Routers that required upfront payment, could not be delivered due to inadequate funding.

IV) Commercialization of the NBI

Background

The overall objectives of the commercialization of the NBI/EGI are:

a) To generate revenue for Government through the commercialization of excess capacity on the NBI/EGI;

b) To maintain the National Data Transmission Backbone Infrastructure and the e-Government Infrastructure.

c) To provide subsidized services for Government and special interest groups for example schools, hospital etc.

M/s Soliton Limited was awarded a contract to commercialise the NBI. The specific roles of the company include:

a) Develop bankable business for the implementation of services on the NBI;

b) Facilitate the bulk purchase and delivery of Internet bandwidth to government;

c) Generation of revenue through commercialization including but not limited to:

    (i) Provide sales and marketing services for the infrastructure, incidental, attendant and/or related services;

    (ii) Implement a robust billing system that will generate automated bills for the utilization of the NBI/EGI and related services;

    (iii) Provide effective Revenue management services including debtors management and collection services;

    (iv) Effectively manage customer contracts and deliver contracted services at the agreed service levels;

    (v) Planning for capacity, growth and aligning service delivery with business needs of the Client.

d) Establish a robust structure and staffing for commercialization of NBI/EGI Infrastructure;

e) Maintain the National Data Transmission Infrastructure and optical fibre cable by ensuring an uptime of 99.9% after completion of the rings and 97%before completion of the rings.

f) Provide remote Network Operations Centre (NOC) management and generate weekly and monthly operation reports;

g) Distribute and manage internet bandwidth to government entities connected to the NBI

h) Distribute global Internet Protocol (IP) addresses to Government entities;

i) Provide information security compliance across the NBI network which includes physical security of the National Backbone Infrastructure

j) Management and financing (only where applicable) of capital investments/projects;

k) Preparation and submission of relevant technical and commercial reports.

Under this contract, NITA-U's roles include: Monitoring the maintenance of the NBI, resource planning, and planning for network upgrade and expansion.

Findings

During the course of the FY 2013/14, the following were achieved:

The NITA-U handed over phase I and II of the NBI, that is; the Data Centre at Statistics House, transmission sites, and MDA sites to the contractor. The project collection account was opened. A network assessment of the NBI was completed and a report submitted to NITA-U. Remedial repairs arising out of the network report were undertaken pending fixing the worn out batteries. The inception report and detailed maintenance plan were prepared and submitted to NITA-U.

The contractor (Soliton) sub contracted M/s Computer Point Limited to manage the data centre. In line with the Uganda Communications Commission Act, 2013, NITA-U submitted a request for Public Service Provision and Public Infrastructure Provision (PSP/PIP) licenses (licenses for voice and data provision and frequency assignment, they permit holders to install network facilities associated with transmission, reception and switching of telecommunications/electronic signals) to Uganda Communications Commission. By 30th June 2014, the agency was still awaiting a response. The contractor was sourcing an insurance policy for the NBI and was generating a comprehensive list of end users to whom, bandwidth would be supplied.

A remote Network Operating Centre (NOC), help desk, and billing system had been implemented. By 30th June 2014, a billing model for target user groups was generated and approved. Actual revenue generation was ongoing. Since March 2014 when government started delivering bandwidth, US$ 45,300 was being generated per month. Signed contracts with different companies so far are estimated to generate US$ 789,840 a year. Once the prospective clients are signed up, the NBI is expected to generate a total of US$ 8,065,608 per annum from provision of dark fiber (unlit/unused optical fiber cables available for private use on the NBI) and capacity resale (a service of reselling leased/dedicated telecommunication services).

It was reported that the Uganda Revenue Authority, Ministry of Finance, and the Ministry of Public Service had submitted requests to NITA-U for provision of NBI services including hosting of disaster recovery sites, IFMS connectivity, hosting of the Computerized Education Management and Accounting System (CEMAS) application, and connectivity to Integrated Payroll and Pension System (IPPS).

Analysis

Link between Financial and Physical performance

Both release and absorption of funds by NITA-U were excellent at 92% and 99% respectively. Absorpotion of funds was highest on staff remuneration (wages, gratuity and NSSf contribution) at 64% of the total release. Procurement of bulk bandwidth, development of the national information security framework and commercialization of the NBI were initiated.

Achievement of set targets

Under National Transmission Backbone Infrastructure, all the planned outputs were either achieved or initiated apart from implementation of Phase III of the project. Bulk procurement of bandwidth and commercialization of the NBI were initiated and operationalised. The draft national information security framework was developed and the Computer Emergency Response Team (CERT) established. Overall performance of the NBI project was very good (70%).

Challenges

- Delayed commencement of phase III of the NBI (laying of 757kms of fiber optic cable and installation of associated transmission sites) during FY 2013/14 leaves the country with a single route to the undersea internet cable.

- Inadequate funding: NITA- U did not receive funding from Government of Uganda for the non recurrent costs of the bulk procurement of bandwidth contract, as a result, some aspects of the contract, such as; Bandwidth Monitoring and Distribution Tools and Supply and installation of Internet Capacity to Statistics House using 10 Gigabit Ethernet Port on Routers that required upfront payment, could not be delivered.
- Delayed signing of MoUs by MDAs and internal technical issues: The bulk procurement of bandwidth experienced delays in the signing up of MDAs most notably State House, Ministry of Defense and Ministry of Lands. A number of MDAs notably Ministry of Foreign Affairs, Ministry of Local Government, Ministry of Education, Ministry of Trade and Ministry of Finance have internal technical issues which affect the quality of Internet service.
- Under commercialization of the NBI, the process of handing over the Data Center took a long time because identifying a sub-contractor for its management delayed.
- The internal processes and approved Government procedures took a lot of time which delayed the commercialisation process. This was coupled with the lack of sufficient funds to carry out the NITA-U obligations under the contract. This slowed down the responses to requirements.
- Continuous vandalism of the OFC infrastructure especially in towns where manhole covers are stolen and some cables cut.
- The NBI has critical relocations required in the medium term due to new road works, however, NITA-U did not have the budget and funds for relocation of the OFC from the road reserves. Affected routes include: Kajjansi- Entebbe road where the Entebbe Express Highway is being constructed. The relocation requires an estimated Ug shs 462 million. Along the Atiak –Nimule road, an estimated Ug shs 2.6 billion is required for relocation of the OFC. Discussions with UNRA have so far not yielded results as Ministry of Works communicated that they shall not compensate utility infrastructure in the road reserves.
- Difficulty of getting permission from KCCA to dig across the city for provision of last mile connectivity.

Conclusion

Commendable progress was realized under the commercialization of the NBI and procurement of bulk bandwidth during the financial year. However, the planned implementation of the third phase of the NBI did not take off. The project is affected by inadequate funding, vandalism of OFC and delayed permission to dig some city roads for last mile connectivity of some MDAs.

Recommendation

- The NITA-U should fast track the implementation of phase III of the NBI project for the set objectives to be achieved.
- The NITA-U should be permitted to use part of the funds generated from the commercialization of the NBI and provision of bandwidth to procure the missing tools, extend the OFC to key MDAs and relocation of the OFC at the ongoing road construction sites.
- The MoWT, UNRA and KCCA should improve road designs with service ducts to avoid digging of paved roads by utility services companies.
- The NITA-U should provide technical support to MDAs with internal technical issues to enable them improve on the quality of service.

8.4.2 National Information Security Framework

Background

The NITA-U Directorate of Information Security (DIS) is charged with the responsibility of providing vision and leadership to spearhead information security governance, risk remediation, planning and response, as well as promoting and monitoring the development of a National Information Security Framework (NISF).

The framework includes establishment of a National Computer Emergency Response Team (CERT) Coordination Centre, conducting a feasibility study on establishment of a Public Key Infrastructure, establishing international partnerships, conducting Information Security awareness training / promotion campaigns, spearheading the creation of the National Information Security Advisory Group among others.

The directorate has three departments namely: Computer Forensics and Incident Management, Information Security Compliance, and Information Security Operations.

Findings

Financial performance

The approved budget for information security FY 2013/14 was Ug shs 605 million of which Ug shs 510 million (84%) was released and a total of Ug shs 509 million (99.9% of release) spent. Most of the funds (66.7%) were spent on short term consultancy services and 9.8% on workshops and seminars. Table 8.4 shows the financial performance of the NISF.

Table 8.4: Approved Budget, Release and expenditure (Ug shs) for NISF FY 2013/14

Item	Approved Budget	Revised budget	Release	Expenditure	Unspent	% distribution of expenses
Allowances	40,000,000	40,000,000	40,000,000	39,999,733	267	7.9
Advertising and public relations	5,000,000	20,000,000	20,000,000	19,999,553	447	3.9
Workshops and Seminars	60,000,000	50,000,000	50,000,000	49,997,778	2,222	9.8
Consultancy services Short term	420,000,000	340,000,000	340,000,000	339,909,080	90,920	66.7
Travel inland	60,000,000	40,000,000	40,000,000	39,999,491	509	7.9
Fuel, lubricants and Oils	20,000,000	20,000,000	20,000,000	19,482,820	517,180	3.8
Subtotal	**605,000,000**	**510,000,000**	**510,000,000**	**509,388,455**	**611,545**	**100.0**

Source: NITA-U

Physical performance

The following achievements were registered against the planned activities for the framework:

a) NITA-U developed a draft National Information Security Framework (NISF) to help secure information and information systems on which the country's economic development and national security depends.

   The NISF fulfils Government of Uganda's (GoU) pledge to protect national resources and systems against cyber-attacks and associated risks such as cyber terrorism, computer related espionage, fraud, sabotage, and vandalism. The draft framework was reviewed by the technical committee of the NITA-U board who recommended it for board approval. The board requested for a stakeholder validation workshop for the NISF which took place on 28th and 29th April 2014.

b) In a national coordinated approach for handling information security incidents, a National Computer Emergency Response Team/Coordination Centre (National CERT/CC) was established in February 2014 under direct supervision and oversight from the Directorate of Information Security. The National CERT/CC (www.cert.ug) is responsible for receiving, reviewing, and responding to computer security incident reports and activity for both the public and private sector. Currently collaborating with relevant security institutions in a bid to help equip them with the ability to establish a military CERT.

c) The Directorate provided information security governance, technical assistance and quality assurance for the National ID Project (National Security Information System). NITA-U participated in the development and review of technical specifications, procurements of additional equipment, review of information security processing facilities and infrastructure, and recruitment of staff for the project.

d) Through the National IT Promotion Agency of South Korea (NIPA), NITA-U was able to undertake and conclude a feasibility study on establishment of the Public Key Infrastructure (PKI) for Uganda[76]. The draft report was presented to NITA-U management and comments were captured by the NIPA consultants. The final report is yet to be presented by NIPA, and reviewed by NITA-U.

e) The agency developed 12 Information Security Standards for Government of Uganda in collaboration with the Uganda National Bureau of Standards (UNBS).

f) NITA-U provided technical assistance towards the establishment of an e-procurement system championed by PPDA.

g) The agency organized the Annual East Africa Information Security Conference in August 2013 together with the Information Systems Audit and Control Association (ISACA), and the Swedish-Uganda ICT conference in March 2014. In collaboration with Cyber Security Africa, NITA-U organized the East African Banking and ICT Summit on 24th April 2014. In conjunction with the United Nations Office on Drugs and Crime (UNODC), the EA regional meeting on preventing and combating cybercrime was held on 27th and 28th May 2014 in Uganda.

h) NITA-U spearheaded the creation and constituting of the National Information Security Advisory Group (NISAG). NISAG shall maintain a national risk register and shall provide advisory services to Government of Uganda on Information Security and shall ensure that issues of cyber security are addressed appropriately. The various institutions operating critical National Information Infrastructure (NII) were requested to nominate representative and they positively responded. Appointment of members to NISAG by the Hon. Minister of ICT was ongoing. The secretariat for NISAG will be at NITA-U under the Directorate of Information Security.

i) NITA-U actively participating in the creation of a social media monitoring and citizen interaction centre concept for GoU. This will be the platform for government to listen to and respond to pertinent threads on the social networking sites such as Facebook, Twitter amongst others. This project code named Government Citizen Interaction Centre (GCIC) has been initiated.

j) NITA-U initiated the process of joining the Information Security Forum (ISF) and participated in the Annual Global ISF meeting in November 2013. The ISF brings members together to share and discuss information security issues, experiences and practical solutions in an environment of total trust and confidentiality as well as provide members with unlimited access to an extensive library of reports that provide practical guidance and solutions to information security challenges.

k) The agency conducted information security awareness training/campaigns in various institutions including the following:
   i. Bank of Uganda
   ii. Institute of Internal Auditors
   iii. Insurance Regulatory Authority
   iv. Information Systems Audit and Control Association (ISACA) Kampala Chapter

v. Makerere University
vi. Ministry of Energy and Mineral Development
vii. Ministry of Finance, Planning and Economic Development
viii. Ministry of Information and Communication Technology
ix. National Information Technology Authority - Uganda
x. Rural Electrification Agency
xi. Special Forces Command
xii. Uganda Bankers Association
xiii. Uganda Electricity Generation Company Limited
xiv. Uganda Human Rights Commission
xv. Uganda Investment Authority
xvi. Uganda Law Society
xvii. Uganda National Chamber of Commerce and Industry
xviii. Uganda National Chamber of Commerce and Trade
xix. Uganda National Council for Science and Technology
xx. Uganda People's Defence Forces
xxi. Uganda Revenue Authority
xxii. Uganda Road Fund

l) NITA-U led the joint security team during the process of planning for the remediation of the security vulnerabilities discovered during the information security audit of the NBI. The plan has been drawn together with the associated budget. Implementation of zero cost controls commenced. Funding proposals were submitted to MFPED and KOICA.

m) The NITA-U provided governance and strategic thoughts during the process of managing the Information Security affairs for government of Uganda. This has amongst others included incident response during cyber-attacks notably the defacement of the OPM website and the mass defacement of 55 .go.ug websites.

n) The agency established both local and International partnerships with the following amongst others; Uganda Communications Commission, Government of the Arab Republic of Egypt, Government of Cameroon, Government of Korea, Commonwealth Telecommunications Organization, Commonwealth Cybercrime Initiative, United Nations Office on Drugs and Crime.

Analysis

Link between financial and physical performance

A total of Ug shs 605 million was approved for NISF of which 510 million (84%) was released and Ug shs 509 (99.9%) million spent. At least 66.7% of the funds were spent on consultancy services for the development of the National Information Security Framework which was the core deliverable of the program. Both physical and financial performance were excellent (over 90%).

Achievement of set target

The draft National Information security framework was developed, the national information security advisory group and the computer emergency response team established. The feasibility study on the public key infrastructure was completed.

Challenge

- Under staffing of the Directorate of Information Security due to budget constraints. To-date the directorate has only two staff, the director and the information security operations manager.

Recommendation

- The NITA-U should rationalize and prioritize the staffing of the directorate of information security.

8.4.3 Business Process Outsourcing (BPO): Project 1055

Background

Business Process Outsourcing (BPO) is defined as the strategic use of third party service providers to perform activities traditionally handled by internal staff and resources. The BPO is categorized into back office outsourcing (which includes internal business functions such as human resources or finance and accounting) and front office outsourcing (which includes customer-related services such as call centre services).

In 2008, the Ministry of ICT developed a BPO strategy and model for Uganda which proposes that for sustainability of the BPO industry, there is a need for government to partner with the private sector and provide support in areas of: infrastructure development, human resource development, enterprise development, marketing and creating an enabling environment for BPO to flourish.[77] The project commenced on 1st July 2008 with an end date of 31st July 2014. This project was transferred from the MoICT to NITA-U with effect from FY 2010/11 and is fully funded by GoU.

Objectives

The objectives of the project are to:

- Setup infrastructure that can support the BPO industry.
- Market Uganda as a preferred BPO destination.
- Establish partnerships with the private sector to enable the sustainability of the industry.

The annual planned outputs/ activities for the project in FY 2013/14 are:

i. Support provided towards the maintenance and sustainability of the BPO Incubation Centre (internet bandwidth and utilities)
ii. Officially launch the BPO Centre
iii. Operationalize 3rd floor of the BPO incubation Centre
iv. Dissemination of the BPO Standards
v. Submit cabinet memo for approval of the 3 BPO frameworks (Strategy, Incentive guidelines and Standards)
vi. BPO skills developed through regular training
vii. Increase youth employment through BPO
viii. Promote BPO services

Findings

Financial performance

The approved budget for the project excluding appropriations in aid, taxes and arrears for FY 2013/14 was Ug shs 210 million all of which was released by June 2014. Both release and expenditure performances were excellent as shown in Table 8.5.

Table 8.5: BPO approved budget, releases and expenditure (Ug shs) FY 2013/14

Line Items	Approved Budget	Release	Expenditure	% Absorption
Information and Communication Technology	180,000,000	180,000,000	179,999,047	100%
Electricity	20,000,000	20,000,000	19,998,446	100%
Water	10,000,000	10,000,000	9,948,606	99%
TOTAL	**210,000,000**	**210,000,000**	**209,946,099**	**99%**

Source: NITA-U and IFMS

Physical performance

The BPO centre was officially launched on 19^{th} September 2013. Two new operators, M/s Dial-a -Service and M/s Cameo TECH Edge were procured and occupy the third floor of Statistics House. These commenced service provision that include: Help desk, customer service, technical support, directory services, tele-marketing, tele-surveys among others. M/s TechnoBrain who operate at the 4^{th} floor of Statistics House are engaged in voice processes including market research for telecommunications companies, customer care, counseling services, and video transcription. They also provide services in content moderation under knowledge processes.

Under the skills development and capacity building component, four NITA-U staff (to manage the planned training of trainers) were trained in Egypt during the month of November 2013. A road map for the training of trainers was developed. Phase one of the training of trainers was concluded and phase two is to be conducted by the Egyptians during FY 2014/15.

BPO executives working at the Incubation Centre on 3^{rd} and 4^{th} floor of Statistics House

The cabinet memo on BPO incentives, guidelines and standards was approved by the Executive Committee of NITA-U. The BPO Standards were disseminated to the BPO Association.

Under promotion of BPO services, NITA-U partnered with the BPO Association to organize the 2013 BPO Regional Conference. An abridged version of the proceedings was developed and submitted to NITA-U Executive Committee for comments.

The BPO centre registered a staff growth of 45% from FY 2012/13 with over 350 staff attached to the companies operating in the centre. A total of 272 were BPO executives majority of whom were youth. Other staff provide support services including restaurant, transport, security, hardware maintenance, among others.

Analysis

Link between financial and physical progress

Approximately 85% of the BPO project expenditures were on provision of ICT services including internet bandwidth, promotion of BPO and skills development, where as 10% of the funds went to electricity and 5% on water. Therefore, the project registered efficient utilization of resources and all the expenditures were on the core project outputs.

Achievement of set targets

All targets set during the FY year under review were achieved.

Challenges

- **Inadequate sensitization of the public on the availability of BPO services in Uganda:-** The operators are yet to tap into the local market due to public ignorance about the potential of BPO services in Uganda.
- **Internet connectivity breakdowns:** The BPO centre was experiencing internet down time resulting from several conditions including breakdown of the undersea fibre optic cable and power outages which greatly affects the service.

Conclusion

By 30th June 2014, financial performance was excellent and expenditures were on key project deliverables. The old and new operators are providing services especially to the international clients. The BPO services are sometimes affected by internet downtime which affects the reliability and credibility of the operators to the international market.

Recommendations

- The NITA-U should amplify the sensitization campaigns on availability of BPO services and market the country as a BPO destination.
- The NITA-U should engage Internet service providers to improve response time whenever there is any outage.
- The NITA–U should identify an alternative connection to the undersea fiber optic cable during phase III of the NBI project.

NITA-U projects analysis

Link between Financial and Physical performance

Both release and absorption of funds by NITA-U were excellent at 92% and 99% respectively. Absorption of funds was highest under the wage component which over crowded other budget items.

Achievement of set targets

Under National Transmission Backbone Infrastructure, all the planned outputs were either achieved or initiated apart from implementation of Phase III of the project. Bulk procurement of bandwidth and commercialization of the NBI were initiated and operationalised. The draft national information security framework was developed and the Computer Emergency Response Team (CERT) established. Overall performance under the NBI was good.

As part of the continuous operation of the BPO, two new operators that is; Dial-a -Service and Cameo TECH Edge were procured. Four NITA-U staff (trainers of trainers) were trained in Egypt during the month of November 2013 and a road map for the training of trainers was developed. Overall performance of the BPO project was excellent with 90% of planned outputs achieved.

Comparative analysis

Although absorption performance on most outputs under NITA-U was excellent, implementation of the third phase of the NBI did not commence. Both the National Information Security component and the BPO project were on course with implementation of planned outputs for FY 2013/14.

Overall Challenges for NITA-U

- Under funding of the Authority: Although the ICT sector contributes 6% to the GDP, the budget allocation is 0.13% (Ug shs 15 billion of which Ug shs 10.4 billion is for NITA -U). As a result, the Directorate of Information Security has two members of staff (a Director and a manager).
- The BPO services are yet to be fully appreciated locally due to inadequate sensitization.
- Delayed implementation of phase III of the NBI: This resulted from delayed approval of the loan by EXIM bank, adjustment of agreements to include project management structures to effectively supervise works and several audits from government institutions.
- The need to re-locate OFC from on-going road construction sites is affecting the availability of service and revenue from the commercial users of the NBI. The Ministry of Works is not ready to fund the relocation of infrastructure in road reserves yet NITA-U has no budget for the activity.
- Lack of last mile connectivity: The target users including administrative local government headquarters, schools and hospitals were not yet connected to high speed interconnectivity through NBI.
- There were missing links and absence of redundancies (alternatives) in the NBI. There is only one gateway through Kenya to the undersea cable which makes operation of e- services costly and risky.

Recommendations

- The NITA-U should identify new sources of funding to undertake key activities.
- The NITA-U should fast track NBI phase III implementation. This will address the lack of an alternative route to the undersea cable.
- The NITA-U should develop and implement a media strategy to amplify publicity on the Business Process Outsourcing project.

CHAPTER 9: INDUSTRIALISATION

9.1 Introduction

The industrial sector is an integral part of the government`s overall development strategy outlined in the National Development Plan (NDP) and Vision 2040. Experiences from developed and emerging economies show that there is a positive relationship between industrialisation and development. A strong and competitive industrial base is therefore, important to create employment and a resilient economy. The 2008 global financial crisis demonstrated the need to have a strong industrial base to cushion the economy from external shocks[78].

9.1.1 Objectives

The sector objectives are to:

- Promote development of industries that add value to farm produce.
- Increase competitiveness of local industries through development and promotion of Small and Medium Enterprises (SMEs).
- Improve productivity of the informal manufacturing sub-sector, for example, *Jua Kali* artisans, through training and skills building.
- Strengthen research and technology developments in industrial application.

9.1.2 Scope

The report reviews financial and physical progress by the end of FY 2013/14 of selected development projects under the: Ministry of Finance, Planning and Economic Development (MFPED); Ministry of Trade, Industry and Cooperatives (MoTIC); Uganda National Bureau of Standards (UNBS) and Uganda Industrial Research Institute (UIRI). Specifically, it aims at ascertaining whether; planned outputs as outlined in the selected Ministries, Departments, and Agencies (MDAs) work plans had been achieved, and establish if financial expenditure was commensurate with physical progress.

Under the MFPED, focus was on the Presidential Initiative on Banana Industrial Development (PIBID), and Development of Industrial Parks in Bweyogerere, Kabarole, Kasese, Luzira, Mbale, Mbarara, Namanve and Soroti.

Under the MoTIC, monitoring covered One Village One Product (OVOP), District Commercial Services Support Project (DICOSS), Support to Warehouse Receipt System and Uganda Development Corporation projects including Soroti Fruit Factory, Value Addition Luweero Fruit Factory and Kalangala Infrastructure Services.

Under UNBS, construction of UNBS Home (Phase 1B) and Improvement of the Rig were monitored while Mbarara grape winery, Lira peanut processing plant and essential oils in Luweero were monitored under UIRI.

9.2 Ministry of Finance, Planning and Economic Development

The mission of the Ministry is to *formulate sound economic policies, maximize revenue mobilization, and ensure efficient allocations and accountability of public resources so as to achieve the most rapid and sustainable economic growth and development*.

The Ministry's mandate is to:

a) Formulate policies that enhances economic stability and development
b) Mobilize local and external financial resources for public expenditure
c) Regulate financial management and ensure efficiency in public expenditure
d) Oversee national planning and strategic development initiatives for economic growth.

The ministry facilitates the two monitored projects under strategic development initiatives for economic growth mandate.

9.2.1 The Presidential Initiative on Banana Industrial Development (PIBID)

Background

The PIBID project is based on the assumption that rural farmers with access to science-led-processing and value addition enterprises will be able to rapidly access profitable market chains that supply local, regional, and international markets, resulting into increased household incomes. The overall goal of the initiative is to kick-start a pilot industry in banana value addition. The project started as pilot under Uganda National Council for Science and Technology in July 2003. It transformed into a fully fledged project in July 2007 with an expected end date of June 2016.

Project objectives

The objectives of the project are to:

- Establish benchmarks, and build capacity for rural farmers in new production technologies and agronomic practices;
- Ascertain sustainable processing of quality market driven matooke products;
- Link rural farmers to favourable micro-financing mechanisms;
- Establish reliable supply chain models linking farmers to profitable market outlets;
- Assess project impact on environmental sustainability and overall economic wealth;
- Transform the Bushenyi Technology Business Incubator (TBI) into a Banana Industrial Research and Development Centre (BIRDC);
- Promote entrepreneurship in private sector and training at public institutions through establishment of an Industrial Technology Park (ITP).

The expected outputs are:

- A state-of-the-art rural based banana processing industry constructed at Nyaruzinga (Bushenyi district) and Sanga (Kiruhura district) based on technology business incubator framework. The Nyaruzinga plant is expected to process about 40 metric tons of raw Matooke per day and will run three shifts daily at optimum capacity.
- A range of banana industrial-based products on the market.
- Capacity building for market competitive banana production and value addition at all levels.
- Irrigation scheme, research laboratories, power extension, road improvement and a hostel.

Planned outputs for FY 2013/14

The following are the planned outputs for FY2013/14;

i. Construction of the pilot banana processing plant (Tooke) completed
ii. Construction of Quality Assurance and Research facilities completed
iii. Biscuit line and confectionary equipment installed and test run
iv. Phase I raw and instant flour equipment installed
v. Silos and hammer mill installed and test run
vi. Intake water works completed and water pumped to TBI
vii. Construction of phase II water works (secondary treatment) completed
viii. Community processing units completed in Rubirizi, Sheema and Mitooma districts
ix. Development and production of Tooke products for the market
x. Survey and mapping of project land.

Financial performance

The Project has a total overall budget of 91 billion and since inception in FY 2004/05, the PIBID had received a cumulative release of Ug shs 76 billion by 30th June 2014. During FY 2013/14, the approved budget for PIBID was Ug shs 25,200,310,000 of which, Ug shs 22,677,631,162 (90%) was released. By 30th June 2014, a total of Ug shs 12,076,343,098 (53%) of released funds was spent (see Table 9.1). Absorption of funds was average; this was attributed to ongoing (incomplete) civil works at Kyamugambira and Nyaruzinga and delayed implementation by the contractors. However all funds were expected to be expended by November 2014 the tentative deadline for construction of the main processing plant.

Table 9.1: PIBID financial performance for FY 2013/14 (Ug shs)

Item (i)	**Budget 2013-14 (ii)**	**Release (iii)**	**Expenditure (iv)**	**Variance (v=iii-iv)**
Recurrent Expenses: (Staff salaries, allowances, NSSF, Board expenses, welfare, stationary, training, etc)	2,419,711,324	2,419,711,324	2,068,872,362	350,838,962
Capital development				
Construction of main plant , research labs and conference block	13,000,000,000	10,477,321,162	5,406,730,431	5,070,590,731
Other civil works (road works, power installation, hostel)			-	-
Plant Equip & Accessories	3,671,904,183	3,671,904,183	130,474,612	3,541,429,571
Equipping soil and physiology labs, VA and QA labs	576,095,817	576,095,817	-	576,095,817
Water systems for irrigation and labs at the TBI	3,900,000,000	3,900,000,000	1,497,020,028	2,402,979,972
Project Technical Supervisors	100,000,000	100,000,000	94,977,971	5,022,029
Sub total	21,248,000,000	18,725,321,162	7,129,203,042	11,596,118,120
Grand Total	**25,200,310,000**	**23,874,507,720**	**12,076,343,098**	**11,798,164,622**

Source: PIBID

Table 9.1 shows that 43.9% of the released funds was for construction of the main processing plant, 16.3% for the water works, 15.4% for plant and equipment and 10% for salaries, wages, training and welfare. Allocative efficiency was very good as 76% of the total releases were meant for the core project outputs.

Physical performance

The main civil works were under two components; construction of a banana processing plant and water works. Other civil works included construction of the hostel and a staff house.

The contract for the construction of the banana (*Tooke*) processing plant was awarded to M/S Dott Services Limited in September 2009 at a contract price of Ug shs 23.3 billion for the construction of; a banana processing plant, conference centre, quality assurance block, and installation of the processing machinery. The physical progress of the key planned activities of the PIBID project as of 21st July 2014 is presented in Table 10.2.

Table 9.2: Physical progress of key planned activities of PIBID project

Planned Activities	**Physical Progress(percentage)**	**Remarks**
A. Construction of the pilot banana plant, conference centre and quality assurance		
Construction of a main processing plant	85	All civil, electric and plumbing works were complete. Installation of pneumatic conveyor and two dryers pending
Construction of mechanical workshop	90	Works were partially complete awaiting extension of the service pit, and external works.
Construction of conference; library and office building	70	Works were in progress and pending were electrical works, plumbing, painting, roofing and windows, doors and partitioning into different sections.
Construction of Quality Assurance/Research block	67	The block was at roofing level, internal and external finishes were ongoing. The design had been adjusted to include a store for heavy metals and toxic materials.
Construction and installation of bakery line	75	Most of the civil works, electrical works and plumbing works were completed. Pending was delivery and installation of the bakery equipment.
Construction of factory , administrative block and marketing centre	95	All civil works completed. Pending installation of a counter.
Construction of lagoons	90	The four water lagoons had been tested. Landscaping and planting grass on embankments was in progress. The draining lines were being installed.
Powerhouse construction and installation of two standby generators	100	Civil works completed. Feeder pillars installed. Awaiting delivery and installation of a metering unit from UMEME. One generator had been delivered pending installation.
External works (fencing, roads, parking aprons, walk ways)	55	Fencing of the project site was in progress. The parking aprons had been excavated; the 1.2km factory road earthworks had been completed and 100 meters had been stabilized. 50% of the required pavers had been mobilized and were on site.
Construction of factory water tank	98	Installation completed. Management was transitioning from National Water and Sewerage Corporation (NWSC) to its newly constructed water system. Completion was awaiting installation of power by UMEME.
B. Delivery and installation of processing equipment		
Raw and instant *tooke* flour equipment	100	Completed

Installation of two silos	100	Completed
Installation of hummer mill	5	Delivered and installation awaiting technicians from Germany
Installation of extruder	100	Completed
Installation of Drum drier	100	Completed
Installation of biscuit line	100	Completed
C. Land survey and mapping		
Completion of survey mapping and master plan of Industrial Technology Park.	85	Transfer of land in favour of Uganda Land Commission was ongoing. Land had been surveyed and the master plan for the TBI was being developed.
D. Maintenance of the banana plantation (mother garden and demonstration plot)		The mother garden was being maintained and studies ongoing at both the mother garden and demonstration plot
E. Construction of Hostel and staff houses	25	A contract was awarded to M/S Dott services to construct the Hostel. Civil works were at sub structure level. The old staff house had been remodeled to accommodate 5 families. Construction of the house was at ring beam level. The second house was remodeled to accommodate 12 staff and construction of the super structure was ongoing.

Source: Field Findings and PIBID


Left: Quality Assurance block at roofing level, and conference/office block under construction; Right. Bakery block besides the main factory and excavated parking apron at Nyaruzinga, Bushenyi district


L-R: Stabilised sub base section and graveled section of road around the factory complex, in the background is the fence of the quality assurance block at Nyaruzinga, Bushenyi district

L-R: Remodeled 12 unit staff house at ring beam level and sub structure of the hostel at Nyaruzinga Bushenyi district.

Construction of water works

In September 2009, the contract for water works was originally awarded to M/s Vambeco at a sum of Ug shs 1.8 billion supervised by M/s BEC, but it was terminated and retendered to M/s Dott Services Limited in 2013. Key outputs in the contract were: construction of a 2,000m^3 reservoir at Nyaruzinga, completion of water works at Kyamugambira, clearance of water channels, construction of a fertigation[79] house, pipe works for inlets and outlets for the fertigation house, water treatment facility, an elevated 40m^3 steel tank and a water transmission line to the factory.

The overall physical progress for water works was estimated at 95% against time progress of 105%. The project was three years behind schedule against the original end date. The works were expected to be completed by end of August 2014. Target farmers continue to experience post-harvest losses as the factory is not operational, ultimately there is no improvement in farmers livelihoods since they have not been able to access the envisaged science- led processing and value addition enterprises. Farmers are yet to be linked to financial institutions. A summary of the physical progress of the key activities as of 21st July 2014 is shown in Table 10.3

Table 9.3 Physical progress on the water works contract

Water works contract	Progress(percentage)	Remarks
A. Kyamugambira site		
Lay 120 meters of pipes from pump house to mains	100	Completed
Completion of inlet channel, inlet valve and inlet chamber	100	Completed
Complete raw water SAMP, outlet, laying of pipes from raw water chamber to aerator, and aerator connections	100	Completed
Completion of Back-out tank, clarifier, and clarifier outlet chamber	100	Completed
Completion of a two chamber sand filter, rapid sand filter outlet chamber, and clear water tank	95	Awaiting installation of fittings
Installation of fittings in the pump house	97	Awaiting an electrical metering system from UMEME for final connections
Fencing of water site with chain link and planting grass	90	Awaiting gabion works at water inlet channel. Grassing ongoing
Construction of access roads at Kyamugambira water site	100	Completed

B. Nyaruzinga Site		
Construction of generator house, pump house, toilets and installation of fittings	80	Pump house and toilets constructed and pumps installed, awaiting installation of fittings
Electrical installation	80	Pending installation of metering unit
Completion of fertigation house and installation of key devices	95	Civil works completed, pending installation of fittings by BALTON
Trenching and installation of pipes to mother garden	60	Trenching works ongoing
Excavation, laying of canvas, and fittings at main water reservoir	99	Awaiting final fittings

Source: PIBID

The key pending activities were; installation of equipment at the fertigation house and testing the water pumps at Kyamugambira. The client was waiting for the supplier of equipment for the fertigation house (M/s BALTON) to deliver and install the submersible pumps, pipe work, and electrical connections.



L-R:Gabion lined inlet channel, completed water treatment system and transmission pipe at Kyamugambira



L-R: Installed water pumps, and a worker filling the sand filter at Kyamugambira; Elevated water tank and completed pump house in the background at Nyaruzinga hill, Bushenyi district

Analysis

Link between financial and physical performance

The PIBID project received 90% of the approved budget (Ug shs 22, 677,631,162) however, only 53% of the released funds were absorbed during the year. The water works were 95% complete and overall progress of civil works at the banana processing plant was estimated at 75%. Atleast 76% of the released funds were allocated to the core deliverables of the project that is construction of; the banana processing plant at Nyaruzinga and water works at Nyaruzinga and Kyamugambira.

Achievement of set targets

The target under this project was the completion of the construction of the banana processing plant, water works and installation of equipment by the end of 2014. This target is on course of being achieved as construction works by July 2014 were at 75% for the plant and 95% for water works. Some of the key equipment had been installed as planned while others were still in transit. Final installations were expected before end of October 2014. Surveying and mapping was progressing while the formation of marketing units/centres was behind schedule. Overall achievement of set targets was very good.

Challenge

- Low absorption of released funds due to slow implementation progress by the contractors.
- Lack of an approved business and post construction management plan.

Conclusion

The overall performance of the civil works was rated good at 75%. The Project was registering progress towards the completion of the pilot banana processing plant and installation of equipment. However the primary objective of commercializing the banana value chain would require that the business plan submitted to MFPED is facilitated fully in terms of financial, personnel, logistics to achieve its desired goal.

Recommendations

- The contractors should be urged to mobilize more equipment and workers to ensure that the project is completed within the extended period.
- The MFPED should review the submitted business plan with a view of approving it and fund PIBIDs business plan and strategy to ensure that the objectives of the project; commercialization of the value chain from production, processing and marketing are achieved.

9.2.2 Development of Industrial Parks (Vote 008, Project Code 0994)

The Uganda Investments Authority (UIA) is a semi-autonomous government agency operating in partnership with the private sector to contribute to economic growth and development. The authority was set up by an Act of Parliament (Investment Code 1991) with the aim of promoting and facilitating private sector investment in Uganda. The annual monitoring exercise for FY 2013/14, focused on the major development activity under UIA; development of industrial parks.

Background

The Government of Uganda formulated a 10-year National Industrial Parks Development project with effect from FY 2008/09 to FY 2017/18. The project started in July 2008 and was expected to be completed in June 2016. This project aims to create 22 industrial parks across the country. The implementation started with the setting up of the Kampala based industrial parks. The total project cost was estimated at Ug Shs 200 billion but cumulatively only Ug Shs 28 billion has been realized since 2008.

Objective of the project

The purpose of establishing the parks is to provide serviced areas (with roads and utilities) for manufacturing and value addition to Ugandan made goods. Industrial parks will strengthen the Ugandan private sector to enable it play it's expected role as the engine of the country's economic growth and development as well as create employment.

Planned outputs/activities for FY 2013/14

During the FY 2013/14 the project planned to achieve the following:

- Bweyogerere, Kasese and Soroti parks operationalized.
- Master- planning for Jinja park completed.
- Compensation of squatters in Mbale industrial park land.
- Secure land titles for Mubende, Arua, Moroto, Kabarole and Masaka industrial parks.
- Construct Luzira park road extension and secure electricity way leaves.
- Secure industrial parks with border markers and police accommodation.

Findings

Overall Financial Progress

The approved budget for development of industrial parks in FY2013/14 was Ug shs 2.69 billion and all funds were released (100%). A total of Ug shs 2,078,433,787 (90%) was expended during the same period. Both release and expenditure were excellent. The unspent balances were reportedly committed as running contracts were being executed and others under defects liability period.

Physical Progress

1. Bweyogerere, Kasese and Soroti parks operationalized

Bweyogerere Industrial Park

This park is located in Bweyogere-Bbuto along Namulondo road, 12km north east of Kampala. The planned activities for the year included: settlement of investors, maintenance of the road, installation of boarder makers and deployment of security, provision of water and electricity. The park has a total of nine plots and all were allocated.

Settlement of investors: By 25th July 2014, seven of the nine plots were being developed. The two undeveloped plots belonged to BDH Laboratories and Omega Construction Limited. Plots under development included: UNBS headquarters, Bweyogere hospital, Crane paper and Tarpo Limited.

Construction of Crane paper industry and UNBS headquarters at Bweyogerere Industrial Estate

Maintenance of the road: By 25th July 2014, maintenance of the 1.9km road was not carried out because the road was still in good condition.

Installation of border markers and deployment of security: The border markers were installed in 2012. Security was not deployed because there was no immediate threat of encroachment.

Provision of utilities: The park plots were yet to be serviced with electricity and water, however, UNBS, Bweyogerere hospital and Crane paper had extended water and power to their plots.

Soroti Industrial Park

The 219 acre park is located in Arapai 3km from Soroti Town off Katakwi-Moroto road. The park has a total of 131 plots of which, nine had been allocated to prospective investors. The planned outputs for FY 2013/14 were: construction of Lot 1 and Lot 2 roads. However due to funding constraints only one contract; Lot 1 was executed. The contract was funded by Uganda Development Corporation (UDC) since it was meant to pave the road leading to Soroti Fruit Factory which was a requirement by the Korean funders.

In March 2013, UIA with funding from UDC awarded a six months contract to M/s MG Engineers and Contractors Ltd at a contract price of Ug shs 2,126,746,475 but the end date was revised to March 2014 due to changes in original designs. The road works included construction of; Temele Industrial road, Pineapple Close and Palm Close.

The scope of works included: drainage works and structures; bituminous surfacing; ancillary works including road marking and installation of road signs.

By 30th June 2014, works were substantially complete with physical progress estimated at 93% and five certificates paid. Expenditure was Ug shs 1,820,401,811 against a sum of Ug shs 2,126,746,475 representing 83% financial progress. However, time progress was over 200% against the original completion date, this was due to variations in scope which required approvals from PPDA and the Solicitor General. The variations were justified by the nature of ground conditions (swampy with shallow ground water) encountered in the initial stages of earth works.



L-C: Completed Temele road, with side drains, road marking, signage and lighting infrastructure.

R- Completed Pineapple close at Soroti Industrial and Business Park

Challenges

- Lack of funds to fully service the park with roads, water and electricity.
- Delayed implementation due to changes in designs and late approval from the Solicitor General.

2. Master- planning for Jinja Park completed

The park is established on 182 acres of land in Jinja Municipality, 2 km along Kamuli road. The major outputs for this industrial park during FY 2013/14 were; four sets of engineering designs of roads within the park produced and surveying of plots completed. However, the outputs were not achieved partly because of inadequate funding.

It was noted that the UIA was still waiting for the valuation report from the Chief Government Valuer. This report would serve as the basis to guide the process of land values which are key in issuance of lease agreements.

A total of 100 acres of land had been allocated to Makerere University for KIIRA EV manufacturing plant, 12 acres to Uganda Electricity Distribution Company (UEDCL) for electric pole treatment and 10 acres to China Engineering Ltd. It was further noted that Makerere University was expected to come up with independent engineering designs for the allocated land.

3. Compensation of squatters in Mbale industrial park land

This 619 acre park is located inMutoto, Mbale municipality along Tirinyi road. The output for the park was compensation of squatters and development of a master plan. However this was not achieved because of inadequate funding. The compensation of squatters remains an unfunded priority of UIA. The compensation value is Ug shs 4.5 billion yet the annual project budget for development of industrial parks FY 2013/14 was Ug shs 2.6 billion.

4. Secure land titles for Mubende, Arua, Moroto, Kabarole and Masaka industrial parks

The process of securing possible industrial park land in Arua, Masaka and Mubende was ongoing.

Kabarole Industrial Park

A 100 acre piece of land formerly belonging to the District Agricultural Training Institute in Kyembogo was identified as the site for the industrial park. The major outputs for the park were; preparation of a master plan and installation of border markers. This was not achieved because of delays in getting a no- objection from MAAIF to the Uganda Land Commission to provide a land title to UIA. The agency could not install boarder markers or plan for a piece of land without a land title.

Moroto Industrial Park

A total of 417 acres of land in Moroto district had been acquired .The outputs for the park were; development of a master plan, opening of boundaries and installation of border markers. By 30th June 2014, implementation of the activities was under procurement.

5. Luzira Industrial Park

The park is located 5km east of Kampala and is operational with basic infrastructure such as power, roads, and water.

The planned output for the park was maintenance of a 3.7km road and secure way leaves for high voltage power from Namanve to a proposed substation in Luzira industrial estate. The contract for road maintenance was awarded to M/s Mugoya Plus Technical Services Limited at a contract sum of Ug shs74, 881,296. Works commenced on10th May 2013 and was expected to end on30th June 2014.

The scope of works covered routine maintenance (bush clearing, resealing, desilting drainage channels) of all roads in the park. By 18th July 2014, the contractor had completed all programmed works and the quality of works was satisfactory. Physical progress was 100%, financial progress was at 99.9% against time progress of 100%. The overall contract performance was excellent.

Acquisition of way leaves for extension of high voltage electricity: During FY 2012/13, UIA acquired way leaves from Kiwanga to Namanve and was expected to acquire way leaves for Namanve to Luzira in the subsequent year, for extension of high voltage power to the industrial estate, and construct a substation to address the power needs of industrialists in the estate. However, due to insufficient funding, the section from Namanve to Luzira could not be covered during FY 2013/14.

Allocation of plots: All the 15 plots in the park were allocated to prospective investors. Eight of the plots were developed by the following investors: M/s Quality Chemicals, M/s Graphic Systems, M/s Blue Wave, M/s Transpaper Uganda, M/s East African Investments, M/s Basere (U) Ltd, and M/s Pipeline (U) Ltd. The undeveloped plots belonged to Ministry of Trade, Industry and Cooperatives, Engen (U) Ltd, Surgipham (U) Ltd, and Uganda Cleaner Production Centre. However, the respective institutions/companies promised to commence development during FY 2014/15. The other two undeveloped plots belong to UIA and are earmarked for an electricity substation, and construction of a park administration office respectively.

It was observed that some investors were releasing untreated industrial waste to the neighboring swamp.

Challenge

- Lack of waste treatment lagoons at the park leading to discharge of waste to the Bugolobi-Luzira swamp.

6. Kampala Industrial and Business Park (KIBP)

This park is located 14km East of Kampala in Mukono Municipality and Wakiso-Kira Town council . It was planned to be a flagship industrial park for the country. It is approximately 896 hectares (ha) and comprises of four estates; Namanve north (100.1 ha). South A (126.9 ha), South B (294.5 ha), and South C (375.2 ha). It is clustered into agro processing, beverages, grain milling, light industries, heavy industries, industrial rail, printing and publishing, ICT park, commercial/leisure and country clubs, SME park, in–land container depot, warehousing, residential, common service, and open green spaces.

In 2002 the GoU signed a credit agreement with the World Bank to jointly fund the establishment of an industrial park at Namanve at an estimated cost of Shs350 billion ($125m). The first phase (2008-2012) covered opening up of 15km of gravel roads and construction of UIA office block and engineering laboratories. In December 2012 The World Bank withdrew financial support to the project citing environmental concerns and delayed implementation among others. The park is currently funded by GoU through the development of industrial parks project.

The following outputs were planned for FY 2013/14;

i. 2.5km of gravel road constructed at KIBP.
ii. Namanve roads maintained.
iii. Installation of boarder markers and deployment of security.
iv. Allocation of plots to deserving investors.

Construction of 2.5km gravel road at KIBP: On 25th May 2013, UIA signed a Memorandum of Understanding with the Ministry of Works and Transport to undertake the works at a cost of Ug shs 315,591,900. Works were expected to be completed on 25th May 2014. The scope of works included:

- Swamp filling and rising of existing ground to grade formation levels in the North estate.
- Road sub grade formation (shaping, watering and compaction).
- Drainage installations.
- Bush clearing/ opening of road corridor.

By 17th July 2014, 99% of the works had been completed. The incomplete section required additional culverts which were outside the original project scope. The UIA was satisfied with the quality of works, and the roads had been opened for use.

Namanve road maintained: Four of the 15 kilometer roads opened in Namanve estate in 2011 had been handed over to UNRA for paving and works were in progress.

Land allocation: By 30th June 2014, a total of 329 investors had been allocated plots in the park. However, only 25 investors had developed or started developing their plots.

About 1500 people are directly employed by the investors in the park.

Challenge

- The swampy nature of the project area delayed road construction works.
- Incomplete servicing of the park is affecting settlement of prospective investors.

L-R: Completed Kyagalanyi coffee factory; newly opened road to North Estate by MoWT, and ongoing paving of 4 km in Namanve South Estate by UNRA

Analysis

Links between physical and financial performance

All the budgeted funds for development of industrial parks project were released and 90% expended during FY 2013/14. Although financial performance was rated excellent, these funds mainly catered for routine servicing of the already existing industrial parks of KIBP, Luzira, Bweyogere and Soroti. The expenditures were in line with the major planned outputs of the project.

Achievements of set targets

The planned development activities at Mbale, Kabarole, Kasese and Moroto industrial parks were not achieved due to limited funding. Therefore, overall achievement of set targets was average (58%) during the year.

Comparative analysis

The budgetary allocation for development of industrial parks is meager compared to the mandate of UIA. In FY 2013/14, the project was allocated Ug shs 2.6 billion for all the industrial parks under its mandate. Comparatively, UDC awarded a contract to construct a 1.7 km road in Soroti Industrial park leading to Soroti Fruit Factory at Ug shs 2.1 billion. This demonstrates the level of underfunding that UIA faces to enable it execute its mandate and achieve the long term objective of establishing 22 industrial parks across the country.

Overall Challenges

- **Inadequate funding:** The budgetary allocation for UIA is insufficient to enable implementation of the mandate.
- **Lack of prioritization:** Though funding to UIA was noted to be meagre, there was lack of prioritization as the meagre funds were spread thinly to implement activities in different parks.
- **Discharge of industrial waste to the environment:** In some industrial parks, such as Luzira, little attention is paid to environmental concerns, industrialists discharge affluent waste to the environment before it is properly treated.

Conclusion

Though progress has been registered in the development of industrial parks, the project is largely behind schedule and has been affected by underfunding, partial servicing of parks which leads to delayed investments. The prospective jobs expected from the investments are therefore curtailed.

Recommendations

- The UIA should prioritize and implement a few activities in a given FY instead of spreading resources on many projects with limited or no tangible outputs.
- The UIA should ensure that waste treatment plants are set up in industrial estates to avoid discharging untreated industrial waste to the environment.
- The MFPED should prioritise funding to development of industrial parks project to achieve the objectives of the project.
-

9.3 Ministry of Trade, Industry, and Cooperatives

9.3.1 Introduction

The mandate of the Ministry of Trade, Industry and Cooperatives (MoTIC) as derived from the 1995 constitution of the Republic of Uganda (as amended in 2005), Article 189, schedule six, sections 11, 12, 13,20,23,25 and 29) is: '*To formulate, review and support policies, strategies, plans and programs that promote and ensure expansion and diversification of trade, cooperatives, environmentally sustainable industrialization, appropriate technology development and transfer, to generate wealth for poverty eradication and benefit the country socially and economically.*

In executing this mandate, the Ministry supervises six agencies, namely: Uganda Development Corporation (UDC), Uganda National Bureau of Standards (UNBS), Uganda Industrial Research Institute (UIRI), Uganda Export Promotions Board (UEPB), Uganda Commodity Exchange (UCE) and Management Training and Advisory Centre (MTAC).

The annual monitoring FY 2013/14 focused on the vote functions of; cooperative development, industrial research, Industrial and technological development and quality assurance and standards development.

9.3.2 Industrial and Technological Development

The Vote Function is responsible for policy formulation, planning and coordination; and promoting the expansion, diversification and competitiveness of the industrial and technological sector.

Four development projects namely: One Village One Product (OVOP), and three projects under Uganda Development Corporation including: Soroti Fruit Factory, Value Added – Luweero Fruit Factory and Kalangala Infrastructure Services were reviewed.

a) Project 1164: One Village One Product

Background

One Village One Product (OVOP) is a community-centered and demand-driven local economic development approach initiated by Oita Prefecture in Japan in the 1970s. It was introduced in Uganda in 2008. The OVOP concept was designed as a community based approach through which local resources would be utilized to promote production, processing and marketing of both products and services. The schedule of programme implementation involves identification of the model enterprises, physical assessment of the selected enterprises, awareness creation on the OVOP programme and then providing relevant interventions to address the identified challenges.

The uniqueness of the approach is the intention to achieve regional economic development by increasing incomes and wealth for Ugandans through value addition to local resources, human capital development, and provision of unique services and marketing of the products. It aims to achieve *One Village One Product* production systems countrywide based on comparative advantage and economic use of resources.

Objectives of OVOP Project

The overall objective of the programme is to promote the production, processing and marketing of local products for wealth creation. The specific objectives are to:

i) Promote establishment of production networks/clusters within the country;
ii) Promote value addition to local materials and products of comparative advantage at community level for social economic transformation;
iii) Reduce post-harvest losses from the current 40% to 10% by 2014;
iv) Develop human capital and entrepreneurial capacities amongst the participating communities;
v) Strengthen partnerships and linkages between Government, private sector and the donor community; and
vi) Create and strengthen market clusters for OVOP products.

Expected Outputs

- Increased production networks/clusters within the country.
- Increased volume of local production.
- Increase number and volume of locally processed products.
- Reduced post-harvest losses.
- Community human capital and entrepreneurial capacities developed.
- Market for OVOP products created and/or strengthened through clusters.

The MoTIC planned to achieve the following project outputs during FY 2013/14:

a) Procurement and delivery of a honey extractor and Langstroth Bee Hives for Alemifal group in Adjumani District and Mukazi Bee keepers in Rukungiri.
b) Procurement, delivery and installation of a maize mill and coffee huller for Tukolerewamu Cooperative Society in Mpigi Town Council and Kololo Progressive Farmers in Mpigi.
c) Procurement and delivery of a Poultry Feeds Mill for Side View Poultry Farmers Group in Mbale.
d) Procurement and delivery of a Honey Press, Harvesting gear, and bottle packaging for Trauma Apiculture Project in Bududa District and Kamwenge bee keepers.
e) Procurement and delivery of a Cassava grater for Skillful farmers-Ngetta in Lira district and a juice extractor for Kiwenda Women’s group in Wakiso district.
f) Maintenance of maize mill equipment at labwor farmers group in Serere

During Q1, and Q2/Q3 FY 2013/14 monitoring visits, Kololo Progressive Farmers in Mpigi, Kamwenge Bee Keepers Association, and Ngetta Skillful Farmers in Lira district were sampled and performance reported on. The annual monitoring covered Alemifal beekeepers in Adjumani district, Side view poultry farmers in Mbale, Labwor farmers group and Mukazi Bee Keepers in Rukungiri.

Findings

Financial performance

The approved budget for OVOP in the FY 2013/14 was Ug shs244 million. By end of the FY, all funds had been released and expended (100%) indicating an excellent release and absorption performance.

Physical performance

Monitoring was conducted in the districts of Adjumani- Alemifal Farmers Group, Mukazi Bee Keepers in Rukungiri, Side View Poultry group in Mbale and Labwor farmers group in Serere district.

1. Alemifal Farmers Group

The group started in 2005 and is located in Leanguru village, Fuda parish, Pakale Sub County, Adjumani district. It is composed of 30 members comprising of 20 females and 10 males. The group deals in rice growing and apiary enterprises. Under the OVOP support, the group was earmarked to receive a honey extractor and Langstroth Bee Hives. In April 2014, 20 longstroth bee hives and a centrifuge tank for honey processing were delivered to the group.

The group has a total of thirty colonised bee hives and each member individually has at least 10 bee hives.
On average, the group produces 300Kgs of honey in the first season and 500Kg in the second season. However, honey production had not yet commenced. This was partly due to a disease called varroosis caused by mites that left many bees wingless and affected most of the reared queen bees. The disease further caused abscondment of bees from most of the already colonized hives. By 30th July 2014, only two hives had been re-colonized. The chairperson reported that the District Entomologist had been informed about the disease and was yet to provide a lasting solution to the farmers.



L-R: Chairperson of Alifimal group showingthe received centrifuge tank; Beewax made by the group and some of the delivered langstroth hives

One of the benefits acquired from the project was that the group had become a center of training and was receiving students from tertiary institutions for internship in practical bee keeping skills. The group was satisfied with the quality of equipment but stated that an electric powered machine would have been better since the village is already connected to the national grid.

Challenges

- The groups' apiary project was attacked by varroosis a disease caused by mites, and there seemed no capability to address the disease at district level.
- The group lacked knowledge in other bee products such as wine making, shoe polish, ointment and propolis tincture.
- The products made by the group were yet to be certified which was limiting the market opportunities for the apiary products.
- The group lacked inputs such as airtight buckets, smokers and overalls for harvesting.

Recommendations

- The Adjumani District Entomologist should liaise with the relevant institutions such as NARO to check the spread of the disease.
- OVOP secretariat should link the group to UNBS for assistance in securing honey certification and quality standards.

2. Side View Poultry Group

The group operates in Mbale Municipality along Kumi Road, Central Ward, Northern Division. The group has 30 members comprising of 13 females and 17 males. It is engaged in urban farming and the major enterprise is poultry. On average, the group members have 200 birds per individual.

Following a rise in price of poultry feeds, majority of poultry farmers were driven out of business which necessitated the group members to search for alternatives to outright purchase of feeds. The group petitioned the District NAADS Coordinator who linked them to the OVOP project.

The group was selected to receive a diesel powered feed mixer which was delivered in May 2014. By 8th August 2014, the feed mixer had not been installed and was non functional. The group had not yet constructed a structure to house the mixer as they were fundraising to undertake the activity. In the short run, members had agreed to roof a house belonging to the chairperson to have the machine installed and start operations. The group members stated that market for the feeds was available since farmers were procuring feeds from as far as Mukono. The group members anticipated to market their feeds in the neighboring districts up to a radius of 200 kms.

L-R: Vice chairperson showing a diesel engine, mixer and some of the eggs from the members. Far right is the shell to house the equipment awaiting roofing

Challenge

- The group has cash flow constraints, it was observed that even after the machine is installed, funds for operations might not be available. It was further observed that the group is registered as a CBO and financial institutions were not ready to provide financing to them.

Recommendations

- The group should seek the services of the District Commercial Officer on available financing modalities from SACCOs and other government programs such as Agricultural Credit Facility to address the cash flow constraints.
- The group should review their registration as a CBO to ease their dealings in commercial projects.

3. Mukazi Bee Keepers

Mukazi Bee Keepers is located in Mukazi village, Karuhembe parish, Kebisoni Sub County, Rukungiri district. The group has been in existence since 2001 and has 33 members comprising of 10 male and 23 female. It is a multipurpose group with the following enterprises; apiary, goats and coffee.

Currently the group produces 450kg of honey in a season and some of the products made by the group include; honey and bee wax. The market for the products is local because production is below the required standards and therefore cannot sell to supermarkets.

The group requested for assorted apiary equipment; beehives, extractor, harvesting materials and training in quality and packaging from the OVOP secretariat. During FY 2013/14, the group was earmarked to receive one honey extractor and a settling tank. By 22nd July 2014, a tank and grinding machine had been delivered.

The equipment was yet to be used for harvesting honey as the season was still off. During the peak season, the farmers harvest an average of 600Kg. With the delivery of the equipment, the members estimated that production would scale up to one tonne. The equipment was in storage at the chairperson's house because the shelter to house it was yet to be constructed. However there were plans to have a plant constructed on the chair persons' land.

The following benefits were anticipated with the operalisation of the equipment;

- Better quality of honey to be obtained.
- Ease filtration of honey. Currently, it takes two weeks to filter 400 litres of honey but with the machine, the same quantity was expected to take only two days.
- The price of honey was also expected to rise. A kilogram of unprocessed honey goes for Ug Shs7, 000 but after processing it was expected to obtain Ug shs15,000.

L-R: Group chairperson showing unprocessed honey, and delivered equipment at Mukazi

Challenges

- The group lacked modern equipment for apiary management such as; modern hives, harvesting gear and packaging materials.
- The production of honey was below the required standards and as a result, the group's market access was limited to brewers of local brew (*enturire)*.

Recommendations

- The OVOP secretariat should link the group to other institutions such as UIRI, UNBS for certification and quality issues .This would enable the group acquire shelf space in supermarkets for their products.

4. Labwor Progressive Farmers' Cooperative Society- Serere

The group is located in Labwor village, Pingire Sub County and comprises of 40 members. The group members produce an average of 10,000metric tones of maize per annum. During the pilot phase of OVOP (2009-12), the group received a maize milling equipment. The equipment however developed mechanical problems before the expiry of the warranty, and the OVOP secretariat planned to repair and replace some of the non functional parts during FY 2013/14.

The huller was repaired by the project. However, the only grain it can hull after the repairs is maize and at a rather slow pace.

The milling machine delivered had a weak engine which requires upgrading. It was reported that previously, milling 100Kgs of maize used to take 20 minutes however, after the repairs, it takes an hour. The supplier's technicians (Namalere Agricultural Institute) inspected the equipment in April 2014 and identified the faults however; they were yet to formally provide feedback to the group on the way forward. It was observed that the equipment was no longer efficient and therefore uneconomical.

Repaired milling machine and a faulty maize huller at Labwor -Serere

Overall OVOP challenges

- During the project planning and approval, the total budget for OVOP was Ugshs 5.2 billion for the five year period. However, an average of 250 million is annually released.
- Provision of equipment to unprepared groups undermines the objectives of the project. For example groups receive equipment before they setup structures to house them.
- The supported groups are not involved in the selection of technologies received. For example groups with access to grid power are given diesel powered equipment which they claim to be expensive to operate.

Analysis

Linking financial progress to physical progress

A total of Ug shs 250 million was released and expended on the OVOP project during the year. All the monitored projects received the planned facilitation and equipment. Therefore both financial and physical performance was very good.

Achievement of set targets

All the monitored outputs under the project were undertaken and to a great extent achieved. However, the delivered equipment was yet to be used for the apiary projects or yet to be installed for the poultry feeds project. The repaired maize huller and milling equipment in Labwor-Serere remained uneconomical to the users.

Conclusion

The project is hindered by financial constraints and as a result, it is faced by delayed implementation of activities, Causes of this delayed implementation include the fact that the department has no means of transportation to deliver its outputs and inability to procure machinery.

Recommendations

- MoFPED should ensure that all funds earmarked for the project are released. The project was supposed to utilize Ug shs5.2 billion throughout project life but currently Ug shs500 million has been realized so far.
- The project should also endeavor to link beneficiary projects to extension and other support services for example NARO with Alemifal Bee Keepers Group to diagnose the Vero mite disease in apiary, UNBS for certification of products, among others.
- MoTIC should encourage these groups to work closely with commercial officers in the districts in order to obtain assistance on savings, credit and financing options.
- The groups should be involved in the selection of technologies to avoid delivery of wrong technologies.
- The MoTIC should only deliver equipment to prepared groups with constructed structures to avoid storage of equipment over longer periods.

9.3.3 Trade development

This Vote Function is responsible for developing, coordinating, regulating, promoting and facilitating domestic and external trade with particular emphasis on export promotion and access to regional and international markets. The monitoring for FY2013/2014 focused on project 1246; District Commercial Services Support Project (DICOSS).

a) District Commercial Services Support Project

Background

In FY 2005/06, the Government of Uganda and the World Bank conducted a Diagnostic Trade Integration Study (DTIS) under the auspices of the Enhanced Integrated Framework (EIF). The DTIS report details the main economy-wide and sector specific constraints to trade expansion in Uganda; and proposes the urgent actions that need attention in the short, medium and long term. One constraint cited is the weak link between the MTIC at the centre and the District Commercial Offices (DCOs) at the grassroots (Local Government). The weakness of this link was confirmed by a consultancy study that MTIC had carried out in 2008 which also identified the main challenges faced by DCOs.

The MTIC, working through the Second Trade Capacity Enhancement Project (TRACE II) itself funded by the EIF, designed and secured EIF funding for the District Commercial Services Support Project (DICOSS). The project commenced in December 2012 and was expected to end on 31st December 2014. The project is being implemented in 25 selected districts in Uganda. DICOSS is a pilot capacity building and training project with the intention of assisting the GoU in delivering commercial services at the grassroots more efficiently and effectively.

The overall objective of the project is to improve MTIC's effectiveness in the delivery of commercial services in the target districts.

The project aims at strengthening selected DCOs through training, equipping, retooling, facilitating and fostering the building of networks among themselves and with key stakeholder's especially small and medium enterprises.

Specific Objectives

- To equip and retool targeted DCOs
- To facilitate DCOs to deliver commercial and business services in their districts
- To facilitate the building of networks between DCOs and other stakeholders

DICOSS project focuses on trade, tourism, industry, investment and cooperatives sectors and the ability of both the GOU and the LGs to deliver these services at the grassroots level. In Uganda's decentralized administrative system, the DCO is central in the delivery of commercial and business services at that level.

The DCO's capacity in that respect is to be enhanced through:-

- Redefinition of commercial services functions and mandate,
- Provision of equipment,
- Training and
- Facilitating and improving the links between the DCOs with MTIC, other government agencies, and lower LGs` and with the general public that they are meant to serve.

DICOSS supports the development of work plans by the DCOs and contribute funds towards the execution of the plans for the final two years of the project cycle.

The selection criteria and scope
The selection of the 25 districts was based on the criteria below:

i) Absence of any of the MTIC interventions;
   - Conditional grants- Grants from Government and the Economic Partnership Agreement Related Trade and Private Sector Support (EPA TAPSS).
   - Regional representation.

During the first three quarters of the FY 2013/14, 11 districts were monitored. An additional seven districts were selected for the annual monitoring.

Findings

Financial Performance

The three year project budget is US \$ 2,998,119. By 30th June 2014, a total of US \$ 1,257,321 (41% of total budget) had been released and US \$ 1,072,351 (85% of released funds) had been spent. Absorption of funds therefore was excellent however; release performance over the three project duration was poor (41% instead of the expected 66%).

The table 9.4 provides detailed expenditure under the project.

Table 9.4: DICOSS financial expenditures as at 30th June 2014

A/c	Exp Code	Category	Total Budget USD	Total Exp USD	Budget Bal USD
71300	1	Local Staff	231,000	148,740	82,260
71301	2	Allowances	316,800	90,426	226,374
71400	3	National Experts	42,500	10,000	32,500
71600	4	Travel & Missions	122,700	70,195	52,505
63400	5	Learning Costs	169,650	169,023	627
72200	6	Equipment & Funiture	707,812	60,862	646,950
74200	7	Operating Costs(HQ)	54,000	53,425	575
74201	8	Procurement Processing	3,500	2,499	1,001
74202	9	Publicity/Visibility/Advertising	76,300	33,097	43,203
74203	10	Refurbishing Offices	104,043	107,627	(3,584)
74204	11	Implementation of Work Plans	500,000	85,634	414,366
74205	12	Information Centres	297,489	14,052	283,437
74206	13	Start Up W/Shop and Conferences	316,325	218,552	97,773
74207	14	Monitoring & Evaluation	56,000	8,219	47,781
		TOTAL AMOUNT	**2,998,119**	**1,072,351**	**1,925,768**

Source: DICOSS secretariat

Physical Performance

The districts of Hoima, Kapchorwa, Masaka, Moyo, Ntungamo, Pader and Serere were monitored under this project. Assessment focused on renovation of office premises, training of DCOs, equipping and furnishing of offices, implementation of work plans using a $10,000 grant per district and sustainability of the project.

1. Hoima District

Renovation of office premises: During FY 2012/13, the office premises were renovated. The scope covered repairs on the old building, painting, burglar proofing, and construction of ramps.

Equipment: The District was provided with the following equipment; 3 desktop computers each with a UPS, 3 office desks with 3 chairs, one conference table with 8 chairs, a laptop computer, a scanner, printer, smart phone, photocopier, safe, 2 filing cabinets, 12 notice boards, 2 bookshelves, 2 motorcycles with spare parts and a wireless internet router. All received equipment was functional.

Training: Two members of staff participated in trainings organized by the DICOSS secretariat. The trainings were conducted in; Masaka for orientation, Soroti and Tororo for basic ICT skills, management, accounting, business studies, and preparation of work plans among others. The staffs were satisfied with the training.

Preparation and implementation of Work plan: The work plan submitted by the District staff to the DICOSS secretariat was approved in January 2014. A total of Ug shs7,875,000 was disbursed to the District for implementation of QI activities. However, these funds were disbursed at the end of March 2014, as such; the planned activities for Q1 were undertaken in Q2[80]. It was noted that funds for Q2 had not yet been disbursed despite the fact that the DCO had submitted the revised work plan and a request to the secretariat.

Activities for Q1 focused on result area 1; Trade development and they were;

- Training in post-harvest handling of maize.
- Training in value addition of milk.
- Training of youth in job creation.
- Networking meeting for stakeholders in dairy and cattle.
- Fixing of notice boards and displaying market information.

The other result areas such as; cooperative development, investment and industrial promotion will be handled in the subsequent quarters.

Benefits: The office of the DCO had been renovated, and provided with equipment. According to the DCO, this greatly improved the profile of the commercial services sector which had been largely marginalized for a long time.

The DCOs are now invited for District Technical Sub Committee meetings and council meetings for consultations when planning for the district.

Sustainability: The District Commercial Officer has submitted a draft tourism plan to the Technical Planning Committee and District council to promote tourism in the district. This will enhance revenue for the district and the sector. During FY 2013/14, the sector was allocated Ug shs15,000,000 by the district and Ug shs 6,000,000 was released. This was an improvement in budget allocation because previously the sector was allocated Ug shs2,000,000 per annum and receive less than half. The DCO is strategically identifying with partners and so far, they have engaged Korean partners to support value addition of maize in the District

L-R: Refurbished Office block and furnished Commercial Services Office in Hoima

Challenges

- **Delayed and inadequate funding.** By 6th August 2014, the district had not yet received funds for Q2 yet it was the second month of Q3. The grant of Ug shs25,000,000 per annum was said to be inadequate for effective implementation of planned activities in the five subsectors under commercial services.
- The project was expected to end on 31st December 2014 yet most of the activities in the two year work plan had just started.

- Due to the rising profile of the commercial services sector in the district, it was reported that politicians demand for facilitation to conduct advocacy work yet the project did not consider such facilitation.
- **Understaffing.** Currently there are two officers in the sector with only the DCO in substantive appointment. The Assistant DCO is an agricultural officer on secondment to the office. Inadequate staffing affects the implementation of outreach programs in all the sub counties of the district.

Recommendations

- Funds should be disbursed in a timely manner to ensure efficient implementation of activities.
- The DICOSS secretariat should prioritise implementation of work plans and using savings from other project components increase funding of work plans for effective delivery of services in all the subsectors of commercial services.
- The district Local Government Service Commission should appoint substantive Assistant DCOs to fill the gaps in the establishment and ensure effective implementation of activities.

2. Kapchorwa District

In March 2011, the District identified an office block to house commercial services offices.

Renovation: In July 2012, M/s Sabiny Trust Limited was awarded a contract to renovate the four roomed office block, at a contract sum of Ug shs 9,938,250, within a period of six months. The scope of works covered; floor works (replacement of damaged floor), re-roofing the building, installation of 2 metallic doors, installation of an overhead water tank, renovation of a septic tank and toilets.
Works were completed in January 2013. The user identified some defects which the contractor rectified in June 2014. The contractor was paid the contract sum less the retention whose certificate was awaiting clearance from the district engineer by July 2014. It was observed that the Bills of Quantities (BoQs) for plumbing works did not cover replacement of missing toilet handles and painting. The DCO was satisfied with the work done.

Equipment: The following equipment was delivered at the district; 3 office desks and 3 chairs, one conference table and 8 chairs, 3 computers each with a UPS, 2 filing cabinets, 2 motor cycles, a safe, a laptop computer, a printer, a photocopier, a scanner, 12 notice boards, one smart phone, 2 bookshelves, one internet router and signage. All equipment was functional and engraved with the exception of the internet router which was awaiting installation.

Trainings: Two officers attended trainings in Soroti/Tororo covering modules in ICT, auditing, business management, accounting and development of work plans among others. Three networking conferences were also organized which staff attended in the districts of Mukono and Kampala. The officers were satisfied with the trainings and stated that their skills in auditing and ICT were enhanced.

Work plan: The Quarter one work plan had been submitted and funds totaling to Ug shs7,875,000 disbursed to the district. However, the funds were received on 28th March 2014. All funds were utilized during Q2. Activities implemented included: mobilizing of communities to form cooperatives; five new cooperatives were registered and 2 were in the process of drafting bylaws. Stakeholders were trained in value addition with emphasis on coffee and grains. The release for Q2 was yet to be received and activities remained pending.

Benefits: The commercial services offices were equipped and operating optimally. The DCO noted that overall office operations (stationery) and mobility in the field had greatly improved.
The commercial office was more visible in district in terms of conducting outreach programs in the sub sectors.
The networking conferences conducted by the secretariat exposed officers to other innovations such as bitter sweet honey from Kabale district which they planned to introduce to the farmers.
The budget allocated to commercial services by the district had also improved from Ug shs 500,000 in FY 2011/12 to Ug shs 5,000,000 in FY 2013/14.


L-R: Refurbished Commercial office block and some of the equipment in Kapchorwa

Sustainability: It was reported that the district had plans of increasing budgetary allocations to the sector though local revenue collection was still low. In FY 2013/14, Ug shs 5,000,000 was allocated to Commercial services as compared to Ug shs 1,000,000 in FY2012/13 and Ug shs 500,000 in FY 2011/12.
Plans to expand the district revenue through the tourism and trade sub sector of commercial services had been made. According to the CAO, once additional revenue is generated, the sector was to receive additional funding. The DCO planned to lobby politicians/district on the need for additional funding.

Challenges

Late release of funds: Funds for Q1 activities were released in Q2 and thus implementation of QI activities was conducted in Q2.

Understaffing: The office had two members of staff one of whom was seconded from the finance department. The two, are expected to cover 14 sub-counties and one town council on top of the administration work at the district.

Political interference: It was reported that some of the delivered equipment especially motorcycles were being hijacked by politicians. This was affecting implementation of activities in lower local governments.

The officials highlighted a knowledge gap in industrial, investment and tourism sub sectors.

Recommendations

- The DICOSS secretariat should release the funds for work plan implementation in a timely manner.
- The district Local Government should review the staffing of commercial services and recruit substantive officers to ensure that activities are implemented.
- The DICOSS secretariat should organize more training sessions for DCOs especially in areas of tourism, investment and industries.
- The secretariat should incorporate study tours in their budget in order to expose DCOs to best practices and innovation in other parts of the country.

3. Masaka District

As a result of a baseline survey conducted before project implementation, the district administration was tasked to provide offices for commercial services sector. As a result, two offices were identified for the sector by the district. In 2012, The LG provided two offices for renovation at SSaza. M/s Hajat Matovu Enterprises was awarded a contract to renovate the offices (contract details were not available during the monitoring visit).

Renovation: The scope of works included; painting, ceiling works, floor works, electrical works, rehabilitation of water borne toilets, installation of a water tank, installation of new doors and windows. All the planned activities were undertaken and completed by 30th June 2013. The DCO was satisfied with the work done. By 17th July 2014, the contractor had been fully paid.

Equipment: The following equipment was delivered to the commercial office. A safe, 2 bookshelves, one laptop computer, 3 desk computers each with UPS, 2 motorcycles, one smart phone, a printer, a scanner, a photocopier, 3 desks with 3 chairs, one conference table with 8 chairs, an internet router,12 notice boards and signage for the commercial office. All equipment was functional.

Training: The DCO attended two training sessions and three networking conferences organized by the project. Trainings were conducted in Masaka, Tororo/Soroti districts and covered the disciplines of ICT, audit, management, finance, accounting, business, among others. The networking sessions enabled the commercial officers to interface with other MoTIC partner agencies such as UNBS, URSB, UIRI, UIA and URA. The DCO expressed satisfaction with the training provided.

Work Plan: The Quarter one work plan was approved in January 2014 and Ug shs7,875,000 was released in April 2014. By 17th July 2014, implementation of Q1 activities was in progress and 90% of the funds had been spent.
Activities implemented were:

- Training of 30 bee keepers in quality assurance, and packaging.
- Identification and registration of SMEs in the district.
- Supervision of Annual General Meetings for cooperatives and training of board and supervisory committee members for two SACCOS.
- Auditing of books of account for 15 SACCOS against a target of 20.
- Mobilizing of community members to form cooperatives and six new cooperatives were formed.

The key result areas of tourism and industrial development were to be tackled in the subsequent quarters.

Benefits: The commercial offices are now fully furnished and equipped thus easing the execution of duties.

The budget allocation to the commercial services is currently realized. For example the district provided Ug shs 2000000 to the sector during FY 2013/14. Before the DICOSS project, the sector could hardly receive any funds from the district.

Sustainability: The district has no clear sustainability plan after project closure, and the current provision of Ug shs 2,000,000 is insufficient to carry out project activities.

L-R: Refurbished DCO office and signage installed at the Commercial offices in Masaka

Challenges

- There is untimely disbursement of funds from the DICOSS secretariat to the Local government.
- Lack of clear sustainability strategies after the end of the project.
- Delayed processing of work plans by the secretariat. It takes two months for quarterly work plans to be approved.

Recommendations

- DICOSS secretariat should process the submitted work plans in time and disburse the funds in the respective quarters.
- The District LG should prepare to take over the activities of the project once it ends.

4. Moyo District

In 2012, the district allocated a building formerly housing a prison holding cell for remodeling into an office for commercial services. M/s QUKS Enterprises was contracted to renovate the building at a contract price of Ug shs 22,759,000. Works were expected to be completed in six months with effect from 30th May 2012.

Renovation: The scope of works included: remodeling the structure into an office, re-roofing, fitting new doors and windows, and painting.

By 30th July 2014, works had been completed and a total of Ug shs 18,137,792 paid to the contractor. Payment of the outstanding balances were awaiting the 12 months defects liability period. The commercial officers were satisfied with the quality of works.

Equipment: The following equipment were delivered; 2 motorcycles, 3 office desks with 3 chairs, 3 computers each with a UPS, one conference table with 8 chairs, 12 notice boards, a printer, a scanner, a photocopier, 2 filing cabinets, 2 book shelves, an internet router, a smart phone, and a safe. All equipment was functional and in use.

Training: The commercial officer attended two training sessions an networking conferences in Masaka, Tororo/Soroti; and Mukono and Kampala. The trainings were rated as useful because the DCOs lacked competencies in some disciplines like ICT, auditing and preparation of work plans.

Work Plan: Funds for Q1 had been disbursed to the district and were received on 29th March 2014. The following activities were undertaken;

- Auditing of SACCOs.
- Training on cross border trade.
- Formation of produce and marketing cooperatives.

It was observed that implementation in Q2 focused on activities under the cooperative development component. Tourism and investment activities will be implemented in the subsequent quarters.

Benefits: The office of commercial services had been revitalized and fully furnished which had motivated the officers.

The PRDP constructed a store to a group that had received post-harvest handling training from the commercial services. Therefore linkages with other government programs were being established.

Sustainability: Currently, the district contributes Ug shs 800,000 per annum to the commercial services sector. The District had agreed to increase funding to the sector but had not committed any additional funds. There was no sustainability plan after the end of the DICOSS support.



Left: Remodeled office block; Delivered equipment and Signage at Moyo District

Challenges

- Delayed release of funds to implement the approved work plan
- Understaffing: There was only two staff members assigned to commercial services sector.
- Lack of a sustainability plan with funding to continue with the initiated activities under the project.

Recommendations

- DICOSS secretariat should ensure timely release of funds.
- The Local Government should fill the vacant position in the structure of commercial services.
- The District should plan for post implementation sustainability.

5. Ntungamo District

The district allocated one office unit for commercial services for renovation. The scope of works included; painting and installing burglar proofing. In September 2012, works were contracted to GIM Contractors Limited at a contract price of Ug shs1.9 million. Works were completed by December 2012 and the contractor was fully paid.

Equipment: The following equipment was provided ; 3 desktop computers each with a UPS, 3 office desks with 3 chairs, one conference table with 8 chairs, 2 motorcycles, 2 filing cabinets, 2 book shelves, a safe, an internet router, a printer, a scanner, a smart phone, one photocopier and 12 notice boards. All the equipment was functional apart from the Notice boards that had not been mounted.

Training: The commercial officers attended training provided by the DICOSS Secretariat in Soroti/Tororo and Masaka. The areas covered included; marketing, auditing, business management, ICT and accounting among others. The commercial officers were satisfied with the trainings provided but felt that trainings in ICT and network marketing were inadequate.

Work plan implementation: A total of Ug shs7,875,000 was disbursed to the district for Q1. The major activity implemented was a census on all financial, SMEs, factories, and industries in the district. The purpose of the census was to document all business entities operating in the district and identify training gaps for the private sector.

Benefits: The operations of the commercial office had greatly improved due to the project intervention. For example, the commercial office was a one stop centre for documentation services. The project had enhanced the morale of commercial officers to perform their functions. The public had started demanding for commercial services after the sector's visibility had been improved.

Sustainability of the project activities after the end of support from MoTIC was unlikely because local revenue was reportedly limited and therefore could not be used as an alternative source of funding. The district proposed that a conditional grant to commercial services was most suited to sustain the program. Currently, the District allocates Ugshs 6 million to commercial services per annum.

Some of the equipment delivered to Ntungamu

Challenges

- **Limited office space**: The commercial services sector was allocated one room which was said to be inadequate for all the procured equipment. This forced the officers to store some of the equipment provided by the secretariat in other units.
- **Understaffing:** The sector lacks a grass root structure for commercial services at sub county level. This stretches the ability of the staff to effectively implement activities. Currently the district has four staff yet the district has 21 Sub Counties. There is one Assistant DCO to handle a county comprising seven sub counties.
- Lack of a sector specific grant to support activities under commercial services.

Recommendations

- The district administration should allocate another room to the commercial services sector for effective utilization of delivered equipment.
- The Ministry of Public Service and the Local Government should review the existing structure with a view of increasing staffing.
- The MoTIC and the MFPED should establish a conditional grant for commercial services to ensure consistent service delivery.

6. Pader District

In July 2012, the district identified two rooms for commercial services. On 4th September 2012, M/s BM Watson Limited was awarded a contract to renovate the rooms at a contract sum of Ug shs 9,959,100. The scope of works included: preparation of the floor surface, laying of ceramic tiles, preparation of existing walls to receive additional paint, and supply and fix solid hollow flush doors. The project was expected to be implemented in a period of 30 days.

Works were completed and the contractor paid Ug shs 6,000,000. By 29th July 2014, the District Engineer had not certified the works after the defects liability period and the retain amount of Ug shs3 million had not been paid.

Equipment: The equipment delivered to the district included; a photocopier, two desktops with three UPS, a printer, and three office desks with 3 chairs, one conference table with 8 chairs, 12 notice boards, 2 motorcycles, 2 book shelves, one smart phone.

All equipment was functional except the photocopier whose cables were eaten by rodents. In addition, one of the computers had been erroneously delivered to Kotido district. Some items such as 2 filing cabinets, safe and scanner had not been delivered. One of the project motorcycles was being used by the District Vice Chairperson.

Training: The commercial officers attended training in the districts of Masaka, Tororo and Soroti as organized by the secretariat. The trainings were said to be relevant and equipped the officials with skills in auditing, ICT, business management, among others.

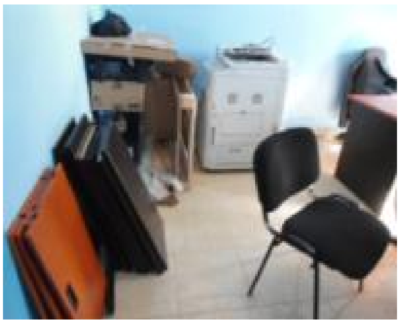
Work Plan: The work plans for Q1and Q2 had been submitted to the secretariat. In March 2013, a total of Ug shs7,300,000 was released to the district and Ug shs 5,300,000 expended. Implemented activities included supporting the formation and registration of SACCOs. A total of five cooperatives societies were formed and registered. As part of networking, the District was collaborating with a number of NGOs in implementing the workplan. They included: Action AID, VEDCO, and Mercy Corps.

Benefits: Before the introduction of the DICOSS project, Pader District Local Government had never funded commercial services sector. The DICOSS project provided the first tranche of funding to commercial services.

The project had empowered the DCO to undertake scheduled assignments and enables the creation of linkages with other stakeholders.

Using the resources from the project, the DCO was conducting sensitization campaigns on matter pertaining commercial services; a one hour radio program (every Wednesday) had been secured for a period of one year on Radio Lwor.

Sustainability: The district did not have a sustainability plan to ensure that the projects activities are sustained after project closure. However, the district leadership promised to fund the activities to a tune of Ug shs15,000,000 per annum under the unconditional grant and local revenue.



Left: Signage at the District office, Centre: Equipment delivered but under storage, Right: one of the delivered motorcycles

Challenges

- Inadequate office space: The commercial services sector was allocated one room by the district leadership and all the delivered equipment and furniture could not fit in it.
- Late disbursement of funds. The DICOSS secretariat delayed to release funds for the first and second quarters to the district. Similarly the district LG finance department delayed to transfer the funds to commercial services sector for over two months.

- Lack of a sustainability plan and lack of funding from the Local government other sources of revenue.
- Poor delivery of equipment: Some of the items meant for the district were not rteceived due to poor delivery. For example, one computer was delivered to Kotido district instead of Pader district, while the photocopier was damaged by rodents before all its parts had been delivered.

Recommendations

- The Management of Pader district LG should allocate more office space to the sector.
- The MoTIC should ensure that funds are released on time to ensure smooth implementation of activities.
- The LG should put in place a sustainability plan and commit resources to commercial services sector.
- Level of engagement between the centre and the Local Governments should increase in order to promote some activities of mutual importance. For example Ministry of Tourism should liaise with LGs to promote tourism.

7. Serere District

In September 2012, the District contracted contracted M/s Across the River Investments limted to renovate the proposed office for DCO in Srere district, at a contract sum of Ug shs 14 million. The contract was to be executed within 90 days with 31st December 2012 as the expected completion date.

Renovation: The scope of works for renovation included electrical works, fitting new doors and new windows, painting, contraction of splash aprons, and re-roofing the structure. During the Monitoring visit (5th August 2014), All contracted works had been completed and all interim pay certificates cleared. A total of Ug shs 1.8 million was the outstanding payment to the contractor which was awaiting the expiry of the 12 months defects liability period.

Equipment: The following equipment was received by the district: 3 office desks with 3 chairs, one conference table with 8 chairs, a photocopier, 2 filing cabinets, a safe, three desk top computers each with a UPS, a printer, 2 motorcycles, one laptop computer, 2 bookshelves, and a smartphone. The district had not received an internet router for internet connectivity.

Training: Three training sessions were organized by the project which the staff attended. The Staff were satisfied with the trainings provided because their skills in trade, cooperatives, and industry, ICT and tourism disciplines were enhanced. The trainees observed that critical areas such as marketing and value addition were inadequate. They further noted that communities were demanding for information on standardization of products yet the subject had not been covered.

Work Plans: Implementation of the approved work plan was in progress. On 26th march 2014, a total of Ug shs7,875,000 was released for Q1. By 5th August 2014, all Ugshs 7.5million had been utilized on implementation of the following activities;

- Trade development; certification and awareness creation about standards, collection of market information.
- Cooperative development; collection of data on SACCOS, backstopping and auditing of weak SACCOs.
- Tourism; identifying and inspecting potential tourism sites; three sites had been identified namely; Agu for bird viewing, Omeleku for sightseeing and Budongo hills for mock hunting.

Benefits: The grant of US$ 10000 (Ug shs25, 000,000) is the highest funding that the sector has ever registered.

For the first time the business community received training in standards and certification for which they were grateful courtesy of the project.

The Commercial services sector had a fully equipped office to support most of the planned activities. The project had improved the visibility of the sector.

Sustainability: The district plans to use part of the unconditional and LGMSD grants at the sub-county level to fund commercial services activities. The commercial office planned to hold regular meetings with sub county councils and cooperatives/farmer groups in order to incorporate and mainstream trade issues in the district planning process right from the grass roots.

L-R: Refurbished office block, furnished commercial office and delivered Motorcycles at Serere

Challenges

- Delayed release of funds for work plan implementation.
- Lack of a sector specific grant for commercial services.

Recommendations

- The DICOSS project secretariat should ensure timely release of funds.
- The MoTIC and MFPED should agree on a commercial services sector specific grant for continuity of initiated programs.

Analysis

Link between financial and physical performance

By 30th June 2014, a total of US $ 1,257,321 (41% of total budget) had been released and US $ 1,072,351 (85% of released funds) expended on key project deliverables. Absorption of funds therefore was excellent however; release performance over the three year project duration was poor (41% instead of the expected 66% by the second year).

It was observed that the poor release was due to delays in securing "no objection" from the funders and bureaucratic authorization processes. All the 18 districts monitored during the year had received equipment, training, and offices renovated. There was a general delay in paying contractors after the expiry of the defects liability period. Implementation of approved work plans by LGs was experiencing delayed releases.

Achievement of set targets

The purpose of the project is to enhance the capacity of targeted DCOs to deliver commercial and business services more efficiently so as to improve MoTIC's effectiveness in fulfilling its mandate at grassroots level. The project objectives focused on; equipping and retooling targeted DCOs; facilitate DCOS deliver commercial and business services in their district; and facilitate the building of networks between DCOs and other stakeholders.

Under the objective to equipping and retooling DCOs: The project provided trainings to the DCOs in Masaka and Tororo/ Soroti where the officer's competencies in skills such as ICT, accounting, auditing and cooperative management were enhanced. The commercials services sector offices in the selected districts were allocated office space and renovated. In all districts monitored, the officers received a wide range of equipment such as computers, internet routers, motorcycles which eased operations, mobility and visibility.

Facilitate DCOs deliver commercial services: A grant of US $10,000 was allocated to each of the implementing districts and were tasked to prepare work plans reflecting the four key result areas of the MoTIC; tourism, investment, industrial development and cooperative development. All districts monitored had submitted work plans and had started receiving the funds on a quarterly basis albeit belatedly. Activities core to the mandate of MoTIC such as establishing the number of business units in Local Governments were conducted thus reinvigorating the commercial officers.

Facilitate building networks between DCOs and other stakeholders: Networking conferences were held between the implementing districts in the districts of Jinja, Kampala and Mukono. These helped DCOs draw from each other's experiences while implementing the project. Other stakeholders such as URA, URSB, UIRI, UIA, UNBS were availed an opportunity to share with DCOs.

Beneficiary Satisfaction: In all Local Governments monitored, the DCOs were satisfied with the outputs provided in the project such as trainings, equipment, allocation and renovation of offices, network meetings and financing the work plans.

Sustainability: In majority of the Local Governments monitored, there were no clear sustainability plans for the initiatives under the project. As a result, most of the initiatives of the project were likely to collapse with the project closure.

Overall progress of the project was estimated at 55% against a financial progress of 41% and time progress of 75%. Implementation of activities was 12 months behind schedule.

General Challenges

- **Delayed release of funds:** In all districts monitored, funds for implementing activities under the work plan were not disbursed on time. As such most activities under the project were not implemented as scheduled.
- **Inadequate staffing**: The DCO as the frontline service provider for MoTIC is supposed to cover the areas of tourism, investment, industrial promotion and cooperative development. However, the structure at the LGs does not take this into account. Some districts are cover bigger area with many sub-counties, for example, Ntungamo district has 21 Sub Counties and a municipality but only has four members of staff for commercial services. This stretches the performance of the staff.
- **Lack of an independent department for DCOs:** Currently the sector is under the production department of LGs which largely focuses on the MAAIF programmes. This has caused the department to be marginalized as no funds are allocated to it like the situation was in Pader district.
- **Sustainability:** There is lack of sustainability plans in terms of funding the activities initiated by the project once it comes to an end.

Conclusion

The project has registered good progress on all of its objectives in terms of retooling and equipping commercial officers, and release of part of the US $10,000 grant for work plan implementation. However, implementation of the work plans is behind schedule, as this activity commenced late and is also faced with delayed release of funds. There are fears of sustainability of the initiated activities as most Local Governments do not have capacity to continue with the activities from local revenue and unconditional grant.

Recommendations

- The DICOSS secretariat should disburse the funds to the implementing districts in the agreed timeframe to enable DCOs implement scheduled activities.
- The Ministry of Public Service should review the staffing structure of commercial services in Local Governments, with the aim of establishing a robust structure to ensure that the sector officers can effectively carry out their duties.
- The Ministry of Local Government, Ministry of Public Service and Ministry of Finance should upgrade the commercial services division in the Local Governments to a department and adequately fund its activities.
- Although the project was scheduled to end on 31st December 2014, overall implementation progress was estimated at 55%, an extension should be granted to enable completion of the remaining activities.

9.4: Uganda Development Corporation

Background

Uganda Development Corporation (UDC) was established by the Uganda Development Corporation Act (Cap 329) of 1952 with the objective of facilitating industrial and economic development of Uganda, promote and assist in the financing, management or establishment of new undertakings; creating schemes for better organization and modernization, and more efficient carrying out of any undertaking; and conducting research into the industrial and mineral potentialities of Uganda.

Due to the economic liberalization policies implemented by the government in the late 1980s, UDC wound up in 1998, however, given the need to facilitate the industrial and economic development of strategic projects, it was decided that UDC should be revived in 2008.

During FY 2010/11, the revived UDC was assigned implementation responsibilities of two projects; namely, Soroti Fruit Factory (project code 1111) and value addition Luweero Fruit Drying Factory (project 1128). During FY2011/12, UDC in partnership with development agencies undertook more projects including Kalangala Infrastructure Services (KIS).

UDC is currently supported as a subvention in the MoTIC. The planned outputs of the subvention include; finalization of the UDC bill, build staff capacity, operational support (rent, utilities, security, equipment maintenance, welfare, vehicle maintenance, fuel and lubricants).

Operational status

In FY2012/13 the Ministry of Trade, Industry and Cooperatives submitted a proposal to establish UDC. In May, 2013 the cabinet directed the MTIC to work with First Parliamentary Counsel (FPC) to re-establish UDC. During FY 2013/14, the draft bill was finalized by the FPC, awaiting issuance of a certificate of financial implication from the MFPED to facilitate its presentation to parliament for the first reading.

Below is the status of implementation of the projects.

9.4.1: Project 1111: Soroti Fruit Factory

Background

The Soroti Fruit factory project is a proposed Government direct intervention aimed at supporting value addition in fruit processing for the promotion of industrial growth in the Teso region. This region is the leading producer of citrus fruits in the whole country. Oranges are the most popular type of citrus fruits in the region with three major improved varieties namely; Hamlin, sweet Valencia and Washington Navel. The region also grows mangoes. Consequently the fruit processing facility would be expected to process mangoes and oranges hence; orange concentrates, mango pulp, mango and orange juices products among others. The project commenced on 1st July 2009 and is expected to end on 31st December 2018.

The establishment of the fruit processing factory in Soroti intends to address the post-harvest losses suffered by the farmers especially during the bumper harvest. Apart from the good prices, the processing facility would also add value and ultimately would incentivise farmers to increase production, thereby increasing household incomes, creating employment opportunities, with resultant social-economic development in the region. In 2011, the government of South Korea agreed to fund the project using a turnkey support mechanism through the Korean International Cooperation Agency (KOICA). GoU was responsible for preparation of the project site, and servicing it with roads, electricity, water and waste treatment plant.

Past performance

A five acre piece of land was allocated to this project within Soroti Industrial Park by Uganda Investment Authority. In February 2011, GoU received a grant offer for a turnkey fruit processing facility from the Government of South Korea. This grant is to be channeled through the Korean International Cooperation Agency (KOICA). According to KOICA's technical review, the processing capacity of the proposed facility is estimated at 6.0 tonnes per hour for oranges and 2.0 tonnes per hour for mangoes. This facility will operate for an average of 20 hours per day. The total value of the grant from the South Korean Government amounts to USD 7.4 millions as detailed in Table 9.6.

Table 9.6: Showing KOICA grant allocation by activity

Item	Activity	Cost
1	Consultancy services, and construction of the facility with its primary waste water treatment plant, oil storage tank and welfare, administrative office.	USD 2,000,000
2	Procurement, freight, and installation of machinery and equipment.	USD 4,465,000
3	Training of the technical staff to be employed by the facility.	USD 935,000

Source: UDC

Expected Outputs for FY 2013/14

- Complete road works
- perimeter fence around project site constructed
- Energize power transformer
- Mobilization and training of fruit farmers
- Finalize technical designs for the factory
- Award contract for construction of factory
- Ground breaking for the factory

Findings

Financial Performance

The approved budget for Soroti Fruit Factory FY 2013/14 was Ug shs 4,760,811,655 of which, Ug shs 4,470,154,211 (94%) was released. Release performance for the year was excellent. It was observed that funds released in the previous financial year (Ug shs 3,935,214,402) had been rolled over to FY2013/14. The total available funds for the two years therefore was Ug shs 7,993,139,027 of which, a total of Ug shs 2,964,277,995 (37%) was expended. Expenditure performance for the two years was poor.

Physical Performance

Below is the progress on the planned outputs.

Road Works: The contract for the construction of roads was under the mandate of UIA (Development of Industrial Parks) and it was awarded to M/S MG Engineers at a contract sum of Ugshs 2,126,746,475. By 30th June 2014, a total of Ug shs1,519,709,637 was paid to the contractor after the issuance of a partial certificate of completion. Expenditure under this contract was at 71% representing very good performance. The paving of the road was completed, and all ancillary works (street lighting and road markings) were substantially complete. Actual completion of works was slated for July 2014 (detailed report on performance of this contract is presented under section 9.2.2 of this report).

Perimeter wall around the site: On 20th May 2014, M/s Wills International Engineers and Contractors Limited was awarded a four months contract at a sum of Ug shs734,493,659. By 30th June 2014, Ug shs351,030,892 (50%) had been paid. Excavations, earthworks, columns, strip foundation, and concrete blinding had been finalized. Ongoing works were fixing of column bases reinforcements, and walling the upper site of the fence. Physical progress was estimated at 67%. Works were generally on schedule and the contractor anticipated to handover the site before the project end date of 27th September 2014.

Construction of a Water Reservoir: In May 2014, UDC awarded a contract for water works to M/s Gets Technical Services Limited at a contract sum of Ugshs 580,092,700. By 30th June 2014, a total of Ugshs174,027,810 (30%) had been paid. By 5th August 2014, the contractor had completed excavation and earthworks, the tank concrete bed had been casted, blinding and fixing of reinforcements was ongoing. Completion of civil works was expected by 30th August 2014 and the tank would be installed by 30th September 2014.

Mobilization of farmers: By 30th June 2014, the mobilization and training of farmers was ongoing, so far, 6,391 farmers in Soroti and 964 fruit farmers in Ngora had been trained on good agronomic practices, harvest and post-harvest handling techniques. 288 farmers and 375 farmers in Bukedea and Kumi respectively were evaluated to assess the impact of the training on fruit production and importance of cooperatives at the sub-county level.

Energizing the transformer: The transformers at the site were tested. Actual powering was awaiting the delivery of a UMEME meter.

Selection of equipment: The selection of most suitable equipment and machinery for the proposed fruit factory was finalized by the Korean Project Management team.

Designs of the factory: The final designs for the factory had been completed by the Korean architectural team and the ground breaking for construction of factory was postponed to November 2014.



Left: Ongoing works on the fence, Centre: Foundation works for the fence, Right: Completed road in Soroti

Analysis

Link between financial and physical progress

The approved budget for Soroti Fruit Factory FY 2013/14 was Ugshs 4,760,811,655 of which, Ug shs 4,470,154,211 (94%) was released. Release performance for the year was excellent. In addition Ug shs 3,935,214,402) had been rolled over from the previous financial year. Only Ugshs 2,964,277,995 (37%) was expended on contraction of road works, perimeter fence, and water works. Expenditure performance for the two years was poor. Physical performance was however good as roads to the project site had been substantially completed and 67% of the fence constructed.

Achievement of set targets

At least 70% of the approved outputs for the year were achieved. The road works were substantially complete, the perimeter wall was at 67% physical progress, the water reservoir was at 30% and on schedule, mobilization of farmers was ongoing, the transformers were tested and the designs for the factory had been completed by the Korean team. Ground breaking for the construction of the factory was postponed to November 2014.

Challenges

Delayed implementation: The project has suffered from continuous postponement of proposed factory construction commencement. The latest deadline of March 2014 was postponed as well to November 2014. However Officials at UDC stated that they had sought a written commitment from the Korean funders - KOICA to undertake the project in November 2014.

Conclusion

The project performance during the year was very good; however, it was two years behind schedule.

Recommendation

The KOICA funders should commit to commence factory construction activities since all the requirements have been fulfilled by UDC.

9.4.2 Project 1128: Value Addition Luweero Fruit Drying Factory

Background

The vision of the Government of Uganda is to transform the country into a middle income country. In order to achieve this objective, the Government intends among other strategies, "to promote the value addition and agro processing as a means to increase earnings". It is within this context that the Government through the Uganda Development Corporation (its revived development arm) plans to facilitate the establishment of a fruit processing facility to serve the greater Luweero region.

The key issues for the fruit farmers in Luweero Traingle are: lack of readily accessible markets, fair pricing of their produce; and cost effective and easily accessible storage and transport infrastructure. Because of the following, Luweero has been experiencing high post-harvest losses of fruits during peak production seasons.

The project commenced on 1st July 2008 and is expected to end on 30th June 2015.

Project objectives

- To promote value addition and agro-processing of agriculture produce;
- To increase the incomes of the fruit farmers in Luweero Triangle by providing a readily accessible and fairly priced market for their produce;
- To reduce current post-harvest losses of fruits; and
- Produce fruit juice, concentrates and pulp that exceed the local, regional, and international market standards.

Planned activities for FY 2013/14

- Procure consultant to undertake an environmental impact assessment for the project.
- Finalise the feasibility study report.
- Procure land for setting up a fruit factory.
- Monitor the implementation of the project.

Findings

Financial Performance

The approved budget for Luweero Fruit Factory FY 2013/14 was Ugshs181,000,000 of which Ugshs 136,060,098 (75%) was released. A total of Ugshs 77,397,334 was rolled over from the previous financial year. The total expenditure during the year was Ugshs 181,971,517 (85% of available funds), all spent on feasibility studies for capital works. Release performance was very good while expenditure performance was excellent.

Physical performance

For FY 2013/14, the major output under the project was the completion of the feasibility study and the final report was submitted and approved. A ten acre piece of land was solicited and obtained and the process was underway to transfer the land into UDC's names. Physical implementation of the project had not started due to limited funds. The target for the year was therefore achieved and the received funds utilized as per work plan.

9.4.3 Project 1240: Kalangala Infrastructure Services Project

Background

The aim of the Kalangala Infrastructure Services project is to provide infrastructure and public services and utilities (roads, electricity, water and ferries) to the residents of Bugala Island, Kalangala district in a manner that is economically and commercially viable using private capital.

Kalangala Infrastructure Services (KIS) is a limited liability company registered in Uganda and is the implementing agency for Kalangala Infrastructure project, a public private partnership arrangement whose total cost is estimated at US $50 million. UDCs participation in this project is through acquisition of 45.7% of the ordinary shares in KIS valued at US$6.5 million. The other shareholders of KIS are Infrastructure Management Company (InfraCo) with 54.3% of ordinary shares and Industrial Development Company (IDC) with US $ 7.5 million worth of preferential shares.

Infrastructure components to be provided by KIS include the following:

- **Road works**: Expand and rehabilitate the 66KM main Island road and upgrade it to class B gravel road.
- **Ferry Services:** Provide two new ferries to operate between Bukakata and Luuka linking Kalangala to the main land and to rehabilitate and reconstruct the ferry landing sites at Bukakata and Luuku.
- **Power Supply services**: Construct a power generating plant at Bukuzindu and generate 1.6 MW for Kalangala inhabitants. Construct transmission lines through Bugala Islands to serve all major settlement areas.
- **Water supply services**: Rehabilitate and expand the Kalangala Town Council water supply system and construct water supply systems for 5 major fish landing sites.

Planned Outputs FY 2013/14

i) Acquire the remaining 2% ordinary shares in Kalangala Infrastructure Services;

ii) Monitor the implementation of the project (construction of 66 Km road, construction of power generation plant and transmission lines, construction of the second ferry, and water works)

iii) Carry out publicity activities for KIS.

Findings

Financial progress

The approved budget for KIS in FY 2013/14 was Ug shs320,000,000 and by end of FY all of it was released and Ug shs317,000,000 (99%) expended. Both release and absorption were excellent.

Physical Performance

The major output for the project was acquiring the remaining 2% ordinary shares in KIS and all shares had been bought at a cost of Ug shs307,608,188. Table 9.5 shows the expenditure by item.

Table 9.5: Kalangala Infrastructure Services GoU's expenditure for FY 2013/14

Planned Annual Output	Budget	Total Expenditure
Acquire Shares	307,000,000	307,000,000
Monitoring, supervision and appraisal of capital works	12,392,000	9,934,674
Total	320,000,000	317,542,862

Source: UDC

Construction of a 66 km road: In March 2013. A contract worth Ug shs19,758,945,590 was awarded to Spencon Engineering services supervised by M/S Gauff Consultants to construct a 66km road from Bugoma/Luuku to Mulabana landing site. Table 9.6 shows the summary performance of the contract.

Table 9.6: Physical Performance of the construction of the 66Km road

Project Name	**Construction of 66km road from Luuku/Bugoma to Mulabana**
Source of funding	Kalangala Infrastructure Services: Nedbank Capital, InfraCo Ltd, Industrial Development Corporation South Africa, Uganda Development Corporation (Government of Uganda)
Implementing agency	Kalangala Infrastructure Services
Supervision consultant	M/s Gauff Consultants
Contractor	M/s Spencon Engineering Services
Length of road	66Km, 14 meters wide
Supervision commencement date	March 2013
Construction commencement date	March 2013
Construction end date	June 2014
Proposed extension date	March 2015
Defects liability period	12 Months
Original contract price	Ug shs19,758,945,590
Supervision contract price	*Not available at the time compilation*
Contract period	16 months

Advance payment	Ug shs3, 951,789,118
Actual time progress	83.3%
Actual financial progress	10 certificates raised and paid (amount not available)
Actual physical progress	57%
No of certificates raised and paid	10
Level of mobilization	100%
Actual physical progress - cumulative	57% (66Kms of road handed over, 15km sub contracted, km 35+000-km 66+000 at 80% progress)
Project scope Class B gravel standard	a) Accommodation of public traffic passing through or around the works, maintenance of the existing road prior to its upgrading and construction and maintenance of deviations; b) Site clearance and earthworks along the site inclusive of formation of all drains, site ditches, junctions and minor link roads. C) Construction of embankments over swamp crossings; d) widening of the existing road carriage way and shoulders e) reprocessing the existing gravel wearing course, including provision of additional material to form a new improved sub-grade; f) Construction of new gravel sub base; g) Construction of gravel wearing course h)construction of a single Bituminous surface treatment to selected areas to steep vertical gradient; i) A combination of demolition and removal of existing culverts and construction of new culverts and drainage structures including construction of head walls and wing walls; j) Supply and installation of road furniture; k) Relocation of services; l) Construction of gabion works; m)Finishing of the roadway and road reserve; n) Environmental mitigation measures such as rehabilitating old and new borrow pits, landscaping and grassing, HIV/AIDS awareness campaigns; o) Correction of defects during the 12 months defects liability period.
Resettlement Action Plan (RAP) and compensation progress	1,100 people affected with a certified value of Ug shs4.2 billion. Compensation for all Bibanja holders done. Only 40% of titled land holders have been compensated because verification of titles must be conducted before compensation.

Source: KIS

The entire stretch of 66 Kms had been handed over to the contractor and works were in progress. Due to delays experienced in implementing the project, the contractor sub contracted 15 kilo metres from Luuku to Bumanji, to M/s Olanzicon Services Ltd. The sub-contractor was carrying out bush clearing and proceeding to formation on some sections.

The main contractor M/s Spencon Engineering Services was carrying out works on the section starting from 35+000 -66+000 Kms. Works on this section were estimated at 80% and in September 2014, the contractor hoped to proceed to section 15+00- 35+000 Kms. The overall physical progress was estimated at 57%.

L-C: Ongoing road gravelling at Bwendero and Mulabana, Right: Bush clearing at Kibale Km 5+500 in Kalangala

The main challenge affecting road construction was the extended rainy season which had slowed down works.

Ferry Operations and Construction: The first ferry is operating normally. Construction of the second ferry is ongoing and progress on the hull construction and ship construction was at 96% and 69% respectively. The expected completion and delivery of the ferry was scheduled for September 2014.

Electricity: Generation, Transmission and Distribution of 1.6 Mega Watt Plant

The contract for the power plant was awarded to M/s FerdSult Engineering Services. The power plant is a hybrid station comprising of both solar and a Heavy Fuels Oils plants located at Bukuzindu-Bbeta parish. The contractor subcontracted M/s Premium Solar India for the construction of the solar plant. All solar panels were on site and mounting was in progress. FerdSult is implementing the switch yard and the transmission network.

Progress on the switchyard was estimated at 90% and nearing completion. Pending works were excavation works for a 2500 cc diesel tank; delivery of 500KVA, 350KVA, 250KVA generators, batteries, inverters and a Scada system.

Activities such as clearance, transformer mounting, pole erection and stringing were 80% complete. Fifty two transformers are to be mounted, by 20 July 2014, 20 transformers had been delivered and 15 (50 KVA transformers) mounted in all designated load centers with the exception of landing sites where 25 KVA transformers were mounted.

L-R: completed power house and solar panel frames in foreground, and installation of substation Works at Bukuzindu Right: Transformer wiring at Kagulube

Stringing of poles on the low voltage line was ongoing and completed in the areas of Luuku, Bugoma, Buziga, Kibanga,- Magoma, Kibaale, Mbeta, Murorere, Butambala, Buzanga, Kizira, Banga, Buyindi, Bumangi, Kasenyi, Njoka, Kibanga, Bujuni, Bugoye and Buswa. The pending areas are; Kananasi, Kyagalanyi and Bwendero. Physical progress of the power line was estimated at 90%.

The power tests were expected to be conducted in August 2014. It was observed that residents had started wiring their houses using certified electricians. KIS anticipated connecting 2,000 domestic users in the first phase. All connections were going to be free, in addition to provision of 30 meters of solidal cable and a prepaid metering unit. KIS had submitted the proposed power charges to the Electricity Regulatory Authority (ERA) for approval. It was observed that the proposed unit cost was the same as that charged by UMEME on the main land.

Challenges

- Delivery of generators had delayed by two months due to clearance related issues with Uganda Revenue Authority. As a result, the generators were still at URA warehouse.
- The community expected compensation for the low voltage power lines that were passing through their land. The residents could not distinguish between high voltage and low voltage power lines. They were blocking the contractor from accessing some sites.
- Some of the power lines had not been synchronized with the road designs causing removal of some erected poles in the road construction areas
- One territory under the scope of KIS (Mwena) had been encroached on by Uganda Electricity Distribution Company (UEDCL).
- Stringing across the existing power lines under UEDCL in Kalangala Town Council and BIDCO in Bwendero required shut downs which were yet to be accepted by the two companies.
- The island terrain was said to be too rocky which delayed excavation and pole erection in some parts.

Water supply construction: The proposed extension of water services to five other settlement areas was underway. The contract was awarded to M/s Ferdsult Engineering Services at a price of US$ 4 million. Construction of the Kalangala Town Council water supply commenced in March 2014 with pipe line excavation and laying of supply mains to Town Council areas, Bujumba and Bumanji. By 20th July 2014, 15 kms of the water supply mains had been laid out of the planned 32kms. Water supply systems to all the five settlement areas had been surveyed, pegged and land acquired for all the areas. The overall physical progress was estimated at 40%.

A public water tap and solar powered water system in Mulabana, Right: vehicles queuing for the ferry at Luuku

Challenges

The site acquired by KIS for a water treatment plant was unsuitable. As a result, an alternative location was identified which required new designs and caused an estimated variation in costs of US$ 500,000 above the original price.

Overall KIS project analysis

Link between financial and physical progress

The approved GoU budget for KIS in FY 2013/14 was Ug shs320, 000,000 and all was released, Ug shs317, 000,000 (99%) was expended on acquisition of shares and supervision of works. Both release and absorption were excellent. Financial information on the different project contracts were not availed to the monitoring team for analysis.

Achievement of set targets
About 70% of the planned outputs for the FY 2013/14 under KIS project were achieved representing very good performance. Construction of a Class B gravel road was at 57% against time progress of 87%. Construction of a hybrid power plant and transmission of electricity was at 90%. Construction of the second ferry was at 70% and construction of a new water system for Kalangala Town Council and five landing sites was estimated at 40%. About 50% of the Project Affected Persons (PAPs) had been paid and given time to relocate.

Conclusion
The implementation of activities on all components; road construction, water and electricity generation were on course and it was expected that despite the delays experienced in the previous two years, works were on schedule most of the deadlines except for roads would be met. The upgrading of the 66 km road, which was lagging behind, had been prioritized and the main contractor was made to subcontract at least 15km. This had increased on the work force and equipment on ground.

Recommendations
1. KIS should implore M/s Spencon Services to increase on manpower and equipment to ensure that the road is completed without further delays.
2. KIS should engage with URA on clearance of the shipped generators for the hybrid power plant.
3. KIS should synchronize the designs for roads, power and water to avoid cost overruns
4. KIS in conjunction with the district local government should sensitize the island residents on erecting low voltage power lines to avoid undue demands for compensation.

Vote Function 0602: Cooperative Development

This vote function is responsible for policy formulation, planning and coordination of cooperatives development. Its main functions are to:

- Initiate and formulate policies, legislation and strategies for cooperative development.
- Supervise and monitor cooperatives to ensure they operate within the established cooperative laws and set objectives for the benefit of the members.
- Supervise and monitor cooperatives to ensure that they operate within the established cooperative laws and set objectives for the members.
- Promote formation of cooperatives.

Under this vote function, project 1203; Support to Warehouse receipt system was monitored.

9.4.4: Project 1203: Support to Warehouse Receipt System

Background
The Government of Uganda made several interventions in the agriculture sector under various programmes such as PMA, AAMP, and NAADS, which have led to increased agricultural production among small holder farmers; however, incomes realized by farmers have remained very low due to inadequacies in the marketing systems.

Lack of adequate storage capacity, currently at 33,900 MT, to hold food reserves, is one of the main reasons of price fluctuations even when bumper harvests are realized. This can partly be addressed through a price discovery mechanism, collateralized financing which would be supported by a vibrant commodity exchange using the Warehouse Receipt System (WRS)[81].

A warehouse receipt is a document of title that shows you the quality and quantity of a commodity that is stored in a licensed ware house. In Uganda, the warehouse receipt is an electronic document. Section 6 of the Warehouse Receipt System Act, 2006 empowed Uganda Commodity Exchange (UCE) to perform warehouse regulatory functions stipulated in the same act and warehouse receipt system regulations, 2007[82].

The key project outputs comprise of the following:

Ten warehouses to be constructed at the regional level to increase on the number of certified warehouses in the country. Five existing warehouses refurbished in addition to the ten regional warehouses.

The project was to refurbish and equip 4 cooperative / bulking stores for each of the 15 warehouses. These would have capacity of 200- 300 MT to give a total of 15,000 MT in bulking storage capacity.

The project was also to refurbish 60 cooperative stores as an intervention to improve storage and food security. This would further promote collective marketing, value addition, for improved bargaining power which results into increased incomes for small holder farmers. The refurbished cooperative stores would be feeding into the certified warehouses which would strengthen commodity trading and financing.
The five year project began operations in July 2011 and is expected to end by 30 June 2016.

Findings

Financial Performance

The approved budget for the project FY 2012/13 was Ugshs 605,778,315 and all funds were released. However, expenditure stood at Ug shs 369,153,683 (61%). Although release was excellent, expenditure was good. Table 9.7 shows the overall financial performance of the project for the past three years.

Table 9.7: Financial performance of project 1203 for three years (Ugshs)

Year	Budget (Ugshs)	Release	Expenditure	% Expenditure of release
FY 2011/12	2,100,000,000	1,100,000,000	1,100,000,000	100
FY2012/13	659,000,000	503,000,000	503,000,000	100
FY2013/14	605, 778,315	605, 778,315	369,153,683	61
Total	**2,759,000,000**	**2,208,778,315**	**1,972,153,683**	**89**

Source: MFPED

Physical Performance
The ware house receipt project comprises of two components; Infrastructural development and regulatory function.

Regulatory function
The mandate of regulation under the Warehouse Receipt System was under the Uganda Commodity Exchange (a private organization). However, its mandate expired in 2012 and extended in 2013 to 2016 through a statutory instrument (no 33 of 2013, gazetted on 27th July 2013) in line with section six of the Warehouse Receipt System Act, 2006. However technicalities arose because a private company was in charge of this function. As a result, a process of setting up the Warehouse Receipt System Authority was initiated and a cabinet number issued. By 30th June 2014, the MoTIC was awaiting the issuance of a certificate of financial implication from the MFPED.

Infrastructural development

The proposed infrastructural development including construction of 10 warehouses, and refurbishment of cooperative stores had not started. The planned location of the first two warehouses in Mbale Industrial Park and Gulu were identified, however, no progress was made because Mbale Industrial Park was not yet in use and a land title had not been secured for the Gulu land offered by the Local Government.

The project entered into a partnership with Uganda Grain Council an entity that brings together the largest 22 grain processors in the country to identify and establish ten sites each with capacity of 20,000MT.

Eleven warehouses belonging to Uganda Grain Council were inspected in the areas of; Nalukolongo, Lwengo, Masindi, Kamwenge, Masindi, Mukono, Wakiso, Kiryandongo, Nakaseke, Kabarole, and Jinja. Those with the required standards were to be licensed by July 2014. It was further reported that most of the inspected warehouses did not have the stipulated 20,000MT capacity because they belong to private sector players and shall be used as a stop gap measure to the government project.

Since the Uganda Grain Council members had established presence in the areas that were planned for by the project, there are proposals to establish warehouses in other areas that are deficient of storage and the proposed areas include; Mityana, Mubende, Kyegegwa, Kyankwanzi, Nwoya and Dokolo.

Warehouse receipt system: Two banks; Housing Finance and Stanbic were already implementing the WRS but on a very slow pace. Centenary Bank and Equity Bank had shown interest and were expected on board during FY 2014/15.

Analysis

Link between financial and physical
The project was allocated Ug shs 605,778,315 and 60% of the released funds were absorbed; however, activities centered on regulatory formation, sensitization and awareness creation. Over the past three years, no single warehouse had been constructed or refurbished from the project funds.

Achievement of set targets
The targets under this project had not been achieved as warehouses were neither constructed nor refurbished.

Challenge

- The MoTIC is not committed to implementing the project as planned. The funds availed to the project are spent on minor activities and others diverted to other functions.
- Some partnering commercial bank branches were not accepting Warehouse Receipts as collateral security.

Conclusion

This project was designed to address one of the major bottlenecks affecting farmers; lack of access to affordable credit. However implementation of this financing modality was impossible due to lack of sufficient infrastructure (warehouses) countrywide. However the construction of warehouses had not kicked off over the three years and resources are diverted to other activities, thus rendering the project ineffectual.

Recommendation

- The MoTIC should stick to the approved plan of the project; construct and refurbish the identified warehouses.
- The MFPED should undertake a forensic audit of the project to ensure that public resources are not wasted.
- The MoTIC should intensify the engagement with partnering banks to ensure that the Warehouse Receipts are accepted as collateral security.

9.5. Uganda Industrial Research Institute

The development project 0430; Uganda Industrial Research Institute was monitored under the industrial research vote function.

a) Project 0430: Uganda Industrial Research Institute

Uganda Industrial Research Institute (UIRI) is the lead agency for the promotion of industrialization in Uganda. The institute is a parastatal under the Ministry of Trade Industry and Cooperatives. UIRI traces its roots to the East African Federation of the 1970s, as a precursor of the then East African Research Organization (EARSO) which was headquartered in Nairobi and served as a regional Research and Development (R&D) institution for Kenya, Tanzania and Uganda. Upon the collapse of the East African Federation, the EARSO disbanded in 1997, and later transformed into the Kenya Industrial Research and Development Institute.

The establishment of UIRI was at the behest of GoU negotiations with the Chinese Government which offered a grant to build and equip the institute.

Objectives

UIRI's primary objectives are:

- To carry out applied research for the development of products and provide platforms for innovation, application of science and technology.
- To develop and acquire appropriate technologies in order to create strong, effective and competitive private sector.
- To promote value addition activities so as to transform local raw materials into competitive marketable products.
- To bridge the gap between academia, government and the private sector and to enhance commercialization of R&D.

Achievement of the objectives is through incubation of project at UIRI headquarters, model up-country centres, and support to the private sector (*incubatees*).

Planned outputs for FY 2013/14

The annual planned outputs under research and development were:

- Develop new value added products. Provide chemical, material and microbial analytical services for UIRI internal and external clients.
- Design and fabricate prototypes of affordable and appropriate technologies for dissemination.
- Initiate new project research agendas. Undertake research projects for targeted value added products to reduce post harvest loss and house hold incomes.
- Launch and commercialize already developed products.
- Commercialization and marketing of Newcastle vaccine.
- Operationalise established valued addition centers.

The Q2/Q3 Budget Monitoring Report FY 2013/14 highlighted progress on commercialization and marketing of Newcastle Vaccine, launch of Arua Fruit Factory and Potatoe and Bamboo processing in Kabale.

The annual monitoring examined progress on Essential Oils pilot in Luweero, Lira Peanut Processing and Research Centre, and establishment of Mbarara Grape Winery.

Findings

Financial Performance

The approved budget for UIRI for FY 2013/14 was Ug shs13.9 billion. All funds were released and expended, representing an excellent release and expenditure performance. Allocative efficiency was good as 60% of the funds were allocated to development activities. Table 9.8 shows the overall financial performance for UIRI.

Table 9.8: UIRI Financial Performance for FY2013/14 (Ug shs, billion)

Item	Approved budget	Release	Spent
Recurrent wage	4.069	4.069	4.068
Non wage	1.520	1.520	1.519
Development	8.323	8.323	8.317
Total	**13.912**	**13.912**	**13.905**

Source: IFMS

Physical Performance

The annual monitoring exercise focused on Essential Oils in Luweero, Lira Peanut Processing and Mbarara Grape Winery.

1. Essential oils incubation project - Luweero

An essential oil is a concentrated liquid containing volatile aroma compounds from plants. Essential oils are known as "oil of" the plant from which they are extracted. Oil is essential in the sense that it carries a distinctive scent, or essence, of the plant. Essential oils are extracted by distillation, often using steam. They are used in perfumes, cosmetics, soaps and other products, for flavoring food and drinks, and for adding scents to incense and household cleaning products.

In conjunction with the Council for Science and Technology of South Africa, the UIRI is working with an incubatee in Wabutungulu, Zirobwe Sub-county, Bamunanika County in Luweero district to establish a pilot mother and demonstration gardens for essential oils in Uganda. The land where the pilot is located was leased to UIRI for a period of 10 years. The agency procured planting materials and the distillation equipment from South Africa and issued them to incubatee. Nursery operations were being scaled up to grow more plants. The project requires 100% organic growing of crops.

The pilot project was established on 20 plots of which, 5 are mother gardens and 15 plots are control plots. The plots have the following varieties.

i) Rose geranium
ii) Lemon blam
iii) Hyssop
iv) Marjoram sweet
v) Roman chamomiles

As part of the enhancement of research into essential oils project, UIRI plans to engage Makerere University Botany students in key research activities.

Distillations of the essential oils for some of the varieties were carried out and three samples sent to South Africa. Two of the three samples sent of *rose geranium* and *lemon blam* were found to be of good quality while the *hyssop* samples had low percentage key ingredient composition compared to those grown in South African. The colours of *hyssop* were however good and stand a chance for scaling up production since results for scent and colour (which matters most) were good in comparison to others.

The varieties of lemon balm and rose geranium were selected as suitable for the central Uganda ecological zone.

During FY 2013/14, UIRI rehabilitated and expand a building meant to host the distillery. The equipment from South Africa was delivered and was awaiting installation. The delivered equipment includes; distiller, seed trays and quality control equipment. Installation of the equipment delayed due to late procurement and clearance of shipped item from URA bonded warehouses.

UIRI plans to use the site as a reception centre where interested farmers can acquire skills and knowledge on how to grow the crops. During the agricultural show in Jinja, many farmers expressed interest in growing essential oils. UIRI had plans of working in collaboration with these farmers to run trials for the different agro ecological zones in the country and twenty three farmers had applied so far. Focus is currently on the selected two varieties of rose geranium and lemon balm.


L-R: Delivered distillation equipment awaiting installation, and the renovated reception centre in Wabitungulu-Zirobwe



Left: Weed mat technology under testing; Centre: Trial garden affected by termites, Right: Nursery bed

By 4th August 2014, ongoing activities on site were trials on the two selected varieties at the site and growing the crops using a weed mat. This technology was being tried on ½ an acre as a means of controlling weeds and ensuring 100% organic production.

Prospects: A basic Cost Benefit Analysis indicated that one needed a minimum acreage of five acres to grow the selected varieties. Lemon balm oil yields 2Kgs per acre at a price of US$ 1200 per Kg. Rose genarium yields 6Kgs per acre at a price of US$22O per Kg.

UIRI was collaborating with local fabricators to test their capabilities in fabricating distillation equipment such that it becomes cost effective for farmers as opposed to importation. UIRI had plans of establishing a weather station at the site in order to monitor progress of the crops under varying temperatures.

Challenges

- **Inadequate funding for research and development:** This affected the capability of UIRI to smoothly carry out its operations. As a result, some activities at the site such as nursery operations were affected due to lack of supervision, transport and fuel for pumping water for irrigation.
- The plants under organic environment are highly targeted by termites.
- Floods. Some of the demonstration plots experienced flooding which affected the crops during the rain season.

2. Lira Peanut Processing

UIRI embarked on establishing a peanut research and processing centre in Lira for ground nuts value addition and research. Land was secured at Lira Industrial area adjacent to the airfield. The plant was commissioned in 2012 and since then, focus has been on research and development of different peanut products.

Findings

By 29 July 2014, there was no processing taking place at the site. This was attributed to the fact that it was off season. However activities that were taking place included;

- Plant certification for both machinery and personnel by UNBS.
- Research into ground nut products.

One of the benefits associated with the project is acquisition of processing capabilities. The Creamy and Crunchy varieties were still undergoing marketing for commercialization.

Challenges

- **Inadequate funding**: Funding is not consummate to the operations such as purchase of raw materials required for the project.
- **Low dissemination of information about UIRI projects and low uptake of technology**: There is limited dissemination of knowledge about UIRI activities and as a result there is little interest from the private sector and other stakeholders in taking up innovations for commercialization.

3. Mbarara Grape Winery

The incuabtee Mr. Edward Kamanyiro of Katojo village, Nyakayojo parish, Rwampara Sub County, Mbarara district is a leading grape farmer. The incubatee selected grape farming because of the high value attributed to the crop compared to traditional crops. In 1998, he expanded his business to over 600 farmers encouraging them to grow at least half an acre of the crop. This gave birth to the formation of a formidable grape vine group; Uganda Grapes Growers Development Association that provides technical support on grape growing in other districts of Uganda.

Findings

Financial Performances

The financing of this project is channeled through State House and UIRI provides technical support and back stopping. Financial information was not availed to the Monitoring team for analysis.

Physical Performance

The expected outputs under the project included;

- Three phase low voltage power line and associated power line
- Extension of piped water
- Construction of stores
- Fencing of the processing facility
- Construction of changing rooms in the facility
- Completion of the sanitation facilities

The incubatee reported that after delivery of the first batch of equipment in July 2013, activities for the project stalled and this was attributed to lack of funding. Implementation resumed in May 2014 with the construction of the perimeter fence, excavation of pit latrines, and improvement of the buildings to act as stores. By 4th August 2014, the factory block was at whole plate level and the contractor had stopped activities. The incubatee was not informed on when works would resume.

Power: M/s UMEME provided the incubatee with a quotation of Ug shs80,891,907 for power transmission to the project site with a transformer. However the quotation was yet to be funded.

Provision of water: The NSWC had been contacted to extend water to the project site and the agency agreed to undertake the assignment on cost sharing mechanism. The incubatee had dug a trench and done the necessary pipework. Pending works are installing a 100m pipe to complete the system as well as testing the water system.



Left: Incomplete expanded structure covering the original containerized winery Centre: Excavated Pit latrine, Right: Incubatee in the grape yard

Challenges

- **Delayed implementation**: Works at the site had dragged on for long without completion. None of the structures at the site had been completed. As result, the equipment is lying idle and the incubatee highlighted that the chemicals that were procured were about to expire before being used.
- **Cash flow constraints**: The Incubatee noted that funds he had earmarked as startup capital were invested in water transmission and other emerging requirements of the project that were vital for takeoff.

Analysis for UIRI Projects

Link between financial and physical perfromance

UIRI's overall finacial performance was good with 60% of the funds allocated to development activities. The monitored projects showed good physical progress albeit the delayed implementation of Mbarara grape winery whose funding was from State House.

Achievement of set targets

Most of the set targets for the year were achieved for example, Arua fruit factory was commissioned, Lira Peanut Research Centre was certified by UNBS and machines maintained, the Newcastle vaccine was commercialized and good results were secured on two of the five essential oils crops.

Conclusion

Government through UIRI has earmarked a number of value addition processing facilities in line with the NDPs objectives of improving the country's industrial capabilities. However constraints such as incubate inertia characterized by low technology uptake, lack of prerequisite business skills and limited private sector participation is hindering any efforts to achieve the envisaged social economic transformation.

Recommendations

- The UIRI should prioritise funding to a few projects that can be achieved in a given period.
- The UIRI should undertake sensitization and awareness campaigns on the potential of the centre.
- The UIRI should partner with local research organizations on identifying remedies to termites under organic crop growing.
- The GoU should increase funding in research and development in order for the sub sector to act as a panacea for Uganda's industrialization.
- The Government should establish an industrialization fund where prospective processors can acquire much needed capital at reasonable credit terms in order to stimulate industrialization.

9.6 Uganda National Bureau of Standards

Quality Assurance and Standards Development

This vote functions deals with the standardization and quality assurance of imported and locally made products through the application of standards to protect consumers against fake and dangerous products and also the local manufacturing industry against unfair competition from fake substandard products.

Project 0253; Construction of UNBS headquarters was monitored under this vote function.

Project 0253: Support to UNBS. Construction of UNBS Home (Phase 1B) and Improvement of the Rig

The objective of the project is to acquire a permanent home for UNBS; with a modern laboratory and ICT equipment. UNBS is currently renting office space in different parts of the city. UNBS was allocated land in Bweyogerere Industrial Park on which it is implementing this project. Currently the project is implementing phase 1B. Objectives of phase IB are to ensure that the first floor is habitable.

Findings

Financial Performance

The approved GoU development budget for project 0253 FY 2013/14 was Ugshs 3.2 billion of which Ugshs 2.7billion (82%) was released and Ugshs 2.3 billion (84% of release) expended by 30th June 2014. Both release and expenditure were excellent. The available unspent balances were attributed to the defects liability period and outstanding certificates. There were some variations in the original contract price because of changes from office design into an open design and as a result, Ug shs300, 000,000 was saved.

The construction of UNBS headquarters was contracted to M/S Metallurgical Construction Company at contract sum of Ugshs.16, 241,286,948. Due to inadequate cash limits, the project was phased.

During FY2012/13, phase 1A (Construction of the shell block with basement, ground floor and four floors) of the building was completed at a cost of Ugshs 4.3 billion. All the raised certificates were paid except retention.

Physical Performance FY 2013/14

1. Construction of UNBS Home (Phase 1B)

The scope of works for Phase 1B covered: Plumbing, electrical installations, cabling, outer finishes using aluminium and steel. The phase commenced on 5th July 2013 and was expected to end on 10th February 2014, however, this was revised to 10th August 2014.The contract amount is Ugshs4, 094,619,052.

By 29th July 2014, installation of ; curtain wall glass, internal finishing (painting, tiling, and partitioning up to first floor), internal plumbing and sanitary fitting, electrical works, and compound paving, and landscaping had been completed. Fixing of the entrance canopy and main doors was in progress.
Physical progress under phase 1B was estimated at 90% while financial progress was at 85% (Ugshs 3,483,164,366 paid).

The first batch of staff was expected to shift from the rented office space in Kamwokya and Katwe to occupy the completed floor.

Left: Completed Phase 1A in July 2013; Centre: Curtain walled structure and Right: front view of the building

2. Improvement of the RIG

Financial Progress

A contract to improve the verification rig was awarded to M/s Mponye at a contract sum of Ug shs 82,740,807. By 25th July 2014 100% of the contract sum had been paid.

Physical performance

The site was handed over to the contractor on 17th June 2013 and was expected to be completed on 30th November 2013. However, the date was revised to 29th February 2014 due to changes in scope from improvement of the rig to reconstruction. This was deemed necessary because the old rig was inadequate. As a result, capacity of the calibration rig was expanded from 40,000cc to 90,000cc. By 25th July 2014; the status of works was as follows:

- Tank wall construction and interior plastering completed.
- Leak tests on open tank completed.
- Construction of top slab to cover the tank completed.
- Construction of offloading, speed reduction, oil reduction, oil collection and oil floating chambers completed.
- Shifting of the 200 litre, 100 litre prover tanks and upgrading of the inlet supply pipes to the tanks and out let pipe from reservoir tank completed.
- Trial runs completed and calibration of the road tankers being undertaken.

The rig was in operation and verification of vehicles had started. Verification is done once every year. Each verified tank is charged Ug shs20 for the initial 20,000 litres; and an extra Ug shs10 for any extra litres. A total of Ug shs370,000,000 was collected from bulk measures as part of UNBS' Non Tax Revenue.



Left: Reconstructed tank with open manhole; Centre: verification of trucks and Left: Calibrated rig provers at Bweyogerere

Analysis

Link between financial and physical performance

The approved GoU development budget for project 0253 FY 2013/14 was Ug shs 3.2 billion of which Ug shs 2.7billion (82%) was released and Ug shs 2.3 billion (84% of release) expended by 30th June 2014. Both release and expenditure were excellent. Expenditures were well aligned to construction of phase IB and improvement of the verification rig.

Achievement of set targets

The two planned outputs of completing phase 1B and improving the verification rig were achieved. The first floor, ground floor and lower ground of the UNBS headquarters were ready for occupation. The verification rig had started contributing to Non tax Revenue of the organization as well as ensuring fair trade among suppliers of petroleum products.

Challenges

- The culverts used at the entrance of the rig were residential yet industrial culverts were required. As a result the culvers broke and needed replacement.
- **Delayed implementation due to weather conditions:** Heavy rains disrupted the works and often the contractors were forced to halt activities such as exterior grading and compacting.
- **Delayed procurement of materials:** Some materials used in the construction could not be acquired locally and thus the contractor had to import such materials. This led to delays and the contactor was granted a time extension from April 2014 to July 2014.

Conclusion

The phased approach of the project is a best practice worth considering by other Government agencies with inadequate resources yet they have intentions of building office blocks such as NITA (U) and Ministry of ICT in Namanve. UNBS reflected excellent absorption of funds and all set targets for the year were achieved albeit with some delays.

Recommendation

The UNBS should change the culverts at the entrance and exit of the verification rig to heavy duty industrial standard culverts.

CHAPTER 10: ROADS

10.1 Introduction

"Roads" is one of the three sub-sectors[83] under the Ministry of Works and Transport (MoWT) whose mandate is to; (i) plan, develop, and maintain an economic, efficient, and effective transport infrastructure and transport services by road, rail, water and air (ii) manage public works including government structures; and promote standards in the construction industry.

Key institutions in the roads sub-sector are: MoWT; Uganda National Roads Authority (UNRA); Uganda Road Fund (URF); Kampala Capital City Authority (KCCA), district local governments, lower local governments (sub-counties) and urban councils. Other institutions outside the works and transport sector that have projects with roads sub-components include: the Office of the Prime Minister (OPM) and the Ministry of Local Government (MoLG).

Under infrastructure development, the transport and works sector was allocated Ug shs 2,466.82 billion[84] in FY 2013/14. This was to be consumed by four votes viz: Vote 016- Ministry of Works and Transport (Ug shs 144.239 billion), Vote 113- Uganda National Roads Authority (Ug shs 1943.667), Vote 118- Uganda Road Fund (Ug shs 352.852 billion) and Vote 500- Local governments (Ug shs 26.006 billion).

During the FY, the government prioritized clearing of outstanding contractual obligations for completed roads, completion of ongoing projects and commencing construction of new ones. The government also planned to accelerate efforts to rehabilitate the country's railway network, and improve the quality of water transport on the major water bodies. The key interventions that were to be undertaken were; the construction and rehabilitation of major strategic national roads, new bridges, equipping local government road units, and the maintenance of district and community roads. This was aimed at stimulating increased agricultural production, improving connectivity to Tourist sites and facilitating national and regional trade.[85]

Scope

This chapter input – output monitoring of selected road development projects and road maintenance programmes for the FY 2013/14 as outlined in table 10.1. It highlights the progress made on key planned activities as well as the financial performance of the projects/programmes, and outlines implementation challenges identified, policy issues, and recommendations.

Table 10.1: Project/programmes Monitored for FY 2013/14

Implementing Institution	Project/programme
Ministry of Works and Transport	• Construction of Selected Bridges • East African Trade and Transport Facilitation Project (EATTFP) • Kasese Airport Development Project (KADP)
Uganda National Roads Authority	National Roads Construction Programme • Atiak-Moyo-Afogi bridge works (104 km) • Reconstruction of Kampala-Masaka Phase 2 (51 km) • Kawempe-Luwero-Kafu Overlay (166 km) and reconstruction of Kafu-Kiryandongo road (43 km) • Rehabilitation of Mukono-Jinja Road (52 km) • Upgrading of Nakapiripirit-Moroto road (93 km) • Reconstruction and Rehabilitation of Tororo-Mbale-Soroti road (152 Km); Lot D – Tororo - Mbale (49 km), Lot E – Mable - Soroti (103 km) • Construction of Selected Bridges (BADEA) – Ntungwe, Mitaano and Birara bridges (Kanungu); Daca, Uzurongo, Eventre, and Ure on Wandi-Yumbe road; Mubuku Bridge on Kasese-Rwimi road and Kilembe bridge on Kasese-Kirembe road; Pakwala, Nyacyara, Goli and Nyagak -3 (Nebbi); Enyau-3 and Alla (Arua); Apak Bridge on Lira-Moroto road
Uganda Road Fund	District, Urban Community Access Roads (DUCAR) Maintenance programme in the following local governments: A) Districts • Dokolo, Kabale, Kotido, Nebbi B) Municipalities • Bushenyi/Ishaka, Hoima, , Lira, National Roads Maintenance Programme at the following UNRA stations • Hoima, Kasese, Kotido, Luweero,

Source: Author's Compilation

10.2 Ministry of Works and Transport– Vote 016

The Ministry of Works and Transport (MoWT) mission is "*to promote adequate, safe and well maintained works and transport infrastructure and services for socio-economic development of Uganda*." The annual monitoring covered three projects namely: Construction of Selected Bridges; East African Trade and Transport Facilitation Project (EATTFP) and Kasese Airport Development Project (KADP).

Vote Financial Performance

The approved budget for FY 2013/14 was Ug shs144.2392 billion (bn). This was allocated as follows: Ug shs 7.727bn (5.36%) for wages, Ug shs 23.043bn (15.98%) for non-wage recurrent, Ug shs 67.489bn (46.79%) as GoU development and Ug shs 26.912bn (18.66%) as development donor contribution and Ug shs 19.067bn (13.22%) for taxes (See Table 10.2).

Table 10.2: Financial Performance of MoWT (Vote 016) by 30th June 2014

		Approved Budget (Ug shs billion)	Release (Ug shs billion)	Spent (Ug shs billion)	% Budget released	% Budget Spent	% Release Spent
Recurrent	Wage	7.727	6.059	4.734	78.4	61.3	78.1
	Non-wage	23.043	20.829	16.672	90.4	72.4	80.0
Development	GoU	67.489	62.033	47.323	91.9	70.1	76.3
	Donor	26.912	16.581	16.581	61.6	61.6	100.0
Total GoU		**98.260**	**88.921**	**68.730**	**90.5**	**65.9**	**77.3**
Total GoU + Ext Fin. (MTEF)		**125.172**	**105.502**	**85.311**	**84.3**	**68.2**	**80.9**
Taxes		**19.067**	**1.500**	**1.500**	**7.9**	**7.9**	**100**
Total Budget		**144.239**	**107.002**	**86.811**	**74.2**	**60.2**	**81.1**

Source: Vote 016: MoWT, Q4 Performance Report for FY 2013/14

Table 10.2 shows that

a) Recurrent budget performance: this had two components that is to say wage and non-wage.

Under the wage component, 78.4% of the budget was released of which 78.4% was spent. Therefore, both release and expenditure performance was very good. The unspent balance (21.6%) of the wage release was due to a number of vacant posts especially at the top management.

For non-wage component, 90.4% of the budget was released of which 80% was spent hence, the release and expenditure performance was excellent. The reason for the unspent balance was the fact that procurement of contracts had not yet been finalised.

b) Development budget performance:

For donor component, 61.6% of the budget was released and all was spent by the end of the FY 2013/14. Hence, the release performance was good. The 39.4% under release was due to low performance of contractors.
Under GoU, 91.9% of the budget was released of which 76.3% was spent. Therefore, the release performance was excellent while expenditure performance was very good.

The overall absorption by of the Vote was Ug shs 86.11billion (81.1% of releases). Therefore the release performance was very good (74.2%) while the absorption was excellent (81.1%).

10.2.1 Construction of Selected Bridges Project

Background

The GoU represented by Ministry of Works and Transport is to undertake the construction of selected bridges in the various parts in various parts of the country to solve bottle necks on the district and community access roads. The 5-year programme started on 1st July, 2011 and its completion date is 30th June 2016.the total planned expenditure of the programme is Ug shs 60 billion.

The project Objectives are:

1. Construction of selected bridges and swamp crossings on district and community access roads
2. Improving connectivity among isolated communities
3. Reducing travel times and cost of transportation
4. Upgrade and reconstruction of old bridges to improve their load carrying capabilities to meet the current gross weight of traffic.

The expected outputs are:

1. Number of bridges inspected
2. Number of new designs carried out and tender document produced
3. Number of bridges reconstructed
4. Kilometres of swamp crossings reconstructed
5. Supervision and monitoring carried out

Planned activities in the FY2013/14

- sensitization, surveying, evaluation and compensation of affected persons in the acquisition of land component;
- Construction of ongoing projects of Kabuhuuna (Kibaale), Saaka Phase II, Agwa (Lira) and Kaguta (Lira); and
- Completing the designs of Bunabdasa Swamp (Sironko), Kikasa Swamp (Lyantonde), Kibira (Nebbi), Saaka 2 (Kaliro), Nsingano (Mayuge), Rwizi (Mbarara), and Rwamabale (Kibaale).

Findings

i) Financial Performance

The project approved budget was Ug shs 3.19 billion all of which was released and Ug shs 2.55 billion (79.93% of release) was spent by 30th June 2014. The release performance was excellent and the expenditure was very good.

ii) Physical Performance

The cumulative performance reported for this project by 30th June 2014 was as follows: Nyagak bridge works had been completed and the final certificate prepared; construction of 100%, 60% and 73% of Alla2, Agwa bridge and Saaka Phase II respectively; Kaguta contract was due for signing; Okokor Bridge - contract had been terminated and site was taken over by MoWT.

Furthermore, the inception report had been submitted by consultant for design of eight strategic bridges; the contract for Kabuhuuna swamp crossing was ready for signing; bidding documents and method of procurement had been approved for Rushaaye bridge and Kabuceera swamp crossing (Mitooma district), and Mahoma bridge (Kabarole district) -. The remaining works had been re-packaged and ready for re-tendering;

Field findings

The following bridges were visited: Okokor (Kumi); Saaka Phase II-(Kaliro); Nyagak (Zombo); Alla2 (Arua); Kaguta, and Agwa (Lira).

A. Arua District

Construction of Alla 2 Bridge

The contract for the construction of this bridge was awarded to a local company, M/s Pearl Shelter Promoters (U) Ltd at a contract price of Ug shs 716,111,000 on 12th March 2010. Construction works commenced on 20th June 2010 and the contract period was eight months (up to 20th February, 2011).

The contractor had received advance payment amounting to Ug shs 143,222,200 (20% of the contract value) and this had been recovered by the client. Four Interim Payment Certificates (IPCs) with a value of Ug Shs. 631,385,600 (88% of the contract value) had been submitted and paid against the planned 100%. Final certificate had been submitted but was still under review by the project management team.

The physical progress stood at 98% against financial progress of 88%. The contract had long expired, the 5% liquidated periods were fully charged. The major works on the bridge had been completed and was open to traffic. The physical progress at the time of monitoring on 30th July 2014 was estimated at 98% against the 100%. The contract however spilled over two financial years because frequent floods along river Alla washed away the bridge supports twice. The contractor also had financial issues. These delayed completion of the project

The contractor was left with clearing the snags which involved; finishing the gabion works, stone pitching and repairs on the guard rails. The quality of workmanship was unsatisfactory especially for concrete works, gabion works and guard rails.



Left: Incomplete gabion works; Centre: Front view of the bridge; Right: Bridge deck and pier on Alla 2 Bridge

Implementation challenges

- Delays in completion of the project due to contractor's low financial capacity.
- The project was also slowed down by extreme weather conditions during the rainy seasons.

Recommendations

- The MoWT should conduct thorough due diligence about companies that they intend to award contracts to avoid issues related to low financial capacity.
- The MoWT should build the capacity of local companies to handle such projects through contract provisions allowing international companies to partner with the local ones.

B. Kaliro and Pallisa District

Construction of Saaka Swamp crossing - Phase II

Background

The objectives of this project are: to enhance economic activities within the region; and to reduce travel distance between Kaliro and the Great North road joining at Kumi through Pallisa town.

The MoWT contracted out the works for the construction of Saaka Swamp Crossing Phase I to M/s Mulowooza and Brothers Ltd at a contract price of Ug shs 2.687 billion. This phase I covered a distance of 600m (Ch 0+000-Ch 0+600). The contract was however terminated due to non-performance of the contractor.

Due to inadequate drainage works especially the cross culverts, the swamp flooded and the water cut the worked section into three sections and this rendered the furthest section worked up to Ch0+380 inaccessible. This called for the rework of the whole section. The washed away sections included: Ch0+065-Ch0+080; and Ch0+180-Ch0+280. The sections that remained were less than 7 m wide.

The MoWT resolved in February 2013, to complete swamp crossing works by force account under the Division of Bridges and Drainage Structures using zonal equipment. The MoWT took over site in July 2013 and increased the scope of works from 600m of swamp crossing to 1500m.Table 10.3 shows a summary of the project details as at the end of June 2014.

Table 10.3: Project summary for Construction of Saaka Swamp crossing

Project Title	Construction of Saaka Swamp Crossing between Kaliro and Pallisa Districts under Force Account- Phase II(Ch 0+000-Ch 1+500)
Source of Funding	GoU
Design Consultant	Ministry of Works and Transport
Contractor	Force Account(MoWT)
Supervision Consultant	In house(MoWT)
Length of Swamp Crossing	3.5 km
Scope of works	Clearance of swamp vegetation; removal to spoil of poor sub grade material; embankment filling using approved granular material; excavation and preparation of foundation for structures; provision and installation of large size Armco pipe culverts; bending and fixing of steel reinforcement; provision of materials and casting of structural concrete for culvert end structures; removal of existing undersize culverts; rock filling, stock piling gravel; gabions protection works; river training; provision and Installation of guard rails; provision and installation of traffic signage; topographical survey of the entire proposed alignment of the swamp crossing; and testing of materials and workmanship.
Construction Commencement Date	August 2013
Construction Completion Date	November 2014
Contract Time Elapsed	10 months
Value of Works Done	Ug shs 994,129,800=
Physical Progress	73%
Financial Progress	60%

Source: MoWT

Financial Performance

In the FY 2013/14, the project had a budget of Ug shs 1.659 billion funded by GoU of which Ug shs 1.026 bn (62%) was released. By the end of the financial year, Ug shs 994.1 million (97% of release) was expended which was also the value of the works executed. The release performance was good while the absorption was excellent.

Thus, the financial progress of the project at the end of June 2014 was estimated at 60%. The monitoring team was informed that the Phase II works were being carried out using the resource envelope of the Phase I budget.

Physical Performance

The project was monitored on 13th August 2014 and the following progress was noted:

- Ongoing activities involved: clearing of swamp vegetation; embankment filling using approved granular material; excavation and preparation of foundation for structures; and installation of Armco pipe culverts.
- Activities completed involved: clearance of swamp vegetation (Ch0+000-Ch 1+500); removal to spoil of poor sub grade material (Ch0+000-Ch 1+100); embankment filling using approved granular material (Ch0+000-Ch 1+100); stock piling gravel; gabion protection works (200boxes and 120 mattresses); and river training at both inlets and outlets of culverts installed.
- Topographical survey of the entire proposed alignment of the swamp crossing (Ch0+600-Ch 1+500); testing of materials and workmanship; and developing on an environment and social management plan were carried out.



Left: A completed section of the swamp crossing; Centre: Excavation works for the culvert headwall construction; Right: Embankment filling on Saaka swamp

The physical progress of the works as at the end of June 2014 was estimated at 73%. The percentage progress of key activities is indicated in Table 10.4.

Table 10.4: Percentage progress of key activities of Saaka Swamp Crossing by 30th June 2014

Activity	Progress	Remarks
Clearance of swamp vegetation	100%	For 1.5km
Removal to spoil of poor sub grade material		For 1.1km
Embankment filling using approved granular material	73%	For 1.1km
Installation of large size Armco pipe culverts	39%	66 No. with diameter 900mm 88 No. with diameter 1200mm 165No. with diameter1500mm 220 No. with diameter 1800mm 7 No. with diameter 2100mm
Stock piling gravel	80%	45,290m^3
Topographical survey of the entire proposed alignment of the swamp crossing	43%	For 1.5km

Source: MoWT

Project challenges

- Delay payments for supplied materials by the MoWT affected the pace of project implementation as the supplier could not supply additional materials before his payments were settled.
- Delays in the procurement process. This stalled works especially when materials run out since additional materials had to be procured.
- Frequent breakdown of equipment particularly the dump trucks.

- The equipment on ground does not match with the amount and nature of works being done. For example, the project lacked an excavator which would be used in the borrow pit and clearing of the swamp vegetation.
- Lack of force account manual to guide implementation. For example, the nature of works does not favour government payment procedures where payments cannot be made directly to the casual labourers.

Recommendations

- The project management team should liaise with the project engineer to ensure that procurement and payment of suppliers is within the required timelines.
- The MoWT project managers should liaise with the Mechanical Department to facilitate the project with the necessary equipment and mechanical support.
- The MoWT should devise means of paying casual labourers other than through banks.

C. Kumi District

Construction of Okokor Bridge in Kumi District

Background

This project was intended to connect Nyero and Mukongoro subcounties in Kumi district. The contract was awarded in October 2011 to M/s MML Road Construction Co. Ltd at a contract price of Ug shs 400,037,000 and a contract period of four months. The works which had progressed up to the deck level in June 2011 were discovered not to be to the desired quality.

This contract expired on the 27th September 2010. In the FY 2013/14, the MoWT took over the site since it was abandoned by the contractor. At the time of monitoring in July 2014, the Ministry was in the initial stages of procuring another contractor to complete the works. No works had been carried out since the last time the site was monitored in December 2012.

D. Lira District

i. Construction of Agwa Bridge Pier

Background

The MoWT entered into agreement with M/s Alkom Investment Ltd for the construction of Agwa Bridge Pier at a contract price of Ug shs 186,201,400 (Uganda Shillings One hundred eighty six million two hundred one thousand four hundred). The contract period was three (3) months. The project commencement date was 24th October, 2011 and its completion date was 24th January, 2012.

The contract expired, the 5% liquidated periods were fully charged but the contractor had shown willingness to complete the works at no extra cost. However, when the minister of state for works visited the site on the 27th June 2014, he advised the contractor not to execute any additional works because of he had failed to fulfill his contractual obligations. Hence, the site was taken over to be completed using Force Account within 2 months.

The main objective for this project was to construct the bridge so as to facilitate and enhance socio- economic activities in the area by connecting Agweng sub-county and Aromo to Gulu Town.

Project scope

The scope of works were; site clearance, excavation of foundations, construction of pier footing, construction of pier walls, and construction of 400m of access road.

Financial Progress

By 13th August 2014, the time of monitoring, the financial progress was at 41%. The contractor had submitted one IPC equivalent to Ug shs 77,794,600 which was paid. Upon termination of the contract, the contractor submitted a final certificate amounting to Ug shs 6,886,574 and this was still under review by the client.

Physical progress

The cumulative physical progress was estimated at 60% against the planned 100%. A summary of the progress on different items of the scope is presented in Table 10.5.

Table 10.5: Status of construction progress of key activities for Agwa bridge pier by 13th August 2014

S/N	Activity	Percentage progress	Remarks
1	Clearance and grubbing, cutting and removal of trees	100	Activity completed
2	Excavation of foundation	100	Activity completed
3	Construction of pier footing	100	Activity completed
4	Construction of pier walls	50	No progress has been made under Force account
5	Construction of 400m access road	50	No progress has been made under Force account

Source: MoWT

The force account intervention by the MoWT had not yet taken off although preparations were underway.

Challenges

- Flooding; this slowed down the execution of works.
- The contractor had low financial capacity

Recommendation

The MoWT should scrutinize the financial capacity of the contractors more keenly before the contract is awarded.

ii. Construction of Kaguta Bridge

Background

Kaguta Bridge is located about 30km along Lira - Kitgum road and about 15km off the road in Barlonyo Trading Centre. The Bridge is a Presidential pledge to the community of Barlonyo. When completed, the bridge will act as a link to Alebtong, Otuke, Abim, Agago and Gulu districts as well as linking Uganda to Southern Sudan. The bridge is also expected to enhance transportation of agricultural products such as sunflower and maize to nearby markets.

The contract for works was awarded to M/s Coil Ltd at a sum of Ug shs 1,141,857,420 commencing 19th July 2014 up to 19th January 2015 for a period of six months. The works are being supervised by MoWT.

The scope of works are; construction of reinforced decking, girders, piers and abutments, construction of approach roads and river revetments.

Financial Performance

The contractor had submitted one IPC but did not meet the minimum requirement of 30% physical progress and so no payments were effected.

Physical Performance

The physical progress 13th August 2014 was estimated at 16% against a time progress of 20%.The contractor had completed the coffer dam, concrete works on the centre pier and base of abutment while ongoing activities were steel fixing for the abutments and dewatering.



Left: A completed centre bridge pier; Centre: Steel fixing, dewatering and formwork for the abutment; Right: Steel on site for Kaguta Bridge.

Implementation Challenges

The flooding of the river was the affecting progress. Heavy rains upstream the river had from time to time caused floods at the bridge site leading to delays.

Recommendations

- The MoWT should appeal to the contractor to mobilize additional equipment and personnel so as to maximize the dry season.
- The MoWT should see to it that the contractor increases the height of the cofferdam to avoid flooding.

E. Zombo District

Construction of Nyagak Bridge

The MoWT entered into agreement with M/s Sixway Engineering Works Ltd to construct Nyagak Bridge at a contract sum of Ug shs 619,039,300 for a period of eight (8) months. The main objective of the project was to improve the connectivity between the two sub counties of Nyapea and Jangokoro across River Nyagak. The improved connectivity would lead to enhanced socio-economic activity in the area.

Table 10.6 provides a summary of the contract data for construction works for the project.

Table 10.6: Contract data information for Construction of Nyagak Bridge

Project Title	Construction of Nyagak Bridge in Zombo District
Contract No.	WT/BRDG/DEV/003/11/12
Source of Funding	GoU
Design Consultant	Ministry of Works and Transport – In-house Design
Contractor	M/s Sixway Engineering Works Ltd
Supervision Consultant	Ministry of Works and Transport – In-house
Scope of works	Construction of a single span reinforced concrete bridge and approach roads.
Possession of Site	20th September, 2012
Bridge Dimensions	5m single lane,
Supervision Commencement Date	1st October, 2012
Construction Commencement Date	1st October, 2012
Construction Completion Date	31st May, 2013
Original Contract Price	Ug shs 619,039,300
Contract Period	Eight (8) months (not extended)
Contract Time Elapsed	Works complete
Advance payment	Ug shs 123,807,860
Payments to the contractor	Ug shs 495,231,440
Physical Progress (Achieved Vs Planned)	99%vs 100%
Financial Progress (Achieved Vs Planned)	80%vs 100%

Source: **MoWT**

Financial performance

The contractor had been paid a total of Ug shs 495,231,440 (80% of the contract value) against the planned 100%. The final payment certificate was submitted and was under review by the project management team since the Defect's Liability Period had been exhausted.

Physical performance

Physical progress was estimated at 99%. The contractor had completed all the construction works and the bridge was open to traffic. The work was finished within the contract period.

Left: Section view of the bridge; Centre: Front view of the bridge; Right: Wing wall and Gabions at Nyagak Bridge in Zombo district

The quality of workmanship was satisfactory.

Analysis

- **Achievement of set targets**

Most of the targets for the FY 2013/14 were achieved that is to say Nyagak and Alla 2 bridges were completed; and the target progress for Agwa and Saaka swamp crossing was attained. However, the sensitization, survey and evaluation compensation of the project affected persons;

and the construction of the Kabuhuuna swamp crossing in Kibaale was not achieved. Kabuhuuna swamp did not take off because of a delay in the procurement of the contractor.

- **Link between physical and financial Performances**

Part of the released funds were not absorbed as some targets were not achieved. The unabsorbed funds were to take care of land acquisition and construction for Kabuhuuna swamp crossing in Kibaale district.

- **Comparative Analysis**

The contracts for the activities under the construction of selected bridges projects have continued to be implemented beyond their stipulated contract periods without sound reasons for this anomaly. The quality of works was however satisfactory with the exception of Alla 2 where the concrete works had honey combs and the gabion protection works had been disintegrated.

Conclusion

Implementation of some ongoing works on all the bridges had taken longer than the stipulated contract duration stipulated for instance for Alla 2. The MoWT needs to improve contract management otherwise; there is a risk of running non performing contracts.

Recommendation

The MoWT should fast track procurement and improve on the contract management so as to realise the construction works as planned.

10.2.2 East African Trade and Transport Facilitation Project (EATTFP)

Project Background

The East African Trade and Transport Facilitation Project (EATTFP) was approved by the World Bank's Board of Executive Directors in December 2005 and the Uganda component became effective in April 2007. The project financing from the International Development Association (IDA) comprises a credit of Special Drawing Rights (SDR) of 18.2 million (US$26.4 million) to GoU. Following a request by the GoU, the project was restructured in June 2011 and the closing date of the credit extended by three years to 30th September, 2014.

The Project Development Objectives are to:

(i) Enhance efficiency of customs agencies' clearance processes, for the East African Community (EAC) Partner States participating in the East Africa Customs Union, to facilitate trade;
(ii) Improve efficiency and reliability of transport and logistics services along the key corridors; and
(iii) Enhance safety in identified areas and reduce the Recipient's fiscal transfers to railway institutions by rationalizing the work force on the Kenya-Uganda railway.

The project aims to:

(i) Reduce the number of indicators retaining those that truly measure the performance of the project and
(ii) Harmonize the PDO indicators and bring them under one RF for the entire project.

The project components are: i) Support to EAC Customs Union Implementation, ii) Institutional Support for Transport Facilitation, iii) Investment Support for Trade and Transport Facilitation and iv) Support to Kenya and Uganda Railways Concessions.

The Uganda component of the project is implemented by MoWT and the Uganda Revenue Authority (URA) through Project Implementation Teams (PITs) established by the respective agencies.

Planned activities for FY 2013/14:

- Monitoring and capacity building;
- Acquisition of land by GoU for One Stop Border Posts (OSBPs) at Mutukula, Katuna and Mirama Hills;
- The OSBP civil works at Busia, Malaba, Mirama hills and Mutukula;
- Detailed designs for construction of OSBP facilities at Elegu border;
- Procurement of a contractor and commencement of civil works for OSBP at Katuna border post; and
- Installing and commissioning of weighbridges at Malaba, Busia and Mutukula.

For the FY 2013/2014 annual performance, the project activities under construction/rehabilitation were monitored and the following are the findings;

Financial Performance

In FY 2013/14, the project had a total approved budget of Ug shs 27.26 billion with a GoU component of Ug shs 2.41 billion (8.8%) and a donor component of Ug shs 24.85 billion (91.2%).

Findings

Financial Performance

At the end of FY 2013/14, the project had received a total of Ug shs 18.94 billion (12.5% GoU and 87.5% Donor) which was 69.5% of the budget. Therefore, the release performance was good. A total of Ug shs 18.06 billion (95.4%) was expended hence, an excellent absorption of funds.

Physical performance

The reported achievements of the EATTFP by the end of the FY were: land compensation at Mutukula, Katuna and Mirama Hills; cadastral survey for additional land to be acquired at Mirama Hills, opening of land boundaries at Malaba, Busia, Mutukula and Mirama Hills border posts; 65% civil works for Mukono ICD; 60% civil works for Malaba OSBP; 48% for Busia OSBP; 47% of civil works for Mutukula OSBP; 65% of civil works for Mirama Hills OSBP; acquired land and commenced on works for the installation of weighbridges at Malaba, Busia, Mutukula and Elegu; procured contractor and handed over site for Katuna OSBP; procured design consultant for Elegu OSBP and reviewed inception and feasibility study reports.

A summary of the progress of the East African Trade and Transportation Facilitation projects that were ongoing in the FY2013/2014 is presented in the Table 10.7.

Table 10.7: Progress of the East African Trade and Transportation Facilitation Projects by 30th June 2014

SN	PROJECT NAME	CONTRACTOR	TIME SCHEDULE	*CONTRACT COST*	PHYSICAL PROGRESS (%)	REMARKS
1	Construction of the Proposed Railway Inland Container Depot (ICD) at Mukono Railway Station.	M/s China Jiangxi Corporation for International Economic and Technical Cooperation.	Commencement Date:10/12/2012 Original Completion Date:10/12/2013 Revised Completion Date:29/08/2014	*US$ 8,699,328*	65	Works still ongoing. Initial contract completion date exceeded and extension of time granted.
2	Construction of One Stop Border Post (OSBP) Facilities At Busia Border Post	M/s Cementers Uganda Ltd	Commencement Date:04/08/2013 Completion Date: 04/08/2014	Ug shs 15,898,641,294	45	Works ongoing

3	Construction of One Stop Border Post (OSBP) Facilities At Malaba Border Post	M/s Cementers Uganda Ltd	Commencement Date:04/08/2013 Completion Date: 04/08/2014	Ug shs 15,708,759,579	65	Works ongoing
4	Construction of One Stop Border Post (OSBP) Facilities at Mirama Hills	M/s Dott Services Ltd	Commencement Date:04/7/2013 Original Completion Date: 03/07/2014 Revised Date: 20/09/2014	US$ 7,817,703.42	63	Works on going
5	Construction of One Stop Border Post (OSBP) Facilities at Mutukula	M/S Coil Ltd in association with M/S Nasr General Contracting Co.	Commencement Date:06/09/2013 Completion Date: 05/09/2014	Ug shs 18,793,900,206	45	Works ongoing

Source: **MoWT**

Field findings

The monitoring focused on four OSBPs and Mukono ICD and the findings are presented below:

A. Construction of One Stop Border Post Facilities

Background

The MoWT under the Transport Sector Development Project (TSDP) is constructing several One Stop Border Posts (OSBP) at different border locations in the East Africa Region. This is intended to: eliminate trade barriers and increase on trade between the Regional States; and have a single customs territory whereby Internal Tariff and Non-Tariff Barriers are removed to have one large single market and investment area in the partner states.

Busia, Malaba, Mirama Hills, and Mutukula OSBPs facilities were monitored.

A. Busia OSBP Facility

The facility is located at Busia border between the Republic of Uganda and the Republic of Kenya. Construction commenced on 4th August 2013 and was expected to last 12 months. The project is financed by both Trade Mark East Africa (TMEA) and GoU.

Table 10.8 shows a summary of the contract data for the Busia OSBP project as at the end of FY 2013/14.

Table 10.8: Project Summary for the Construction of OSBP Facilities at Busia

Project title	Busia One Stop Border Post
Contract No.	MoWT/Wrks/2011-2012/00113
Source of Funding	Trade Mark East Africa (TMEA) and the Government of Uganda
Design Consultant	M/s Arch Design Ltd
Contractor	M/s Cementers Uganda Ltd
Scope	• Building works which involve: the main administration building; plant, animal and fisheries building; staff quarters; public toilets building; scanner booth base; targeting booth; and weigh bridge booth-base. • External works: fencing, truck parking yard, and a bus and car parking yard with a canopy.
Supervision Consultant	M/s Arch Design Ltd
Possession of Site	19th August 2013
Supervision Commencement Date	19th August 2013
Construction Completion Date	18th August 2014
Original contract Price	Ug shs 15,898,641,294.00
Supervision Contract Price	US $ 1,028,458.20 (Both for Busia and Malaba)
Contract Period	12 Months
Contract Time Elapsed	80% as of June 2014
Advance Payment	Ug shs 2,384,796,194.00
Works Payments Certified	Ug shs 3,018,232,504.00 (4 IPCs)
Payments to the Contractor	Ug shs 3, 018,232,504.00 (4 IPCs)
Consultant Invoices Submitted	US$ 727,021.06 - 9 Invoices for both Busia and Malaba
Payment to Consultant	US$ 727,021.06 – 9 Invoices for both Busia and Malaba
Physical Progress	45% achieved against planned of 80% (As of June 2014)
Financial Progress	25% achieved against planned of 45% (As of June 2014)

Source: **MoWT**

From the table 11.8 above, Busia OSBP had attained a physical progress of 45% against a planned progress of 80% representing a 35% lag. However, in order to complete the project on time, the contractor was prioritizing activities that were on the critical path of this project like: the staff quarters; main building; plant, animal and fisheries building; public toilet; and the verification shed.

The overall physical progress at the time of monitoring was 51%. A summary of the progress of the key activities is tabulated in Table 10.9.

Table 10.9: Percentage Progress of Busia OSBP Key Activities as of 19th August 2014

Key Activity	% Progress	remarks
Preliminaries	98	
Main Administration building	78	Plastering (internal), wall tiling, floor hacking to receive screed, parapet walling, excavation for manholes and roof works were ongoing
Plant, Animal, & fisheries building	75	Door and windows were yet to be fitted. Plaster touch ups and electrical works were ongoing.
Staff Quarters	85	Painting, tiling (wall and floor), fixing door shutters, fixing of electrical wires and gypsum ceiling fixing were ongoing
Bus and car park yard and canopy	0	Works had not started
Truck parking yard	0	Works had not started
Fencing	40	Excavations had been done in some areas
Verification shed	30	plinth walling was ongoing
Public Toilet	75	Internal plastering was ongoing
Average(weighted)	**51**	

Source: Supervision consultant



Left: Substantially complete staff houses; Centre: The immigration staff accommodation facilities obstructing the construction works; Right: Ongoing foundation works for the Impound Warehouse and Verification Shed at Busia OSBP

Challenges experienced by the Project

- Partial site hand over: by 19th August 2014, the contractor was in possession of about 60% of the project site. Some key activities of this project like the bus, car and truck parking yards had not commenced because the border operation accommodation facilities had not been relocated.
- The relocation of the exiting border operation offices at the start of the project delayed the commencement of works for about two months. This was however necessary because the border had to remain operational.
- The contractor had experienced delays in his payments from both the Donor and GoU which affected the contractor's cash flow. GoU is supposed to remit the VAT component of the payments to the contractor. However, this had not happened since the commencement of the contract due to a no release for this component in the FY 2013/14.
- The existing Hub for National Information Technology Authority- Uganda (NITA-U) that houses equipment which bring internet into the country needs to be relocated. This Hub is obstructing the OSBP works but the scope of works for its relocation is catered for in the contract.

Recommendation

- The MoWT should engage the border operation agencies to see to it that the relocation of the accommodation facilities and the hub is implemented soon. Otherwise, the works in these sections that have not yet been handed over might not take place if the donor withdraws funding at the end of the project time.
- The MoWT should approve the contractor's request for an extension of time so that the works are completed.
- The MFPED should effect the releases budgeted for this project in FY2014/15 and clear all the pending payments to ensure a smooth and timely completion.

B. Malaba OSBP

This border post is located at Malaba border between the Republic of Uganda and the Republic of Kenya. Construction commenced on 19th August 2013 was expected to last 12 months. The project is financed by both the World Bank and GoU.

The scope of works entails the following:

- Building works which involve: main administration building; plant, animal and fisheries building; public toilets building; scanner booth base; targeting booth; and weigh bridge booth-base.
- Refurbishment works of: customs building, import verification shed, impound shed, truckers' toilet, gate house - (entry into Uganda), existing truck parking yard and a pump house.
- External works: fencing, new truck parking yard, gate house 1 – entry to control zone, bus and car parking yard with a canopy, street lighting, electrical and mechanical reticulation.

Table 10.10 shows the summary of contract details of this project as at the end of June 2014.

Table 11.10: Project Summary for the Construction of Malaba OSBP Facility by the end of June 2014

Project title	Construction Of One Stop Border Post (OSBP) Facilities At Malaba Border Post
Contract No.	MoWT/Wrks/2011-2012/00115
Source of Funding	World Bank and Government of Uganda
Design Consultant	M/s Arch Design Ltd
Contractor	M/s Cementers Uganda Ltd
Supervision Consultant	M/s Arch Design Ltd in association with Otieno Odongo & Partners and Planoconsult Architects & Planners
Possession of Site	19th August 2013
Construction Commencement Date	19th August 2013
Construction Completion Date	18th August 2014
Original contract Price	Ug shs 15,708,759,579.00 (VAT Inclusive)
Supervision Contract Price	US$ 1,028,458.20 (VAT Inclusive)*
Contract Period	24 Months inclusive of 12 months DLP

Contract Time Elapsed	83% (as of June 2014)
Advance Payment	Ug shs 2,356,313,937
Works Payments Certified	Ug shs 3,821,306,873.00 (VAT Exclusive), 4 IPCs
Payments to the Contractor	Ug shs 3, 821,306,873.00 (VAT Exclusive), 4 IPCs
Consultant Invoices Submitted	US $ 727,021.06 (For both Busia and Malaba OSBP), 9 Invoices
Payment to Consultant	US $ 727,021.06 (For both Busia and Malaba OSBP), 9 Invoices
Physical Progress	65% achieved against planned of 80% (As of June 2014)
Financial Progress	25% achieved against planned of 45% (As of June 2014)

Source: MoWT

By 18th August 2014, it was observed that all the key activities on this project were ongoing much as the project should have been completed. The physical progress was estimated at 74% against a time progress of 100%. The lag in implementation of the project activities was attributed to poor planning by the contractor and delayed payments. The contractor had applied for a time extension up to the 30th September 2014 which had not yet been granted.

The physical progress of key activities of this project as at the time of monitoring is illustrated in Table 10.11.

Table 10.11: Physical progress of key activities of Malaba OSBP as of 18th August 2014

S/N	Key Activity	% Progress	Remarks
1	Preliminaries	95	Relocating the national optical fiber cable is still pending.
2	Main administration building	75	Door and window opening were not yet fitted. Floor and wall finishes were ongoing
3	Plant, animal, and fisheries building	63	Door and window opening were not yet fitted
4	Refurbishment of Import verification shed, impound shed, custom buildings	78	100% had been completed in the import verification and impound sheds; floor works were ongoing in the custom buildings.
5	Bus and car park yard and canopy	65	Steel works and concrete works for the column footings, ground beams and stub columns were completed.
6	Site preparation	90	Demolition works of the weigh bridges office and gate houses had not yet commenced.
7	Truck parking yard	78	Crushed stone base filling and compaction all was in progress. So fare an area covering 7867.91m^2 had been completed.
8	Fencing	65	Excavation, blinding, steel works, formwork and concrete works for columns footings and columns are all in progress. Completed for 384.1m section of the boundary wall.
9	External works	50	Installation of street lighting poles along the boundary was ongoing.
	Average(weighted)	**74**	

Source: Supervision Consultant

Left: Storm water drainage works around the main administration building; Centre: the rehabilitated impound shed; Right: Part of the fencing and parking yard at Malaba OSBP

Challenges experienced by the Project

- Contract for the construction of the project access road which is separate from that of the OSBP activities had not yet been procured. This was anticipated to cause further delay in the completion of this project.
- The partial site hand over: Delays in relocation of the various offices within the project area retarded the project progress.
- Delayed payments from both the GoU and the donors. GoU had not remitted the VAT component to the contractor since the commencement of the contract. MoWT however, confirmed that no money had been released for this payment in the FY2013/14 but this had been budgeted for in FY2014/15.

C. Mirama Hills OSBP

This border post is located at Mirama Hills/Kagitumba border between the Republic of Uganda and the Republic of Rwanda. The project is compared to another similar (in design but mapped differently) project on the Rwandan side (Kagitumba border) designed and managed by the same Project Manager but different contractors. Both facilities will be connected by two (2) new bridges. The existing Bridge will remain a pedestrian bridge. The project is financed by both Trademark East Africa (TMEA) and GoU.

Scope of Works

The works comprise of a number of activities that involve: secured fenced compounds with manned gates; separate customs and immigration facilities for passengers and goods in large covered areas; verification warehouse, clearing agents offices including transformer and generator rooms; police post; publics washrooms; six gate houses, livestock sheds; access roads; access control barriers and a weigh bridge. These will come with all installations to enable the user to plug and play. The project is aimed at reducing the transit time spent at the border.

The project was monitored on 21st July 2014 and summarised in Table 10.12 below are the project details.

Table 10.12: Project Summary for the Construction of One Stop Border Post Facilities at Mirama Hills

Contract Title	**Construction of One Stop Border Post Facilities at Mirama Hills**
Contract Number	MoWT/Works/2012-2013/00049
Source of Funding	Trade Mark East Africa (TMEA)
Implementing Agency	Ministry of Works and Transport (MoWT)
Supervising Engineer	Triad Architects
Contractor	Dott Services Limited
Supervision Commencement Date	10th July 2013
Construction Commencement Date	4th July 2013
Possession of Site	4th July 2013
Contract Price	US$ 7,817,703.42
Construction Completion Date (initial)	3rd July 2014
Construction Completion Date (Revised)	20th September 2014 (79 days extension)
Contract Period (Initial and Revised)	12 Months and 14.8 months respectively
Contract Time Elapsed	12.5months days (84.5% as of June 2014)
Advance Payment	US $ 1,172,655.1 (15% of contract price)
Works Payment Certified	US $ 1,298,343.83 (16.6% of contract price) - 5 IPCs
Payments to the Contractor	US $ 2,470,998.9 including advance payment – 5 IPCs
Physical Progress	63% achieved against a planned of 100% as of 3rd July 2014
Actual Financial Progress- Cumulative	16.6% achieved as of 3rd July 2014

Source: Supervision Consultant

Construction which commenced on 4th July 2013 was expected to last 12 months, but was later revised to14.8 months due to delayed advance payment. This project had previously been monitored in November 2013, (four months into the project) and at that time, the progress of works was 10% against a programmed 12% representing a 2% lag.

By the end of June 2014, 12 months into the contract time, the physical progress of works achieved was 63% against a programmed 100% representing a 37% lag. This lag was attributed to: the partial site handover at the commencement of the contract and increase in the scope of works (the increase in volume of excavation due to change in road alignment and building floor levels; provisions for demolitions that were exceeded; and the consideration of the traffic diversions that were not provided for).

There was no provision for partial hand over in this contract. However, due to the congestion of the construction site and border operation activities, the contractor was completing three offices on the clearing agents' office block that he would hand over to the border authorities by the end of July 2014.

Activities that were on-going involved: erection of roofing structure for customs and immigration hall; fabrication and delivery of structural steel frames for erection of the warehouse; finishing the washrooms, police post and the gate houses; fence erection, road works, water and sewerage reticulation; and power supply connection to site.

A summary of the physical progress of key activities as at the end of June 2014 is illustrated in Table 10.13.

Table 10.13: Scope and Progress of Key Activities for Mirama Hills OSBP as at end of June 2014

No.	Activity	Achieved Progress (%)	Comments
1.	Customs and Immigration Building	62	Roofing works ongoing
2.	Verification warehouse	25	At ground floor level
3.	Clearing Agent Office Block	78	Finishes ongoing
4.	Police Post	76	Finishes ongoing
5.	Washrooms	65	Finishes ongoing
6.	Gate houses	60	Finishes ongoing
7.	Elevated Steel Water Tank	0	No physical works
8.	Water supply and site reticulation	15	Designs completed and awaiting approval by the MoWT
9.	Sewerage reticulation	50	Excavation, laying and testing of sewerage pipe lines
10.	Waste water treatment plant	0	Contractor to provide required technical details for approval to enable commencement of works
11.	Fencing	10	A realignments of the fence had slowed down the works
12	Road works	22	Excavation and common fills were in progress at various sections of the road network.
	Overall Physical Progress	***63***	***Against a planned progress of 100%***

Source: Supervision Consultant

As seen from table 10.13, all the key activities were lagging behind and thus, the overall contract progress was behind schedule. In order to recover the lost time and scope, the contractor had increased the manpower on site and started most of the critical works. More deliveries were also made and there was generally good forward planning by the contractor. Efforts were also concentrated on the structures in the areas with increase scope on works.



Mirama hills: Ongoing construction of the Customs and Immigration Block roof works(Left); The substructure of the verification at the floor level(Centre); The access road works and the clearing agents' office block(Right).

Due to the increased scope of works, a variation order had been submitted to the MoWT by the supervision consultant and was yet to be approved.

Issues likely to cause delays or cost overruns

- Increase in scope of works.
- Late procurement programs shown by the contractor for example the packaged waste water treatment plant, elevated pressed steel tank, bridgeworks.

Challenges experienced on the project

- Heavy seasonal rains.
- Additional excavation volumes to match access roads to the project buildings.
- Accommodation of border offices to keep services operational.
- Land compensation near the bridges, for the access road to Sofia township
- Delays in contractor payments by both TMEA and GoU.

D. Mutukula OSBP

This border post is located at Mutukula border between the Republic of Uganda and the People Republic of Tanzania. A similar project on the Tanzanian side was completed and is awaiting for the Ugandan project to be operational. Works at the Mutukula OSBP facility commenced on 6th September 2013 and are expected to be completed on the 5th September 2014 (12 months period) of 12 months. The project is financed by both Trademark East Africa (TMEA) and GoU.

The scope of works involves the following:

- Building works which involve; a freight building, cargo verification building, passenger vehicle inspection shade and 15 units of staff housing.
- A boundary wall and
- External works: gate house, a parking yard, access roads and driveways and soft landscaping.

This project was monitored on 8th July 2014 and Table 10.14 shows the summary of the project status as at the end of June 2014.

Table 10.14: Project Data Summary of the Construction of Mutukula OSBP Facilities as at end of June 2014

Project Title	Construction of One Stop Border Post (OSBP) Facilities at Mutukula
Contract Number	Procurement Ref No: MOWT/WORKS/2011-2012/00114
Source of Funding	Trade Mark East Africa(TMEA) and Government of Uganda
Implementing Agency	Ministry of Works and Transport
Supervision Consultant	Archtech Consults Ltd in association with Wanjohi Consulting Engineers
Contractor	M/s Coil Ltd in association with M/s Nasr General Contracting Co.
Construction Commencement Date	6th September, 2013
Construction End Date (Original)	5th September, 2014
Possession of Site	23rd August, 2013
Original Contract Price	Ug shs 18,793,900,206.40 vat inclusive
Supervision Contract Price	Ug shs 309,130,500
Contract Period	12 months

Contract Time Elapsed	10 Months as of end of 8th July 2014
Advance Payment	Ug shs 2,819,085,030.96 (15% of contract price)
Works Payments Certified	Ug shs 4,080,663,691 (21.7% of contract price) - 4 IPCs
Payments to the Contractor	Ug shs 6,899,748,721 comprising of 4 IPCs worth Ug shs 4,080,663,691 and advance payment of Ug shs 2,819,085,030.96
Consultant Invoices Submitted	Ug shs 99,592,200 – One invoice
Payments to the Consultant	Ug shs 99,592,200 – One invoice
Physical Progress	45% Achieved Against 80% Planned
Financial Progress	21.7%

Source: Contract Manager MoWT

Physical progress

At the time of monitoring, it was observed that all the key activities were still ongoing. The project was behind schedule with a physical progress of 45% against a planned progress of 80% representing a lag of 35%. This lag was attributed to: delayed payments; re-alignment of roads due to failure to relocate an existing fuel station; re-designing of a drainage channel due to the existence of the fuel station; relocation of staff houses; delay to confirm project boundaries; and the necessary works to keep the border activities operational during the project implementation. Table 10.15 shows the progress of these key activities.

Table 10.15: Scope and Progress of Key Activities for Mutukula Hills OSBP as at end of June 2014

S/N	Activity	Achieved Progress (%)	Ongoing Activities
1.	Passenger Vehicle Inspection shed	30	Placement of hard core in the sub structure
2.	Freight building	40	Plastering, placement of trusses, formwork for the suspended slab, casting of gutter and ring beam.
3.	15 Units staff houses	56	Roofing works and finishes ongoing
4.	Cargo Verification Building	35	Casting of floor slab
5.	Boundary Wall	40	Plinth wall, sub structure walling and casting of columns
6.	3 Gate houses		One gate house had been done and was at the ring beam level
7.	Roads and parking yard and drive ways		Site clearance and excavations
	Overall Physical Progress	*45%*	*Against 80%*

Source: Supervision Consultant and Contract Manager of MoWT

Left: light weight inspection site at foundation level; Centre: Ongoing roof works at the freight building; Right: Ongoing roof works at staff quarters at Mutukula OSBP

The following issues are to likely cause cost overruns to the project;

- Extension of the road due to failure to relocate an existing fuel station.
- Creation of an additional drainage.
- Extra hoarding due to extension of the project boundaries.
- Fencing around the staff houses.
- Relocation of power line.
- A community access road and
- A contractor's financial claim arising from delayed payments by the GoU.

Challenges experienced by the project

- Failure to relocate the police station which was obstructing the contractor
- Delayed payments by Trade Mark East Africa (TMEA) in the early stages of the contract and the failure of GoU to remit the Value Added tax to the contractor.
- Poor mobilization by the contractor.
- Delayed issuance of instruction from the consultant to proceed on some of the road works.

E. Mukono Inland Container Deport (ICD)

Background

The contract for the construction of the Railway ICD at Mukono railway station was signed on 7th November 2012 and the contract sum is US$ 8,688,112 including taxes. The contract period is 18 calendar months including 6months for DLP. The MoWT procured a supervision consultant, M/s Kagga and Partners, to oversee the implementation of the project on behalf of GoU. The overall objective of the assignment is to ensure that the project works are constructed in accordance with the project detailed design and within the planned time frame and budget. The project scope envisaged involves the following infrastructure:

- Container stacking/handling hard platform, with an area is 275m x 50m. When fully completed, the platform will accommodate up to 36,500 containers.
- Buildings, i.e., office block, warehousing, workshop/shed, guardhouse, pump house,
- Access roads and civil works - this will involve construction of a track parking and marshalling yard, access roads and associated drainage construction.
- Weigh bridge
- Railway siding
- Perimeter wall fence
- Flood lighting
- Services i.e. power supply, ICT, water supply, foul drainage.

Findings

Table 10.16 shows a summary of the project contract data as at the end of July 2014.

Table 10.16: Construction of the Proposed Railway ICD at Mukono Railway Station Project Summary as of July 2014

Project Title	**Construction of the Proposed Railway Inland Container Depot (ICD) at Mukono Railway Station**
Contract No.	MoWT/WRKS/2010-2011/00047, Project ID: P079734, IDA credit number 4147-UG.
Source of Funding	World Bank
Design Consultant	MBW Consultants
Contractor	M/s China Jiangxi Corporation for International Economic and Technical Cooperation
Supervision Consultant	Kagga and Partners Ltd
Possession of Site	10th December 2012
Supervision Commencement Date	10th December 2012
Construction Commencement Date	10th December 2012
Construction Completion Date (Initial)	10th December 2013
Construction Completion Date (Revised)	29th August 2014
Original Contract Price	US$ 7,372,311.87 Exclusive of V.A.T, US$ 8,699,328 Inclusive of V.A.T. US$ 1,327,016.13 is V.A.T
Supervision Contract Price	Ug shs 695,120,890 Inclusive of V.A.T
Contract Period (Initial)	12 months
Contract Period (Revised)	21 months
Contract Time Elapsed	19 months (90.5%)
Advance payment	US$ 1,474,462.37
Works Payments Certified (No. of Certificates and Total Monetary Value)	6 Certificates worth US$ 3,873,674.32 (Inclusive of advance payment) US$ 2,399,211.95 (certificates only)
Payments to the contractor (No. of Certificates and Total Monetary Value)	5 Certificates worth US$ 3,366,412.81 (Including advance payment) US$ 1,891,950.44 (certificates only)
Consultant Invoices Submitted (No. of invoices and Total Monetary Value)	13 Invoices worth Ug shs 291,888,340 Inclusive of V.A.T
Payments to the Consultant (No. of invoices and Total Monetary Value)	13 Invoices worth Ug shs 291,888,340 Inclusive of V.A.T
Physical Progress	Achieved 70%, Planned 100%
Financial Progress	Achieved 40%, Planned 100%

Source: Supervision Consultant

Financial progress

A progress of 40% was recorded by the end of FY 2013/14 against the planned progress of 100%. This was partly caused by delays in processing the contractors advance payment due to submission of wrong documentation by the consultant.

Physical Progress

This project had previously been monitored in August 2013 at which time the physical progress was estimated at 30% against a time progress of 67%.

Table 10.17 shows the percentage physical progress of the different project activities as at the as at the end of July 2014.

Table 10.17: Percentage progress of key activities and the weighted physical progress of works at the time of monitoring

S/No.	Item	Weighted physical progress (%)
1	Preliminaries	100
2	Office Block	90
3	Weigh Bridge House	94
4	Pump House	93
5	Power House	93
6	Bonded ware house	2
7	Workshop/Shed	93
8	Container Stack Platform	92
9	Power Supply	68.3
10	Access Roads and Civil works	63
11	ICT and Security Supply	50
12	Boundary Wall and Guard House	60
13	Track Parking and marshalling Yard	40
14	Railway Siding	40
	Average Physical Progress	**69.88**

Source: Supervision Consultant

From table10.17, a number of activities were substantially complete and these were; the office block, weigh bridge, pump house and power house.

The overall physical progress of the project by the end of July 2014 was estimated at 70% against a financial progress of 40% and a contract time progress of 90% based on the revised contract period. This indicated that the project was behind schedule.

Mukono ICD; Left: An incomplete section of the boundary wall; Centre: Ongoing construction of the Container Stack Platform; Right: Weigh bridge house

Challenges experienced by the Project

- There was a dispute on the ownership of the existing warehouse between the Mukono district and URC. Works on these existing warehouses could not commence due to a court injunction stopping the contractor from carrying out any construction on that part of the project site which caused delays. The dispute on the site boundary which still exists. A formal communication was made to the Project managers.
- Advance payment to the contractor was delayed and this affected his mobilization. This arose out of approval delays by the Contract manager from MoWT. These delays further attracted an interest on delayed payments which amounted to US$ 64,360. This interest due to delayed payments by the World Bank is supposed to be paid by the GoU and this was yet to be cleared.
- Failure of GoU to pay Value Added Tax (VAT) for the contractor as stipulated in the contract since the commencement of the contract. This constrained the cash flow of the contractor.
- Heavy and persistent rains

Nonpayment of VAT and interest on delayed payments by GoU arising from late payments were likely to cause variations on this project.

Left: An office block under construction; Centre: A Workshop/shed under construction; Right: Completed structures that will be housing the services (power and pump house; generator shed) equipment at Mukono ICD

Recommendations

- The GoU through MoWT and Government Valuer should ensure that compensation is effected to Mukono district to enable smooth running of the project.
- Approvals of certified and invoiced works should be expedited by the Contract Manager in order to avoid claims that may arise out of these delays.
- The MFPED has to ensure that the funds budgeted for VAT in FY2014/15 are released to correct the omission that had been made in FY2013/14.
- The contractor should ensure that he expedites works during the dry season to cater for delays caused by the rains.

Analysis of EATTP

- **Achievement of targets**

The FY 2013/14 targets for the various activities were not achieved due to the following:

i) Titling of acquired land was not done due to new complaints about land compensation which emerged at Mutukula, Katuna and Mirama hills.
ii) For Mukono ICD, the contractor's performance was affected by partial site possession, variation in scope of works and death of his site engineer and the land compensation for Mukono DLG which was not done because the valuation report was received late at the end of the FY.
iii) At the OSBP facilities, the contractors' performance was affected by partial site possession in order to keep the borders operational.
iv) Procurement of contractor for Katuna delayed due to lack of funds.
v) The final design for Elegu OSBP delayed due to the late procurement of the consultant.

- **Link between physical and financial**

There has been a huge discrepancy between the physical and financial progress on all the construction activities implemented under the EATTFP. By the end of the FY2013/14, the physical progress achieved against the financial progress on the various activities was as follows: Busia OSBP - 45% against 25%, Malaba OSBP - 65% against 25%, Mirama Hills OSBP - 63% against 16.6%, Mutukula OSBP - 45% against 21.7%, and Mukono ICD – 71% against 40%.

This discrepancy was attributed to the delays in payments by the donors and the GoU.

Comparative analysis for the EATTFP Components

All the projects under the EATTFP projects experienced lags in the physical progress which was majorly attributed to the partial possession of sites and the delayed payments from both the donors and the GoU. Table 10.18 shows of the overall progress of EATTFP activities.

Table 1218: summary of the planned and achieved targets for the EATTFP Components

PROJECT NAME	START DATE	END DATE	TIME ELAPSED (%)	ACHIEVED FINANCIAL PROGRESS (%)	PHYSICAL PROGRESS		REMARKS
					PLANNED	ACHIEVED	
Mukono Inland Container Depot (ICD)	10/12/2012	Revised Completion Date: 29/08/2014	90.5% as of June 2014	40%	100%	70%	The slow progress was due to delays in processing the contractors advance payment due to submission of wrong documentation by the consultant.
Busia One Stop Border Post	04/08/2013	04/08/2014	80% as of June 2014	25%	80%	45%	35% lag in physical. This was because the relocation of the exiting border operation offices at the start of the project delayed the commencement of works for about two months.
Malaba One Stop Border Post	04/08/2013	04/08/2014	83% as of June 2014	25%	80%	65%	The lag in implementation of the project activities was attributed to poor planning by the contractor and delayed payments
Mirama Hills One Stop Border Post (OSBP)	04/7/2013	Revised Completion Date: 20/09/2014	84.5% as of June 2014	16.6%	100%	63%	35% lag in physical. The lag was due to the partial site handover at the commencement of the contract and increase in the scope of works

Mutukula One Stop Border Post	06/09/2013	05/09/2014	75% as of June 2014	21.7%	80%	45%	This lag was attributed to: delayed payments; re-alignment of roads due to failure to relocate an existing fuel station; re-designing of a drainage channel due to the existence of the fuel station; relocation of staff houses; delay to confirm project boundaries; and the necessary works to keep the border activities operational during the project implementation.

Source: MoWT

Conclusion

The Mukono ICD and OSBP construction project have throughout the FY2013/14 battled with challenges of partial site handover and delayed payments. However, the site possession issue has been overcome apart from the OSBP at Busia where works have been obstructed by the NITA-U internet data hub and the housing estate of the border operation officers. Payments from the Donors were also being made on time by the end of the FY while the GoU through the MoWT committed to pay all its outstanding payment in the FY2014/15.

There are also other projects like the construction of the bridge at Mirama Hills, and road works at Busia and Mabala OSBP which are not in the scope of the works but are likely to affect the operation of the facilities when they are completed. The contracts for these activities had not yet been procured. These are further likely to delay the projects.

10.2.3 Kasese Airport Development Project (KADP)

This project commenced following the President's directive to upgrade Kasese airfield to international airport status. The project started in July 2013 and its completion date is June 2018.[86] It started accessing Government funding in FY 2010/11 to facilitate its implementation.

The expected outputs are: extra land for expansion acquired; master plan and detailed engineering designs and other studies done; the entire planned perimeter fence constructed; airport pavements (runway and associated taxi way, apron and access roads) constructed; and airport terminal building, fire and rescue station constructed.

In FY 2013/14, the following activities were planned: Perimeter fencing to secure the land from possible encroachers, routine maintenance of the current infrastructure and operations.

Financial performance

The project had an approved budget of Ug shs 1.3 billion in FY 2013/14 of which Ug shs 1.25 (96.2%) billion was released. This was an excellent release performance. A total of Ug shs 0.93 (74.4%) billion was spent by the end of June 2014. The absorption of funds was also very good.

Physical performance

The following activities have been done since commencement: Preliminary studies covering Topographical surveys and Geo-technical surveys, Land acquisition and compensation, Environmental impact Assessment, Master Plan and detailed engineering designs for the infrastructure.

The FY 2013/14 funds were expended on two projects viz; construction of the perimeter fence and ground maintenance of the air field. These activities were monitored on 22nd July 2014 and these were the findings:

A. Construction of perimeter fence at Kasese Airfield

The contract for the construction of the fence was awarded to M/s Rukara Enterprises Limited at a contract sum of Ug shs 707,242,411 for a period of 7 months. The project was supervised by the Civil Aviation Authority engineering section. The scope of works involved: site clearance; construction of 7.07km of chain line with concrete posts, 4 gates, a watch tower and a guard house for surveillance; and road works within the premises of the airfield. The project was aimed at deterring external intrusion and keeping off squatters and unauthorized movement within the airfield area.

Table 10.19 provides a summary of the contract data for construction works for the project.

Table 10.19: Contract data information for Construction of perimeter fence at Kasese Airfield

Project Title	Construction of Perimeter fence at Kasese Airfield
Contract No.	Procurement Ref No: CAA/WRKS/08-09/00018
Source of Funding	Government of Uganda
Design Consultant	Civil Aviation Authority Engineering Section
Contractor	Rukara Enterprises Limited
Supervision Consultant	Civil Aviation Authority Engineering Section
Possession of Site	25th March 2013
Fence length	7.07km
Supervision Commencement Date	25th March 2013
Construction Commencement Date	25th March 2013
Construction Completion Date (Initial)	30th October 2013
Construction Completion Date (Revised)	30th May 2014
Original Contract Price	Ug shs 707,242,411 inclusive of VAT
Revised Contract Price	Ug shs 882,023,214 inclusive of VAT
Contract Period (Initial and Revised)	220days and 431days
Contract Time Elapsed	expired
Works Payments Certified (No. of Certificates and Total Monetary Value)	2 Certificates worth Ug shs 536,558,567/=
Payments to the contractor (No. of Certificates and Total Monetary Value)	2 Certificates worth Ug shs 536,558,567/=
Physical Progress (Achieved Vs Planned)	92% Vs 100%
Financial Progress (Achieved Vs Planned)	90% Vs 100%

Source: Project Manager Kasese Airport Development project

Financial Progress

From table 10.19, the financial progress of the project was estimated at 90% at the time of monitoring against the planned 100%. The contractor had submitted two (2No.) IPCs with value Ug shs 536,558,567 (60.8% of contract value) and all had been paid. The original contract price had been varied by 24.7% from the original value to Ug shs 882,023,214. The variation catered for construction of a new community access road which was previously crossing the airfield premises, installation of concrete anchors to secure the chain link and concrete works under the guard house which were not part of the original contract.

Physical progress

From table 10.19, the physical works started on 25th March 2013 and were supposed to be completed by 30th October 2013. With additional scope however, the contract completion date was revised to 30th May 2014.

At the time of monitoring the following works had been completed; site clearance, installation of the chain link, fabrication and installation of concrete posts, casting of concrete anchors, construction of the new community access road and fabrication of the gates. Physical progress was estimated to be at 92% against the planned 100%.

The ongoing activities involved; construction of the watch tower at 60% progress, construction of guardhouse at 25% progress. Installation of the crush gates was yet to take off. The works were lagging by two (2) months. The delays were attributed to; flooding of river Nyamwamba and delayed approval of the additional works to the contract.



Kasese Airfield: Part of the completed perimeter chain link (left); part of the newly constructed community access road (Centre); Part of the community access road that was being destroyed by the floods (Right)

Implementation challenges

- Threats from the local community to vandalize the works and harm works. These were as a result of a group of squatters who kept claiming additional compensations and interrupting with the work progress. The squatters claim they were poorly compensated.
- Flooding of river Nyamwamba affected construction works for the new community access road.
- There was theft of the installed materials.

Recommendations

- The government should opt for a multi-sectorial approach towards the management of the river. This will help in restriction of degrading activities currently taking place near the river banks and institution of good geo – environmental management practices.
- Civil Aviation Authority (CAA) should negotiate with the individuals who claim were poorly compensated.
- The CAA should consider installation of security to monitor the installed facilities.

B. Grounds Maintenance at Kasese Airfield

The contract for ground maintenance at the airfield was awarded to M/s Jeco Enterprises Ltd at a sum of Ug shs 250,391,988 for a period of 24 months under the supervision of CAA engineering section. The scope of works involved; ground maintenance of the runway apron and taxiways, repair of markers, renovation of existing office building, grass cutting and drainage works. These works are implemented on a routine basis for the entire contract period. The project was aimed at ensuring that the airfield is clear of unwanted vegetation growth for safety and security aspects and maintenance of the airfield so as to comply with the international standards.

Table 10.20 provides a summary of the contract data for the project.

Table 10.20: Contract data information for Grounds Maintenance at Kasese Airfield

Project Title	Grounds Maintenance at Kasese Airfield
Contract No.	Procurement Ref No: CAA/WRKS/12-13/00011
Source of Funding	GoU
Design Consultant	Civil Aviation Authority Engineering Section
Contractor	Jeco Enterprises Limited
Supervision Consultant	Civil Aviation Authority Engineering Section
Possession of Site	1st August 2013
Supervision Commencement Date	1st August 2013
Construction Commencement Date	1st August 2013
Construction Completion Date (Initial)	31st July 2015
Original Contract Price	Ug shs 250,391,988/= vat inclusive
Contract Period	24months
Contract Time Elapsed	11months
Advance payment	N/A
Works Payments Certified (No. of Certificates and Total Monetary Value)	10 Certificates worth Ug shs 56,802,500/=
Payments to the contractor (No. of Certificates and Total Monetary Value)	10 Certificates worth Ug shs 56,802,500/=
Physical Progress (Achieved Vs Planned)	36% Vs 46%
Financial Progress (Achieved Vs Planned)	22.7% Vs 46%

Source: Project Manager Kasese Airport Development project

Financial performance

From the table 10.20, the contractor had submitted a total of ten (10No.) IPCs amounting to Ug shs 56,802,500 (22.7% against the planned 46%) and all had been paid. The low financial progress was attributed to the fact that the works that had been executed by the contractor carried low rates compared to those yet to take place.

Physical performance

From the table 10.20, the physical progress of the contract as at July 2014 was 36% against the planned 46%. The following routine activities had been completed: cutting of grass within the runway area and outside the runway, desilting of drainage channels, repair of marker and weed eradication. While pending activities involved; building maintenance and light grading of the runways. The slow progress was attributed to heavy rains.

Analysis

- **Achievement of targets**

The construction of the perimeter wall was the major ongoing activity at the Kasese Airfield and it was completed as planned in the FY2013/14. However, there were additional works in the contract which were yet to be completed.

- **Link between financial and physical**

For the construction of the perimeter wall activity, the cumulative physical progress achieved was 92% against a financial progress of 90% based on the revised scope of works. This indicated an excellent performance.

Implementation challenges

Heavy rains were the major challenge which affected the progress of works. These also escalated the growth of grass. The grass therefore, needed to be cut more often than anticipated.

Other issues raised were;

- The current budget being advanced to the project can only carry out maintenance works on the existing structures and cannot be used for new developments in the airfield. The CAA has completed a master Plan and detailed engineering designs for the infrastructure aimed at upgrading Kasese Airfield to airport standards estimated to cost US$ 57Million.
- The current gravel runway is costly to maintain thus, there is need to construct a paved runway in the near future so as to cut on the maintenance costs.

Recommendations

- GoU should increase on the budget allocation for development of the airfield. The development of Kasese Airfield to an airport will not only boost agriculture and tourism in the Rwenzori region but also attract other airlines to Uganda.
- GoU could adopt implementation of Kasese Airfield in three phases for a period of three years or by engaging funders through a Public Private Partnership (PPP) to upgrade it to an airport with a paved runway.

10.3 National Road Construction/Rehabilitation

The GoU's transport sector policy aims at promoting efficient and effective transport services as a means of providing support to increased agricultural and industrial production, trade, social and administrative services. The policy is to ensure that provision of an efficient transport sector shall play a critical role in the development of an integrated and self-sustaining economy and enhance Government's strategy for the eradication of poverty and economic integration of the country. This programme is implemented by the Uganda National Roads Authority (UNRA).

Financial Performance

In FY 2013/14, the programme had an approved budget of Ug shs 1,933.667 billion. The financial performance is as seen in table 10.21.

Table 10.21: Financial Performance of UNRA by 30th June 2014 (Ug shs Billion)

	Approved Annual Budget	Release by End of June 2014	Spent by End of June 2014	% Budget Released	% Budget Spent	% Release spent
GoU	1,279.727	1,267.657	1,255.843	99.1%	98.1%	99.1%
Donor	653.940	483.492	483.492	73.9%	73.9%	100.0%
Total (GoU and Donor)	**1,933.667**	**1,751.149**	**1,739.335**	**90.6%**	**90.0%**	**99.3%**

Source: UNRA Q4-FY2013/14 Progress Report

The budget performance for the FY was excellent. Almost all the funds released (90.6%) were absorbed. However, there was outstanding bill of Ug shs 333 billion for certificates of work certified and submitted. This was partly because the budget for the Q1 was spent paying the debt carried forward from the FY 2012/13 and the accelerated progress on the ongoing projects.

Tables 10.22 shows the financial performance of UNRA projects monitored at the end of FY 2013/14

Table 10.22: Financial performance of UNRA projects monitored by 30th June 2014

S/N	Project	Financial Performance						
		Funding Source	Approved Budget (Ug Shs Billion)	Release (Ug Shs Billion)	Actual Expenditure (Ug Shs Billion)	% Budget Released	% Budget Spent	% Release Spent
1	Reconstruction of Tororo-Mbale-Soroti (152 Km)	GoU	1.0	4.13	4.13	413.5	413.5	100%
2	Rehabilitation of Mukono-Jinja Road (52 km)	GoU	16.0	-	-	-	-	-
3	Atiak-Moyo-Afogi bridge works (104 Km)	GoU	7.00	7.12	6.93	101.7%	99.0%	97.4%
4	Reconstruction of Kampala-Masaka Phase 2 (51 Km)	GoU	70	-	-	-	-	-
5	Design of Muyembe-Moroto - Kotido (290 Km)	GoU	40.00	40.00	40.00	100.0%	100.0%	100.0%
6	Kawempe-Luwero-Kafu Overlay (166 km)	GoU	40.00	39.89	39.89	99.7%	99.7%	100.0%
		Donor	1.00	1.21	1.21	121.1%	121.1%	100.0%
7	Construct Selected Bridges (BADEA)	GoU	36.30	36.36	36.36	100.2%	100.2%	100.0%
		Donor	6.50	0.00	0.00	0.0%	0.0%	N/A%
8	Transport Corridor Project	GoU	351.55	328.98	328.98	93.6%	93.6%	100.0%
		Donor	1.00	0.00	0.00	0.0%	0.0%	N/A%

Source: UNRA Q4-FY2013/14 Progress Report

Physical Performance

At the end of the FY, a total of 267 km of unpaved national roads were upgraded from gravel to tarmac against an annual target of 200 km. Hence, a 133% performance was achieved. Six new bridges (60% of target) were completed out of 10 and all the three bridges (100%) were rehabilitated.

The overall physical performance of most ongoing projects exceeded the target. High performance was recorded on Fort Portal - Bundibugyo road, Kazo - Kamwenge road, Mbarara - Kikagati - Murongo road, Hoima - Kaiso -Tonya road, Vurra - Arua - Oraba road, Gulu - Atiak road, Malaba/Busia - Bugiri road, Kawempe - Kafu road, Tororo - Mbale road, Mbarara - Ntungamo - Katuna road and Jinja - Kamuli road.

For the new projects, the procurement took longer than was anticipated and as a result, the annual targets were not achieved. The contracts for the six priority roads were signed in June 2014. These included: Musita - Lumino - Busia/ Majanji road, Olwiyo - Gulu, Gulu - Acholibur, Acholibur - Kigtum - Musingo road, Mpigi - Maddu - Sembabule -Villa Maria road, and Ntungamo – Mirama hills. Other projects under procurement included: Mubende - Kakumiro - Kagadi road, Kigumba - Bulima - Kabwoya - Kyenjojo road. The contract for Kampala Northern Bypass Phase 2 was signed in April 2014 while works on Mbarara Bypass and Atiak - Nimule road commenced. A good progress was made in the implementation of the bridges programme much as they were delays in procurement. Table 10.23 shows as a summary of the physical progress of monitored projects.

Table 10.23: Physical progress of UNRA projects monitored at the end of FY 2013/14 by 30th June 2014

No.	Project	FY 2013/14		
		Target	Achieved	Cumulative achievement
1	Atiak-Moyo-Afogi bridge works (104 Km)	30%	27%	83%
2	Kampala-Masaka Phase 2 (51 Km)	30%	23%	88%
3	Tororo - Mbale (49 Km) - Lot D	30%	43%	98%
	Mbale - Soroti (103 Km)- Lot E	30%	25%	75%
4	Mukono-Jinja Road (52 km)	30%	36%	71%
5	Muyembe-Moroto-Kotido (290 Km)	30%	27.33%	33.22%
6	Kawempe-Luwero-Kafu Overlay (166 km)	28%	28%	85.7%
7	Kafu-Kiryadongo road (43 km)	7.5%	6.03%	20%
8	Construction of Selected bridges	-	-	-

Source: UNRA Q4-FY2013/2014 Progress Report

Field findings

Monitoring focused on nine UNRA projects and the findings are presented below:

10.3.1 Construction of Bridge structures, Box Culverts and Ferry landing sites along Atiak-Moyo-Afoji Road

Project Overview

The GoU allocated funds for the reconstruction of bridge structures, box culverts and ferry landings along the Atiak-Moyo-Afoji Road.

The project structures are located on the Atiak-Moyo-Afoji Road which is gravel surfaced, off Gulu-Atiak road through the districts of Amuru, Adjumani and Moyo. There is a ferry crossing at Laropi and Umi at about 66km from Atiak.

Scope of works

The project comprises: construction of two 3- span bridges and approaches; six multiple cell box culverts and two ferry landing sites at the banks of River Nile at Umi and Laropi. The bridges consist of a composite deck of reinforced concrete slab supported on steel plate girder I-sections. The piers, bridge abutments and box culverts are of reinforced concrete. Table 10.24 shows a summary of the structures that had to be constructed.

Table 10.24: A summary of the structures to be constructed along Atiak-Moyo-Afoji road

S/N	Location Area	At chainage (km)	Proposed structure
1	Ayugi	13.80	A Bridge with 3 Spans
2	Eyi-Ingewa	17.10	A Concrete box culvert
3	Irei	20.65	A Bridge with 3 Spans
4	Surumu	43.20	A Concrete Box Culvert on each location
5	Lower Cala	66.40	
6	Upper cala	73.60	
7	Amua	79.60	
8	Ebikwa	88.20	

Source: Supervision Consultant

This project was monitored on the 11th August 2014. Table 10.25 shows a summary of the project contract data and progress by the end of July 2014.

Table 10.25: Project Summary for the Construction of Bridge structures, Box Culverts and Ferry landing sites along Atiak-Moyo-Afoji Road

Contract Title	**Construction of Bridge structures, Box Culverts and Ferry landing sites along Atiak-Moyo-Afoji road**
Contract Number	GOU/BR/C/001
Funding Agency	Government of Uganda (GoU)
Source of Funding	Government of the Republic of Uganda
Implementing Agency	Uganda National Roads Authority (UNRA)
Supervising Engineer	M/s Prome Consults Ltd in Association with Comptran Engineering and Planning Associates
Contractor	M/s Spencon Services Ltd
Design Consultant	Messrs VKE International / Kagga & Partners
Project Award Date	4th October 2010
Construction Commencement	31st December 2010
Contract Period	12 months
Construction Completion Date	30th December 2011
Revised Construction Completion Date	20th January 2014
Extension of Time Granted	21 days
Rescheduled Completion Date	20th January 2012
Contract Time Elapsed	43 months (338.58%)
Original Contract Price	Ug shs 15,950,764,627
Advance Payments 20%	Ug shs 3,190,152,925 (20% of contract price)

Contract Title	Construction of Bridge structures, Box Culverts and Ferry landing sites along Atiak-Moyo-Afoji road
Works Payments Certified	Ug shs 9,853,755,388.18 (61.8% of contract price) – 17 IPCs and advance payment
Contractor payments	Ug shs 9,853,755,388.18 (61.8% of contract price) - including advance payments
Consultant's Invoices Submitted	Ug shs 2,042,759,333 - including advance payments
Consultant's payments	Ug shs 1,647,959,333 (80.6% of invoices submitted)
Physical Progress	79.22% by 30th June 2014, 84.58% - by 30th July 2014
Financial Progress	65.03%

Source: Supervision Consultant

Financial Performance

The approved budget for the project in the FY 2013/14 was Ug shs 7 billion of which Ug shs 7.12 billion (101.7%) was released and Ug shs 6.93 billion (97.4%) expended by 30th June 2014. By the end of July 2014, the contractor had submitted a total of 17 IPCs for the works done amounting to Ug shs 9.853 billion (68% of contract value) and all had been paid.

The consultant had submitted 40 invoices amounting to Ug shs 2.042 billion by 30th June 2014of which 28 invoices amounting to Ug shs 1.647 billion (70% of submitted) were paid. The last invoice was paid in June 2013 implying that the consultant had not been paid for a year. It could not be established why this was happening. The pending payments of the consultant as at the end of June 2014 amounted to Ug shs 394.8 million (30% of invoices submitted) comprising of 12 invoices.

Physical performance

The bridges and culverts were complete. These were in use apart from Upper Cala box culvert where back fill and compaction around the structure and preparation of the road bed (Moyo end) of the approach road was pending. Other pending works at the drainage structures included river training whose instruction was issued in November 2013.

Works on the Laropi and Umi landing sites along the River Nile were ongoing and had attained a physical progress of 60%. These involved: the installation of gabion boxes beneath the curtain wall and toe of the rock protection; leveling to achieve the required slope of the slipway; blinding of the curtain wall base; steel fixing of the curtain wall and casting of the curtain wall concrete. Works on Laropi landing site were ahead of those at Umi landing site.

Diversion for traffic had been created at Upper Cala box culverts, Laropi and Umi ferry landing sites. Adequate temporary road signs had been placed at the specific locations to inform motorists and pedestrians about the construction works in progress.

In FY2013/14, 6.7% of the works were completed out of the programmed 30% for the year. The cumulative progress of works since the start of the project was 79.22% by 30th June 2014.

Left: A completed 3-Span Ayugi bridge at Km 13+800; Centre: Works ongoing on the spillway at Umi landing site at Km 65+442; Right: A completed 4-cell box culvert where river training took place along Atiak-Moyo-Afoji Road

Contractual Issues

The UNRA planned to invoke liquidated damages for delays as a result of the contractor's failure to complete the works within the stipulated time. even after an extension of time that expired on 20th January 2012. The contractor submitted a bank guarantee in July 2012 for an amount of Ug shs 797.5 million against the deduction of liquidated damages with validity up to 31st March 2013.

In December 2012, the contractor made an undertaking to finish the works by 30th May 2013. However, at the end of May 2013, the liquidated damages due were not deducted by UNRA. Instead the validity was extended to 29th May, 2014, which has since expired. Several reminders to the contractor to renew the liquidated damages guarantee have been futile.

Analysis

- **Achievement of targets**

In the FY 2013/14, 27% of the works were completed by the end of June 2014 out of the annual target of 30%. The two bridges and four box culverts were completed. However, the completion of the project which was the FY annual target was not met because the original design for the ferry landing sites were incompatible with the newly procured ferry and as a result the design had to change.

- **Link between physical and financial**

The cumulative physical progress achieved by the end of the FY 2013/14 was 79.2% against a cumulative financial progress of 65.03%

Challenges experienced by the project:

- Slow progress of works due to contractor's internal cash flow problems.
- Non-payment to the consultant for the invoices submitted between June 2013 and June 2014 yet there was no clear explanation as to why this was happening.
- The UNRA did not deduct the liquidated damages from the contractor even after a reminder by the consultant in June 2013.
- The contractor has continued to implement works with expired liquid damages guarantee and a worker's compensation policy despite several reminders by the consultant.
- Change in scope of works for the ferry landing sites due to the importation of a new ferry that did not conform to the original design of the slipways. As such, it was imperative to have a design adjustment of the slipway to make it compatible with the new ferry.

Conclusion

With the cooperation of UNRA, consultant and contractor, the works are expected to be complete by the end of September 2014 which had been agreed as the tentative completion date.

Recommendations

- The UNRA should clear the consultant's payments as soon as possible.
- The UNRA should explain why the liquidated damages have not been deducted despite several reminders from the consultant. UNRA should also explain why the contract has continued to be implemented after the expiry of the liquid damages guarantee and a worker's compensation policy.
- The UNRA should compensate the contractor for the extra work that arose from the design adjustment of the slipway to make it compatible with the new ferry.

10.3.2 Reconstruction of priority sections on the Kampala-Mbarara Road, (Northern Corridor-Uganda) - Package C: (Nsangi-Kamengo, Katonga Bridge and Lukaya-Masaka)

The road is located in South Western Uganda and comprises a total length of approximately 218km of the Northern Corridor route between Kampala and Mbarara. It is an international route connecting Western Uganda, Rwanda, Burundi, Eastern DRC and Tanzania to Eastern Uganda and Kenya. For this project, Package C, works are split into the following sections:

i) Section 1: Nsangi-Kamengo (30 km);
ii) Section 2: Lukaya-Masaka (20 km s); and
iii) Katonga Bridge - New Bridge with 1.8km of road widening.

The works comprise approximately 51km length of the Kampala-Masaka highway with the remaining 70km completed in 2012 under a separate contract. In addition as part of the contract, UNRA has included upgrading of local rural roads to link the village of Kako and Nkozi University to the main highway into the main contract through an addendum. The UNRA also wants to consider some maintenance works of Nyendo-Masaka road through Masaka town to be included in this project.

Sections 1 and 2 of the existing road were paved, but the existing single surface dressing had aged and the road geometry was inadequate to carry the current traffic efficiently. The average carriageway width was about 6.5m, the shoulders were worn out and non-existent in some section and there were no climbing lanes despite the rolling countryside.

The civil works contract for the reconstruction of priority sections on the Kampala-Mbarara road, (Northern Corridor-Uganda) - Package C: (Nsangi-Kamengo, Katonga Bridge and Lukaya-Masaka) was awarded to M/s Reynolds Construction Company (NIG) Ltd (RCC) on 15th September 2011 at a sum of Euro 50,779,281.44 for a period of 30 months. The project commencement date was 15th January 2012 and its completion date was 14th July 2014.

Scope

The main works under the rehabilitation contract were:

- Widening of the embankment to accommodate 7.3m carriageway with 1.85m wide-sealed shoulders on either side, together with the addition of climbing lanes.
- Construction of a new pavement consisting of: 250mm or 275mm graded crushed stone sub-base; 200mm graded crushed stone base; 80mm asphalt concrete binder course to carriageway; 50mm asphalt concrete wearing course to the carriageway; and shoulders constructed of crushed stone base protected by a single seal surface dressing.
- Construction of new cross culverts and general improvement of the drainage facilities.
- New three span bridge at Katonga.
- All ancillary works to the main works, including road furniture and road markings.
- Upgrade of rural link roads to Kako village and Nkozi University; pavement construction consisting of: Double Bitumen Surface Treatment (DBST) wearing course on; and 150mm/200mm crushed stone base respectively.

This project was monitored on 8th July 2014 and the civil works contract data for the Kampala-Masaka Phase II road works in summarized in Table 10.26.

Table 10.26: Contract Data Summary for Kampala-Masaka Phase II as at the end of June 2014

Project Title	Reconstruction of priority sections on the Kampala-Mbarara Road, (Northern Corridor - Uganda) - Package C: (Nsangi-Kamengo, Katonga Bridge and Lukaya-Masaka).
Source of Funding	Government of Uganda
Contract No.	Service Contract No. 2008-09/00023/03/01 Works Contract No. GOU/HW/C005
Implementing Agency	Uganda National Roads Authority
Supervision consultant	Nicholas O'Dwyer and Co. Ltd.
Contractor	Reynolds Construction Company (NIG) Ltd.
Project length	51.2km plus additional 7.2km rural road upgrade
Supervision Commencement Date	1st February 2012
Construction Commencement Date	15th January 2012
Construction completion date (initial)	14th July, 2014
Construction completion date (revised)	21st January, 2015
Original Contract Price	Euro 50,779,281.44
Revised Contract Price	Euro 61,180,402.10 (20.5% increment in original)
Supervision Contract Price	Euro 988,320.00 and Ug. Shs.3,120,750,500
Contract Duration	30 months (Initial) and 37 Months (Revised)
Contract Time Elapsed	30 months (100% based on initial period and 81.4% of revised)
Advance Payment	Euro 5,077,928 (Advance payment fully recovered)
Works Payments Certified	Euro 74,347,156.50 - 27 IPCs
Payments to the contractor	Euro 65,952,031.56 - 23 IPCs paid, IPCs 22 and 25 payment overdue
Consultant Invoices Submitted	Euro 621,862.00 and Ug shs 3,076,280,000; 31 Invoices
Payments to the Consultant	Euro 546,900.50 and Ug shs 2,674,170,000; 28 Invoices
Physical Progress	90.1% Achieved against 100% Planned
Financial Progress	93.27% Achieved against 100% Planned
Exchange rate used in the contract	Euro/US$ = 1.3587, Euro/Ug shs =2336.24 US$/SA Rand = 6.9273, Euro/SA Rand = 9.4121

Source: Nicholas O'Dwyer and Co. Ltd

Financial Performance

The contract was awarded to RCC in September 2011 for a contract price of Euro 50,779,281.44. After completion of the design reviewby means of Addendum No. 1, the value of the works was increased by 13.95% to Euro 57,862,216.74 which was approved in July 2013. The increase was due to the extension of the contract period from 24 months to 30 months and increase in quantities arising from the design changes for works in the swamps.

In September 2013, Addendum No. 2 was submitted to UNRA for the additional link roads and the time required for these works. This increased the costs by a further 5.63% to EURO 60,720,467.02 and extension of the contract end date to 21st January 2015. However, UNRA delayed approval of addendum No.2 (March 2014) which affected the contractor's planned mobilization to the link roads.

By 8th July 2014, the contractor's payments were behind payment by two interim payment certificates (IPCs). This was however an improvement from last year when some payments had been delayed by up to 6 months, resulting in a claim for interest on late payments amounting to Euro 278,885.06. (See Table 10.26)

The consultant had prepared a projected final estimated cost of Euro 63,400,000 (25% increase in original contract price), excluding any additional works associated with the maintenance works desired by UNRA for the Nyendo-Masaka road in Masaka town. Much of these additional costs were due to the large increases in the quantities of excavated material from the swamps together with the rock fill.

The overall financial progress of this project was estimated at 93.27% against a planned progress of 100%.

Physical Performance

Section 1 Nsangi-Kamengo (30 km)

All the earthworks and pavement works were complete except at Maya where compensation issues had prevented the contractor from carrying out any work on a 650m section of the road. Asphalt works at the swamp at km 20+000 had not also been carried out due to failure of the pavement by settlement.

The contractor was proceeding with construction of the outstanding longitudinal drainage and installation of guardrails. The activities of road markings, fixing of road signs and completion of the pavement works at Km 20 swamp had not yet started. It was estimated that these works would be complete by September 2014, subject to a quick resolution of the land issues at Maya. The contractor would then request for a partial handover of this section by September/October 2014.



Left: A section at Maya where works had not been executed due to unsettled land acquisition issues; Centre: Base course works in the swamp at Km 20+000; Right: Installation of guard rails at Km 25+390 on Kampala-Masaka phase II

Section 2: Lukaya-Masaka (20 km)

This section was completed and had been handed over to UNRA on 31st October 2013.

Katonga Bridge (New Bridge with 1.8km of road widening).

This new bridge was completed except for the parapets. It was temporarily open to two way traffic whilst repairs were being carried out on the old bridge. Earthworks and sub-base works had been completed on the bridge approaches. The base course and DBM works were in progress. It was estimated that the bridge works would be complete by September 2014.

Link Roads

By means of an addendum to the works contract, two rural roads were to be upgraded. These link Nkozi University to Kampala - Masaka road at Kayabwe, and Kako village to the main road 400m to the south of the end of the Section 2 works. These roads will be 6m wide with 1m shoulders, and each road is to have a total length 3.6km.

By 8th July, the contractor working on the Nkozi link, and had completed 80% of bush clearance and topsoil strip, 60% of sub-base works and almost 100% of the cross drainage. Completion of these works was expected in October 2014.

Surveying works on Kako link road were in progress, and construction works were likely to commence in August 2014, with a construction period of four months.

Kampala-Masaka phase II: Base course works and drainage works along the Nkozi link (Left); Parapet wall works ongoing on the New Katonga Bridge(Centre); A completed section of the road in Section 2 (Right)

The 7.2km section of road through the centre of Masaka Town

The UNRA instructed the consultant to design the maintenance and upgrade this section. the design and estimated costs were submitted to UNRA, and an instruction to proceed was being awaited. The duration of these works are estimated at 6 months once the instruction to proceed is issued.

In the FY 2013/14, the physical progress achieved was 23% against a planned progress of 30%. The cumulative progress was 88% by 30th June 2014 and at 90.1% against a planned progress of 100%.

Project challenges

Although the contractor was generally ahead of schedule, there were delays at several locations due to Land compensation issues. These necessitated the contractor to skip the affected sections and returning at a later date to complete the works. The delays had not led to any serious additional costs, except for the cut section at km 32+400, where the cut had to be paid for as cut to spoil due to all the works in the section having been completed.

The contractor's work had been on hold at Maya (km 18+600 to km 19+250) since February 2014 as the locals had refused to allow any work to proceed until all compensation issues had been resolved and payments agreed. This issue was critical as further delay would result in the contractor being in a position where the remainder of Section 1 (Nsangi-Kamengo (30 km) would be complete and ready to be handed over to UNRA.

Analysis

- Achievement of set targets

Majority of the set targets in the FY 2013/14 were achieved (23% out of 30%). However, the project was behind schedule mainly because of failure to possess the site at Maya section.

- Link between physical and financial

The cumulative physical progress achieved was 90.1% against a financial progress of 93.7%.

Recommendations

The UNRA should expeditiously handle the land compensation issue at Maya so that the contract works can proceed without any further delays.

The UNRA should fast track to issue the instruction for these works for Masaka Town maintenance works as part of the contract. The earlier these works commence, the less time will be needed for the additional extension of time with the associated additional costs.

10.3.3 Construction of Asphalt Overlay on Kawempe - Kafu road (166 km) and Kafu-Kiryandongo Road (43km)

Background

The contract for this project was awarded to M/s Energoprojekt Niskogranda at a contract fee of about Ug shs 92.750 billion. The supervision contract was awarded to M/s Aurecon AMEI Ltd at a fee of Ug shs 3.52 billion. The project started in November 2010 and was originally to cover 166km. An addendum (No.4) was issued which increased the road length to 209km. This variation in the contract necessitated revising the contract fee to Ug shs 140 billion to cater for reconstruction of pavement layers on selected sections along Kawempe – Kafu, reconstruction of Kafu – Kiryandongo section, upgrading of Bombo Military access roads and upgrading St. Mark's Cathedral Church access road.

Project objectives

- To construct an asphalt overlay on Kawempe-Kafu road (166 Km)
- To reconstruct the Kafu-Kiryandongo as an addendum to the initial project.
- To execute Ministry of Works and Transport directive of upgrading Bombo Military Barracks access roads and St. Mark's Cathedral Church in Luweero.

Scope of Civil works

The scope of works entails;

- Chemical stabilisation and mechanical modification of sub base layers (approximately 80 km)
- Rectification of road edge breaks through construction of chemically stabilised edges/shoulders.
- Construction of crusher run rock base layers (approximately 78 km)
- Paving of an asphalt wearing course (208 km+4 km[barracks]+2 km [Church])
- Construction of selected sub grade in localised problematic areas.
- Concrete, drainage, and slope stability works (box culverts, stone pitching, edge beams, lined drains, sub surface drainage systems, gabions.
- Ancillary works (road marking, road studs, road signs)

Findings

Table 10.27 shows the summary of Project Data and progress of the construction works on the project road as at the end of FY 2013/14.

Table 10.27: Kawempe - Kafu road and Kafu-Kiryandongo Road Project Summary by 30th June 2014

Project Title	**Kawempe - Kafu road and Kafu-Kiryandongo Road**
Source of Funding	Government of the Republic of Uganda
Contract No.	UNRA/WORKS/2009-10/00001/03/01
Implementing Agency	Uganda National Roads Authority
Supervision consultant	Aurecon AMEI Limited
Contractor	Energoprojekt, Niskogranda
Project length	209 Km
Supervision Commencement Date	May 2011
Construction completion Date (initial)	30th November 2013
Construction completion Date (revised)	15th April 2015
Original Contract Price	Ug shs 32,462,681,196 and US$ 30,296,156.44
Revised Contract Price	Ug shs 140,556,490,385 (pending approval)
Supervision Contract Price	Ug shs 923,356,240 and US$ 1,304,994(initial)
Contract Duration (initial and revised)	18 months(original) and 53 months (revised estimate)
Contract Time Elapsed	44 months (83%) based on revised program
Advance Payment	Ug shs 9,275,051,770.00(fully paid)
Works Payments Certified	15 IPCs - Ug shs 93,660,735,828.78
Payments to the contractor	15 IPCs fully paid; Ug shs 93,660,735,828.78
Consultant Invoices Submitted	14 No. worth Ug shs 1,925,972,529 and US$ 3,229,296
Payments to the Consultant	11 No. worth Ug shs 454,159,515 and US$ 2,791,861
Physical Progress	31.48% achieved against a planned of 45.58%
Financial Progress	66.64% based on estimated final project amount
Exchange rate used in the contract	USD 1.0 = Ug shs 1989.95

Source: Resident Engineer

Financial Performance

Since the inception of the project, the contractor had received Ug shs 111.608 billion earned as total of advance payment and certified value of the works executed. A total of 15 No. IPCs amounting to Ug shs 93.66 billion (about 66.64% of the revised contract value) had been submitted and all had been fully paid. Interim Payment Certificate No. 16 had been submitted but was still under review by the consultant whereas the consultant had submitted a total of 11 invoices amounting to Ug shs 6.01 billion. The amount of money so far paid to the consultant had exceeded the contract sum by Ug shs 2.49 billion (see table 10.27).

Physical Performance

Physical progress was at 31.48% against the planned 45.58%. The project is lagging by 14.1% and this was attributed to the fact that the greatest percentage of physical works is asphalt overlay which had not yet been executed.

The contractor had completed the sub base, base and wearing course works on the section from Migeera to Kawempe between km 0+000-141+662 and Kafu towards Kiryandongo between km 164+750-175+700.The following activities were ongoing:

- Sub base, base and wearing course works on the section from Kafu-Kiryandongo section
- Pavement layers construction works on the Bombo Barracks access roads (approximately 4km)

- Concrete, drainage, and slope stability works (box culverts, stone pitching, edge beams, lined drains, sub surface drainage systems, gabions.
- Ancillary works (road marking, road studs, road signs)

Left: A project signboard at km 166+000; Centre: A rejected section of roadbase at km 175+000; Right: A box culvert under construction at km 41+000 on Kawempe–Kafu-Kiryandongo road

Analysis

- **Achievement of targets**

The targets for the project in FY 2013/14 were achieved (28% of works). However, the overall physical progress of the project was behind schedule as 31.48% achieved against a planned of 45.58%.

- **Link between financial and physical performance**

The cumulative physical progress of the project by the end of the FY 2013/14 was 31.48% against a cumulative financial progress of 66.64% based on the estimated final project amount.

Implementation Challenge

- Pavement deterioration being experienced due to overloading.

Recommendation

The UNRA should enhance the use of weigh bridges and implementation of impounding the overloaded vehicles to reduce road deterioration.

Conclusion

Although, the project was behind schedule, it is likely to be complete on the revised date. This is because the pending works (laying of asphalt) take a short time and the contractor ha revised his programme accordingly.

10.3.4 Construction of Nakapiripirti-Moroto Road (93.3Km)

The Government of Uganda earmarked funds to improve the condition of roads along major transport corridors in the country. Therefore, UNRA under the National Roads Development and Maintenance Programme (NRDMP) is undertaking the upgrading of a number of roads from Gravel to Paved (Bituminous) II Standard. One of such undertakings is the Nakapiripirit-Moroto Road (93.3km). China Road and Bridge Corporation (CRBC) was awarded the contract agreement that was signed on 21st August 2012 with a commencement date 01 February 2013.

J.Burrow Limited of South Africa was awarded the Consultancy contract for supervisory services with a date of commencement of 01 February 2013.

The value of the contract is UGX 184,378,906,666 with 72% payable in US$ and the remaining 28% in Ug shs. The contract period is 36 months therefore; its expiry date is 31st January 2016.

Project description

The Nakapiripirit-Moroto road section is found in Karamoja region (North-Eastern Uganda). The road project passes over the flat plains running to the west of Mt. Elgon and Kadam mountains up to Nakapiripirit where the road reaches the higher plains of the escarpment, which forms a watershed. It further ridges up to the valley at Lorengedwat. The road section is mostly traversing uninhabited land and passing through some villages covering a total length of approximately 93.3Km.

It forms an important link in the national road network and contributes significantly to the economic prosperity of North-East Uganda. The road was a gravel road of class C, in a poor condition with the overall riding quality being rated as unsatisfactory on most of the road sections.

Project objectives

The project aims to:

- Improve access to good/ passenger transport services and reduce transport cost along the route,
- Improve access to social and economic development opportunities along the route and integration to the rest of the country by providing high capacity infrastructure and
- Ensure that no roadside communities become worse off as a result of the upgrading works.

A summary of the contract details is shown in Table 10.28:

Table 10.28: Summary of the contract data as of end of June 2014

PROJECT TITLE	NAKAPIRIPIRIT-MOROTO
Source of Funding	Government of the Republic of Uganda
Contract No.	UNRA/WORKS/09/10/00001/18/01
Implementing Agency	Uganda National Roads Authority
Supervision consultant	J.Burrow Limited, P.O Box 55389,plot 5, Lourdel Road Nakasero,
Contractor	China Roads and Bridge Corporation (CRBC)
Design consultant	ACE Consulting Engineers
Project length	93.3 Km
Supervision Commencement Date	1st February 2013
Construction Commencement Date	1st February 2013
Construction completion Date (initial)	31st January 2016
Construction completion Date (revised)	None
Original Contract Price	Ug shs 184,378,906,666
Revised Contract Price	Ug shs 203,481,165,989(Estimated)
Supervision Contract Price	US$ 2,923,069.54
Contract Duration (initial and revised)	36 months and 12 months of Defects Liability Period
Contract Time Elapsed	17 month (47.22%)
Advance Payment	Ug shs 27,656,836,000
Works Payments Certified	Ug shs 61,647,720,056 (15 Interim Payment Certificates)

Payments to the contractor	10 IPCs fully paid; IPC No.11 partly paid totaling to US$18,933,449.71 and Ug shs 20,162,671,644
Consultant Invoices Submitted	-
Payments to the Consultant	-
Physical Progress (Achieved Vs Planned)	33.22% against the planned 33.95%
Financial Progress (Achieved Vs Planned)	33.46% against the planned 47.9%
Exchange rate used in the contract	USD 1.0 = Ug shs 2294.07

Source: Supervising Engineer

Scope of Civil works

The scope of works for the construction of Nakapiripirit-Moroto road is shown in Table 10.29.

Table 10.29: Scope of works for Nakapiripirit-Moroto road

Cross sections Rural; 86.9 Km Urban; 6.4 Km	 7m Carriageway; 1.5/2.0 m Shoulders 14m Carriageway; 1.5 Walkways
Surfacing	Double seal on carriageway and walkways
Base course	150mm Graded crushed stone to carriageway and shoulders
subbase	200mm Mechanically modified
Earthworks	Fill: 870,000; Spoil: 130,000 m3
Bridges	Lorengedwat ; 50m two span Namalera; 25m Single span Lokali, 25m Single span Nadunget, 25m Single span
Box culverts (2x2.5x1.5)	Km 72+740 Km 84+133 Km 84+199
Pipe culverts	Concrete pipe culverts 48 culverts, 900mm diameter for 1840m 6 culverts, 1200mm diameter for 128m
Ancillary works	About 1200 Road signs Road Markings, (whole road) Speed humps (28 No.) Rumble strips (93 No.) Raised pedestrian crossings (14 No.) Guard rails, about 5000 m

Source: Resident Engineer

The road will be completed in sections of 30 km starting with Lorengedwat-Moroto, which is expected to be complete by November 2014.

Findings

Financial progress of the project

The project experienced a variation from the original amount of Ug shs 184,268,818,666 to Ug shs 203,481,165,989 hence, a 10.4% increase in the value. This increase in the value of works was attributed to inadequacies in the original design. Following the design review the following items were incorporated:

- Earth works increased by 46.2% as a result of unforecast rock excavations along the road alignment.
- The sub-base thickness changed from 100 to 200mm leading to an increase in quantities by 66% along the entire road alignment.
- Change in the surfacing of shoulders from single to double seal led to a 9% increment in the quantities.

The contractor received advance payment amounting to Ug shs 27,656,836,000 (about 15% of the original contract value) and Ug shs 7,445,064,966 (26.9% of advance) was recovered by the client. The contractor had submitted a total of 15 IPCs amounting to 61,647,720,056 of which 10 IPCs were honoured by the end of FY 2013/14. The financial progress for this project was at 33.46% against the planned 47.9% (see table 12.28). The lag was attributed to delays in receiving funds from government.

Cost overruns are likely to occur due to;

- Frequent heavy rains experienced in the region that cause prolonged delays to works.
- Slow progress of funds from the Government which is likely to delay completion of land acquisition along the right of way.
- Scarcity of water in the region during dry seasons. The region experiences long periods of drought which may reduce the speed of construction.

Physical progress of the project

The contractor had completed the following works: bush clearing; top soil stripping; roadbed preparation; scarification of existing pavement layer; fill work and common excavation to spoil; and improved subgrade construction. In addition, the following activities were ongoing: surveying works; pipe culvert and bridge construction; pavement works; sampling and testing of subgrade and subbase materials. The physical progress for this project was at 33.22% against the planned 33.95% for a time lapse of 47.22% of the contract time. Therefore, the project was almost on schedule.

a. Consultants progress so far

The entire construction supervision team of the Engineer was fully mobilised on site.

The consultant had completed the design review of the project and submitted to UNRA for consideration. The design review recommended the following;

I. Two major realignments at km 93+000 and km 86+000.

II. An increment in sub-base thickness from 100 to 200mm and extension of the double seal to the shoulders.

The design review has been partially approved to avoid delays as the final approvals were in process.

b. Contractor's progress

The contractor had mobilised the necessary camps, personnel, equipment and programmed the works.

The contractor's mobilisation consisted of;

i. The main camp at Naitakwai at 2km from Moroto town [km 91+100] which comprises the contractor and engineer's offices as well as their accommodation.

ii. Other camps at Lokali Bridge [Km 75+900] and near Kamusalaba [Km 48+500] had been constructed.

iii. All facilities (Offices, laboratory and Housing) were completed, fully furnished and already functional.

iv. The contractor mobilised 41 expatriate Chinese staff and 247 local staff.

v. The contractor mobilised 79 pieces of equipment and plant out of 84 expected for construction of the road.

There are sections of the road alignment between km [63+500-63+600], km [64+800-66+000] in Lorengedwat, km [90+800-93+300] in Moroto town and km [17+000-18+000] in Achere village which had not yet been handed over to the contractor because of a delay in property compensation by the client. As a result the contractor had given his notice for time extension claims and associated costs by a letter ref. no CRBC/MN/0239 dated 05/02/14 stating the fact that the contract stipulates all ROW issues to be settled in one year by the Client**.**

A summary of the progress of some of the activities is presented in Table 10.30.

Table 10.30: Status of the works executed up to June 2014

S.N	Work Description	Total quantity (B0Q)	Sections worked (Km)	Physical progress	
				% Cumulative achievement	Remark
1	Clearing and grabbing	93.3km	00+466-17+000 18+000-64+860 66+000-90+800	95.0%	Sections not complete because of land acquisition issues
2	Top soil stripping	93.3km			
3	Road bed preparation	93.3 km			
4	Fill and Cut	846110m^3		98.5%	
5	Improved subgrade	93.3km	00+466-16+940 18+000-24+500	11.1%	Ongoing
6	Subbase	93.3km		1.05%	Activity started on 16th June 2014 and is ongoing
7	Base course	93.3km			Not kicked off
8	Surfacing	93.3km			Not kicked off
9	Ancillary works	93.3km			Not kicked off
10	Rock excavation	93.3km			Ongoing
11	Construction for pipe culverts (48No of 900mm and 6No of 1200mm diameter)	51No.			Ongoing
12	Precasting for pipe culvert	1143(m)			Ongoing

13	Box culverts				
	Km 72+740	1 No.			Steel works on going
	Km 84+133	1 No.			Pending end structures
	Km 84+199	1 No.			Pending end structures
14	Bridges				
	Lorengdwat Bridge (Km 64+865)	1 No.			Excavation of foundation is ongoing
	Namalera Bridge (km 70+834)	1 No.			Construction of one abutment complete and foundation on Moroto side ongoing
	Lokali Bridge (km 75+870)	1 No.			Construction of both abutment walls ongoing
	Nadunget Bridge (km 86+003)	1 No.			T-beams and deck slab construction pending
15	Coarse crushed aggregates	269080m^3			Ongoing at km 48+800-quarry site

Source: Resident Engineer

c. Health and Safety

Under Health aspect, M/s Reev Consultant International had been nominated as the sub-contractor for HIV/AIDS Prevention Program. The contractor is operating a clinic at the Contractor's camp to manage minor infections and to mitigate the spread of HIV/AIDS among the local communities and the workers as a result of construction activities through sensitisation.

Safety is observed by the contractor under the supervision of the engineer.

d. Environmental Issues

The environment consultant was mobilized to site during Q2 of FY 2013/14. He issued formats to be followed regarding the different controls under the environmental protection.

Left: Form work fixing on the new bridge at Nadunget [km 86+000]; Centre: An existing bridge at Nadunget which was to be demolished; Right: A laid pipe culvert of 900mm diameter at km 34+400 on Nakapiripirit-Moroto road

Analysis

- **Achievement of targets**

The project achieved most of the targets in FY 2013/14 (27.33% out of 30%). The unmet target was due to:

i. Delayed compensation of PAPs within the town sections of Lorengdwat, Moroto and Nakapiripirit.

ii. Drought which affected the progress of works because lack of water required for construction.

The cumulative physical progress of the project was behind schedule (33.22%) against a time progress of 47.22%.

- **Link between financial and physical**

The cumulative physical progress achieved by the end of June 2013 was 33.2% against a financial progress of 47.9%.

Challenges

- Incidents of insecurity were still happening along the project road which reduced free movement by the contractor and ability to work for long hours or locating in multiple sections.
- Frequent blockage of supply routes via Soroti and/ or Muyembe due to poor condition of the existing road and heavy rains.
- There were pending relocations along the Moroto-Nadunget sub-county section and Nakapiripirit section. These involved relocation of electricity service poles, boreholes and water services pipes.

A contract was signed on 19th December to relocate the electricity poles and work had begun on 01 January 2014. Along three sections: the subcontractor had executed 98% of the work for Moroto-Nadunget sub county; 100% in the section from Naduget-Lorengdwat; and 75% in Nakapiripirit and the surrounding. The subcontractor had abandoned the site in the last week of February citing site possession problems without completing the job.

The sub-contractor had completed the relocation of boreholes in Nadunget sub-county by installation of a new functional borehole and the local government had received them.

A contract was signed for the relocation of water lines in Moroto, Lorengedwat and Nakapiripirit on 28th January 2014.The subcontractor had begun the excavation work in Moroto town, Lorengedwat and Nakapiripirit but none of them had been completed because of Right of Way problem and failure of the subcontractor to follow the right procedures.

Recommendations

- Land acquisition should be finalised by UNRA and the Government prior to the start of the project to avoid delays. Also, a resident land acquisition consultant should be considered in the contract.
- The UNRA should take keen care at the design stage to ensure that the designs are adequate to avoid delays and cost overruns.
- The GoU should ensure that adequate security is put in place by the smooth running of projects within the region.

Conclusion

The project was slightly behind schedule however, the contractor had revised the program to ensure that the project attains its planned outputs within the stipulated time.

10.3.5 Staged Reconstruction of Tororo-Mbale-Soroti road; Lot D-49km and Lot E-103km of the Transport Corridor Project

Project Background

This project is under the Transport Corridor Project, which was created primarily to address the deteriorating condition of national roads and other major export/import highways with a goal of facilitating intra and international trade. The road is part of the road connecting Eastern Uganda to Northern Uganda and neighboring Southern Sudan. It is a class II bitumen road that was in poor condition with urgent need for rehabilitation.

The existing pavement structure of the Tororo-Mbale-Soroti road consisted of a Double Bituminous Surface Treatment (DBST) surfacing on lime stabilized gravel base with unpaved shoulders. Since the initial construction, the road had deteriorated to such as extent that in some sections potholes were covering over 80% of the carriageway and the road edges had seriously deteriorated. There were virtually no road markings nor road furniture.

Tororo - Mbale section is approximately 49km long and passes through the districts of Tororo and Mbale. The project road commences at a T-Junction approximately 10km from Malaba along the Kampala-Jinja-Iganga-Malaba highway and terminates at the roundabout in Mbale municipality adjacent to the bus terminal.

Mbale - Soroti section is approximately 103km long and passes through the districts of Mbale, Bukedea, Kumi and Soroti. The latter section commences at the roundabout in Mbale municipality adjacent to the bus terminal and connects to the starting point of Soroti-Dokolo road.

The contracts for the construction of the Tororo-Mbale (49km) and Mbale-Soroti (103km) were awarded by UNRA on behalf of GoU to M/s Dott Services Ltd as two separate contracts. Both contracts were signed on 22nd October 2010. In accordance with the provisions of the contract, the commencement date for both contracts was 21st November 2010.

Initially, the consultancy contract for the project was awarded to M/s Gibb Africa Ltd in Association with Prome Consultants Ltd. The consultant's scope involved carrying out construction supervision of the road improvements by ensuring that processes, methods, plans and proposals submitted by the contractor were adequate to enable UNRA deliver the projects on time, quality and budget. However, this contract expired in November 2012 and was not renewed. UNRA through its station engineer in Mbale assumed the supervisory role of the project works in November 2012. Professional Engineering Consultants (PEC) Ltd was thereafter contracted through direct sourcing on 11th June 2013 to undertake supervision of the works to completion. The supervision contract was signed on 3rd July 2013.

Scope

The works to be carried out originally comprised: the improvement of the road drainage system; rehabilitation of the existing base through lime stabilisation; application of a double bituminous surface dressing on the carriageway of 6.3m width and shoulders of 1.5m on both sides; and ancillary works.

The revised scope of works being generally comprised: drainage works; widening of the existing roadway to a 6.3m carriageway and 1.5m shoulder; raising of low lying road sections; recycling of the existing road base to form the design sub-base layer; construction of a new base layer through the mechanical modification of fresh gravel material with crushed run rock (CRR) and in the case of re-construction areas placing of a neat CRR base layer. In addition to this, bituminous works of prime coat and double seal surface dressing as well as ancillary works were also to be executed.

Findings

The road project was monitored on the 16th July 2014 for its annual performance. The findings and recommendations for project implementation are presented below:

Table 10.31 summarizes the contract data for the two contracts and progress of the construction works on the road

Table 10.31: Tororo – Mbale – Soroti Project Summary as of June 2014

Description	Remarks	
Project Title	**Lot D: Staged Reconstruction of Tororo-Mbale Road (49 km)**	**Lot D: Staged Reconstruction Mbale-Soroti Road (103 km)**
Contract Number	UNRA/WORKS/2009-2010/00001/02/04	UNRA/WORKS/2009-2010/00001/02/05
Funding Agency	GoU	GoU
Original Supervision Consultant	M/s GIBB Africa Ltd in association with Prome Consultants Ltd	
Current Supervision Consultant	M/s Professional Engineering Consultants (PEC) Ltd	
Contractor	M/s Dott Services Ltd	
Length of road	49 km	103 km
Original Works Contract Price	Ug shs 30,285,508,100	Ug shs 46,083,277,750
Revisions Works Contract Price	Ug shs 63,804,103,546 (110% of original works price)	Ug shs 108,124,833,428 (135% of original works price)
Supervision Contract Price	Gibb Contract ended in November 2012 and was not renewed	Gibb Contract ended in November 2012 and was not renewed
PEC Supervision Contract Price	Ug shs 2,475,750,000 (Both Tororo-Mbale and Mbale-Soroti Roads)	
Commencement Date	21st November 2010	21st November 2010
Original Contract Period	18 Months (547 days)	18 Months (547 days)
Revised Contract Period	40.5 months (1227 days)	40.5 months (1227 days)
Original Completion Date	21st May 2012	21st May 2012
Revised Completion Date	31st March 2014	31st March 2014
Contract Time Elapsed	44 months or 1318 days (Up to 30th June 2014). Contractor has notified his intention to request for further extension of time	44 months or 1318 days (Up to 30th June 2014). Contractor has notified his intention to request for further extension of time
Advance Payment (20% of original contract price)	Ug shs 6,057,101,620	Ug shs 9,216,655,550
Works Payments Certified	Ug shs 50,233,920,846.41 (78.73% (of revised price) – 12 IPCs	Ug shs 72,714,259,640 (158.7% of original contract sum and 67.3% of revised contract sum) – 10 IPCs
Payments to the Contractor	Ug shs 50,233,920,846.41 (100% of works certified)	Ug shs 72,714,259,640 (100% of works certified)

Consultant Invoices Submitted	Ug shs 1,314,500,000 (Fee Notes No.1-10)	
Payments to the Consultant (PEC)	Ug shs 1,162,360,000 (Fee Notes No.1-9) (88.1% of submitted)	
Project Title	**Lot D: Staged Reconstruction of Tororo-Mbale Road (49 km)**	**Lot D: Staged Reconstruction Mbale-Soroti Road (103 km)**
Physical Progress	98.14%	76%
Cumulative Financial Progress	78.7% against the revised contract sum	67.3% against the revised contract sum

Source: Progress Reports for June 2014 from the Supervising Consultant

Contractual Issues

1. The contractor was ordered to commence works as stipulated in the contract documents, which is 30 days from the date of contract signature. However, due to the delay in being issued with the strip maps and detailed design drawings, the contractor could not effectively programme his works as earlier intended.
2. The former consultant, M/s GIBB, upon UNRA's instruction, prepared and submitted two options of the draft Variation Order No. 1 which were priced by the contractor. The UNRA's Contracts Committee approved the extension of time extending the project's completion date to 7th October 2012. Further to this, the Contract's committee asked for clarifications on some details of the variation order which the consultant submitted on the 15th August 2012. However, by the time the duration of the initial consultancy contract expired, the variation order had not been finalised.
3. On assuming the supervisory role of the project, M/s PEC Ltd was further tasked with providing the committee with more clarifications. The newly assigned Consultant reviewed the existing approved designs, carried out new topographic surveys, new geotechnical investigations, review of the drainage system especially in low lying areas which culminated into the finalization of the Variation Order No.1 (Addendum No.2), which was submitted to the Employer for consideration.
4. UNRA Contracts Committee in June 2013 approved the Variation Order due to increased scope of works and revision of rates which is now known as Addendum No.2. The major highlights of Addendum No.2 are: the change of the contract price from Ug shs 30,285,508,100 to Ug shs 63,804,103,546 (110% of original works price) for Tororo-Mbale road and from Ug shs 46,083,277,750 to Ug shs 108,124,833,428 (135% of original contract price) for Mbale-Soroti road. The contract completion date was also revised from 7th October 2012 to 31st March 2014. The Addendum No.2 was subsequently signed between UNRA and the contractor on 16th October 2013.
5. The changes in the design concept caused changes in the scope of works. The new scope of works required formalization of a variation order which required approval from the Employer, Public Procurement and Disposal of Public Assets Authority (PPDA), Solicitor General and amendment of the contract before execution of works could continue (PPDA Regulation 262). All these issues were not favorable to the contractor's programme of work.
6. The situation was worsened when the first consultant instructed the contractor to carry out emergency works and trial sections for design purposes. Both these work activities were not in the original scope of works and were not income generating on the part of the contractor.
7. During the final stages of preparation of the Variation Order No. 1, it became apparent that it was necessary to execute additional drainage works that were not included in the Addendum No.2. These works comprised: (i) raising selected low lying sections of the

road to improve drainage, (ii) replacing all existing (old) 600mm or less diameter with 900mm diameter concrete pipe culvert (iii) extending all 15No. reinforced concrete box culverts (save for small bridges). These works were investigated by the consultant (PEC Ltd) and submitted to UNRA in July 2013 in the proposed Addendum No.4. The consultant informed UNRA in September 2013 that the execution of these drainage works would lead to further extension of time and addition to contract price of Ug shs 6,549,252,458. Due to urgency of these additional drainage works, the consultant has already issued instructions to the contractor to execute the works as approval of the Addendum No. 4 is awaited.

8. The contractor has subsequently submitted request for Extension of Time (EoT) beyond the 31st March 2014 but was yet to submit the corresponding supporting documents.

Financial Performance

Tororo-Mbale (49 km) and Mbale-Soroti (103 km) had a budget of Ug shs 20 billion and Ug shs 30 billion respectively in FY 2013/14. Being part of the Transport Corridor projects, expenditure details for the FY 2013/14 could not be established.

From Table 1331 above, the contractor was paid for all the 22 interim payments certificates submitted. Nine invoices amounting to Ug shs 1.162 billion (88.4%) had been paid to the consultant out of the ten (Ug shs 1.314 billion) submitted. Hence, payment delays were not being experienced on this project. The cumulative financial progress for Tororo-Mbale and Mbale-Soroti roads was 78.7% and 67.3% respectively as at the end of June 2014.

Physical Performance

A) Tororo-Mbale (49 km)

- The contractor established his main site camp at Busiu (Km 30). The camp was fully operational, including all the necessary waste disposal, water and power supply systems. The camp accommodates the contractor's offices, stores and housing for his key staff. The office and materials laboratory for the consultant were also set up in Busiu within the same camp. The offices were fully functional with all the furniture and equipment supplied.
- Completed activities were clearing and grubbing, culvert works and the installation of utility ducts. The rest of the activities were still ongoing at the time of monitoring. The physical progress of the key activities of the contract works as of end June 2014 was as shown in Table 10.32.

Table 10.32: Summary of physical works of Tororo-Mbale as at end of June 2014

Activities	Progress	Total Executed to date (km)	Outstanding Works (km)	Remarks
Clearing and Grubbing:	100%	47.77	0	
Cross Culvert Works:	100%	48	0	
Sub-grade Works:	99.59%	47.550	0.488	
Sub-base Works:	98.54%	46.960	0.813	
Base Works:	97.49%	46.700	1.073	
Prime Coat Works:	97.49%	46.700	1.073	
1st Seal Coat Surface Dressing Works:	97.49%	46.385	1.073	315m treated with Asphalt Concrete
2nd Seal Coat Surface Dressing Works:	93.72%	44.535	2.923	315m treated with Asphalt Concrete
Ancillary Works:	0.00%			
Overall weighted progress	**98%**			

Source: Progress Reports for June 2014 from the Supervising Consultant



Left: Ongoing ancillary works of the pedestrian walkway at Km 3+425 in Tororo Municipality; Centre: Completed section at Km32+237 with a stoned pitched side drain and guard railing; Right: Road side embankment preparation in Mbale Town at km 47+650 for Tororo-Mbale section

In the FY 2013/14, 43% (143.3%) of the contract works were achieved out of the annual target of 30%. This was an excellent annual progress registered.
The cumulative physical progress by the end of June 2014 since the commencement of the project start was 98%. The works were expected to be completed by September 2014.

B) Mbale-Soroti (103 km)

- The contractor's quarry and crushing plant at Kwari Kwar (Kachumbala) are fully operational. The contractor operates two crushers at the quarry, one stationary and one mobile. The quarry is currently used for the production of paving blocks, culverts, stone dust, 10mm chippings, 14mm chippings, 20mm chippings and CRR for mechanically modified base.
- The consultant's main facilities had been set up in Kapir and are functional. The office in Bukedea was well equipped and the materials laboratory was yet to be set up; at that time, a shared laboratory was in use. The contractor provided vehicles for the exclusive use of the consultant and was maintaining them.
- Ongoing activities were: construction of the first Seal Surface Dressing, prime coat, base course, sub-base, sub-grade and road bed preparation; drainage works comprising stone pitching, masonry works and concrete works for extension of reinforced concrete box culverts.



Left: Road side drain stone pitching works in Namakwekwe at Km 2+473; Centre: Extension of a box culvert at Km83+553; Right: Modification of the existing road to form sub-base at Km 95+888 for Mbale-Soroti section.

A summary of the physical progress of key activities is presented in Table 10.33.

Table 10.33: Summary of the Progress of Works for Mbale-Soroti road as at the end of June 2014

Activity	Total (Km)	Cumulative Executed (Km)	% Executed
Surface Dressing 2nd seal	103	0.00	0.00
Surface Dressing 1st seal	103	65.66	63.75
Prime Coat	103	67.36	65.40
Road Base	103	70.67	68.61
Sub base	103	84.42	81.96
Sub grade	103	91.28	88.62
Clearing & Grubbing	103	91.59	88.92
Ancillary Works			0.00
Installation of Utility Ducts			87.99
Cross Culvert Works			79.09
Cumulative Physical Progress			**76**

Source: BMAU Field findings, Project Monthly Progress Reports for June 2014

In the FY 2013/14, 25% of the contract works were achieved out of the annual target of 30%. Hence, a very good physical progress was achieved although there was a slight lag. The cumulative physical progress by the end of June 2014 since project commencement was 76%. Works were expected to be completed by December 2014.

Analysis

- **Achievement in terms of set targets**

In the FY2013/14, 43% of the works were completed on Tororo - Mbale (49km) out of the annual target of 30%. The cumulative progress since the commencement of the project was 98% by the end of June.

On Mbale - Soroti road (103km), 25% of the works was completed in the FY 2013/14 out of the annual target of 30%. The cumulative progress since the start of the project was 75% by the end of June 2014. The project was expected to be completed by December 2014

- **Links between financial and physical performance (where feasible)**

The cumulative physical progress attained against the financial progress by the end of June 2014 was:

a) Tororo-Mbale (49km); 98% against 78.7% and
b) Mbale – Soroti (103 km); 76% against 67.3%

The low performance of these projects is evidenced by the overall physical progress at 98% and 76% for Tororo-Mbale (49km) and Mbale-Soroti (103km) respectively against a time progress of 107.4% as at end of June 2014. This is attributed to the challenges highlighted below.

Implementation challenges

- Delay in approval of Addendum No.2 (Variation Order No.1) which culminated into great increase in quantities. Addendum No.4 had also not been approved.
- Existing design review had incorrect topographic data which forced the consultant; to redo the topographic surveys and subsequently redesign the vertical and horizontal alignments.
- Contractor's strained cash flow.
- Delay by UNRA to approve the 14mm aggregates as second seal coat.
- Equipment breakdowns.
- Lack of good quality gravel especially within the project area.
- Severe weather conditions which culminated as heavy rains in the region which caused lots of repetition of works.

The contractor notified his intentions to be compensated with regard to delays in issuing design drawings and a strip map. During the month of November 2013, the contractor submitted claim No.1 for compensation of prolongation costs.

Recommendations

- The UNRA should expedite the approval of all variations so that the project final cost and completion date are established.
- The UNRA should compel the contractor to deploy more equipment in order to achieve the set targets as earlier done in January 2014, where mobilised additional equipment with additional teams reinforced the Kapir front on Mbale-Soroti road that started executing works in the section from Km80 to Km100. This should enable the contractor to increase his output during the dry season.
- The UNRA should consider modification of the gravel within the project area to improve on the quality of materials however, this will further increase the project cost.

10.3.6 Staged Reconstruction of Mukono-Jinja Road (52 kms)

Project background

The contract agreement for the Staged Reconstruction of Mukono-Jinja road project was signed on 29th March 2011 between UNRA (the employer), and M/s Spencon – Stirling Joint Venture as the contractor. The project financed by the Government of Uganda (GoU) was awarded to the contractor at a cost of Ug shs 35,985,910,250 with a total contract period of 30 months, that is 18 months for construction and a defects liability period (DLP) of 12 months.

In accordance with the Special Conditions of Contract, the commencement date for the works contract was supposed to be 30 days after signing of the contract (28th April 2011). However, the commencement date was postponed to 15th September 2011 to take account of the delay that occurred when the contractor's request for inclusion of Variation of Price (VoP) in the contract was being finalized. The projected completion date was therefore, considered as 15th March 2013.

The contract for the supervision of the project was initially awarded to M/s GIBB Africa Ltd in association with M/s PROME Consults Ltd in November 2010. M/s GIBB Africa Ltd as the project manager reviewed the project documents/designs and prepared detailed designs for the road sections and consequently updated the bills of quantities. The civil works by then had been implemented up to a progress status of 10%.

Since, the consultancy services contract for M/s GIBB was not renewed upon expiry in November 2012, UNRA temporarily took over the supervision of the works for seven months until July 2013. However, the works required continued supervision to ensure that the civil works contract is delivered in accordance with the terms and conditions of the contract. Aurecon AMEI Ltd was therefore, appointed and awarded another supervision contract in July 2013 by UNRA as the consultant.

Project location

The Mukono-Jinja road forms part of the northern corridor route, which starts at the port of Mombasa in Kenya and connects to Rwanda, via Nairobi, Malaba, Jinja, Mukono and Kampala. The Northern Corridor is the main export and import route for the region and serves Kenya, Uganda, Rwanda, eastern DRC and Southern Sudan.

The road is located in Central Uganda starting at the junction with the Mukono-Kayunga road at Mukono. It then proceeds in an easterly direction through several small towns including Namawojjolo (km 11+000) and Kayanja (km 15+750). Lugazi (km 23+500) is the only major township along the road. After traversing a distance of approximately 30kms, the road passes through the Mabira forest for a distance of 11kms. The next small towns along the road are Mbiko (km 50+900) and Njeru (km 53+600). The road terminates just before the Owen Falls Dam.

Scope of Works

The original scope of works entailed: scarification of the existing surface and base; improvement of existing base with crushed rock; double surface dressing; single surface dressing/reseal; drainage works; raising of low-laying areas; and road safety interventions including installation of road furniture. In addition to this was the provision of a 50 mm Asphalt Concrete layer over the entire stretch of road.

Therefore, Gibb Africa Ltd (former consultants) was required to undertake a design review. The strip map issued by the UNRA following this review had the scope of works revised as per the following classification in Table 10.34.

Table 10.34: A summary of the revised scope of works for Mukono-Jinja road (52 kms)

Category	Length (kms)	Scope
S1-S2-S3	36.012	• Milling the existing asphalt (10 – 30 mm depth)to achieve regular surface; • Providing 50 mm thick AC 14 wearing course to milled surface preceded by tack coat; • Reconstructing shoulders with gravel mixed with 1.5% cement; • Providing double surface dressing to shoulders
S5	8.644	• Excavating all existing asphalt on carriageway to spoil; • Mechanically modifying existing base layer with 30% CRR to form a 200 mm thick sub-base layer (shoulder to shoulder); • Providing a new 150 mm thick CRR base layer mixed with 2% cement; • Applying MC-30 prime coat to CRR base; • Providing 50 mm AC 14 wearing course to carriageway; • Providing double surface dressing to shoulders. *Note:* *In very low-laying areas the existing asphalt is left intact and instead the pavement is raised with common fill, sub-grade, and sub-base. All other activities remained the same.*
CRR ON EXISTING BASE	8.664	• Excavating all existing asphalt on carriageway to spoil; • Providing a new 150 mm thick CRR base layer mixed with 2% cement; • Applying MC-30 prime coat to CRR base; • Providing 50 mm AC 14 wearing course to carriageway; • Providing double surface dressing to shoulders

Source: Resident Engineer

This project had previously been monitored in April 2013 at which time the physical progress was estimated at 21.08% against a financial progress of 23.32% and a contract time progress of 35.4%.

For the annual performance monitoring of FY 2013/14, the project was monitored on the 29th July 2014. Table 10.35 shows a summary of contract data for the Reconstruction of Mukono-Jinja road (52 kms) project as at the end of June 2014and the progress of the construction works.

Table 10.35: Mukono- Jinja Project summary as at the end of June 2014

Project Title	Lot C: Staged Reconstruction of Mukono-Jinja road (52 kms)
Source of Funding	Government of Uganda
Contract No.	UNRA/WORKS/2009-10/00001/02/03
Implementing Agency	Uganda National Roads Authority
Supervision Consultant	AURECON AMEI Ltd
Contractor	Spencon/Stirling Joint Venture
Possession of Site	Effectively on 30th March 2012 after receipt of strip map
Project Road Length	52 kms
Supervision Commencement Date	17th August 2011 (GIBB Africa Ltd)
Construction Commencement Date	14th June 2012
Construction Completion Date (Initial)	15th March 2013
Construction Completion Date (1st Revision)	31st August 2014
Construction Completion Date (2nd Revision)	30 April 2015 (Date under review by the client based on revised Programme 4 that is currently being used to monitor progress)
Original Contract Price	Ug shs 35,985,910,250
Revised Contract Price	Ug shs 41,276,612,800
Supervision Contract Price	USD 1,301,369 and Ug shs 1,352,345,453
Contract Period (Initial and Revised)	18 months (Initial) and 43.5 months (Revised)
Contract Time Elapsed	33.5 months (186.11% based on initial contract period but 71.01 based on Revised Work Programme 4)
Advance payment	Ug shs 7,197,182,050
Works Payments Certified	Ug shs 41,911,067,030 (including Ug shs 10,797,232,480 for compensation events) - 28 IPCs
Payments to the contractor	Ug shs 40,343,568,981 (including Ug shs 10,365,542,587) for Compensation events) - 27 IPCs (96.2% of certified)
Consultant Invoices Submitted	US$765,405 and Ug shs 683,805,568 (6 No. Invoices)
Payments to the Consultant	US$513,134 and Ug shs 483,403,998 (5 No. Invoices)
Physical Progress	71.37% achieved against 64.91% planned (based on Revised Programme 4)
Financial Progress	76%

Source: Supervision Consultant

Financial Performance

- This project had a budget of Ug shs 16 billion in FY2013/14. The GoU expenditure on this project in the FY2013/14 could not be established as it is part of the Transport Corridor projects whose financial performance is clustered together with 26 other projects.
- The value of works done as at the time of monitoring was Ug shs 31,443,749,775 (76% of revised contract price) of which Ug shs 30,582,259,709 (97% value of works or 73%

of revised contract price) and had been certified for payment. Payment details for the contractor and current supervision consultant can be seen in Table 1437. However, the information on payments that were made to the earlier consultant M/s GIBB Ltd for the consultancy services provided on the project was not availed.

- The estimated cost of the project based on the works in the Revision No.4 Program of works is Ug shs 41,276,612,801 whereas the original contract price was Ug shs 35,985,910,250 hence, a 14.70% increment in the contract price was realised. The financial progress of the project as at the time of monitoring was 76%.
- Whereas the project final value of works (as per the Revision 4 Program) was at the time of monitoring within the allowable project budget (original contract price + 15%), the project had incurred additional costs due to compensation events, and interest on delayed payments which would result in a cost overrun of the overall cost of the project. The status of these additional costs is as summarised in Table 10.36.

Table 10.36: A summary of additional costs on Mukono- Jinja Road

S/N	Description	Additional cost/time	Status
i)	Compensation Event No. 1 (additional compensation due to delayed implementation of fixed rate contract)	Ug shs 14,590,000,000	Recommended by Project Manager
ii)	Compensation Event No. 2 (Additional time and cost due to delayed possession of site and delayed issue of instruction to commence works)	Ug shs 3,344,181,559 7.18 months	Recommended by Project Manager
iii)	Compensation Event No. 3 (Additional time and cost due to delayed issuance of construction details for S5 and S6 types of works)	Ug shs 5,133,440,431 10.20 months	Contractor's submission under evaluation by Project Manager
iv)	Interest on delayed payments	Ug shs 276,544,342	Certified by the Project Manager as at 30th June 2014
	Total	**Ug shs 23,344,166,332**	

Source: Supervision Consultant

Physical Performance

- At the time of monitoring, milling of the existing asphalt was the only completed activity. Other activities were still ongoing and these involved: shoulder reconstruction and surfacing; removal of existing asphalt; sub-base construction with gravel and crushed run rock (CRR) where required; base construction with CRR and 2% cement; priming and asphalt wearing course works. However, all sections requiring S1 treatment had been completed while the reconstruction for sub-base was almost completed that of S5.
- The drainage works that had been completed were: the box culvert at Km 52+700, stone pitched side drains at Kms 50 – 52, Kms 48 – 49, and Kms 4-5.
- For the FY 2013/14, the 33% of the works were completed out of the annual target of 30%. The cumulative progress of works of this project as at the end of July was 73.91% against a planned progress of 68.37% (based on Revised Programme 4). The project was ahead of schedule and is expected to be complete by December 2014.

Left: 900mm drainage culvert; Centre: A completed section in Mabira forest with a narrow trapezoidal side drain at Km33+000; Right: A raised section with a stone pitched side drain between Km 52-53 for Mukono-Jinja Road

The percentage progress of key activities at the time of monitoring is as shown in Table 10.37.

Table 10.37: Percentage progress of key activities on Mukono-Jinja road as at the end of July 2014

Activity	Progress
Shoulder reconstruction and surfacing	85%
Milling	100%
Removal of existing asphalt	48%
Sub-base (Modified and natural)	85%
Base (CRR+2% cement)	30%
Asphalt	76%
Weighted Physical Progress	73.9%

Source: Supervision Consultant

Left: Ongoing works, Mechanically modified base material that is to form a new sub-base; Centre: Crushed Run Rock for the base course works; Right: A milled CRR section at Km 45+500 for Mukono-Jinja Road

- The contractor partnered with Health Promotions International (HPI) to carry out HIV/AIDS sensitisation / awareness and management. HPI was operating an HIV/AIDS and STDs clinic in the contractor's yard in Mbalala. Regular sensitisation seminars, and related activities, to the project workers and surrounding community were being carried out. The contractor had also employed full-time personnel for the management of health, safety and gender issues.

Analysis

- **Link between physical and financial progress**

The cumulative physical progress achieved by the end of June 2014 was 71.37% against a financial progress of 76%.

- **Achievement of targets**

In the FY 2013/14, 33% of the works were completed out of the annual target of 30%. The cumulative physical progress since the project start was 71% against a planned progress of 64.91% planned by the end of June 2014. This project is expected to be completed by December 2014.

Challenges experienced by the project

- Delayed implementation of the contract after tender. Tendering was in October 2009 and the contract was signed in March 2011. This not only brought about the variation of price but also increased scope as the road further deteriorated from that state when it was tendered.
- Delayed issuance of the possession of site and commencement instructions, as well as the final construction details to the contractor. These setbacks culminated in compensation events 1, 2 and 3 briefly described under the financial progress.
- The constantly high volume of traffic along the project route slowed down the works. This also impacted on the quality of works carried out as some of the trucks are overloaded. The diversion for traffic was not allowed for and thus, the road had to remain open as works progress. It was noted that the traffic had increased by 20% since the commencement of works and most of the trucks heading to Kampala from the Jinja are over loaded.
- Side drains in areas around Mabira forest are so close to the road shoulders and have shallow depth and small width. In case of heavy rains, the road floods and this is likely to cause failure to the shoulders. Unfortunately the road could not be widened as this was not a rehabilitation contract.
- In some sections, like at Km 20+500, the road width was not adequate as there were no shoulders. These sections were identified as black spots which can easily culminate into accidents.
- There was shoulder breakage mainly being caused by overtaking vehicles.

Conclusion

- The GoU should commit funds early enough for projects whose procurement has been initiated so that delays in implementation can be avoided.
- The UNRA should not be in a hurry to sign civil works contracts without concluding the designs as this not only further delays works during implementation but also results in increment of project costs which is a cost to the tax payer.
- There are about three axle load control points between the Kenyan border and Mukono town which are operated by UNRA. Therefore, they should endeavor to cub cases of over loaded trucks along Mukono-Jinja road.
- There would be need for full reconstruction of this road due to the increasing traffic loading and volume since it is generally in poor condition. However, full reconstruction of this road cannot be carried out because traffic is expected to be diverted to the Kampala-Jinja Express highway in future.
- The UNRA should invest in shoulder protection. For instance construction of edge beams and curbstones, and constructing asphalt layer up to the shoulder.

Comparative analysis of the monitored projects for the National Roads Construction/Rehabilitation

Table 10.38 shows the summary of the progress of the monitored roads projects under the National Roads Construction/Rehabilitation program.

Financial progress: generally, most monitored projects had their financial progress matched with the prevailing physical progress. However, financial progress on drainage works of Atiak-Moyo-Afoji road was lagging behind the physical progress by 19.55%.

Physical progress: most monitored projects were behind schedule. However, Nakapiripirit-Moroto and Mukono -Jinja roads were within the set targets of cumulative progress hence, a good performance.

Table 10.38: Summary of the progress of the monitored road projects of the National Roads Construction/Rehabilitation

S/N	PROJECT NAME	COMMENCEMENT DATE	COMPLETION DATE	TIME ELAPSED (%)	PLANNED FINANCIAL PROGRESS	ACHIEVED FINANCIAL PROGRESS (%)	PLANNED PHYSICAL TARGET (%)	ACHIEVED PHYSICAL PROGRESS (%)	REMARKS
1	Kampala-Masaka	15th January 2012	Revised Completion Date: 21st January 2015	81.4%	100%	93.27%	100%	90.1%	The delay in the physical progress was due to section in Maya awaiting compensation.
2	Drainage structures on Atiak-Moyo-Afogi	12th December 2010	Revised Completion Date: 20th January 2014	338.58%	100%	65.03%	100%	84.58%	This delay was mainly caused by the contractor's internal cash flow challenges.
3	Kawempe - Kafu–Kiryandongo overlay	May 2011	Revised Completion Date: 15th April 2015	83%	83%	N/A	83%	52.85%	The project was lagging by 30.15% and this was attributed to the fact that the greatest percentage of physical works was the asphalt overlays which had not yet been executed.
4	Nakapiripirit-Moroto Road	1st February 2013	31st Jan 2016	47.22%	47.90%	33.46%	33.95%	33.22%	The project was slightly within the planned targets.
5	Mukono-Jinja Road	14th June 2012	Revised completion date : 31st August 2014	71.01% based on Revised completion date		76.00%	64.91%	71.37%	The project was ahead of schedule based on the revised programme by the end of the FY. Hence, good progress was achieved.
6	Tororo-Mbale	21st November 2010	Revised completion date : 31st March 2014	107.4%	N/A	N/A	100%	98.00%	Although the project was behind schedule. The achieved good progress (43%) in FY2013/14 against annual target of 30%.
7	Mbale-Soroti	21st November 2010			N/A	N/A		76.00%	

10.3.7 Construction of Selected Bridges

Background

The majority of the roads on the national roads were constructed before independence of Uganda and need to be replaced to cope with the growing traffic volume and changing traffic characteristics. The project for the construction of selected bridges was therefore initiated to address the growing need for the new bridges and reconstruction/rehabilitation of old or washed away bridges along the national road network.

The project with an overall estimated cost of Ug shs 60 billion started in July 2012 with an expected completion date of June 2017. This project has funding from both the Government of Uganda, the Arab Bank for Economic Development in Africa (BADEA) and the European Union. The overall project expected outputs are the construction and rehabilitation of 30 strategic bridges on the national roads network.

The cumulative achievement since the commencement of the project is the completion of Bulyamusenya Bridge linking Nakaseke and Masindi districts in October 2012.

The planned outputs for the FY 2013/14 were:

- To complete the construction of: Pakwala, Nyacyara, Goli, Nyagak- 3 (Nebbi), Enyau-3 and Alla (Arua) bridges; Daca, Ure, Eventre and Uzurugo on Wandi - Yumbe road and Kilembe Bridge on Kasese – Kirembe road
- To commence the construction of : Birara Bridge (Kanungu); Ntungwe bridge Ishasha – Katunguru road (Kanungu); Mitano bridgeRukunguri – Kanungu road; Apak bridge on Lira - Moroto road; Kabaale (linking Kyankwanzi to Ngoma in Nakaseke); Kasozi (Lugogo) Bridge (linking Ngoma - Buruli); Nalakasi-Ariamoi-Kotido-Kabong-Kapedo road, Kaabong district; Nyamugasani (Kasese)-Kinyamaseke-Kisinga-Kyarumba-Kibirizi road; Kyanzuki-Kasese-Kilembe road; Kaboong (Kaboong)-Ariamoi-Kotido-Kabong-Kapedo road; Lopei-Ariamoi-Kotido-Kabong-Kapedo road; Maliba-Nkenda-Bugoye-Nyakalingijo road, Kasese; Ruboni-Only access to Mt Mageritta tourist site, Kasese; Cido-Nebbi-Goli, Nebbi District; Leresi (Butaleja)-Butaleja-Leresi-Budaka road; Mubuku Bridge on Kasese- Rwimi road.
- Design of Nyaliti -Kapchorwa-Suam.
- Emergency response materials [4 Compact panel bailey bridges and 50 metallic pipe culverts (of 2.8m diameter)].

Financial Performance

For the FY 2013/14, this project had an approved budget of Ug shs 42.8 billion comprising of Ug shs 36.3 billion (84.8%) from the GoU and Ug shs 6.5 billion (15.2%) from the donor, BADEA. The donor budget was however not realised. A total of Ug shs 36.36 billion (100.2% of GoU budget) was released and all was expended by the end of the FY 2013/14.

Physical Performance

The reported cumulative achievements by the end of the FY 2013/14 were:

- Daca, Uzurugo, Eventre and Ure on Wandi - Yumbe road were substantially completed; Kilembe Bridge on Kasese – Kirembe road - works completed;
- Pakwala, Nyacyara, Goli, Nyagak- 3 (Nebbi), Enyau-3 and Alla (Arua) Bridges - works were ongoing and about 60% had been completed; Kyanzuki-Kasese-Kilembe road - works were ongoing; Birara Bridge (Kanungu) – design of the bridge completed and works commenced in April 2014; Apak bridge on Lira - Moroto road - 35% of works completed; Ntungwe and Mitaano Bridges (Kanungu) -contract was signed on March 2014 and the contractor commenced works in May 2014.

- Kabale (linking Kyankwanzi to Ngoma in Nakaseke) - is at contract signing stage; Kasozi (Lugogo) Bridge (linking Ngoma - Buruli) - bid evaluation ongoing; Nalakasi, Kaboong and Lopei- bids were above the engineer's estimate – to be re-advertised; Nyamugasani (Kasese)-Kinyamaseke-Kisinga-Kyarumba-Kibirizi road – bid evaluation ongoing; Cido-Nebbi-Goli, Nebbi District - at contract signature; Leresi (Butaleja)-Butaleja-Leresi-Budaka road - at contract signature;
- Emergency response materials (Compact panel bailey Bridges (4) and 50 Metalitic Pipe Culverts (of 2.8m diameter)- contract signed; Nyaliti -Kapchorwa-Suam (Designed)- contract signed; Maliba, Ruboni and Nyamugasani; bid evaluation ongoing.

Findings

For the annual performance of the FY 2013/14, the following bridges were monitored; Ntungwe and Mitaano Bridge (Kanungu); Birara Bridge (Kanungu); Daca, Uzurongo, Eventre, and Ure on Wandi-Yumbe road; Mubuku Bridge on Kasese-Rwimi road and Kilembe bridge on Kasese-Kirembe road; Pakwala, Nyacyara, Goli, Nyagak-3 (Nebbi); Enyau-3 and Alla (Arua); and Apak Bridge on Lira-Moroto road. The findings are presented below.

A. **Construction of Bridges in North Western Uganda**

Project Background

The project for the construction of bridges in North Western Uganda is funded by a loan and grant from the Arab Bank for Economic Development in Africa (BADEA) and GoU respectively. The main objective of this project is to enhance reliability of the road network in the sub-region. The works were packaged into three lots for purposes of tendering and contract financing. The three lots are: Lot I: Construction of Enyao – 3 and Alla bridges, Lot II: Construction of Goli and Nyagak – 3 bridges and Lot III: Construction of Nyacara and Pakwala bridges. The contracts for construction of these bridges were awarded to M/s Engineers Investments, M/s Coil Ltd and M/s Armpass Technical Services Ltd respectively. The supervision consultant for these bridges is SABA Engineering PLC.

The major works for each of these bridges involve: Earth works and Pavement layers constructed of gravel or crushed stone for approach road; excavating and backfilling of materials for foundation; reinforced concrete works for foundations; walls; deck slab and transition slab; structural steel works; drainage works; laying of concrete pipe culverts; and ancillary road works. Table 10.39 shows a summary of the contract data for each of the lots.

Table 10.39: Construction of Bridges in North Western Uganda Summary

Bridge Lots	**Enyao – 3 and Alla (Lot I)**	**Goli and Nyaga -3 (Lot II)**	**Nyacara and Pakwala (Lot III)**
Contract Number	UNRA/WORKS/2011-12/00001/02/01	UNRA/WORKS/2011-12/00001/02/02	UNRA/WORKS/2011-12/00001/02/03
Funding Agency	GoU /BADEA	GoU /BADEA	GoU /BADEA
Implementing Agency	UNRA	UNRA	UNRA
Supervision Consultant	SABA Engineering PLC	SABA Engineering PLC	SABA Engineering PLC
Contractor	Engineering Investments	Coil Ltd	Armpass Technical Services Ltd
Possession of site	01 June 2013	02 July 2013	09 July 2013
Bridge dimensions	15m	20m	25m
Works Contract Price	Ug shs 4,017,236,160	Ug shs 3,734,453,100	Ug shs 3,375,123,460
Supervision Contract Price	Ug shs 851,586,028		
Supervision Commencement date	18 June, 2013	18 June, 2013	18 June, 2013

Construction Commencement date	24 June 2013	24 June 2013	24 June 2013
Construction Period	12 Months	12 Months	12 Months
Completion Date	23 October 2014	23 October 2014	23 October 2014
Contract Time Elapsed	91.7% as at 29th July 2014	91.7% as at 29th July 2014	91.7% as at 29th July 2014
Advance payment	Contractor did not request for advance payment	Ug shs 686,571,020 - 18% of contract price	Ug shs 1,075,024,692 - 20% of contract price
Works Payments Certified	Ug shs 1,322,713,838 IPC 1- (32.9% of contract price)	Ug shs 764,871,057 IPC1- (20.5% of contract price)	No IPC had been submitted
Payments to Contractor	Ug shs 651,233,999.32 (Only local component , BADEA component was not yet paid)	Not yet paid	Not yet paid
Consultants' Invoices Submitted	Two		
Payments to the Consultants	One invoice paid worth US$ 61,907.7		
Planned Physical (Achieved Vs Planned)	43.9% Vs 91.7%	25.8%Vs 91.7%	14.7% Vs 91.7%
Financial Progress	32.9%	20.5%	No IPC submitted yet
Exchange Rate used in the contract.	Works: US$1 = Ug shs 2,594.14 Consultancy: US$ 1 = Ug shs 1822.45		

Source: Resident Engineers of Supervising Consultants

Construction of the above bridges was monitored between 28th July and 29th July 2014 and the findings are presented below:

Financial progress

Lot I: Enyao -3 and Alla bridges; the contractor did not request for advance payment. One IPC had been submitted totaling to Ug shs 1,322,713,838 (about 32.9% of the contract value). Payments to the contractor amounted to Ug shs 651,233,999.32 (49.2% of the IPC value and 16.2% of contract value). For this payment only the local component by GoU was paid, the balance was supposed to come under the BADEA component.

Lot II: Goli and Nyagak – 3 bridges; the contractor had received 18.3% advance payment amounting to Ug shs 686,571,020. One IPC had been submitted totalling Ug shs 764,871,057 (about 20.5% of the contract value) but had not yet been paid.

Lot III: Nyacara and Pakwala; the contractor only received advance payment amounting to Ug shs 1,075,024,629 (20% of the contract value). No IPC had been submitted.

Physical progress

Lot I: Enyao -3 and Alla bridges; the weighted physical progress for the two bridges was estimated at 43.9%. The contractor had fully mobilized equipment for execution of the works and construction was ongoing. At the time of monitoring physical progress on Enyao – 3 bridges was estimated at 60% with most of the major works complete. The major works involve; survey works, site clearance, excavation for foundation of abutments, blinding of concrete, steel reinforcement fixing, casting of concrete to abutment walls and wing walls, earthworks and excavation for gabions. These bridges are in Arua district.

The remaining activities involved; earthworks and pavement layers for the approach, structural steel works for the deck, drainage works and ancillary works. Works on Alla bridge were ongoing with concrete work to abutments and wing walls complete. Physical progress was estimated at about 30%.

The contract was behind schedule and this was attributed to:

- Delayed relocation of water supply service pipes at Enyao – 3 bridge.
- Land acquisition issues. Compensation of a section of the approach road to Enyao - 3 bridge amounting to Ug shs 20 million which was yet to be settled.

As a result of the above issues, the contract period had been extended to 23rd October 2014.

Lot II: Goli and Nyagak – 3 bridges; the overall physical progress for these bridges was estimated at 25.8%. The contractor had fully mobilized. Survey works, site clearing works, excavation of foundation for abutments, embedment of steel dowels, blinding concrete and fixing of steel reinforcement for Goli bridge were completed and was ready to receive the deck. Little progress had been achieved at Nyagak - 3 bridge; only construction of cofferdams and river diversion was carried out. The low progress was attributed to the high depth (5.5 – 6m) of fill for the cofferdam and a delay in approval of the structural drawings by the client.

Lot III: Pakwala and Nyacara bridges; the major works for Nyacara bridge had been completed and the abutments were ready to receive the deck; however, for Pakwala the concrete works for the abutments were yet to be completed. Physical progress of this contract was reported at 14.7%. The slow progress was attributed to land acquisition issues at Pakwala Bridge following a change in the location of the bridge, severe weather and the long haulage distance of course aggregates from Kampala. These are in Nebbi district.

Implementation Challenges

- The funding component from BADEA had delayed leading to delays in payments and slowed construction progress. If these delays continue, GoU is likely to lose more money in terms of interest payment to the contractors.
- There was lack of suitable aggregates for construction within the project area and as a result aggregates for the project were hauled from Kampala.
- Delays in execution of works as a result of a delay in land compensations and relocation of water supply services pipes.

Recommendations

- GoU should negotiate with BADEA so that funds are released in time to avoid the effects of delayed payments to the contractors.
- The process of land compensation should be expedited to avoid further delays to the project.

B. Construction of Apak bridge in Alebtong

The Government of Uganda through UNRA is undertaking the construction of the new bridge at Apak on Lira-Abim-Kotido Road to enhance access and reliability of the network in the Northern Region. The civil works are being carried out in accordance with the engineering design prepared by the design consultants - M/s Gauff Consultants (U) Limited.

It is located in Alebtong District in the eastern parts of Lango sub-region. It lies approximately 55km east of Lira Municipality by road and about 15km from Aloi trading centre along Aloi-Adwari road which connects Aloi trading centre and Otuke District headquarters.

UNRA has entered into contract with M/s Rukooge Enterprises (U) Ltd for the construction of Apak bridge at a sum of Ug shs 4,262,486,479. The contract period is 15 months and is being supervised by M/s Trio Consultants Ltd.

Project scope

The scope of works include; breaking up mass concrete units for the old deck, pier and abutments and the removal of resulting debris, construction of a 2-span 40m long composite bridge comprising of reinforced concrete deck on steel beams that are supported on concrete abutments and pier; construction of a triple-cell relief box culvert of size 3 by 2.25m, ancillary works (river training and protection works) and construction of 700m of approach roads comprising 150mm thick compacted murram wearing course and 150mm thick compacted murram base course and a general fill to formation within the raised section of the road.

Financial Progress

The Contractor was paid an advance of Ug shs 852,497,295.80 (20% of the contract value). One IPC had been submitted amounting to Ug shs 1,870,486,004; however, only Ug shs 444,179,910 (10.5% of the contract value against the planned 50%) had been certified by the supervision consultant. The enormous decrease according to the consultant was due to over valuation by the contractor.

Physical Progress

Generally, little percentage of the works contract was achieved (only 9.11% against the planned 50%). The contractor had completed construction of a box culvert, demolition of the old bridge, setting up the site camp and cofferdams and mobilization was estimated at 50% for equipment and personnel.

The time that had elapsed was 81.8% at the time of monitoring. It is evident that the Contractor cannot complete the works within the fifteen (15) months contractual time frame which will expire on 22nd October 2014.

Left: A completed box culvert at one of the approaches to the bridge; Right: A temporary bridge which was provided for the community on Apak Bridge in Alebtong district

Reasons for low performance

- The contractor lacked a proper programme of works despite the Engineer’s instruction to submit one. This led to uncoordinated execution of work since there was no programme to follow. The consultant had written to the contractor regarding the submission of the programme of works but at the time of monitoring no response had been received.
- Flooding of the river as a result of heavy rains upstream had caused delays in execution of the major works
- Poor cash flow. The contractor was experiencing financial problems and this was sometimes evidenced by shortage of fuel on site.
- Delayed procurement of specialized equipment and materials
- Lack of key and qualified supervision staff on the side of the contractor yet the nature of works were challenging. The contractor had by the time of monitoring failed to provide his proposed contract staff or their equivalents. Given the challenge of floods, the staff on site could not come up with standing solutions against their effects.

Other observations

- The Contractor needs to pay great attention on the requirements for health and safety on site. The observation by the monitoring team was that there was non-compliance to the standard safety requirements. The site was adjacent to a flowing river and a road that was in use yet the guard rails to the temporary bridge were inadequate; so the road users are prone to accidents. In addition most of the Contractor's personnel were not equipped with adequate PPE and therefore working without the necessary protective gear, which exposes them to health hazards.
- The Contractor had not provided adequate warning signs at the bridge site which possess a great risk to the personnel and the community around.

Recommendations

- The contractor should provide an updated work programme on to which execution of the contract works should be based. In addition UNRA and the consultant should prevail over the contractor to provide this programme.
- The contractor needs to urgently address the concerns of procurement and ensure that all are met as soon as possible.
- UNRA and the consultant should prevail over the contractor to fully mobilize the necessary equipment and key personnel in accordance with the provisions of the contract.
- The cofferdams need to be raised high enough to ensure that the working area is kept free of flood water.
- The consultant and UNRA should ensure that all staff on site are provided with PPEs so as to minimize the effects of accidents. In addition the contractor should provide adequate guard rails on the temporary bridge to avoid users falling in the river.
- In order to improve the contractor's cash flow, UNRA/GoU should effect timely payments to the contractor.

C. Emergency repair works on Kilembe Bridge along Kasese – Kilembe road

UNRA entered into agreement with M/s Terrain Services Ltd to carry out emergency repair works on Kilembe bridge for a sum of Ug shs 2,965,684,872 for a period of six (6) months. Works commenced on 25th May 2013 under the supervision of UNRA – Kasese Station Engineer.

The bridge is located in Bulemba Division within Kasese Municipality in Kilembe mines estate. The bridge is a precast concrete deck bridge with one span of 6.0m wide and 20m long designed to carry light traffic volumes.

The planned scope of works involved: embankment reinstatement, river training, double seal surface treatment and drainage works.

Financial Performance

The expenditure at the end of the project was Ug shs 2,936,700,000 (99% of the contract value). The work was executed within budget and all the funds were paid in time without attracting any interest.

Physical performance

The works were substantially completed and a certificate to that effect was issued. Overall progress was measured at 99.8% and the contract was in the defects liability period. The quality of work was good and there was evidence that the contractor had exhibited a professional approach in the execution of the works to the required quality.

Implementation challenges

The project was affected by heavy rains which damaged part of the works. The contractor however accelerated the program by deploying additional equipment when the weather was good.

D. Emergency repair works on Mubuku Bridge along Kasese – Rwimi Road

Mubuku Bridge is located along Mubuku – Rwimi road about 11km from Kasese town. The bridge is a reinforced concrete deck bridge with two spans of 6.0m wide and 31.5m long. The bridge was designed to carry medium traffic volumes.

The scope of works involved: reinstatement of the embankment, river training, double seal surface treatment and drainage improvement. The contract for implementation of the works was awarded to M/s Kasese Nail and Wood Industry Ltd for a contract period of four (4) months at a sum of Ug shs. 1,250,793,990. Works were supervised by Kasese UNRA station.

Financial performance

The contractor had received Ug shs 1,193,000,000 (95.4% of the contract value).

Physical progress

The works were substantially completed and a certificate to that effect had been issued. Overall progress was measured at 99% and the contract was in the defects liability period. The quality of work was good

Observations

- Seasonal flooding along R. Mubuku is likely to wash away the bridge if the effects are not mitigated. Floods along this river have from time to time deposited rock boulders along the main course of the river which need to be removed.
- The rivers Nyamwamba and Mubuku had been encroached on by people extracting sand along the banks. Many of these human activities have weakened the river banks hence facilitating change of the river course.

Recommendations

- There is need for fulltime equipment to regularly dredge the rivers.
- There is need for landscaping river Nyamwamba banks to prevent destruction of the bridges by the floods. Land scaping will enable control of the river course in future as opposed to the current state. The cost of landscaping is estimated to be between Ug shs. 1 – 2 billion.
- Ministry of Water and Environment should strongly come out to ensure that the management of the river banks is streamlined.
- There is need for a multi-sectoral approach towards the management of the river. This well help government in restriction of degrading activities currently taking place near the river and stream banks and institution of good geo – environmental management practices.

E. Construction of Ure, Daca Bridges and Eventure, Uzurugo Box Culverts on Arua-Wandi-Yumbe Road

The Uganda National Roads Authority (UNRA) earmarked funds towards the construction of Ure, Daca bridges and Eventre, Uzurugo box culverts on the Arua-Wandi-Yumbe Road. The works are spread out over a 20km distance from Eventre to Daca. Eventre, Uzurugo and Ure are located in Arua district while Daca is in Yumbe. This project was intended to support planned oil exploration and enhance reliability of the road network in sub-region.

The works contract was awarded to M/s Rukooge Enterprises (U) Ltd for a contract period of 12 months from 3rd May 2012 to 2nd May 2013. Ex-tension of completion time on this contract has since been granted four times; first for 117 days up to the 27th August 2013, then for 34 days up to the 30th September 2013, the for three months up to 30th December 2013 and lastly for two months up to 28th February 2014. Supervision is in-house by the UNRA Bridge Unit.

The scope of works involved the following;

- Construction and maintenance of diversions and demolition of existing structures and hauling spoils off sites,
- Construction of two double cell reinforced concrete box culverts of 3m by 3.5m sizes at Eventre and Uzurugo crossings,
- Construction of two new 10 meters single span reinforced concrete foundations, abutments, wing walls, deck slab and beams, ramps, railings, walkways, etc.,
- Construction of a 400m approach roads to the bridges and box culverts with each approach road length of 50m on either side, and
- River protection and ancillary works to the bridges and box culverts including gabion works, stone pitching and rock filling works as indicated in the drawings

Findings

This project was monitored on 13th August 2014 and a summary of the project data is presented in Table 10.40.

Table 10.40: Project data summary for the construction of Ure, Daca bridges and Eventure, Uzurugo box culverts on Arua-Wandi-Yumbe road by the end of June 2014

Contract Title	Construction of Ure, Daca Bridges and Eventre, Uzurugo Box Culverts on Arua-Wandi-Yumbe Road
Source of Funding	Government of Uganda (GOU)
Contract No.	UNRA/WORKS/2009-10/0001/13/01
Implementing Agency	Uganda National Roads Authority (UNRA)
Supervision Consultant	UNRA Bridge Unit
Contractor	Rukooge Enterprises (U) Limited
Design Consultant	UNRA Bridge Unit
Possession of Site	August 2012
Bridge Dimensions	10m span, 8.6m wide(Ure and Daca Bridges), 7.9m long, 9m wide (Eventre and Uzurugo Box Culverts)
Supervision Commencement Date	29th September 2012
Construction Commencement Date	3rd May 2012(Contractual), September 2012(Actual)
Construction Completion Date (Initial)	2nd May 2013
Construction Completion Date (Revised)	28th February 2014
Original Contract Price	Ug shs 2,997,834,400
Revised Contract Price	Ug shs 3,025,952,170 (Subject to approval of a 0.94% variation)
Contract Period	12 months (Initial) and 17 months (revised)
Contract Time Elapsed	100%
Advance payment	Ug shs 599,566,880 (20% of contract value)
Works Payments Certified	Ug shs 2,997,666,833(5 IPCs) (100% of contract price)
Payments to the contractor	Ug shs 2,847,783,491.34 (5 IPCs) (95% of contract value), Retention (5%) of Ug shs 149,883,341.66 not paid out.
Physical Progress	100% (Substantial completion achieved in April 2014)
Financial Progress	95% achieved against 100% planned (5% retention still withheld)

Source: UNRA Bridge Unit

Financial progress

All the five contractors' certificates submitted since the commencement of works had been paid. The financial progress for the project achieved was 95% against a planned progress of 100% by the end of June 2014. The 5% retention had been withheld to be paid at the end of the defects liability period. The final contract project price was estimated at Ug shs 3,025,952,170 which was subject to an approval on a 0.94% variation.

Physical Progress

All the major activities which involved the structural and road works were completed. Ongoing activities included ancillary works especially grassing to the embankment slopes. Substantial completion of the contract was achieved in April 2014.



Arua-Yumbe-Wandi road, (Left): Completed Daca Bridge, 54km from Wandi road; (Centre): Grass planted along the embankment of the approach road on Ure Bridge; (Right): Completed Eventre Box Culvert, 34km from Wandi.

Implementation challenges

- Cash flow issues faced by the contractor.
- Flooding in August 2013 which caused the collapse of diversions at Ure and Daca.
- Plant and equipment breakdown.

Conclusion

Despite the challenges encountered, the project was completed by the end of June 2014. The ongoing activities of grass planting along embankments were additional works from an instruction issued by UNRA to protect the works from being eroded.

F. Construction of Birara Bridge on Rukungiri-Birara-Kanungu Road

The project located in at the boundary of Rukungiri and Kamungu district is along the Rukungiri-Birara-Kanungu road. It connects the town councils of Kachwamburi in Rukungiri and Bukomero in Kanugu. The project is intended to enhance the efficiency and reliability of the national road network.

The contract for the construction of the Birara bridges was awarded to M/s China Harzone Industry Corporation Ltd as a design and build project at a contract price at Ug shs 12,999,613,060 for a period of 18 months from 9th December 2013 to 9th June 2015. The supervision of works was being done by the UNRA Bridge Unit as the procurement of the supervision consultant was being finalized.

The scope of works for this contract entailed the following:

- Detailed designs (bridge and road);
- Construction of a new 2 span 32m long, two lane (minimum 7.0m) carriageway bridge with 1m dual walkways;
- Construction of 7km gravel road to District Class I standard; and
- Construction of Ancillary road amenities, river protection and demolition of existing structures.

This project was monitored on 23rd July 2014 and the findings are presented below. A detailed summary of the project profile and progress is presented in Table 10.41.

Table 10.41: Project profile and progress for the Construction of Birara Bridge on Rukungiri-Birara-Kanungu road by the end of June 2014

Project Title	Construction of Birara Bridge on Rukungiri-Birara-Kanungu road
Source of Funding	Government of Uganda(GOU)
Contract No.	UNRA/WORKS/2012-13/0001/03/01
Implementing Agency	Uganda National Roads Authority(UNRA)
Supervision Consultant	Procurement Ongoing
Contractor	M/s China Harzone Industry Corp Ltd
Design Consultant	M/s China Harzone Industry Corp Ltd (Design and Build)
Possession of Site	9th December 2013
Bridge Dimensions	2 span 32m long, 9m wide
Supervision Commencement Date	Under Procurement
Construction Commencement Date	9th December 2013
Construction Completion Date	9th June 2015
Original Contract Price	Ug shs 12,999,613,060
Supervision Contract Price	Under Procurement
Contract Period	18 months
Contract Time Elapsed	33%
Advance payment	US$ 678,523 and Ug sh 758,976,784 (20% contract price)
Works Payments Certified	US $116,170.50 and Ug shs 129,945,000.00 (IPC for Draft Design) US $116,170.50 and Ug shs 129,945,000.00 (IPC for Final Design)
Payments to the contractor	US$ 232,341 and Ug shs 259,890,000 (2 IPCs)
Consultant Invoices Submitted	None
Payments to the Consultant	None, project supervised in house by the UNRA bridge unit
Physical Progress	15% achieved against 18% planned
Financial Progress	15% achieved against 18% planned
Contract Exchange rate	US $ 2610

Source: UNRA Bridge Unit

Financial Progress

Being a design and build project, the contractor had only been paid for two interim payment certificates for the project design. No certificate had been raised for the construction works because they had just started. The financial progress of the project achieved was 15% against a planned progress of 18% by the end of June 2014.

Physical Progress

The designs for the road and bridge works were completed and civil works had just commenced. The level of equipment and personnel mobilization was at 80%. Ongoing activities at the time of monitoring were: opening up of the 2km approach roads on either side of the bridge, excavation works for the wing wall foundation on Runkungiri side, casting of concrete for the pier and curing of concrete for the wing wall on the Kanungu side. The physical progress of work was estimated at 15% against planned progress of 18% at the end of June 2014.

Left: An opened up section of the 2km approach road on the Kanungu side; Centre: Casting of concrete for the base of the pier; Right: Curing of the basement for one of the abutment walls on Birara bridge

Challenges

- Land acquisition and compensation of Project Affected Persons (PAPs). One of the affected land lords on the Kanungu side of the bridge had taken the contractor to court for carrying on works in his land before being compensated. This implied that works could not go on in the contested area. This was likely to cause project delays.
- The steep terrain was making it hard for the contractor to work on the approach roads especially on the Kanugu side,
- The source of materials (sand) was far away from project location.

Recommendations

- The UNRA should expedite the land acquisition process so that the contractor can access the whole site and carry out works as per his work programme. This issue is not only likely to cause project delays but also claims from the contractor for the time lost.

G. Emergency Replacement of Ntungwe and Mitaano Bridges in Rukungiri and Kanungu districts

The design and build contract for the Emergency Replacement of Ntungwe and Mitaano Bridges in Rukungiri and Kanungu Districts was awarded in March 2014 to M/s Armpass Technical Services -FETL in Association with JM Kariuki Consultants Ltd. The project profile and the progress by the end of July 2014 are summarized in Table 10.42.

Table 10.42: Project profile and progress for the Emergency replacement of Ntungwe and Mitaano Bridges in Rukungiri and Kanungu Districts by the end of July 2014

Project Title	Emergency replacement of Ntungwe and Mitaano Bridges in Rukungiri and Kanungu Districts
Procurement Reference Number	UNRA/WORKS/2012-13/00001/01/01
Contract Number	247/PLA/WKS/RNKM
Implementing Agency	Uganda National Roads Authority (UNRA)
Source of Funding	Government of Uganda (GoU)
Contractor	Ms Armpass Technical Services -FETL Joint Venture in Association with JM Kariuki Consultants Ltd
Contract Signing Date	31st March 2014
Contract Sum	Ug shs 19,279,897,000
Contract Period	24 Months including 12 Months for design and construction and 12 Months for DLP

Project Title	Emergency replacement of Ntungwe and Mitaano Bridges in Rukungiri and Kanungu Districts
Commencement Date	22nd April 2014
Completion Date	23rd April 2015
Advance Payment	3,855,979,400 (20% of contract)
Status	Mitaano Bridge • Temporary access restored. • Project ground breaking done on 2nd July 2014 by His Execellency. Ntungwe Bridge • Building of the embankments on either side of the approach roads. The draft design for both bridges was completed pending submission of final design.

Source: UNRA Bridge Unit

These projects were monitored on 23rd July 2014 at which time the physical and financial progress could not be established since the civil works for had not fully commenced at both sites. Only bush clearing works on the approach roads had commenced. The main activity of the bridge works had not commenced pending the approval of the final design since this contract is a design and build.



Left: The temporary access restored on Mitaano bridge; Centre: Cleared approach on the Rukungiri side of the bridge on Mitaano bridge; Right: Embankment build up on Ntungwe Bridge

Analysis

- **Achievement of targets**

The target of commencement of works on most of bridges was achieved. Table 10.43 shows a summary of progress for monitored projects under construction of selected bridges in the FY 2013/14.

Table 10.43: Progress for monitored projects under construction of selected bridges in the FY 2013/14 as at end of June 2014

S/N	Bridges planned in the FY 2013/14	Achieved as at the end of the FY 2013/14
1	Pakwala, Nyacyara, Goli, Nyagak-3 (Nebbi), Enyau-3 and Alla (Arua)	The works were ongoing and about 60% had been completed.
2	Daca, Ure, Eventre and Uzurugo on Wandi - Yumbe road	The bridges were substantially completed.
3	Birara Bridge (Kanungu)	Design of the bridge was completed and works commenced in

		April 2014.
4	Ntungwe bridge Ishasha - Katunguru road (Kanungu)	The contract for the two bridges was signed on March 2014 and works commenced in May 2014
5	Mitano bridge - Rukunguri - Kanungu road	
6	Apak bridge on Lira - Moroto road	35% of works completed.
7	Mubuku Bridge on Kasese- Rwimi road	The works on the bridge had been completed
8	Kilembe Bridge on Kasese – Kirembe road	Kilembe Bridge on Kasese – Kirembe road - works completed.

Source: UNRA Progress Report for Q4 FY 2013/14

- **Link between financial and physical**

The release (110.2%) and rate of absorption (100%) were excellent in the FY 2013/14. However, planned physical progress on some bridges was not achieved.

- **Comparative analysis for the Components of selected bridges**

Table 10.43 shows summary of the planned and achieved targets for the Selected Bridges Components

From Table 10.43, it is observed that:

Financial progress: Emergency works on Mubuku Bridge along Kasese – Rwimi Road and Kilembe Bridge along Kasese – Kilembe road were completed and hence 95.4% and 99% financial progress. All planned targets were not achieved for the Construction of Bridges in North Western uganda due to the remarks provided in table 12.37 with Lot I: Enyao -3 and Alla bridges having the highest financial lag of 75.5%.

Physical progress: nearly all planned physical targets on Mubuku Bridge along Kasese – Rwimi Road and Kilemebe Bridge along Kasese – Kilembe road were achieved. However, for the Construction of Bridges in North Western Uganda and Construction of Apak bridge in Alebtong, their physical progresses were very low against elapsed contract time of 91.7% and 81.8% respectively.

In conclusion, both financial and physical targets were not achieved for the Construction of Bridges in North Western Uganda and Construction of Apak bridge in Alebtong. Thus, this may call for an extension for the project time and cost over runs are likely to occur.

Table 10.43: summary of the planned and achieved targets for the Selected Bridges Components

SN	PROJECT NAME	SUB PROJECT NAME	COMMENCEMENT DATE	COMPLETION DATE	TIME ELAPSED (%)	PLANNED FINANCIAL PROGRESS	ACHIEVED FINANCIAL PROGRESS (%)	PLANNED PHYSICAL TARGET (%)	ACHIEVED PHYSICAL PROGRESS (%)	REMARKS
1	Emergency repair works on Mubuku Bridge along Kasese – Rwimi Road					100%	95.4%		99%	Completed
2	Emergency repair works on Kilembe Bridge along Kasese – Kilembe road		25/05/2013	25/11/2013	Completed on time	100%	99%	100%	99.8%	The contract was in the defects liability period
3	Construction of Apak bridge in Alebtong		22/07/2013	22/10/2014	81.8%	50%	30.5% inclusive of 20% for advance payments.	50%	9.11%	The Contractor cannot complete the works within the fifteen (15) months contractual time frame
4	Construction of Bridges in North Western	Lot I: Enyao -3 and Alla bridges	24/06/2013	23/10/2014	91.7% as at 29th July 2014	91.7%	16.2%	91.7%	43.9%	Contract was behind schedule and this was attributed to delayed relocation of water supply service pipes at Enyao – 3 bridge and land acquisition issues.
		Lot II: Goli and Nyagak – 3 bridges	24/06/2013	23/10/2014	91.7% as at 29th July 2014	91.7%	18.3% advance payment	91.7%	25.8%	The low progress was attributed to the high depth (5.5 – 6m) of fill for the cofferdam and a delay in approval of the structural drawings by the client.
		Lot III: Nyacara and Pakwala	24/06/2013	23/10/2014	91.7% as at 29th July 2014	91.7%	20% advance payment	91.7%	14.7%	The low progress was attributed to land acquisition issues at Pakwala bridge following a change in the location of the bridge, inclement weather and the long haulage distance of course aggregates from Kampala.

Source: Author's compilation

10.4 Uganda Road Fund (URF)

The objective of setting up the fund was to enable steady and reliable funding for routine and periodic maintenance of public roads mainly from road user charges. The fund derives its mandate from section 6 of the URF Act 2008. It is mandated to collect road user charges (RUCs) and manage the funds so collected to finance road maintenance programmes.

The public roads network is managed by 135 Designated Agencies (DAs) comprising of 111 districts, two authorities (KCCA and UNRA) and 22 municipalities. The DAs and sub-agencies collectively look after a total of 78,000 Kms of public roads made up of 21,000 kms of national roads under UNRA management; 1,100 kms of KCCA roads; 22,500 kms of district roads; 4,000 kms of urban roads under town councils; 3400 kms of urban roads under municipal councils; and 30,000 kms of Community Access Roads (CARs) managed by sub-counties.

The DAs employed a mix of force account and contracting to deliver planned works. There was a shift of policy emphasis towards use of force account on the DUCAR network with effect from the FY2012/2013. This was buttressed by the distribution of a fleet of road equipment from China, mainly comprising of pickups, a grader and a tipper for each local government DA.

Financial performance

A total of Ug shs 352.852bn under the road maintenance financing plan was passed by Parliament in September 2013, as part of the Transport Sector Ministerial Budget Policy Statement for FY 2013/14. The cumulative release to URF for the FY2013/14 amounted to to Ug shs 352.85 (100% of budget). The Fund disbursed a total of Ug shs 345.63bn (98% of release) to the Designated Agencies (DAs) to finance their respective maintenance programmes. A total of Ug shs 6.74bn (1.9%) was utilized for operational costs of the secretariat to the Fund.[87] Table 10.44 shows the performance of the receipts from MFPED for the FY 2013/2014 by the end of June 2014.

Table 10.44: Financial Performance of URF in FY2013/2014 in billions of shillings

Description	*Annual Budget*	*Release by end of FY*	*Spent by end of FY*	*% Budget Received*	*% Budget Spent*	*% Release Spent*
National Road Maintenance - UNRA	254.44	254.44	254.44	100.0%	100.0%	100.0%
DUCAR	91.19	91.19	91.19	100.0%	100.0%	100.0%
URF Secretariat	7.22	7.22	6.74	100.0%	93.3%	93.3%
Total	**352.85**	**352.85**	**352.36**	**100.0%**	**99.9%**	**99.0%**

Source: URF Q4 FY2013/2014 Performance Report

The District and National Roads Maintenance programmes performance was excellent because of the good performance of the MFPED releases and URF disbursing 100% of the funds received to the DAs. The URF key performance indicator on the average time of disbursements to agencies also performed fairly well as a result of improved internal disbursements process within URF like the timely approval of warrants. However, the key performance indicator on the percentage of funds released to the agencies on time underperformed due to IFMS system failures following the migration to the Treasury Single Account (TSA) system and upgrading of IFMS in Q1 and Q2 of the FY2013/14. This led to delays in disbursement of funds to the agencies.

10.4.1 District Roads Maintenance Programmes

Programme Background

District roads, which are all unpaved, make up 22,500 kms which represents 22.7% of the entire public road network in Uganda. They are maintained by the respective local governments using central government funds from the consolidated fund through Medium Term Expenditure

Framework (MTEF) arrangement for road maintenance under the DUCAR vote and to a limited extent using locally generated revenue. The districts, to a limited extent, also utilise the non-conditional grants from the central government under the LGMSD, PRDP, NUSAF and U-Growth programmes. MoWT provides the collective technical support and supervision to the local governments under DUCAR.

For the FY 2013/14, planned activities on district roads include: the routine maintenance of 25,528 kms; routine mechanised maintenance of 2,610 kms; periodic maintenance of 400 Kms of the district roads; routine maintenance of 8 bridges; periodic maintenance of 2 bridges on district roads; and construction of 117 culvert lines. In the FY 2013/14, the DUCAR programme had an approved an annual budget of Ug shs 91.19 billion (25.8% of the URF budget) all of which was released, disbursed and expended by the end of the FY.

Cumulative outputs achieved by the end of the Q2 FY2013/14 on district roads included; routine manual maintenance of 20,219 kms; routine mechanized maintenance of 2,080 kms; periodic maintenance of 2,477 kms; installation of 207 culvert lines; and maintenance of 726 bridges on district roads.

For the annual performance of the FY 2013/14, the district's maintenance programme was monitored in fourt districts, namely Dokolo, Kabale, Kotido,and Nebbi. The findings of these districts are presented in the section below.

Findings

(a) Financial Performance

By end of the FY 2013/14, the budget performance of the districts monitored for the roads maintenance programmes was 100% and with a few cases exceeding 100% where funds for emergency works were released by the URF. This was attributed to URF which releases all the budgeted funds to the designated agencies. The performance in terms of absorption of the received funds was generally excellent, with over 95% released absorbed.

(b) Physical Performance

(i) Dokolo district

The district road network is comprised of 406km and all roads are unpaved. Maintenance activities for the FY 2013/14 were planned for an approved budget of Ug shs 305.376 million under URF and Ug shs 196.750 million under PRDP. The planned maintenance activities under URF component involved; routine manual maintenance (122.5km), routine mechanised maintenance (58km), maintenance of swamps (Awinyipany-Telela and Ajwi-Abur) and culverts (Adari and Anyacoto) on Abuli-Amodo road.

The district was monitored on 14th August 2014 and the following roads were selected: Anelira-Apuli road, Amodo-Abuli road, Iguli-Amamo and Batta-Aminibutu. The selection was done in such a way that maintenance activities done in all the quarters were captured.

Findings

The district had planned to carry out maintenance works on Ajwi swamp within the Dokolo Town Council however these did not take off. This was because there was a budget cut of Ug shs 32 million from Dokolo Town Council to URA. The balance was utilised to open up the road along the swamp. However, URF sent an emergency release worth Ug shs 47 million in FY 2014/15 to enable the execution of works.

All existing equipment was in a good condition except the JMC pick-up which was reported to have a weak board.

Financial performance

By the end of FY 2013/14, the district had received a total of Ug shs 424,538,265 (93.5% of its budget) under and it had expended all the funds.

Physical performance

The reported output for the FY 2013/14 under URF was: routine manual maintenance of 172.5 km, routine mechanised maintenance of 59 km and culvert installation.

Details of the roads monitored in August 2014 are as follows;

a. Abuli-Amodo road (13 km)

The planned activities under URF were; pothole patching, grading and spot gravelling. This road also has a swampy section which needed to be filled but this was worked on using funding from DANIDA. The district carried out grading works for a length of 12.6 km and spot gravelling at selected sections. A total of 1.2 km of swamp filling was observed along the road. The quarter three report also indicated that Ug shs 10 million had been spent in Quarter one with no physical works accounted for while Ug shs 16 million was spent in Quarter 2 on 7.0km of road works.

b. Anelirabi-Akuli Road (13km)

The activities planned for FY 2013/14 included: grading, spot regravelling and drainage works. The works were completed in February 2014 at a total cost of Ug shs. 8,800,000 using force account. The district spent Ug shs. 6,000,000 to maintain the road in Quarter 2 and Ug shs 2,800,000 in Quarter 3. The activities that were carried out included: pothole patching, grading and spot re-gravelling. The measured road length was 12.4 Km as per monitoring. The monitoring team observed that the road side drains had out grown with grass and needed urgent routine manual maintenance. In addition the road is being damaged by cattle taking water at the swamp crossing.

c. Batta-Aminibutu Road (11km)

During the FY2013/14, the district planned to carry out grading, spot re-gravelling and drainage works on this road using force account. By the end of the FY 2013/14, all the planned activities had been achieved at a cost of Ug shs. 8,800,000. The quality of works was satisfactory except for a few sections where bushes had started growing in the side drains. The measured road length was 10.6km. The works were completed in Quarter four.



Dokolo District: **Left: A completed filled swamp section along Abuli – Amodo road; Center: Bushy side drains along Betta – Aminibutu road; Right: Section of road edges damaged by animals along Anelirabi-Akuli road**

Challenges faced by the district

- Lack of full road equipment unit; the district lacked a roller and wheel loader which go hand in hand with the grader received from central government. In addition sourcing the equipment from the regional workshops has proved to be expensive because of the high mobilisation costs involved than hiring from private firms.
- Absence of gazetted road reserves for district and community access roads has left the road drainage poor because communities block the drainage systems (offshoots) within the road reserve.

- The cattle grazing along the road have damaged the road surface. In addition ox ploughs are always rolled on the road hence, affecting the surface condition of the road.
- The district budget is inadequate to meet the road maintenance demand for the district, ten sub-counties plus a town council. During the FY 2013/14, the district received Ug. Shs 280 million only.
- Lack of enough trained and experienced operators for the equipment.
- Gravel acquisition is difficult because of its limited quantities within the district hence causing financial overruns.
- Handling of manual routine operators is a challenge because most of them are hostile. The district proposes that routine manual maintenance activities should be contracted out.

Recommendations

- The central government/URF should procure additional equipment and also equip the zonal workshops. With these zones fully equipped the unit rate for hiring the equipment will go down.
- The MoWT should train more operators and also increase their incentives to attract more to work at the district.
- The URF should encourage procurement of routine manual maintenance contractors.
- The URF and districts should gazette and enforce road reserves to avoid blockage of offshoots.

(ii) Kabale

Kabale district road network is comprised of 1618 km of which 583km are unpaved and 1035km are earth roads. Planned activities for the FY2013/14 involved: routine manual maintenance using road gangs on 280 kms and routine mechanized maintenance using light equipment on 583 kms under the URF; paying retention fees for Nyamabare-Habushuro-Kiyebe road (11.2 kms), completing the rehabilitation of Kerere-Bushire road (2.5kms), and opening up of Kyenyi-Rutoga-Muko HCIV road (10 Kms) under LGMSDP; and repairs on Kyogo bridge along Kyogo Health Centre Access road under the locally generated revenue.

Financial Performance

For the FY 2013/14, the district road maintenance programme received a total of Ug shs 638.74 million (116.41% of IPF) for its annual road maintenance activities. This comprised of Ug shs 518.23 million (81.2%) from URF, Ug shs 64.059 million (10%) from LGMSDP and Ug shs 56.184 million (8.8%) from local revenue. The URF component included an emergency release of Ug shs 90 million (17.5% of URF release) that was received in two tranches of Ug shs 55 million and Ug shs 35 million in the second and third quarters respectively. By the end of the FY2013/14, 94.52% of the total release had been absorbed.

From the above, it can be deduced that the budget performance and funds absorption by the end of the FY were excellent.

Physical Performance

Planned activities for the FY2013/14 involved: routine manual maintenance using road gangs on 280 kms, routine mechanized maintenance using light equipment on 583 kms, and paying retention fees for Nyamabare-Habushuro-Kiyebe road (11.2 kms) under the URF; completing the rehabilitation of Kerere-Bushire road (2.5kms), opening up of Kyenyi-Rutoga-Muko HCIV road (10 Kms) and payment of retention for Nyamabare- Habushuro- Kiyebe road (11.2km) under LGMSDP; and repairs on Kyogo bridge along Kyogo Health Centre Access road under the locally generated revenue. The completion of Kerere- Bushure road 2.5km under LGMSD was the only activity carried over from the previous FY 2012/13.

The district roads maintenance program was monitored on 22nd July 2014 and it was observed that maintenance works using the FY 2013/14 were still ongoing. This was attributed to the roads maintenance equipment which is not commensurate with the district network. Under the URF planned activities, routine mechanized maintenance works on 220.6 km had been completed in the FY while 111.4km of district roads were undergoing grading works in the month of July using equipment (grader and wheel loader) from the MoWT Regional Mechanical Workshop in Mbarara and the district grader. Routine manual maintenance activities using the 313 road gangs, 34 headmen and 6 road overseers recruited by the district were also still ongoing.

Planned activities under the LGMSD were completed apart from the opening up of Kyenyi-Rutoga- Muko HCIV (10 km) which was ongoing using the district bulldozer. Works on Kyogo Bridge along Kyogo Health Centre IV Access road under the local revenue budget were nearing completion.

Three roads which had undergone routine mechanized maintenance using funds from the URF were visited. These were Sindi-Mparo-Kangando (5 km), L.Bunyonyi-Kashambya (7.5 km) and Nyakanengo- Nyakasiru (9 km), whose works were done using the emergency release of Ug shs 90 million. Grading and reshaping works of the entire road sections on Sindi-Mparo-Kangando and L.Bunyonyi-Kashambya were carried out in December 2013 and June 2014 respectively at a total cost of Ug shs 7.93 million.

Sindi-Kangoando road had developed pot holes and corrugations owing to the high levels of traffic on this road. L.Bunyonyi-Kashambya road passes through an area which is steep and with poor soils which was causing rutting and potholes in some sections of the road. This road needed to be graveled because some sections were steep and the soils were poor. However, most of the sections on these roads were motorable with good riding surfaces.

On Nyakanengo- Nyakasiru, the URF emergency road, it was observed that much as the grading was done, the road was surface was deteriorating fast because compaction had not been done. Culverts had also not been installed in some sections due to a budget shortfall of Ug shs 5 million. On Kyenyi- Rutoga- Muko Health Centre IV Access road, the opening up and grading works using LGMSD funds started in June 2014 were still ongoing with a 5km stretch from Kyeni completed. Works were however slowed down due to the rocks encountered in the road way.



Kabale District: Left: Slashed grass along the road side of the emergency road, Nyakanengo-Nyakasiru (9 km); Center: A section of Lake Bunyonyi-Kashambya (7.5 Km) graded in June 2014; Right: An opened up section of the Kyenyi-Rutoga-Muko HCIV access road

Analysis

Links between financial and physical performance

Kabale district roads maintenance program realised 116.41% of the annual approved budget. This was due to an emergency release of Ug shs 90 million from URF for Nyakanengo-Nyakasiru road. By the end of the FY, the absorption of funds was at 95% which was excellent against a physical progress of 90%. Works were still ongoing in July 2014.

Achievement in terms of set targets

Most of the works under the different funding agencies had been completed by the end of the FY. However, works were still ongoing mainly under the URF budget which was attributed to the inadequate equipment in relation to the large road network of the district. It was estimated that 90% of the work plan had been accomplished.

Challenges hindering implementation of activities

- Heavy rains which disrupted the progress of road maintenance works
- The district road equipment is not commensurate with the big road network.
- The district equipment is shared with the sub-counties, town councils, and sometimes Kabale Municipal Council and UNRA. This affects the implementation of works as planned.
- The district equipment breaks down most of the time stalling the works.
- Low funding for roads as one kilometre is done at Ug shs 600,000.
- Landslides and erosions which wash away roads.
- Poor agricultural practices have caused landslides on roads.
- Encroachment on road reserves.

Recommendations

- The GoU through the MoWT should provide additional road equipment to Kabale district due to its large road network. Two more graders and a wheel loader to handle issues of landslides are required by district.
- MoWT should provide more equipment to the regional workshops which is used to support the DUCAR programme .
- URF should increase funding for the district road maintenance to match the road network.
- This district needs to sensitize the communities about the effects of the poor agricultural practices and encroachment on the road reserves.

(iii)Kotido District

Kotido district road network is comprised of 110 km and all roads are unpaved. The district had a total budget of Ug shs. 519.498 million of which Ug shs. 352.757 million (67.9% of the budget) was for the district local government activities, Ug shs. 60.576 million (11.7%) for community access roads at sub – county local government and Ug shs. 106.165 million for Kotido Town Council. For Kotido district local government, maintenance activities for the FY 2013/14 were planned on a total length of 141.2km for an approved budget of Ug shs 352.757 million under URF and Ug shs 166.5 million under PRDP.

The planned maintenance activities involved under URF included; routine manual maintenance of 110.6km, routine mechanised maintenance of 18.6km, periodic maintenance of 12km, Repair and maintenance of district road equipment while activities planned under PRDP were construction of a vented drift on Losilang-Nakapelimoru and rehabilitation of Loslang Nakapelimoru Road. The district was monitored on 9th July, 2014 and the following roads were selected: Loslang-Nakapelimoru road, Potongor-Nakapelimoru, Kotido-Rengen and Rengen-Lokiding. The district was monitored on 16th July 2014.

Findings

Financial performance

The district had an approved budget of Ug shs 519,498,000. By the end of FY 2013/14, the district had received a total of Ug shs 519,578,000 (100% of its budget) and Ug shs 445,538,000 (85.7% of release) had been expended. This was an excellent release and expenditure. The unspent balances were for works under PRDP which delayed to take off because of a delay in procurement of service providers.

Physical performance

The overall physical performance of the district was estimated at 85%. Most of the planned maintenance activities under URF had been completed except construction of drift works along Loslang-Nakapelimoru and Potongor-Nakapelimoru roads and works planned under PRDP funding where activities had spilled over to FY 2014/15 and were ongoing.

The status of the roads sampled for monitoring in July 2014 is as follow;

a. Loslang-Nakapelimoru Road

This road is 9.8 km and Links up Nakapelimoru sub-county to the Health centre, schools, Abek centres and trading centres. It was being implemented by contract intervention and was still ongoing. The planned cost for the road in FY 2013/14 was Ug shs 6,271,000 and the scope of works was; grading and graveling the entire section of the road as well as culvert installation. Grading and gravelling of the road and installation of 54 m of culverts had been completed while repair works on the drift at km 1+000 were still ongoing. The monitoring team observed that there was another drift at km 3+200 which needed urgent attention but this had not been planned for. The general condition of the road was good for it was fairly motorable.

b. Potongor-Nakapelimoru

The district planned to work on 4.89km of the road using force account intervention for a cost of Ug shs 28,361,000. This road links up Panyangara sub-county and the Health centre, schools and Abek trading centre. The scope of works comprised of road side clearing and grubbing; re-grading; spot re-gravelling and construction of a 20 m long drift. All the planned activities had been completed except the 20 m long drift at km 1+400 which was yet to be completed. Gravelling was observed between km 0+600 and 1+300 amounting to 0.7km against the reported 2.2km. The entire road length measured was 4.9km and the width was 6m.

c. Kotido-Rengen (7km)

The road links Kotido Town Council to Rengen Sub-county, Health centre and the sub-county administrative offices. The road was planned to be maintained at a total cost of Ug shs. 28361,000 using force account under mechanised routine maintenance. A total of Ug shs. 25,680,000 (90.5%) was spent. The works had been completed in February 2014 and good workmanship was exhibited. The monitoring team observed spot re-gravelling at km 1+100 – 2+900, 3+200 – 3+700, 4+200 – 4+500, 4+900 – 5+000 bringing the total length of the regravelled section to 2.7km.

d. Rengen-Lokiding (21.9km)

The road links up Rengen sub-county and the Health centre, schools, Abek trading centre. For the FY 2013/14 the district planned to carry out maintenance works using force account for a total budget of Ug shs 110,554,000. The scope of works was; grading of the entire road stretch, spot re-gravelling and culvert installation. Spot re-gravelling and grading had been completed while culvert installation works were pending. There were sections of the road at km 6+000, 6+300, 8+000 and 21+200 which had been damaged by stagnating water and were almost impassable. The monitoring team advised the district technical team to install culverts at these sections as well.

Kotido district: Left: Drift construction works on going at km 1+100 along Loslang-Nakapelimoru road; Centre: A completed section of section of Kotido-Rengen road; Left: A completed drainage structure along Rengen – Lokiding road

Analysis

Link between financial and physical performance

The district received 100% of the budget and 85.7% was expended. This was an excellent release and expenditure. The overall estimated physical progress was 85% as of 16th July 2014.

Achievement of set targets

The district had expended 85.7% of the release in carrying out road maintenance work. The physical progress was estimated to be 85%. There were some planned activities which spilled over to FY 2014/15 and these were expected to be completed in the first quarter.

Challenges

- The engineering department is understaffed, for instance the water officer was the acting district engineer. This hampered smooth running of the activities.
- Lack of full road equipment unit; the district lacked a roller, water bowser, wheel loader which go hand in hand with the grader received from central government.
- The maintenance of the road drainage is challenged by the communities who keep covering the off shoots on the road reserves.
- Cattle grazing along the road and ox ploughs rolled on the road way have affected the surface conditions of the road. This means that the roads have to be reworked more often so as to restore the road surface.
- The district budget is inadequate to meet the road maintenance demand for the entire district.
- Persistent break down of the road equipment coupled with expensive spares from the authorised sole distributor FAW.
- Heavy rains have affected progress but also made some roads impassable causing need for emergency works.
- Lack of trained contractors. The district has only one trained Labour-based contractor.
- Adverse geographical factors such as poor soils, high runoffs, lack of good gravel for road construction.

Conclusion

Generally Kotido district exhibited good workmanship while implementing the road maintenance activities and the general condition of all monitored roads was good for they were fairly motorable. The physical performance was excellent. This performance can be enhanced with the right staff and equipment in place.

Recommendations

- The MoWT should procure and provide regional equipment.
- The URF should review the guidelines to allow for some funds for repairs to be spent by hiring mechanics as an emergency solution to frequent equipment breakdown. In future government should consider prequalifying other spare parts distributors to avoid the challenges brought about by a monopolist supplier
- The URF should also permit the district to procure spare parts of the equipment from other suppliers. The district reported that there are many suppliers in the market with the same spares but the URF guidelines only restrict them to FAW.
- The MoWT should train more labour based contractors at Mt Elgon Training centre.

(iv) Nebbi District

The district road network is comprised of 888.7 km of unpaved roads of which 370.5 km (41.7%) are district roads; 108km (12.2%) urban council and 410.2km (46.2%) community access roads under the sub-counties. During the FY 2013/14, the district planned to carry out maintenance activities on a total of 152.88km for an approved budget of Ug shs 681.996 million under URF. The planned maintenance activities under URF were; routine manual maintenance of 109 km, routine mechanised maintenance of 21.98km, periodic maintenance of 21.9km and repair and maintenance of district roads equipment.

The district also had a budget of Ug shs 313.068 million under PRDP.The activities planned to use the PRDP funds for periodic maintenance using contracts on Akaba-Kuchwiny -wadelai (13km), Erussi – Acwera (20.1km), Nyakagei- bei (5km), Ayila- Oweko- Erussi (17km) roads and Akaba –Paminya- Paceru (12km) road using force account. The district was monitored on 31st July 2014.

Findings

Financial performance

By the end of FY 2013/14, the district had received 100% of the budget and an extra Ug shs 31.75 million in quarter 4 as emergency funding for urban roads in Pakwach Town Council. At the time of monitoring 100% of the releases had been expended. This was an excellent release and expenditure.

Physical performance

The district had completed implementation of most of the planned activities under URF except routine manual maintenance works and works implemented using PRDP funding which were still ongoing. The sector annual work plan had been revised to accommodate Akaba – Paminya – Paceru road under PRDP and Nebbi – Kei – Goli roads under URF. This was because Akaba – Paminya – Paceru road had been submitted to MoWT for rehabilitation in the previous financial year but was not worked on yet the road was in a very poor state.

The district had one periodic maintenance contract using PRDP funding for maintenance of Akaba-Kuchwiny -Wadelai (13km), Erussi – Acwera(20.1km), Nyakagei- Bei (5km), Ayila-Oweko- Erussi (17km) roads. This contract had been terminated due to non performance by the contractor and all the works had spilled over to quarter 1 of FY 2014/15 and were being implemented using force account. The overall physical progress at the time of monitoring was estimated at 80%. The following projects implemented using force account were randomly selected for monitoring in July 2014: Nyaravur-Parambo road, Parambo-Alwi-Panyango, Nebbi-Kei-Goli and Akaba-Kuchwiny-Pokwero. Details of the roads monitored are as follows;

Akaba-Kuchwiny-Pokwero

The maintenance activities on this road were grading and reshaping, drainage works and restoration of Acwera bridge approach and were completed in quarter 4 at a cost of Ug shs 14.401 million. The road was fairly motorable however, some sections (km; 9+800-10+100, 11+100-11+500, 13+700-14+000, 26+600-26+800) had loose material. The road also had rocky sections at (km 26+500 and 28+800-32+000) and pot holes due to water logging. The total road length measured was 32.9km.

Nebbi-Kei-Goli road (9km)

Maintenance on this road comprised reshaping, mitre drainage and spot gravelling works. These were done in Quarter 3 at a cost of Ug shs16.030 million. Routine manual maintenance using road gangs was ongoing. The road was fairly motorable with gravelled sections (km 2+700-2+900, and 3+300- 4+700). Two armco cross culverts of 8m with diameter 1200mm were observed. The measured road length to Goli was 8.6km at the time of monitoring.

Nyaravur-Parambo road (16.2 km)

The district planned to carry out maintenance works for a total of Ug shs 28.361million for 8 km. The scope of works was grading, spot re-gravelling and installation of culverts. Maintenance activities on this road comprised grading, drainage and spot gravelling works as well as culvert installations. The works were completed in Quarter 1of FY 2013/14. The road was fairly motorable with gravelled sections at km; 0+800-1+400, 9+300- 10+000 and 10+900-11+100 bringing the total length of spot gravelling to 2.5km.

Six metres of concrete cross culvert of diameter 600mm at km 1+300 and 12 metres of armco cross culverts of diameter 600mm at 10+900 and 11+100 were installed. Construction of headwalls on these culvert crossings had not been done. The quality of works was good save for a few sections at km; 7+500-8+500 and 8+900-9+100 where the road had been damaged. Some rock was also encountered at the start of the project.

Parambo-Alwi-Panyango (39 km)

The road measured 38.9 km at the time of monitoring. It connects to Packwach-Wadelai road under UNRA. The expenditure on this road in FY 2013/14 was Ug shs 18.496 million. The road was maintained by reshaping; opening of mitre drains and offshoots and works were completed in Quarter 2. The quality of work was satisfactory save for a few sections at km 22+500-23+000 which had loose material. The monitoring team also observed that the swamp at km 23+800 needed to be filled.



Nebbi District: Left; A completed section of Achwera bridge approach; (centre): Routine manual maintenance works on going along Nebbi-Kei-Goli road; Right: An Armco culvert along Nebbi-Kei-Goli road covered with bush

Analysis

Link between financial and physical performance

The district received 100% of the budget and all was expended. This was an excellent release and expenditure for the district. The funds were expended on the planned activities while some activities were still ongoing. The physical performance of the district was estimated to be at 80% as of 31st July 2014.

Achievement of set targets

The primary target of the district was to carry out routine manual maintenance of 109 km, routine mechanised maintenance of 21.98km and periodic maintenance of 21.9km using URF and periodic maintenance using contracts on a total of 61.7km using PRDP funding. By 30th June 2014, routine mechanised and periodic maintenance works had been completed while routine manual maintenance works and periodic maintenance using PRDP funds were still ongoing. The periodic maintenance contracts were terminated and works were being implemented using force account. Therefore the set targets were not achieved.

Challenges faced by the district

- The works department in the district is understaffed making it difficult to effectively monitor and supervise road works.
- Inadequate budget. The funding to the district is inadequate to fund all the required activities to maintain the roads. For instance the key priorities like bridge constructions and rehabilitation of selected district roads remain unfunded as these require very heavy capital investment beyond releases made to the District.
- Lack of enough service vehicles in the sector to aid monitoring and supervision.
- Poor status of the road plant unit. Most of the road equipment in the district have broken down and need replacement.
- The district is also faced with the big number of river crossings intercepting the roads yet the level of funding is not adequate to enable works on them.

Conclusion

The district's financial and physical performance was excellent although some activities spilled over to FY 2014/15. Better progress can be achieved with the required staff and equipment in presence.

Recommendations

- All the vacant position in the works department should be filled to make the department very efficient.
- The MoWT should procure additional road equipment for the district (a grader and a vibro compactor).
- The district should submit the list of river crossings to MoWT for consideration.

10.4.2 Urban Roads Maintenance Programmes

Programme Background

Urban roads, which are both paved and unpaved, make up 4,500 kms which represents 10.9% of the entire public road network in Uganda. These comprise of: 1,100km of Kampala Capital City Authority (KCCA) roads; and 3400km of urban roads managed by 22 municipal councils.

For the FY 2013/14, the program had an approved budget of Ug shs 26.339 billion comprising of Ug shs 12.432 billion (47.2%) for KCCA roads. The budget performance was excellent as 100% of the funds were released and all expended by the end of the financial year.

Planned activities on urban roads for the programme in the FY 2013/14 involved: routine manual maintenance of 1,075km; routine mechanized maintenance of 186km; periodic maintenance of 20km; routine maintenance of 6 bridges; and installation of 45 lines of culverts. In addition to the urban roads was: routine manual maintenance of 626km; routine mechanized maintenance of 470km; periodic maintenance of 25km; and installation of 30 lines of culverts.

Cumulative outputs achieved by the end of the FY 2013/14 in the urban roads maintenance program included; routine manual maintenance of 695km of KCCA roads; periodic maintenance of 11.4 km of KCCA roads; routine manual maintenance of 521km of municipal roads; routine mechanized maintenance of 522km of municipal roads; periodic maintenance of 117km of municipal roads; and installation of 49 culverts on municipal roads.

For the annual performance of the FY 2013/14, the urban maintenance programme was monitored in three municipalities namely; Bushenyi, Hoima and Lira.

i) Bushenyi-Ishaka Municipality

Bushenyi-Ishaka Municipality road network is comprised of 155.5 kms of which 102.5 km (67.9%) are unpaved, 3.0km (1.9%) are paved and 47kms (30.2%) are earth. Maintenance activities for the FY 2013/14 were planned on a total length of 116.6 kms, one bridge and 30lines of culverts for an approved budget of Ug sh 662.896 million under URF and LGMSDP. The maintenance activities involved: maintenance of 116.6kms, installation of 30 culvert lines and repair of 1 bridge.

By the end of FY 2013/14, the municipality had received a total of Ug shs 586.955 million (92.96% of IPF). This comprised of Ug shs 463.099 million (85.91% of 1PF) from the URF and Ug shs 123.857 million (100% of IPF) from LGMSDP. By the end of the FY, all the total release had been absorbed by the end of the FY 2013/14.

Physical Performance

This local government was monitored on 5th August 2014 and some of maintenance works of the FY2013/14 were still ongoing. However due to the budget short fall under the URF funding, some of the planned road maintenance works were going to be implemented under the FY 2014/15 work plan.

Under the LGMSDP, the municipality opened up, graded and gravelled the 0.4km of the dual carriage access road to Bushenyi Health Centre IV and constructed two lines of 600mm culverts with headwalls at a cost of Ug shs 32 million. The rest of the funds were used to construct a dental house at the health centre. Works on the access road were however not completed as more gravel was required for the access road.

Under the URF budget, most of the funds, that is Ug shs 228.041 million (53.6% of URF budget) were used for the rehabilitation of Nyakabirizi dual carriage road (0.42 km). This involved the sealing the road surface with double surface treatment and installation of culvertlines.

In the FY2013/14, the road maintenance department of the municipality started off by standardising the roads by widening then and gazetting the road reserves of the whole network. Grading then followed in the fourth quarter which was still ongoing at the time of monitoring. The grading of the Bushenyi-Ishaka municipality road network took place in the fourth quarter of the FY 2013/14.

The Access road to the Health Centre IV whose works were carried out using the LGMSDP was monitored and had been opened up, graded and gravelled. However, a section of approximately 50m still needed gravel. These works had been deferred to the FY2013/14. Grading and reshaping of the entire roads section had been completed on Katungunya-Ruzinga (2.5km) and Katungu-Nyamigo (2.5km) in May 2014. These roads were motorable although some sections had been damaged by the rains. The resealing works on Nayakabirizi Dual Lane was on going.

The activities of stone pitching and construction of the headwalls was going to be done under the FY2014/15.



Bushenyi-Ishaka Municipality: Left; The graded and gravelled Access road to the Health Centre IV; (centre): Nyakabirizi Dual Carriage undergoing sealing works; Right: A graded section of Katungu –Nyamigo road

Analysis

- **Links between physical and financial performance**

The physical progress achieved was 70% of the work plan against a financial progress of 100%. This was due to the commencement of the grading and reshaping activities in the fourth quarter of the FY 2013/14. However, all the funds to accomplish these activities had been committed thus 100% expenditure.

- **Achievement in terms of set targets**

By the end of the FY 2013/14, 70% of the URF workplan had been achieved because the works started in the fourth quarter of the FY. The Access road to the Health Centre IV had achieved a physical progress of 90%. The pending gravel works were to be completed in the FY2014/14.

Challenges hindering implementation of activities

- Lack of physical development plans for roads has hindered the development and maintenance of these roads due to encroachment on road reserves and land disputes within the areas where the roads pass.
- Unreliable road machinery delayed the smooth implementation of works due to frequent break downs.
- The current funding for the roads maintenance activities is not in tandem with the municipal council road network. Since the elevation of Bushenyi-Ishaka to municipality status, there has been an increase in the road network of 185km.

Recommendations to the above challenges

- URF should allocate more funds for the roads maintenance activities.
- The MoWT should set up more regional workshops where local governments can borrow equipment for the road maintenance activities. Equipment like a wheel loader, water bowser and vibro roller which Bushenyi Municipality lacks and are very expensive to acquire can be obtained from these workshops.

ii) Hoima Municipality

Hoima Municipality road network is comprised of 606km of which 8km (21.7%) are paved and , 598 km (98.7%) are un paved roads. Maintenance activities for the FY2013/14 were planned on a total length of 195.3km for an approved budget of Ug shs 474,782,000 under URF.

The maintenance activities for this budget included routine manual maintenance (147.9km), routine mechanized maintenance (16km), periodic maintenance (31.4km) procurement of 198 No. concrete culverts and construction of concrete drainage structures at Twaha and Nyarugabu. All maintenance works were done using force account in accordance with the guidelines governing the utilization of the URF. The municipality was monitored on 6th August 2014.

Financial Performance

The municipality had a budget of Ug shs. 474,782,502 in FY 2013/14 of which Ug shs 471,848,211 (99.38%) was released. By the end of the financial year the municipality had spent a total of Ug shs 467,610,349 (about 99.1%) of the released funds. This was an excellent release and expenditure.

Physical Performance

Construction of Twaha Multiple culverts

During the FY2013/14, the municipality planned to reconstruct the river crossing at Twaha using multiple lines of culverts at an estimated cost of Ug shs 19,967,000. The scope of works involved: site clearance, excavation for water diversion, demolition of existing concrete structures, installation of culverts and construction of head and wing walls.

At the time of monitoring all the planned activities had been completed and the bridge was open to traffic. The municipality achieved three lines of culverts of size 900mm each seven metres long. All the works cost the municipality a total of Ug shs 21,503,968. The works were completed in quarter 4 and the quality of works was good.

Kasingo –kigarama road (5.3km)

The planned cost of the maintenance works on the road was Ug shs 4,466,370 for a distance of 5.5km using routine manual maintenance. The planned scope of works involved drainage works, culvert cleaning, grass cutting, debris removal, reshaping and pothole filling. At the time of monitoring works had been completed and the following were the findings: Only grading and bush clearing had been done, the side drains had outgrown with grass and the road width had narrowed.

Katasiha – cathedral road (2.4km)

The municipality planned to carry out routine mechanized maintenance of this road at an estimated cost of Ug shs 6,525,000. The scope of works involved: grading of the entire road length, spot re-gravelling and drainage works. The municipality achieved only 2km of light grading at a total cost of Ug shs 6,525,000. The works were completed in quarter one

Kasingo – Kalyabuhire (1.5km)

During the FY2013/14 the municipality planned for grading and bush clearing for 1.5km of road length. By the end of the financial year all the planned activities had been achieved. The quality of works was good save for the bushy side drains. The monitoring team measured 1.2km of the worked on road length against the reported 1.5km. Implementation of the plan was in quarter one.

Isingoma road

The planned scope of works involved grading, spot re-gravelling and drainage work using mechanized maintenance. All the planned activities were achieved at a cost of Ug shs 2,700,000. The team observed that spot re-gravelling, three (3) lines of culverts each 7m long and diameter 900mm had been done and were functioning very well. The road was completed in the fourth quarter.

Roundabout – Duhaga cathedral road (1.4km)

The road was planned for routine mechanized maintenance at an estimated cost of Ug shs 3,806,250.The planned scope of works involved grading of the entire road length, spot re-gravelling and drainage works. By the end of the FY 2013/14, grading to restore the road camber and spot re-gravelling had been achieved. The quality of works was satisfactory.

Left: Twaha Multiple culverts Left; Right: Bushy section of the road along Kasingo – Kalyabuhire road

Analysis

Link between financial and physical performance

The municipality received 99.3% of the approved budget and 99.1% was absorbed during the financial year. This was an excellent release and expenditure. The funds were expended in maintenance of a total of 195.3km (32.2%) of the road network out of the 606km, construction of multiple culvert structures at Twaha and Nyarugabu, and procurement of 198 concrete culverts.

Achievement of set targets

The municipality targeted to maintain 32.2% of the road network and by 6th August 2014 physical progress was estimated at 90%. Maintenance using routine mechanized, periodic maintenance and procurement of concrete culverts were achieved. However, routine manual maintenance was partially achieved because some roads had outgrown with grass and on some the activity had spilled over to FY 2014/15.

Implementation Challenges

- Low pay of the road gangs. The URF guidelines require that a member of the road gang should be less than 45years of age. However, the energetic youth are not interested in the work because of the low pay. This activity has only attracted people of 60 years and above.
- The Ug shs 100,000 per month per 2km of road works payment for routine manual maintenance is low.
- The grader which was procured for the municipality by the central government can only handle light grading works. In addition the spares for the grader are expensive at the FAW the authorized distributor's outlets compared to other outlets. Besides the municipality does not have a full set of equipment for road maintenance.

Conclusion

The municipality had achieved about 90% of the planned physical output. The overall progress was rated as excellent. The pending activities had spilled to FY2014/15 but were tending towards completion.

Recommendations

- The remuneration to the road gangs should be doubled to Ug shs 200,000 per month per 2km of road maintained. This will also attract youths towards road maintenance activities.
- The central government should procure new sets of equipment to the municipality. In addition the guidelines regarding the procurement of spares should be reviewed to allow local governments procure the spares from cheaper outlets.

iii) Lira Municipality

Lira Municipality road network is comprised of 110.69km of which 24km (21.7%) are paved, 70.46 km (63.6%) are un paved gravel roads and 16.23km (14.7%) un paved earth roads. Maintenance activities for the FY2013/14 were planned on a total length of 55.74km for an approved budget of Ug shs 916,049,000 under URF and Ug shs. 94,903,227 under the PRDP fund component. The maintenance activities for this budget included routine manual maintenance (12.68km), routine mechanized maintenance (41.18km) and periodic maintenance (1.88km). The municipality also planned for 40 No. road signs to be installed on the various roads. All maintenance works were done using force account in accordance with the guidelines governing the utilization of the URF.

Financial performance

In the FY2013/14 the municipality had a budget of Ug shs 916,049,000. By the end of the FY a total Ug shs 989,017,089 (108% of the annual budget) had been released from the URF. The municipality also received Ug shs. 94,903,227 under the PRDP funding which was utilized for maintenance activities on Erute I, Church and Kole roads.

By the end of the FY 2013/14, the municipality had expended all the funds. This was an excellent release and expenditure. It can however be noted from that there was a delay in the quarterly disbursements of the funds for the first and second quarters. The releases were received towards the end of second month in each of the quarters.

Physical performance

The municipality carried out maintenance activities on a total of 59.75km (107.2%) against the planned 55.74km. At the time of monitoring on 12th August 2014, maintenance works had been completed.

The monitoring team sampled the following roads for monitoring: Miskyki – kirya and Adekokwok roads were selected under routine mechanized, Industrial area – Jackson Oyuku road and Ireda – Shamba roads were selected under periodic maintenance while Obote avenue, Olwol and Soroti roads were selected under routine manual maintenance. The following were the findings:

Industrial area – Jackson Oyuku road: The activities carried out were: shaping, re-gravelling and culvert installation. One line of culverts of size 600mm were installed at km 000+100. The works were completed in February 2014 at a total cost of Ug shs 95,315,917 against the planned Ug shs 109,597,000. The quality of works was satisfactory.

Adekokwok road: The works had been completed in January 2014 at a total of Ug shs 27,695,092 against the planned Ug shs. 33,164,000. The scope of works entailed: shaping, spot re-gravelling and culvert installation. Two lines of culverts of size 600mm were installed at km 1+600 and at km 2+600. The quality of workmanship was satisfactory except for the bushes which had outgrown the side drain channels.

Ireda – Samba road: The municipality had planned to do grading works on the road at a cost of Ug shs. 23,062,760. At implementation, the following activities were carried out: Grading, re-gravelling for 1.1km, culvert installation and installation of road signs. One line of culverts was installed at km 00+500. The works were completed in March 2014 at a cost of Ug shs. 77,530,440. The variation in the cost was brought about by additional scope of re-gravelling and installation of culverts.

Miskyki – Kirya road: The road was planned for shaping however, this was not done. Only opening of the drainage channel was carried out using manual labor at a cost of Ug shs. 87,500. The planned maintenance activities were not carried out because at the time of implementation the scope of works had changed and required regravelling as well. The funds which had been planned for this road had been expended for additional works on Ireda – Samba road.

Obote avenue, soroti and Olwol roads: These are paved roads within the core of the municipality. The activities which were carried out included pothole and edge patching and drainage cleaning.



Left: Graveled section of Jackson – Oyuku road; (Centre): One of the installed signposts along Ireda – Shamba road; Right: An installed culvert with headwalls along Adekokwok road

Analysis

Link between financial and physical performance

The municipality received 108% of the approved budget and all was absorbed during the financial year. This was an excellent release and expenditure. The funds were expended in maintenance of a total of 50.3% of the road network out of the 606km, installation of drainage structures and installation of 40No. road signs along various roads.

Achievement of set targets

The municipality targeted to maintain 50.3% of the road network and install 40No. road signs and by 12^{th} August 2014 all the planned outputs had been achieved. The district achieved road maintenance of 59.75km (107%) out of the planned 55.74km. Only maintenance of Miskyki – Kirya road was not achieved as planned because the revised scope required additional funds which were not available.

Challenges

- Inadequate staff and equipment make implementation hard. The Local Government staff structure does not match with the implementation guidelines of force account. For instance some staff under the force account guidelines are not provided for under the local government staff structure. In addition the municipality does not have a grader operator and mechanic.
- The equipment which was procured for the municipality has a low power output. The equipment was meant for light grading workings and so cannot handle the nature of maintenance work on ground.
- Unavailability of equipment for hire within Lira district. The implementation guideline for force account allow for hiring of equipment however this arrangement is not efficient because within the Lira district, road equipment for hire are not available.
- There are delays caused by the lengthy procurement process.
- The roads within the municipality do not have road reserves and as a result discharge of runoff is a challenge.

Conclusion

The municipality had achieved the set targets save for maintenance of Miskyki – Kirya road which necessitated re-gravelling in addition to the planned shaping. The performance of the municipality was rated as excellent.

Recommendations

- The GoU/MoWT should procure new equipment; at least 2 full sets to reduce on cases of equipment breakdown.
- The GoU/MoWT should equip the regional workshops to ensure that local governments access the equipment instead of hiring from private providers.
- The Local government staffing structure should be harmonized with the force account staffing requirements to enable local government recruit the required number of staff.

a) Overall Challenges and Recommendations for the URF while implementing the DUCAR maintenance program

Several historical challenges that have compounded the effects of underfunding and have dogged effective maintenance, management and financing of the public roads network over the past decades. These include:

a) Weak institutional capacities of DUCAR agencies especially in planning and management, which has resulted into poor maintenance practices and accumulation of backlog. **Recommendation:** URF should continue to work with other government entities in addressing the various forms of capacity gaps in DUCAR agencies;

b) Dilapidated and expanded road network that requires major intervention to bring it to a maintainable state that qualifies for URF funding.

c) Procurement delays hampering the implementation of the road maintenance programmes and absorption of funds. **Recommendation:** URF should coordinate with other government entities to address the underlying issues in delays to procurements;

d) Insufficient oversight among DUCAR designated agencies arising from the fact that only few districts have established District Road Committees (DRC) as required under section 25 of the URF Act. **Recommendation:** URF plans to complete the process for establishment of DRC regulations and to dialogue with stakeholders in improving functionality of DRC;

e) Limited data on road condition and size on the DUCAR network. **Recommendation:** URF will continue to coordinate with DAs, MoWT and other stakeholders in regard to the collection of data on road inventories and condition;

f) Wide variations in cost of road maintenance works. **Recommendation:** URF intends to harmonise unit rates across the different regions of the country riding on the outputs of the unit costs study which was undertaken by URF.

g) Low compliance to reporting requirements by designated agencies, which affects timely reporting on performance of the sector. **Recommendation:** URF plans to introduce use of a Road Maintenance Monitoring System (RMMS) to improve planning, reporting and accountability among DAs.

h) Loss of road maintenance funds to the Uganda Revenue Authority observed in some tax defaulting local government agencies. **Recommendation:** URF plans to require all agencies to open separate URF bank accounts, which will be followed by advocacy for protection of road maintenance funds from garnishing by URA. In the meantime URF is enforcing refund of the garnished moneys from the agencies, though this takes time.

i) Gray areas in the implementation of the force account policy in local governments. **Recommendation:** URF will continue coordinating with the DAs, MoWT and MoLG towards building required capacity, improving accountability, creating common understanding and improving quality assurance in implementation of the policy.

j) Misuse and abuse of road maintenance funds by DAs. Audit and M&E activities carried out by the Fund in FY 2012/13 continued to uncover misuse and abuse of road maintenance funds by DAs. In mitigation, URF will step up its oversight functions, build synergies with audit functions of the DAs and other government entities, and actively follow up on implementation of the arising recommendations.

Overall Challenges by URF while implementing the DUCAR maintenance program

(i) The procurement system implemented at the local government level is quite challenging as it takes a long time to get the works implemented and this creates a lot of inefficiencies. It is hard to achieve any effectiveness with regard to implementing the work plan and often works spill over.

(ii) Engineering departments are under staffed. These departments do not have support staff and yet there is a ban on recruitment. These positions especially at the newly created local governments do exist but are vacant.

(iii) The weather pattern is changing all over the country. Of late it is not defined and yet the wet season comes with torrential and prolonged rains. Thus with the lots of surface runoff, the drainage systems capacity have been are surpassed, there is need to develop drainage master plans and designs, otherwise the maintenance interventions will come to waste in a very short time.

(iv) The money received from URF is entirely meant for maintenance works. This has left the local governments with no funds for construction of bridges which access a number of communities. The funding does not allow either new construction or full rehabilitation of roads nor opening up of roads.

12.4.3 National Roads Maintenance Programme

Project Background

The programme involves several activities of maintenance of 19,600 km on the national roads network, ferry services or inland water transport services and axle load control across the network. This programme is implemented by UNRA. It aims at improving and maintaining interconnectivity of the national road network across the country by reducing the rate of deterioration, lowering vehicle operating costs and travel time as well as ensuring safety of road users and ferry services.

Financial Performance

In FY 2013/14, the programme had an approved budget of Ug Shs 254.44 billion under the Uganda Road Fund (URF), all of which was released and expended by the end of the financial year. This represented excellent budget performance and release absorption. The financial performance of the stations monitored is indicated in Table 10.45.

Table 10.45: Financial Performance of the National Roads Maintenance Programme for FY 2013/14 for the stations monitored

Station	Implementation by Force account			Implementation by Contract		
	Receipts *(Ug Shs million)*	Expenditure *as at end of* June 2014 *(Ug Shs million)*	% of Receipts Spent	Contract Name	Financial Progress *(Ug Shs million)*	Remarks
Hoima	3,155.00	2,570.195	81.5%	Term maintenance of Bukomero – Dwaniro – Kyankwanzi road (68km)	15.4 %	Contract in the second cycle with an estimated physical progress of 10%
				Term maintenance of Hoima – Kiziranfumbi – Kagadi (92km), Kagadi – Muzizi (15km) and Hoima – Biiso (43km) roads	39.4 %	Contract was in the third cycle with a physical progress estimated at 35%
Kasese	2,444.72	1,629.79	66.7%	Periodic maintenance of Katungu – Ishasha road (87km)	99.97 %	Contractor in Defects Liability Period.
Kotido	3,653.37	3,355.53	91.8%	Term maintenance for 29 selected national roads lot 11: Kotido- Kanwat-Abim(70.0km) and Abim-Achan Pii (29km)	79%	Contract in fourth cycle.
Luweero	6,093.49	5,482.16	100.0%	Periodic Maintenance of Luweero – Butalangu (30km) and Butalangu – Ngoma (54km)	96.2%	Contract completed
				Term Maintenance of Katikamu – bamugolodde – Nakasongola road (103km)	3.6%	Contract in the first cycle with a physical progress of 9%
Approved Budget Estimates Ug shs 254.44 billion Cumulative Release as at end of June 2014, Ug Shs 254.44 billion (100% of annual budget) Expenditure as at end of June 2014, (100% of the budget and 100% of release)						

Source: UNRA Station Engineers; IFMS Data FY 2013/14

Physical Performance

Planned activities under the programme for the FY 2013/14 were: routine manual maintenance of 19,500 km; routine mechanized maintenance of 6000 km; term maintenance of 5000 km; periodic maintenance of 1,070 km and labour based technology of 450 km. This also included: routine maintenance of 300 bridges; periodic maintenance of 10 bridges/drainage structures; operation and maintenance of 8 weigh bridges and 8 ferries; plant hire, road safety and emergency works.

Cumulative achievements at the end Q2 FY 2013/14, were routine manual maintenance of 1,170 km of paved roads and 16,500 km of unpaved roads; routine mechanised maintenance of 881 km of paved and 5,147 km of unpaved roads; mechanised term maintenance of 196 km of paved roads and 3,548 km of unpaved roads; periodic maintenance of 441 km of unpaved roads; routine maintenance of 51 bridges; periodic maintenance of 2 bridges; street lighting on 47 km of selected roads; 100 road signage on various roads; and operation and maintenance of 10 weigh bridges and 8 ferries.

For FY 2013/14 annual performance of the programme, monitoring was done at four UNRA stations – namely, Hoima, Luweero, Kasese and Kotido with a combined network of 3,540.6 kms which represents 18 % of the entire network. Below are the findings.

i) Hoima Station

Hoima station maintains a total road network of 1075km of which 180km (16.7%) are paved and 895km (83.3%) unpaved. The station network is comprised of five (5) districts that include; Hoima, Kiboga, Kyankwanzi, Kibaale and Buliisa. The planned maintenance activities for the FY 2013/14 comprised: 364km under the force account intervention, 218km under term maintenance contracts and 992.3km under labour based contracts.

Findings

Financial performance

The station received a total of Ug shs 3,155,004,238 billion and by the end of the FY, Ug shs 2,570,195,021 had been expended (81.5% of release). This was an excellent expenditure.

a) Maintenance using contracts

The station had two term maintenance contracts which included: Term maintenance of Bukomero – Dwaniro – Kyankwanzi road (68km) and Term maintenance of Hoima – Kiziranfumbi – Kagadi (92km), Kagadi – Muzizi (15km) and Hoima – Biiso (43km) roads. The monitoring team monitored one road per contract and the following were the findings

Term maintenance of Bukomero – Dwaniro – Kyankwanzi road (68km)

Bukomero – Dwaniro – Kyankwanzi road is a gravel road connecting Kiboga and Kyankwanzi districts in Western Uganda. The road traverses through rolling and hilly terrains. The UNRA signed a contract with M/s Efra Ltd for term maintenance of this road for a contract sum of Ug shs 4.379 billion for a period of three (3) years starting 15th January, 2014. The contract is expected to end on 14th January 2017 and is to be supervised by the UNRA Hoima Station Engineer.

The scope of works for this project involves heavy grading for the entire road length, spot re-gravelling and drainage improvement. The scope is broken down into six work cycles.

Financial performance

The contractor was paid advance amounting to Ug shs 218,952,000(about 5% of the contract value) and this has not been recovered yet by the client. The contractor had also submitted one (1No) IPC totaling to Ug shs 453,983,628 (10.4% of contract value) and this was fully paid. This brings the financial progress to a total of Ug shs 672,935,628 (15.4%). There are no variations anticipated for this contract.

Physical performance

The first cycle of the contract had been completed and it involved grading of the entire road length (68km) and cutting of mitre drains. Physical progress at monitoring time was measured at 10% against a time lapse of 15%. The contract was behind schedule and this was attributed to delayed mobilization of some major road equipment by the contractor.

The second cycle of the contract had just started and the following had been planned: spot re-gravelling, installation of culverts, grading and excavation of offshoots. The contractor had started dumping gravel material in preparation for spot gravelling. In addition the quality of workmanship was satisfactory as exhibited by the fair riding quality of the road.

Left: Second cycle grading works along Bukomero – Dwaniro – Kyankwanzi road; Right: Completed works at km 20+200 Bukomero – Dwaniro – Kyankwanzi road

Term maintenance of Hoima – Kiziranfumbi – Kagadi (92km), Kagadi – Muzizi (15km) and Hoima – Biiso (43km) roads

The contract comprised three roads as indicated, however, during the monitoring only Hoima – Biiso road was sampled. The road is a gravel road connecting Hoima to Buliisa district. The contract for maintenance of this road was awarded to M/s Assured Engineering Services Ltd at a contract sum of Ug shs 6.124 billion for a period of three (3) years. The contract commenced on 10th July, 2013 and is being supervised by UNRA Station Engineer – Hoima.

The scope of works for this contract involved heavy grading for the entire road length, spot re-gravelling and drainage improvement.

Financial performance

The contractor received an advance payment amounting to Ug shs. 612,428,000 (10% of contract value) and has not been fully recovered by the client. The advance payment guarantee was still valid until the client receives full repayment of the same amount from the contractor. Six (6No.) IPCs had been raised by the contractor amounting to Ug shs. 2,414,083,876 (39.4% of contract value) and all had been paid. No variations had been issued by the client.

Physical performance

At the time of monitoring on 5th August 2014, the first two cycles of this contract had been completed. The first cycle was between July 2013-January 2014 and involved grading of the entire length, spot re-gravelling and culvert installation. The second cycle involved spot re-gravelling and grading and was carried out between January 2014 - July 2014. The third cycle of the contract had just started and was expected to cover grading, culvert installation and excavation of off shoots. Physical progress was estimated at 35% against a time lapse of 33%.

The quality of works were satisfactory save for a few areas especially in the swampy sections at km 16+200 and km 35+200 where potholes had developed. The potholes could have developed because of the low road level allowing runoff to settle on the road pavement. The monitoring team generally observed that the road levels in the swampy areas needed to be raised and more lines of culverts added to the already existing ones.

Implementation challenges

- Works have been constrained by heavy rains.
- The contractor had not fully mobilized the equipment yet the ones on site were characterized by frequent breakdowns.
- The contractor was faced with cash flow problems as a result of delays in settlement of interim certificate 5 and 6 by the client.

Recommendations

- The contractor should fully mobilize all the necessary equipment to enable set up of more than one working front.
- The contractor should regularly submit the certificates of completed works to avoid cash flow issues.

b) Maintenance using Force Account

During the FY2013/14, the station planned to carry out road maintenance activities using force account intervention on 364km at an estimated budget of Ug shs 1.723 billion. The scope of works involved grading, spot re-gravelling, filling of swamps where necessary, installation of drainage structures, and river training along stream sections.

Financial performance

A summary of the financial performance of the station is summarized in Table 10.46

Table 10.46: Financial performance for road maintenance under force account intervention

Item	Budget (Ug shs)	Release (Ug shs)	Expenditure (Ug shs)	% Release	% Expenditure
Old network	614,000,000	470,000,000	331,778,796	76.5%	
New Network	1,065,000,000	943,000,000	786,790,000	88.5%	83.4%
Bridge maintenance	44,500,000	78,800,000	32,020,000	177%	40.6%
Total	1,723,500,000	1,491,800,000	1,150,588,000	86.5%	77.1%

Source: Hoima Station Quarterly work plans and reports for FY 2013/14

The station received a total of Ug 1.491 billion (86.5%) for road maintenance using force account. By the end of the FY2013/14, only 77.1% of the releases had been expended. This low absorption of resources was attributed to inadequate road equipment units coupled with their frequent breakdown.

Physical Performance

The following roads were monitored;

Buseruka Tonya road swamp raising: The planned scope of works involved grading (6km), swamp filling, culvert installation and head wall construction. The planned cost of this intervention was Ug sh 87,336,000. By the end of the FY2013/14, grading, spot re-gravelling, installation of 96m of culverts of size 600mm, construction of headwalls, Gabbion works and swamp raising (1km) had been achieved at a cost of Ug shs. 118,869,000.The increase in the cost was attributed to unforeseen quantities of earthworks to raise the swamp level. The quality of works was satisfactory save for the side drains which had outgrown with grass and needed urgent manual maintenance.

Kigorobya – Buseruka road(17.5km); The station planned to carry out the following maintenance activities; grading of the entire road length, installation of 24m of culvert lines, spor re-gravelling (0.5km), head wall construction and swamp filling (0.5km). By the end of the FY2013/14, all the planned activities had been achieved at a cost of Ug shs 78,520,920 against the planned Ug shs 231,000,000.

Bugambe – Buseruka road (18.2km); During the FY2013/14, the station planned to carry out maintenance activities on 18.2km of this road at an estimated cost of Ug shs 35,000,000. The scope of works involved; grading works, culvert installation, spot re-gravelling, swamp/gully filling, head wall construction/repairs, swamp clearing , stream channel clearing,and gabion placements to head walls and wing walls. The physical works had been completed in quarter four at a cost of Ug shs 23,088,000. The side drains were bushy and as such needed urgent routine manual maintenance.

Kiziranfumbi – Kabaale (25.4km); The scope of works for this road involved grading of the entire road length, spot re-gravelling (4km), culvert installation, head wall construction and swamp clearing. At the time of monitoring, maintenance works were still ongoing. Grading of the road was ongoing at km 15+000 and compaction works at km11+700. The quality of works was good.

Katasiha – Waaki road (22km); The planned scope of works entailed; grading works, culvert installation, spot re-gravelling, swamp/gully filling, head wall construction/repairs, swamp clearing and stream channel clearing. The budget for this intervention was estimated to be Ug shs 70,000,000. By the end of the FY2013/14, all the planned activities had been achieved at a cost of Ug shs 52,453,000.



Left: Completed section along Kigorobya – Buseruka road; (centre): Compaction ongoing at km 11+700 along Kiziranfumbi – Kabaale road; Right: Completed drainage structure along Buseruka – Tonya swamp raised section

Implementation challenges

- The station lacks adequate road equipment to enable them execute the works on time. The current equipment are aged and frequently breakdown hence increasing the operation costs.

- Understaffing was reported as one of the reasons for inadequate construction supervision. The station has a very big road network which does not match the number of staff. For instance the station has one road overseer.
- This financial year the station experienced delayed release of funds which lead to delays in execution of the planned activities.
- The amount of money provided for payment of labour based contractors is low and unattractive. Currently the labour based contractors are paid Ug shs 72,000 per month for 2km maintained which is low according to the implementers.

Analysis

Link between financial and physical performance

The overall financial performance of the station was excellent (81.5% of the release was expended). During the FY 2013/14, 77.1% of funds were expended on maintenance of roads using force account. The physical performance of the station was estimated at 80%.

Achievement of set targets

The station planned to maintain 33.9% of the roads using force account. By the end of the FY much of the works had been completed. Maintenance works on some roads spilled over to FY2014/15. Therefore the targets were not achieved.

Conclusion

The station had a very good performance in implementation of the planned activities. Maintenance by term contracts and routine manual maintenance activities spilled over to FY2014/15. The low performance of the force account intervention was attributed to inadequate staffing and frequent breakdown of equipment.

Recommendations

- The UNRA should urgently procure new sets of equipment
- The amount of money paid to the labour based contractors should be doubled to make routine manual maintenance attractive.
- There is need to review the staffing structure of the station so as to match the maintenance requirements of the big road network.
- The URF should disburse the funds in time to enable agencies implement within time.

ii) Kasese Station

Kasese station maintains a total road network of 431.8km of which 135.3km (31.3%) are paved and 296.5km (68.7%) are unpaved as shown in Table 10.47. The station network covers six districts that include: Kasese, Ruburizi, Rukungiri, Kanungu, Mitoma and part of Kabarole. Maintenance activities for the FY 2013/14 were planned to be undertaken on 432km of the station network. These included; maintenance using periodic maintenance contracts on 118km (27.3% of the network), maintenance using force account on 314km (72.7% of the network) and labour based maintenance contracts on 307.8km (71.3%).

Table 10.47: Kasese UNRA station road network in km

Network	Paved	Unpaved	Total
Old	135.3	199.4	334.7
New	0	97.1	97.1
Total	135.3	296.5	431.8

Source: Station Engineer – Kasese

Financial Performance

The station received Ug shs 2,444,721,682 (86.0%) out of the planned budget of Ug shs 2,842,742,550. By the end of the FY2013/14, Ug shs 1,629,794,119(66.7% of the release) had been expended. The total unspent balance by the end of the FY was Ug shs 814,927,563, however, Ug shs 407,305,570 (about 50%) were funds released for force account interventions. The low absorption of funds was attributed to delayed release of funds and frequent breakdown of equipment. During monitoring, both maintenance works under contract and force account intervention were monitored as shown below.

a) Maintenance using contracts

Maintenance using contract intervention for the FY 2013/14 was planned on a total of 118km (27.3% of the road network) using periodic maintenance and 307.8km (71.3%) by labour based maintenance contracts. The roads maintained using periodic maintenance included; Katunguru – Ishasha (87km), Nkenda - Bugoye – Nyakalingijo (17.5km) and Bwera – Kithoma – Kiraro (13.5km) roads. The findings from one of the periodic maintenance roads sampled during the monitoring exercise are presented below.

Periodic maintenance of Katungu – Ishasha road (87km)

Katunguru- Ishasha is a gravel class B with a paved section of 2.0km. The road is located in Kasese district and connects Katunguru to Ishasha-Uganda Congo boarder through Queen Elizabeth National Park under the jurisdiction of Uganda Wild Authority.

The contract for maintenance of the road was awarded to M/s Engineers Investment Ltd at a contract sum of Ug shs. 5.503 billion for a period of 12 months with a six (6) months defect liability period. The supervision consultant was Kkatt Consult Ltd at a contract fee of Ug shs 208 million.

The scope of works included: medium grading of 84Km, scarification and compacting; provision of bituminous surfacing of 2.0km at the escarpment section, provision of gravel wearing course for 87km (79,050m^3) and drainage Works from 0+000 to 87+000.

Financial performance

The contract value had been revised from Ug shs 5.503 billion to Ug shs 6.290 billion. This represents 14.3% variation of the contract. The project cost increased as a result of overhaul of gravel material outside of the free haulage distance of 20km which was originally in the contract. The Contractor had to cover longer haulage distances to source for suitable gravel. This lead to claims by the Contractor in form of time and money. The contract duration was as a result increased from 12 months to 17 months with a six months defects liability period. The contractor had been paid a total of Ug shs. 6,288 billion (99.97% against 100% time progress) and the contract was within the defects liability period. The consultant had received a total of Ug shs 201 million (99.6%) of the supervision fee.

Physical performance

At the time of monitoring the entire road had been graded, a bituminous double seal had been completed between km 26+900 to km 28+900 and drainage structures installed along the road length. The contract was within the defects liability period and the contractor had been contacted to rectify the defects on the road. The quality of works was satisfactory although some defects were observed for instance the culverts at km 41+300 had broken down by heavy trucks using this road, the road section between km 0+000 to 20+000, 34+915 to 39+000, 60+000 to 60+807, 62+217 to 62+600 had developed potholes. Physical progress was estimated at 99.67%


Left: Paved section of Katuguru – Ishasha road at the escarpment section; Right: Graveled section of the road.

Implementation challenges

- There was inadequate quantities of suitable gravel materials within the project area. The Contractor had to cover longer haulage distances to source for gravel as the Contractor failed to get suitable borrow pits nearby. This lead to claims by the Contractor in form of time and money.
- Heavy rains constantly led to wet and slippery surface due to excessive moisture making dumping of gravel and it's processing difficult and; sometimes led to idle time and early work stoppages during working hours.
- Possibility of attacks from wild animals since the road traverses Queen Elizabeth National park. Also there were time constraints due to permitted time for working within the park.
- Frequent breakdowns in the contractors' equipment especially graders and chain loaders. Breakdown of machinery dictated suspension of gravelling and haulage activities.
- Severe potholes and soft soils in some sections like kaiza Bridge at 40+400 on the project road which lead to obstruction to free and safe passage of traffic especially during wet season.
- Untimely, Slow and inaccurate responses to site instructions and other contract management correspondences. This caused slow progress and difficulties in the consultant's programming of supervision activities

b) Maintenance using Force Account

Maintenance activities on roads using force account intervention under routine maintenance for the FY2013/14 were planned to be carried out on a 314km (72.7%) with an approved annual budget of Ug shs 0.985 billion for works under this component. The scope of works involved; asphalt patching, grading, spot re-gravelling, installation of culverts and construction of headwalls. The roads maintained by the force account interventions were monitored on 22nd July, 2014 and below are the findings.

Financial performance

The financial performance of the station is summarized in Table 10.48. It includes funds for maintenance works, mechanical imprest, administration and axle load control. It should however be noted that the releases also included field investigations on Katunguru – Fortportal roads, road condition survey and road committee which were not in the annual budget.

Table 10.48: Financial performance of Kasese station as of 30th June 2014

Vote	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Labour based contracts	93,268,800	93,268,800	66,221,276	79,909,837	332,668,713
Force account	227,322,199	237,069,250	301,298,700	464,908,400	1,230,598,549
Mechanical Imprest	50,012,012	56,312,012	31,312,012	48,312,012	185,948,048
Administration	17,368,143	17,368,143	17,368,143	17,368,143	69,472,572
Axle load control	59,145,000	89,895,000	39,836,900	72,836,900	261,713,800
Field investigation for Katungu - Fortportal roads		35,955,000			35,955,000
Road condition survey			5,720,000		5,720,000
Road committee				15,000,000	15,000,000
Fuel		50,750,000	106,575,000	150,320,000	307,645,000
Total	**447,116,154**	**580,618,205**	**568,332,031**	**848,655,292**	**2,444,721,682**
Release date	25 Aug. 2013	10 Dec. 2013	20 Feb. 2014	16 Apr. 2014	-

Source: Station Engineer - Kasese

A total of Ug shs 2.444 billion (86% of the budget) was released out of the planned Ug shs 2.842 billion. By the end of the FY2013/14, a total of Ug shs. 1.629 billion had been expended (66.7% of the release or 57.3% of the annual budget) on activities budgeted. A total of Ug shs 0.814 billion was not spent in FY 2013/14 and had spilled over to FY2014/15. It should also be noted that the releases to the station were made late for the first three quarters which affects the station from sticking to the planned activities and partly contributed to the low absorption of the funds.

Physical performance

The estimated physical progress of the district at the time of monitoring was estimated to be about 85%. Due to delayed release of funds coupled with frequent breakdown of the old road equipment, some activities were still ongoing at the time of monitoring. The following roads were monitored:

Kabirizi – Kyarumba – Kisinga road (26km). The scope of works included medium grading, spot re-gravelling and construction of head/ wing walls. The estimated cost of the works was Ug shs 67,654,500 to cover fuel for road equipment, allowances of staff and construction materials. At the time of the visit the road had been completed and good workmanship was exhibited. The road was in a good motorable condition.

Left: Section through the completed Kabirizi – Kyarumba – Kisinga road; Right: Dumping of gravel along Nsenyi – Kisinga – kiburura road

Nsenyi – Kisinga – Kiburara road (10.1km). The station planned to carry out medium grading between km 00+000 to 10+100 and spot re-gravelling between km 03+000 to 10+100 during the FY 2013/14 at a cost of Ug shs. 21,296,500. Grading of the entire road length had been completed and dumping of gravel was ongoing in preparation for re-gravelling. The work was anticipated to cost Ug shs 16,856,500 upon completion.

Challenges

- Delayed release of funds
- Frequent breakdown of equipment leading to delay in implementing the planned activities
- Floods in the region affected

Analysis

Link between financial and physical performance

The station received 86% of the budget and 66.7% was spent. The funds were expended on road maintenance works, axle load control, mechanical imprest and administrative costs. The station had a total of Ug shs 814,927,563 unspent 50% of which was for force account intervention. The physical progress was estimated to be at 75%.

Achievement of set targets

The station did not meet the set targets. There were activities which spilled over the FY2014/15 due to delays in implementation. The delay was attributed to delayed release of funds and breakdown of equipment.

Conclusions

The station's physical and financial progress were good. This performance can be improved with sound road equipment in place.

Recommendations

- The UNRA should procure additional equipment for the station
- The URF should ensure timely disbursement of force account funds

iii) Kotido Station

Kotido station maintains a total road network of 840.2km (4% of the national road network) and the entire network is unpaved as shown in Table 10.49. The condition of the network can be described as 485km good, 167km fair, 119km poor, 69km Un-motorable. The station network covers roads across three districts that include: Abim, Kabong and Kotido. Maintenance activities for the FY 2013/14 were planned to be undertaken on 840.2 km (100%) of the station network. These included: maintenance using contracts only on 99km (11.8% of station network); maintenance using force account only on 741.2km (88.2%), labour based contracts (840km) and bridge structures maintenance. This station was monitored in July 2014 for the annual performance of FY 2013/14 and the findings are presented below.

Table 10.49: Kotido UNRA Station Road Network in Kms

Network	Paved	Unpaved
Old	0	494
New	0	346.2
Total	0	840.2

Source: Station Engineer

During the monitoring team randomly selected some roads for monitoring. The selection was done in sucha way that contracts and force account intervention were covered. Some of the roads inspected during monitoring in were: Abim-Achan-Pii (contract), Kanawat-Apaan-Koputh , Layor-Apan, Kotido-Abim and Achan-Pii-Alito under force account.

Financial performance

The financial performance of the station is summarised in the Table 10.50. The station received Ug shs 3,653,379,245 in the FY 2013/14 inclusive of an emergency release worth Ug shs 69.994 million to cater for works on Alito swamp. A total of Ug shs 3,355,537,403 (91.85% of the release) had been expended by the end of June 2014. This was an excellent budget expenditure.

It should be noted that the releases were made to the station in the last month of the implementing period which delayed the station's planned activities in the work plan.

Table 10.50: Financial Performance of Kotido UNRA station by end of FY 2013/14

Annual Budget (Ug shs)	Quarter 1 (Ug shs)	Quarter 2 (Ug shs)	Quarter 3 (Ug shs)	Quarter 4 (Ug shs)	Total release (Ug shs)	Total expenditure	% expenditure
Amount	936,554,928	870,679,917	926,059,053	850,090,917	**3,653,379,245**	**3,355,537,403**	**91.85%**
Release dates	Sept. 2013	Dec. 2013	Feb.2014	April 2014	**-**	**-**	

Source: Kotido Station Engineer

Physical performance

At the time of monitoring some maintenance activities under term contracts which were meant for quarter 4 were still ongoing. This delay was attributed to delays in release of funds and inclement weather. The labour based contracts and routine mechanised maintenance had performed well since the station achieved all the set targets on the 840km planned. One road was maintained using contracts while others were by the force account intervention. The physical progress of the station was estimated to be at 85%.

i) Maintenance using contracts

Maintenance activities with contract intervention for the FY 2013/14 were planned to be undertaken on: 290 km (34.5% of station network) using term maintenance contracts; and 840.2km (100%) using labour based maintenance contracts. The findings from the contract road sampled during the monitoring exercise are as below.

Term maintenance for 29 selected national roads lot 11: Kotido- Kanwat-Abim(70.0km) and Abim-Achan Pii (29km)

The project was to be executed in four cycles.

A summary of the project details as at the end of June 2014 is presented in Table 10.51.

Table 10.51: Project Summary for the Term maintenance of Kotido-Abim and Abim-Achan-Pii road (46 kms) as of end of June 2014.

Contract Number	UNRA/WORKS/2011-12/00002/01/011
Supervision Consultant	In House (Station Engineer – Kotido)
Contractor	M/s Capital Logistics and Construction Ltd
Project Road Length	99Kms
Construction Commencement Date	20th December 2012
Construction Completion Date	19th December 2014
Contract Price	2,988,942,000/= (VAT exclusive)
Supervision Contract Price	None (Station Engineer – Kotido)
Scope of works	Grading, Gravelling, and Drainage Improvement
Contract Period	Twenty four months
Contract Time Elapsed	75% (End of June 2014)
Advance payment	Ug shs 600,000,000
Physical Progress Achieved	79% Achieved against Planned 84%
Financial Progress Achieved	66% of the contract sum (Up to IPC No.5)

Source: Station Engineer

Cycle one elapsed on 20th June 2013, and cycle 2 elapsed on 20th Dec 2013. Cycle three works were completed in May. Therefore, at the time of monitoring, there were no ongoing works.

(Left): Section of Ngetta-Apala-Adwari road (4+600 km) that was re-gravelled; (Centre): An eroded and silted drain at Km 10+400; (Right): A newly installed culvert line without a headwall along Kotido-Aduku road at km 21+800

By the end of the FY2013/14, the physical progress of works achieved was 79% against a contract time progress of 75% as at the end of June 2014. Much as the quality of these works was satisfactory based on the results from the relevant tests performed during the implementation of works, the observations made during the site visit on 15th July 2014 were that the road had deteriorated. This was mainly attributed to the poor contract management skills on the contractor who delayed to commence cycle for works.

Challenge:

- Breakdown of key machinery for instance the Excavator and roller delayed the works.
- Conflicts with locals about the diversion of water from newly installed culverts especially around Abim town also delayed works.
- Delay to implement instructions coupled with delay to conduct results
- Heavy rains also affected the commencement of Cycle for works

Maintenance using Force account

In comparison with the work plan and the Quarter four report, all road maintenance activities under force account intervention were achieved.

The monitoring team visited the following roads completed under force account intervention:

a) Kanawat-Apaan-Koputh (39km)

The station planned to carry out routine mechanized maintenance on this road at an estimated cost of Ug shs. 95million. The planned scope of works was grading of entire road length(39km), spot gravelling (9km) and installation of culverts. By the end of the FY2013/14 the station had achieved grading 39km of the road, spot re-gravelling (7km), and installation of 40m of culvert of size 900mm diameter at km 18+200, 26+200, 27+000. The expenditure of this intervention was Ug shs 93 million. The works were completed in Quarter 3 and the quality of works was satisfactory.

b) Layoro-Apaan (24 km)

The station planned to carry out the following activities this road; grading (24km), spot gravelling (5km) and installation of culverts for 70m at an estimated cost of Ug shs 41 million.

At the time of monitoring; 24km had been graded and was evident, spot re-gravelling between km 0+000 to 6+200 and installation of 28m culverts of size 900mm diameter at km, 9+900,11+600, 14+000, 15+300, 17+400, and 17+500 had been completed. Maintenance of this road had been carried out in quarter 2 at a cost of Ug shs 55 million. The quality of workmanship was satisfactory and entire road length was in a good condition. The road were carried out in Q2 and the reported completed activities were; grading (24 km), spot gravelling and installation of 28m culverts. The cost of the activities was about Ug shs 36.5 million.

c) Achan-Pii-Alito (20 Km)

During the FY2013/14, the planned activities on this road were; installation of one box culvert and 5 km of gravel at a planned cost of Ug shs 50 million. By the end of the FY 2013/14 all the planned activities had been achieved at a cost of 50.64 million. In addition to the planned scope of works on this road, there was emergency filling of 1km of the swamp following heavy rains which had cut off the road. The works were completed in quarter 3 and the quality was satisfactory.

Challenges

- Insecurity in Karamoja region is still a challenge with workers being targeted by the warriors. During the FY2013/14, a warrior with intention to kill UNRA staff working on the road was killed by UPDF staff. With such tension staff have to continue working under UPDF protection. The station currently has an annual budget of Ug shs 4.5 million to cater for hiring of security while working which is inadequate. The station proposes a budget of Ug shs 20 million.
- Scarcity of inputs. There is no reliable supplier for fuel and equipment spare parts within the region. The station sources fuel from Lira or Soroti districts which are far.

- There is inadequate quantity of good gravel within the region. In addition water to facilitate construction of road works is scarce during the dry season yet communities do not allow the station to fetch water from the valley tanks/dams.
- The station has inadequate equipment for hauling material to construction sites. For instance, during construction the station is forced to hire Tippers for hauling gravel.
- Poor housing and feeding facilities since the place is still remote.
- Delays in release of funds have led to delays in implementation and as a result funds spill over.
- Delay in procurement of Term Maintenance Contracts affects the planned progress.

Analysis

Link between financial and physical performance

The station spent 91.85% of the release. These funds were expended on routine manual maintenance, labor based contracts and term maintenance contracts on a total of 840km road network.

Achievement of set targets

The station did not achieve all set targets as planned. Maintenance works using term contracts works had spilled over FY2014/15 and these were ongoing.

Conclusion

Based on the findings of the monitoring exercise, the station was performing well. The performance can be enhanced is the security in the area is beefed up and additional road equipment provided.

Recommendations

- The UNRA should expedite the provision of housing facilities to the staff.
- The UNRA should ensure that procurement of Term Maintenance Contracts is expedited.
- The UNRA should provide at least one new grader to the station as a basic.

iv) Luweero Station

Luweero station maintains a total road network of 1193.6km (5.68 % of the national road network) of which 239km (20 %) are paved as seen in Table 10.52. The station network covers three districts and these are: Luweero, Nakaseke and Nakasongola as well as parts of Wakiso, Kiboga, Kyankwanzi Mukono and Mityana districts. Maintenance activities for the FY 2013/14 were planned to be undertaken on 1205 km (100%) of the station network. These included: maintenance using contracts on 850km (70.5% of station network); maintenance using force account on 355km and labour based contracts.

Table 10.52: Luweero UNRA Station Road Network in km

Network	Paved	Unpaved
Old	239	256
New	0	698.6
Total	**239**	**954.6**

Source: Station Engineer

This station was monitored in August 2014 for the annual performance of FY 2013/14 and the findings are presented below.

Financial performance

The station had an anuual budget of Ug shs 6,093,496,436 and all the funds were released. By the end of the FY2013/14 Ug shs 5,482,167,630 (89.97% of the release) had been expended. This was an excellent release and expenditure. However, the releases were made to the station in the mid-quarters of the implementing period which delayed the station's planned activities.

Physical performance

By the end of the FY 2013/14 most of the works had been completed except for the term maintenance of Katikamu – Bamugolodde – Nakasongola (103km) where works were still ongoing. During the monitoring five roads were sampled and these were: Butalangu-Ngoma, Luwero-Butalangu, Ngoma-Kinyogoga, Kinyogoga-Katuugo and Katikamu – Bamugolodde - Nakasongola. The sampling was done in such a way that both works done under force account and contract were covered.

i) Maintenance using contracts

The station planned three contracts during the FY 2013/14, these included:

i. Term Maintenance of 21 selected roads; Lot 8: Nakasongola-Lwampanga-Nabisweera-kafu and Nabisweera-Migeera (97km).

ii. Term Maintenance Phase 3; Lot 7: Katikamu-Bamugolodde-Nakasongola road (103km).

iii. Periodic Maintenance of 14 selected National roads; Lot 4: Luwero-Butalangu (30km) and Butalangu-Ngoma (54km).

Two contracts were monitored and findings are presented below;

Periodic Maintenance of Luweero – Butalangu (30km) and Butalangu – Ngoma (54km)

The contract for maintenance of these roads was awarded to M/s Techno Three (U) Ltd at a contract fee of Ug shs 2,494,496,893 for a period of 12 months while the supervision contract was awarded to Prome Consultants Ltd at a contract fee of Ug shs 263,080,000. The scope of works involved full grading of the entire road length, spot re-gravelling and drainage works. Maintenance work commenced on 4th October 2012. A summary of the contract details is presented in Table 10.53.

Table 10.53: Project Summary for the Periodic Maintenance of 14 selected National roads; Lot 4: Luwero-Butalangu (30km) and Butalangu-Ngoma (54km).

Contract Number	UNRA/WORKS/2011-12/00002/03/14
Supervision Consultant	PROME Consultants Ltd
Contractor	Techno Three (U) Ltd
Possession of Site	05th October 2012
Project Road Length	84 km
Supervision Commencement Date	4th January 2013
Construction Commencement Date	4th October 2012
Construction Completion Date	4th October 2013
Contract Price	Ug shs 2,494,496,893

Supervision Contract Price	Ug shs 263,080,000
Contract Period	12 months
Defects Liability period	6 months (180 calendar days)
Contract Time Elapsed	100%
Advance payment	Ug shs 498,899,379
Works Payments Certified (IPCs 1-4)	Ug shs 1,740,914,441
Payments to the contractor	Ug shs 2,398,400,038 (IPCs - 6No.)
Consultant Invoices Submitted (Monetary Value)	Ug shs 179,430,000 (Invoices - 9No.) and have all been paid
Physical Progress Achieved	100 %
Financial Progress Achieved	96.2 %

Source: Station Engineer

By the end of June 2014, the physical progress of works achieved was 100 % against a contract time progress of 100%. The works had been completed in October 2013 hence, they were completed on time.

Financial progress was lagging behind the physical progress because payment of retention was pending.

During site inspection, the following observations were made:

a) Luweero-Butalangu (30 km)

Some offshoots and installed culverts of 600mm (at km 21+400) were observed.

Much as the quality of these works was satisfactory based on the results from the relevant tests performed during the implementation of works, the observations made during the site visit along the Luwero-Butalangu section were a sign that the road had started deteriorating. This was mainly attributed to the heavy traffic loading.

b) Butalangu-Ngoma (54km)

This section was observed to be in a fair condition. It offered good riding characteristics like speed and comfort to the road user.

Term Maintenance of Katikamu – bamugolodde – Nakasongola road (103km)

The main objective of the contract was to have the road maintained for a period of 36 months. The scope of works involved medium grading of the existing layer to form the road, spot re-gravelling, installation of new culvert lines, cleaning and extension of existing culverts where necessary and cutting of drains. At the time of monitoring, maintenance works were still ongoing and the work is anticipated to be completed within six (6) cycles each 6 months. A summary of the contract data is shown in Table 10.54

Table 10.54: Term Maintenance Phase 3; Lot 7: Katikamu-Bamugolodde-Nakasongola road (103km).

Contract Number	**UNRA/WORKS/2011-13/00002/04/07**
Supervision Consultant	Station Engineer-Luwero
Contractor	M/S Techno Three (U) Ltd
Possession of Site	8th January 2014
Project Road Length	103 km
Supervision Commencement Date	8th January 2014
Construction Commencement Date	8th January 2014
Construction Completion Date	7th January 2017
Contract Price	Ug shs 6,345,486,712
Contract Period	36 months
Defects Liability period	7 months (as at the end of July 2014)
Contract Time Elapsed	19.4 %
Works Payments Certified	Ug shs 229,451,006 IPCs - 1No
Payments to the contractor	Ug shs 229,451,006 IPCs - 1No
Physical Progress Achieved	9 %
Financial Progress Achieved	3.6 %

Source: Station Engineer

By the end of June 2014, the physical progress of the works was estimated at 9 % (cycle one works) against the planned 14%. The activities which had been completed included medium grading of 90km, spot re-gravelling (4000m^3) while the pending activities were grading of 13km and installation of 338m of culverts. The contractor had submitted one (1No.) IPC amounting to Ug shs 229,451,006 and had been honoured. Maintenance works on this road were still ongoing. At the time of monitoring, the contractor had dumped gravel ready for spreading between km 61+300 – 61+500, 62+500 – 63+900, 69+400 – 70+700 and 73+200 – 74+600. The quality of works in the completed sections of the road was satisfactory.

ii) Maintenance using Force account

The following roads were monitored under the force account intervention.

a) Katugo – Kinyogoga-Kaweweta (42 km)

The station planned to carry out the following activities on this road: grading full road length (42km), spot gravelling and installation of culverts for a length of 56m at an estimated costs of Ug shs 210 million. By the end of the FY 2013/14, all the planned activities had been executed in quarter 1and the cost involved was Ug shs 149.6 million. The quality of works was good and the road was motorable. In addition the newly installed culverts were functioning very well.

b) **Ngoma-Kinyogoga (28 km)**

The road passes through Towa swamp. The planned activities on this road were; grading (7 km), spot gravelling and installation of culverts for 72m. The planned cost of the activities was Ug shs 57.1million. The road maintenance activities were carried out in Quarter 2 and these included; grading of 12km and spot gravelling. The road was found to be motorable although potholes were starting to develop. The spot graveled sections at km 11+400 – 11+900, 12+00 – 12+800, 13+00 – 13+100 and concrete culvert crossings were satisfactory.

Left: Completed section of Katugo – Kinyogoga-Kaweweta at km 24+600, Centre: Gravel damped along Katikamu-Bamugolodde-Nakasongola road at km 73+200, Right: Cattle along moving Katugo – Kinyogoga-Kaweweta road

Implementation Challenges

- The station Old equipment: these often break down requiring repairs. This leads to an increase idle time and losses in other resources.
- Late release of funds for maintenance activities. This leads to delayed intervention in program, late delivery of projects and more deterioration in condition of targeted roads.
- Inadequacy in number of dumping trucks for hauling gravel during re-gravelling works. This renders the loading equipment under utilised as well as overall low productivity in project implementation.

Analysis

Link between financial and physical performance

The financial performance of the station was 89.97% .These funds were expended for routine mechanized and manual maintenance on 355km and term maintenance contracts of 850km. The overall physical progress of the station was estimated at 90%. Most of the works had been completed except the term maintenance of Katikamu-Bamugolodde-Nakasongola road where works were still ongoing.

Achievement of set targets

The station did not achieve all the set targets for the FY2013/14. Some activities spilled over to FY 2014/15 and were ongoing at the time of monitoring in August 2014.

Conclusion

Both performance of force account and term maintenance contract had performed well much as the station experienced delayed release of funds. The station can achieve all the set targets if provided with adequate equipment.

Recommendations

- The UNRA should ensure acquisition of new or sound road equipment and adequate to match the maintenance needs of the station.
- The URF should ensure timely release of funds to match the annual road maintenance program.

Overall Implementation challenges at the UNRA stations

The challenges experienced at the stations are similar and are hereby presented below:

- Poor state of vehicles and equipment that intermittently break down during work execution affects the programme on force account activities.
- Vehicles and equipment need spares and consumables like tyres, grader blades, bucket and scarifier teeth, batteries, etc., that meet standard specifications. These are not readily available in up country stations like Kotidio. Thus, time is lost in procuring these spares from Kampala.
- Stations are experiencing scarcity of some road materials like gravel due to the land policies where the owners dictate exorbitant prices and terms for gravel purchase which do not rhyme with the procurement procedures. This increases the cost of works on roads in certain areas where heavy costs are incurred in hauling the material for over 10 kms.
- Heavy rains have continued to affect the roads as most swamps flood, causing emergency works.
- Inadequate release of the monthly mechanical funds for preventive and minor repairs of serviceable vehicles and equipment for force account operations.
- Stations do not have key force account operations equipment for example, a low bed, water bowser, and compactors, etc.
- Inadequate and untimely release of funds for force account; most releases are received at stations at the mid or tail end of the quarter.
- Uncertainty in central procurement of the essential construction material like; gabions, culverts, bitumen, MC 30 etc., standardised vehicle and equipment spares and consumables e.g. grader blades, bucket and scarifier teeth, tyres, filters etc.
- The mechanised contractor's management capacity (contract and business management) is generally very poor thus, affecting planned contract work programmes.
- Poor or low capacity of contractors for the term maintenance contracts.
- The mechanical workshops are dilapidated and poorly equipped. There is need for refurbishment of these workshops as they have leaking roof, no suitable door shutters and stores.
- Stagnant rates of Ug shs 72,000 per km for force account activities yet there has been considerable inflation.

Conclusion

Despite the challenges above, the stations have in the FY 2013/14 tried to meet their targets. Much as works for the previous FY were still ongoing in the first quarter of FY2013/14, the stations have implemented over 85% of their work by the end of June 2014 representing an excellent physical progress.

Recommendations

- UNRA should procure new equipment; at least 2 full units, for the stations to reduce on cases of equipment break down.
- Funds should be released at the beginning of every quarter by MFPED so that they can be utilised within the programmed time.
- The rates of labour based contract maintenance works should be revised by UNRA to match the current economy trend. That is from Ug shs 72,000 per km to at least Ug shs 140,000 per km.
- UNRA should consider deployment of frame work contractors to provide equipment and materials while carrying out force account activities.

CHAPTER 11: WATER AND SANITATION

11.1 Introduction

The Water, Environment and Sanitation (WES) sector has continuously received both Government of Uganda (GoU) and donor support. The support has been geared towards achieving safe, and adequate water provision levels of up to 77% of the population in rural areas, and 100% in the urban areas by 2015.The assessment of attainment of WES goals is based on a set of performance golden indicators; *access to an improved water source, functionality, per capita investment cost, water quality, quantity of water, equity, Gender, hand washing, management, and sanitation.*

The Sector Mission is "*to promote and ensure the rational and sustainable utilisation, development, effective management and safeguarding of water and environment resources for socio-economic development of the country*"[88].

The Strategic Sector Objectives

- To manage and develop the water resources of Uganda in an integrated and sustainable manner for the present and future generations.
- To provide sustainable water and sanitation facilities within easy reach based on management responsibility and ownership by the users, to 77% of the population in rural areas and 100% of the urban population by the year 2015 with an 80-90% effective use and functionality of facilities;
- To develop and efficiently use water supply for production (irrigation, livestock watering, aquaculture, rural industries, hydropower, tourism).
- To increase productivity of the natural resource base and harnessing natural resources in a sustainable manner.

Scope of the report

The period under review is FY 2013/14 and the aim of this report is to assess whether the reported expenditures and outputs, in the Ministry of Water and Environment (MWE) Q3 report, were achieved given the sector targets, goals and objectives.

The monitoring focused on the development outputs implemented by the in the FY 2013/14 for the Vote Functions (VFs): Urban Water Supply and Sanitation (UWSS), Rural Water and Supply Sanitation (RWSS), Water for Production (WFP), and Water Resources Management (WRM). See table 11.1; List of WES projects monitored and their geographical locations.

Table 11.1: List of WES Projects monitored, FY 2013/14 and geographic locations

Vote Function	Project	Geographic location
0901:Rural Water	Project 0158:School Community and Water-Internally Displaced Persons (IDPs) • Construction of Alwi Dry Corridor Water Schemes • Extension of Jjeza-Muduuma Water Scheme	Nebbi and Mpigi districts
	Project 0163:Support to Rural Water Project • Construction of Kanyampanga Gravity Flow Scheme(GFS) • Construction of Ongino Piped Water Scheme	Kanungu, and Kumi districts
	Project 0163: Support to Rural Water Supply (DWSCG)	Wakiso, Luwero, Nebbi, ,Rakai, and Mityana districts
0902: Urban Water Supply and Sanitation	Project 1192: Lake Victoria Water and sanitation phase II	Mayuge, and Ntungamo districts
	Project 1130:Water and Sanitation Facility-Central	Wakiso, Lwengo, Zirobwe, Kalungu, Kyankwanzi districts
	Project 1075:Water and Sanitation Development Facility-East	Mbale(Busiu), Kapchorwa
	Project 1074:Water and Sanitation Development Facility-North	Zombo(Paidha), Maracha (Omugo)
	Project 1283:Water and Sanitation Development Facility-South West	Mbarara, Kamwenge, Ntungamo, Rakai, and Mitooma
0903: Water For Production	Project 0169: Water for production Rakai Bulk Water Scheme Nyamiringa Valley Tank Pilot Drip Irrigation(Leye)	Rakai, Kiboga,and Kole d
0904:Water Resources Management	Project 0165:Support to Water Resources Management	Soroti, and Butaleja

Source: Author's Compilation

11.2 Vote Function 0901: Rural Water Supply and Sanitation (RWSS)

Background

The RWSS VF contributes to the sector objective of; "provision of safe and adequate water within easy reach and hygienic sanitation facilities, based on management responsibility and ownership by the users, up to 77% of the population in rural areas" [89].The RWSS is mandated with the planning and development of water supply facilities to cover a given nature of communities. The focus is on scattered population settlements of up to 1,500 and Rural Growth Centers (RGCs) with populations between 1,500 and 5,000.

The VF comprises of centrally managed development projects namely: Project 0158-School and Community-IDPs, Project 0163-Support to Rural Water Supply, and Project 1191-Provision of improved Water Sources for returned internally displaced people IDPs-Acholi sub-region. The decentralized implementation support from GoU is channeled through the District Water and Sanitation Conditional Development Grant (DWSDCG). The support is channeled from MFPED to the district general fund accounts for utilization on development works.

Financial Performance

The approved annual budget for the RWSS was Ug shs 30.46 billion, the release was Ug shs 37.62billion (123%), and the expenditure was Ug shs 31.21billion (83%).The release over performance was attributed to variations between the approved donor budget estimates by MFPED and the actual release from donors

The FY 2013/14 annual monitoring was focused on the Project 0158-School and Community-IDPs, Project 0163-Support to Rural Water Supply, and the implementation of the DWSDCG.

11.2.1 Project 0158- School and Community-IDPs

Background

The Community Water and Sanitation Projects are implemented by the GoU in the war affected regions of Northern and Eastern Uganda. The project period is 12 years (1st July 2006- 30th June 2017) and aims at improvement of water supply and sanitation facilities in the Internally Displaced People's (IDP) Camps through provision of motorized water supply systems.

The main objective of the project is "to create and establish an efficient mechanism for sustainable environmental and natural resources management at the national, district and community levels".

Specific Project Objectives

- Increased access to piped safe water and contribute to improved livelihood of the displaced persons by hiring them to undertake unskilled and semi-skilled jobs
- Contribute to improved health through sanitation and hygiene promotion based on mass campaign approaches.
- Contribute to capacity building efforts in operation and maintenance (O&M) among districts and sub-district level staff, administrators, leaders Community Based Organizations (CBOs), and Civil Society.

Planned outputs by end of FY 2013/14

The planned outputs were; 30% completion of Nyarwodho GFS, 95% completion of Wadelai,and Singila piped water systems in the Alwi dry corridor,and Jjeza- Muduuma, completion of Phase 1 Kahama Gravity Flow Scheme in Ntungamo district. Complete detailed engineering designs for Large Gravity Flow Schemes and piped water supply in water stressed areas of Ngoma-Wachato (Nakaseke), Rwebisengo- Kanara (Ntoroko), Lwamata-Kiboga and Bwambala-Bugangari (Rukungiri),

Other works included; setting up management structures for Alwi, Kabumba and Kahama piped water systems, conducting sanitation promotion and hygiene improvement campaigns in Alwi dry Corridor, Kahama and Kabumba piped water systems, collect baseline information for rainwater harvesting in Moyo, Kyankwanzi and Kiboga and support the Appropriate Technology Center in Mukono.Promotion of appropriate technologies like iron removal plants and rain water harvesting,.

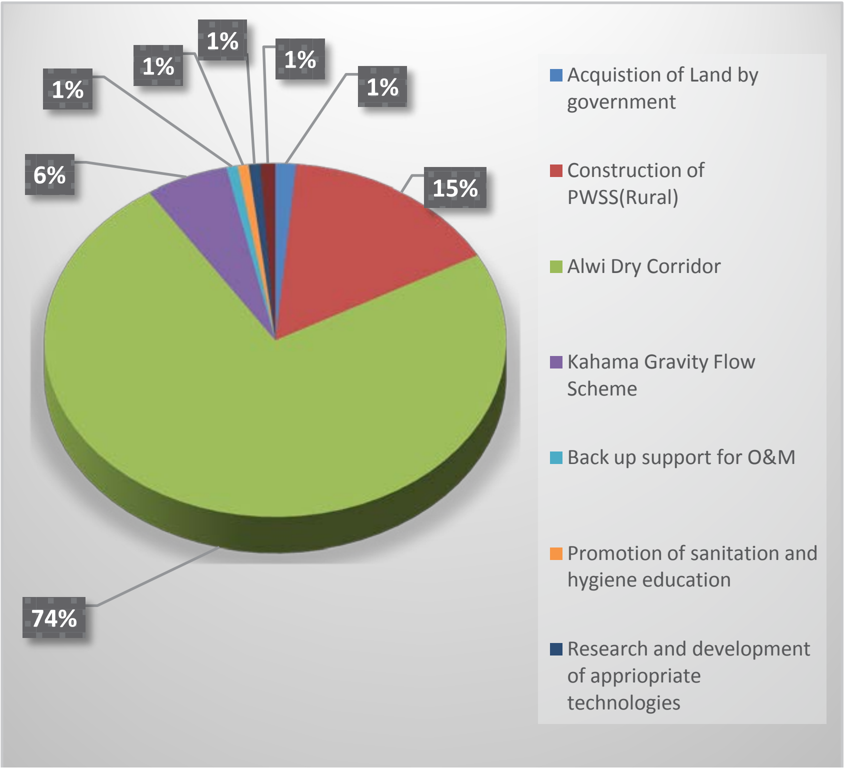
The FY 2013/14 annual monitoring focused on construction of the Alwi Dry Corridor water and sanitation scheme in Nebbi district, and extension of Jjeza-Muduuma piped scheme in Mpigi district.

Findings

Financial Performance

The approved annual budget for FY 2013/14 was Ug shs 10.983 billion, of which Ug shs 10.269 billion (94%) was released and Ug shs 10.262 billion (99%) expended. The release performance and absorptive capacity of funds was excellent. The allocative efficiency of the funds is shown in the figure 11.1

Figure 11.1: Allocative efficiency for project 0158



Source: IFMS

Physical Performance

A. Alwi Dry Corridor Water and Sanitation Project

Background

The project is located in the Nebbi district. This was designed to serve water stressed sub-counties whose ground water potential for other technologies like boreholes is low. The sub-counties to be served are; Akwaro, Erussi, Kuchwiny, Nyaravur, Packwach, Panyango, Panyimur, Parombo, Wadelai, and selected scattered settlements. The population to be served is estimated at 70% of the 337,400 in Nebbi district.

In the FY 2013/14, the approved budget of the project was Ug shs 8 billion, the release was Ug shs 7.65 billion and all was spent. The contract for supervision of the project was awarded to M/s Alliance Consults in association with Infra Consult. The contract sum was Ug shs 0.95 billion out of which Ug shs 0.568 billion (60%) was paid by the end of the FY 2013/14.

The water schemes designed and under construction were: Singila Water and Sanitation System, Wadelai Water and Sanitation System, and Nyarwodho Water and Sanitation Scheme.

(i) Construction of Singila Water and Sanitation Scheme

The contract for construction works was awarded to M/s Ambitious Construction Company Limited on 13th May 2013 for duration of 12 months until 31st May 2014. The defects liability period was 12 months to 30th May 2015.

The scope of works involved: Laying transmission and distribution main service lines; construction of a pump house, guard/attendant houses, water office, and eco-san demonstration toilets, service connections; installing a submersible pump, a total of 140 solar panels, 12V battery bank, 15KVA diesel generator, and a 130m 3pressed steel tank.

Findings

Financial Performance

The contract sum was Ug shs 2,566,614,643 out of which Ug shs 2.092 billion (82%) was paid by 9th July 2014. The Table 11.3 gives the detailed financial performance of Singila water and sanitation scheme.

Table 11.3: Financial Performance of Singila Water and Sanitation Scheme by 9th July 2014 in Ug shs

Payment type	Contract Amount	Percentage of contract Price Certified	Amount Paid	Cumulative Amount Certified to Date	Balance to be certified
Advance Payment *(recovered under certificates)*	2,566,614,643	20%	398,176,628	0	2,566,614,643
Certificate 1	2,566,614,643	24%	621,783,372	621,783,372	1,944,831,271
Certificate 2	2,566,614,643	33%	228,761,768	850,545,340	1,716,069,303
Certificate 3	2,566,614,643		843,278,232		843,278,232
Total payments					***Ug shs 2.092(billion)***

Source: MWE Accounts

Physical Performance

By July 2014, 100% completion of the planned outputs had been achieved. The construction works were finished in April 2014 a month before the expected completion date. The technical commissioning of the scheme was scheduled to take place by 31st July 2014. Table 11.4 shows the detailed physical performance for Singila Water and Sanitation Schme by 9th July 2014.

Table 11.4: Physical Performance for Singila Water and Sanitation Scheme by 9th July 2014

Planned Outputs	Level of Achievement	Remarks
Transmission Mains and Distribution main.	100% completion of laying transmission, and distribution mains	The quality of the transmission and distribution lines laid was good. The specifications for the laid pipes were: 450m OD110-140mm uPVC; 5,000m of OD 63-90mm and 7,500m of OD 20-40mm HDPE lines. The distribution mains covered the areas of Pariem, Wan,Kadu,Situ, Ogal, Mutusa, Munywa, Kaal, Aboko,Jupukelo market, Agumu,Nyalo, and Adundo
Constructing a pump house • Installing 1No submersible pump with a head of 110m • Construction of guard house	100% completion of installation of two submersible pumps against the one planned, and the guard house	Two borehole pumps ($16m^3$/hr) were installed and fully functional. One was connected to the scheme for provision of water. Another was to act as a monitoring well for water levels and provision of samples for quality testing. The guard house was completed as well with a one-stance eco-san toilet. This was occupied by a guard for the scheme The quality of construction works was good.
Water office	100% completion of a well-furnished water office.	The completed works were of good quality. The office was furnished with furniture although was not yet occupied by the scheme attendant. This was constructed at Agumu in Singila RGC
Construction of a 2-stance Eco-san demonstration toilets	100% completion of an eco-san demonstration toilet, and two extra toilets were constructed	Three demonstration 2-stance Eco-sans were constructed at a water office, the source, and the school. The urinal bowels were well fixed. The eco-sans at the source and the school were already in use.
Installation of Solar Panels • 120 solar panels of capacity	100% installation of 120 solar panels of capacity 185W 12V on solar arrays	There were 120 solar panels capacity 185W 12V on solar arrays installed and fully functional. These were main source of energy to the scheme for provision of water.

185W 12V		
Construction of a generator house • Installation of 140nr 12V battery bank • Installation of a 15kVA diesel generator	100% completion of installation works for the 15kVA diesel generator	The scheme had installed 15kVA diesel generator as alternative source of power for the scheme. This was functional and well shielded from the rains in a generator house.
Reservoir Tank • Installation of a $131m^3$ pressed steel tank to a height of 15m	100% installation of the $131m^3$ reservoir storage tank to a height of 15m.	The steel reservoir tank was initially designed to be installed at Agumu primary school. The design changes in the distribution main led to its installation at the source. The steel reservoir storage tank was properly erected at a height of 15m.This properly shows when the tank is at full capacity and when empty.
Service Connections • 86 service connections including bulk meters, public stand posts, and service connections.	99% of planned connections were made for both households and institutions.	The household connections were completed. The water was flowing to both household and public stand posts throughout the day. The installed taps were in good conditions with no reports of vandalism.
Overall progress		**100% of works had been completed**

Source: MWE report and Field findings

Left to right: Installed solar panels, pump house, reservoir tank, and attendant's house. Completed water office block in Singila RGC in Nebbi district

(ii) **Construction of Wadelai Water and Sanitation Scheme**

The contract for construction works was awarded to M/s Palm Construction Limited on 1st June 2013 for duration of 12 months to 31st May 2014. The defects liability period for the scheme was 12months to 30th May 2015. An addendum was awarded for additional works to meet the high demand at no cost variations. The completion date was extended to 24th August 2014.

The original scope of works involved: Laying 4,250m OD 50-63mm mains and 6,750m of OD 20-40mm HDPE service lines; install 2 No submersible pump with a head of 150m, 224Nr 120W 12V solar panels, 66nr 200AH 12V battery bank, a 6kVA diesel generator and a l63m^3 pressed steel tank; constructing a pump, guard/ attendant houses, water office, eco-san demonstration toilets and water vending kiosks.

Additional works involved upgrading of the distribution system to include Pakwinyo Trading Centre, Ragem Prison, Ragem Upper and part of Mutir, borehole works, pumping main and the reservoir.

Findings

Financial Performance

The contract sum of the scheme was Ug shs 1, 990,883,142 out which Ug shs 1.002 billion (50.3%) had been paid by 9th July 2014. Table 11.5 gives the detailed financial performance for Wadelai piped water scheme.

Table 11.5: Financial Performance of Wadelai RGC water scheme by July 2014(Ug shs)

Payment type	Contract Amount	Percentage of contract Price Certified	Certified Amount	Cumulative Amount Certified to Date	Balance to be certified
Advance Payment *(recovered under certificates)*	1,990,883,142	20%	398,176,628	0	1,990,883,142
Certificate 1	1,990,883,142	24%	240,410,995	240,410,995	1,750,472,147
Certificate 2	1,990,883,142	33%	76,002,011	316,413,006	1,674,470,136
Certificate 3	1,990,883,142		269,717,100	586,130,106	1,404,753,036
Total paid to Contractor					**1.002 billion**

Source: MWE Accounts

Physical Performance

By 9th July 2014, progress of works was estimated at 72% compared to the annual planned target of 100% completion. The construction works for the scheme were still behind schedule due to procurement delays and design changes. The procurement of major components; the steel reservoir tank, solar panels and generator were on-going. Table 11.6 gives the detailed physical performance of Wadelai RGC water and sanitation scheme.

Table 11.6: Detailed Physical Performance of Wadelai Water and Sanitation Scheme by 9th July 2014

Annual Planned Outputs	Level of Achievement	Remarks
Transmission Mains • The supply and laying 4.2km transmission mains.	100% completion of laying of the transmission mains	The specifications for the laid pipes were: 4,250m OD 50-63mm mains. These were well laid and no reports pipe bursts of the laid pipes
Distribution Mains • The supply and laying of 147km of the distribution mains	100% completion of laying of the distribution mains	A total of 147km of 6,750m of OD 20-40mm HDPE service lines were laid. The distribution mains covered the areas of Pakwinyo Trading Centre, Ragem Prison, Ragem Upper and part of Mutir.
Constructing a pump house • Installing two submersible pump with a head of 150m	60% of construction works for two pump houses were completed.	The completed works were of good quality. pending works were; installation of the pump and fittings, plastering, support to the pump and electrical works.
Constructing guard/attendant houses	90% of planned works were completed.	The superstructure was completed. There were no cracks or defects on the completed works. The remaining works were; fixing of internal doors. The quality of construction works was good
Construction of the Water office • Roofing, plastering, painting, and doors installation works • Fencing and grass	90% completion of the water office. 30% completion of electrical installation works 80% completion of external	Piping, fencing around office block and construction of septic tank were completed. Internal/external paintings and finishes for water office were in progress. Pending works

planting • Construction of 2-stance Eco-san demonstration toilet	works and drainage works Works on a two-stance eco-san toilet was at 75%. Toilet was roofed and plastered	included paving and drainage works. Pending works on eco-san included painting and door fixing.
Installing of Solar Panels • 224 solar panels of capacity 120W 12V to be installed	The solar array construction was completed.	Request for approval of the alarm system to be installed at the solar site was sent to MWE. Pending works included installation of the solar panels and electrical works.
Generator House Installation of 65kVA diesel generator	No installations had taken place.	Procurement of the generator and battery bank was ongoing through Davis and Shirtliff Company.
Reservoir tank • Installation of a 130m^3 steel reservoir tank to a height of 12m	Foundation bases/studs for tank were in place. There were steel sections for the tank tower to be elevated to a height of 12m.	Procurement of the reservoir was in progress.
Service Connections • 100 private connections to be made	96% completion of connection.	A total of 96 household connection of 100 planned had been made to both household and public stand posts. The installed taps were in good conditions with no reports of vandalism
Construction of two Eco-san Toilets	75% completion of two eco-san toilets at the source were roofed and plastered	Pending works included painting and door fixing.
Overall progress (%)	**72% of works completed**	

Source: MWE and field findings

The software activities that were ongoing within the sub-county included formation and training of the water board, community mobilization and sensitization about benefits of the project, community roles and responsibilities in operation and maintenance of the scheme.


Left to right: Installed solar arrays for solar panels, a completed water office, guard house, and an eco-san toilet. Unconnected pipe from pump house to production well at Wadelai sub-county, Nebbi district


Left to right: constructed reservoir base for installation of a 130m^3 tank, materials for completing the chlorine dozing house at Wadelai sub-county, Nebbi district

Implementation Challenge

- Delayed procurement of materials like steel reservoir tank and other electro mechanical from China.
- Slow disbursement of resources to the contractor to enable early procurement of resources
- Design changes due to poor feasibility studies.

Recommendation

- The MFPED and MWE should release funds early enough to ensure services are delivered and works are completed within the contractual period.
- MWE should carryout comprehensive and proper feasibility studies to avoid design changes during implementation

(iii) Construction of Nyarwodho Gravity Flow Scheme (GFS)

The contract for construction works was awarded to M/s Vambeco Enterprises Limited on 13th May 2013 for duration of 24 months ending 3rd February 2016. The defects liability period for the works is 12 months after project end date. The source of the scheme is River Nyarwodho.

The scope of construction works involved; Intake Works, Raw Water Mains, Water Treatment Works, Transmission Mains, Oweko/Nyaravur, and Goti- Madi (Alwi) reservoir distribution systems, distribution Mains, customer Connections, office Block.

Financial Performance

The contract sum for construction was Ug shs 25, 717,827,680 out of which Ug shs 6.34billion (25%) was paid out by 9th July 2014. Table 11.7 gives the detailed financial performance for construction of .Nyarwodho Water and Sanitation Scheme

Table 11.7: Financial Performance of Nyarwodho Water and Sanitation Scheme by 9th July 2014(Ug shs)

Payment type	Contract Amount	Percentage of contract Price Certified	Certified Amount	Cumulative Amount Certified to Date	Balance to be certified
Advance Payment *(recovered under certificates)*	25,17,827,680	20%	5,143,565,536	0	25, 717,827,680
Certificate 1			1,197,000,000		1,197,000,000
Total Payments					***Ug shs 6.34 billion***

Source: MWE Accounts

Physical Performance

By 9th July 2014, progress of completed works was at estimated 15% compared to the annual planned target of 30%. The works were still behind schedule due to delays in land acquisition especially at the land near River Nyarwodho. Table 11.8 gives the detailed physical performance of Nyarwodho Gravity Flow Scheme.

Table 11.8: Physical Performance of Nyarwodho Gravity Flow Scheme by July 2014

Planned Outputs	Level of Achievement	Remarks
Intake works	Work progress for intake works was 40%	A gabion was installed at River Nyarwodho and re-enforcement of the collection chamber was done. The planned works at the source were still affected by land issues.
Raw water mains	50% completion of laying raw water mains.	2.8km of OD250 uPVC pipeline with DN250 steel pipes for sections out of 4.8 km pipelines had been laid.
Water treatment works • chemical office and laboratory house • Sedimentation tank • superintendent and servant's quarters	The sub-structure for the laboratory and chemical office was at 30% completion. Works for the sedimentation tank were at 2% foundation level. Works for the superintendent and servants quarters was at 30% superstructure level.	Civil works for the water treatment plant in Kei village were on-going. The sub-structure was finished and works were of good quality. Excavation works for the sedimentation tank were ongoing and involved coagulation and flocculation in baffled horizontal flow chamber.
Transmission Mains	Works had not yet started	A total of 32.3km of OD280 – OD110 uPVC treated water mains were to be laid with 2No. $10m^3$ break pressure tanks constructed to reduce pressure of water.
Distribution Mains	Works had not yet started	A total of 40.2km of primary distribution pipelines in OD40- OD90 HDPE, 15.2KM of OD110- OD 250 uPVC and 55.7km of secondary distribution were to be laid.
Water office	Civil works for two office sites were at 10% foundation level	The office blocks located at Alwi and Nyaravur sub-county were at foundation level. The completed works were of good quality.
Reservoir distribution systems • Installation of a $31m^3$,$158m^3$ and $222m^3$ pressed	Construction works had not yet started.	The reservoir tank will be installed at Oweko, Nyaravur and Goti- Madi
steel tank		
Customer connections	works had not yet started	No works had been started on this output
Overall progress		**15% of works had been completed**

Source: MWE and field findings

Left to right: Construction works of the attendant's house and chemical office and laboratory house at Nyaravur sub-county, Nebbi district

Implementation Challenges

- Delays in land compensation affected pipe laying of the transmission and distribution mains.
- Bad weather conditions. The rainy seasons affect transportation of construction materials to the site hence affecting the progress of works

Recommendation

- The MWE and local governments should budget early enough for land acquisition and compensation before the start of implementation to reduce on lags

B. Extension of Jjeza-Muduuma Piped Water and Sanitation Scheme, Mpigi District

The first phase (Phase I) of the water scheme served the communities of Muduuma trading centre. Due to an increasing population and overwhelming demand for adequate and safe water, the neighboring communities requested MWE for extension of water. The extension works (Phase II) was designed to serve the communities of Bulamu, Galabi, Nakyesanja and Muduuma HC that were not catered for in Phase I.

The contract for the extension works was awarded to M/s Summit Projekt Limited. The commencement date was 25th September 2013 for a period of six months up to 13th May 2014.

There were design changes for additional works on alternative water sources with higher yields with no cost implications on the contract sum. The completion date was revised to15th November 2014 with a defects liability period of 12 months. The changes were approved by the Solicitor General. The construction works were supervised by MWE engineers.

The scope of works involved: Extension of water up to Muduuma Integrated Farm in Nakyesanja village and Muduuma HC IV; construction of a booster station including installation of; pumps, a pressed steel storage tank with supports/tower, service and consumer lines; construction of Ventilated Improved Pit (VIP) latrines and supply of furniture for the water office.

Findings

Financial performance

The contract sum for the extension works was Ug Shs 691, 276,509 out of which Ug shs 440,248,002 (64%) had been paid. Table 11.9 shows the detailed financial performance of Extension works for Jjeza-Muduuma Water and Sanitation Scheme.

Table 11.9: Financial Performance of Jjeza-Muduuma Water and Sanitation Scheme by August 2014(Ug shs)

Contractor	Contract sum	Performance	Effected Payment
M/s Summit Projekt Ltd	691, 276,509	Advance	138,255,302
		Works	301,992,700
Total amount paid to contractor			**440,248,002**

Source: Rural Water Supply Department

Physical Performance

By July 2014, progress of works was at estimated 45% compared to the annual planned target of 95% completion works. Works were behind schedule due to the re-designing of the water system to increase the volume of water supplied in the project area. Table 11.10 gives the detailed physical performance Jjeza-Muduuma extension works by August 2014.

Table 11.10: Physical Performance of Jjeza-Muduuma extension works by August 2014

Planned Outputs	Level of Achievement	Remarks
Extension of water up to Muduuma farm in Nakyesanja village	Distribution line to Galaabi and Nakyesanja Model Farm in Muduuma was installed.	The laying of the distribution line was completed and were of good quality. The Pending works included; leakage testing of the distribution lines
Extension of water up to Muduuma HC IV	Designs had not yet been finalized	A total of 1.4 km transmission pipeline from the new production well to Muduuma HC was to be laid
Construction of a booster station including installation of pumps	Designs had not yet been finalized	Pump would be installed with all necessary electrical works
Installation of pressed steel storage tank with supports/ tower	Works had not yet started	Works will involve installing of the water reservoir at Muduuma HC
Installation of 30 service and consumer lines	83% of works have been completed.	Thirty service taps had been installed and water was delivered to 25 taps during pressure testing. The remaining five taps located near the sub-county were yet to get water supply. Unfortunately, the borehole yield was still not sufficient enough to meet the water demand.
Construction of VIP Toilets at Water Offices	VIP Toilets were completed.	The completed works were of good quality. Two-stance lined VIP toilets were constructed at Muduuma water offices. These were not yet in use.

Supply furniture to Water Office	Office furniture was delivered to water office.	Furniture supplied included; an office desk, four high back executive chairs with arm rests, four executive chairs, one filing cabinet, and one wooden shelf
Production Well (DWD 31194) at 5 m^3/hr	An additional (high yielding) water source to augment the current source in Jjeza was drilled.	A high yielding production well of capacity 5m/hr was drilled. This was a result of design changes after a low yielding production well was drilled. The site was provided by one of the community members.
Overall progress		**45% of works had been completed**

Source: MWE and field findings

An installed production well of capacity 5m3/hr after the design changes in Muduuma town, Mpigi district

Challenge

- Poor feasibility studies led to design changes hence leading to lags in project implementation.

Recommendation

- MWE should carryout good feasibility studies to reduce on the time lags during design changes.

Analysis *Link between financial and physical performance*

By August 2014, the overall average financial performance of monitored outputs (Alwi and Jjeza- Muduuma project) was 58.2% while overall average physical performance was 54% against the overall average planned progress of 86%. The physical performance was excellent while financial performance was below average.

Achievement of set targets

The set targets for FY2013/14 was achieved for completion of singila was achieved. However for water and sanitation schemes of; Wadeali, Nyarwodho and Jjeza-Muduuma were 72%, 25% and 45% against the planned target of 95% and 30% for Nyawodho.

Overall Challenges

- Delays in land acquisition affected the progress of construction works in the towns
- Poor feasibility studies conducted by MWE lead to design changes during the implementation.
- Delayed procurement of materials due to the slow disbursement of funds to the contractor lead to lags in implementation.

Conclusion

The primary objective of the project is to provide adequate and safe water to water stressed areas. In the FY2103/14, the objective was achieved through singila RGC water sanitation scheme that was completed a month before its end date. However, the water schemes of Wadelai, Nyarwodho and extension of Jjeza-Muduuma were not completed as planned.

Recommendations

The MWE and local governments should budget for early acquisition of land before the commencement of works.

The MWE should carryout comprehensive feasibility studies to reduce on the design changes during implementation

The MFPED and MWE should release funds on time to allow early procurement of materials by the contractors.

11.2.2 Project 0163: Support to Rural Water Supply and Sanitation (STRWSS)

Background

The MWE is mandated with the provision of guidance to the LGs, quality assurance, monitoring, regulation, and technical assistance. The responsibility for provision of RWSS services was decentralized to LGs. The STRWSS project implements the sector's role in decentralization provision of safe and adequate water to the rural population in Uganda. The project started on the 1st February 2002 and expected to be completed on the 1st February 2017. The total project cost is Ug shs 50.50 billion

The main objective of the project is

- To build capacity of LGs, Non-Government Organization (NGOs), humanitarian organization and CBOs for efficient and effective service delivery in the sector.

The planned Outputs for FY 2013/14 were; Up to 50% completion of Bududa-Nabweya and Lirima in Manafwa district,Construct Luanda/Rakai to 100% and commence construction of Bukwo (20%) ,Continue construction of Extension of Tororo- Manafwa , Ongino/Kumi and Kanyampanga to 100% ,Designs for large Gravity Flow Schemes in Mt. Elgon region, South and Midwest, West Nile, Central and Northern Uganda prepared),acquire land for project sites such as borehole sources/ pump houses, tanks towers and others applicable Rural Growth Centers (RGCs),

Other planned works were; Drilling and construction of production wells and boreholes in selected areas in response to emergencies, Up scaling and monitoring the domestic rain water harvesting, hygiene and sanitation promotion in Luanda, Kanyampanga, and Bukwo GFSs and point water sources under emergency drilling.

The annual monitoring for the project was focused on Outputs; (i) completion of Kanyampanga GFS in Kanungu district, and (ii) Ongino piped water system in Kumi district.

Financial Performance

The FY 2013/14 GoU approved annual budget was Ug shs 14.937 billion of which Ug shs 14.621 billion was released and Ug shs 14.614 billion (99%) spent.

The FY 2013/14 donor approved annual budget was Ug shs 3.560 billion of which Ug shs 11.80 billion (331%) was released and amount spent was Ug shs 5.427 billion (46%).

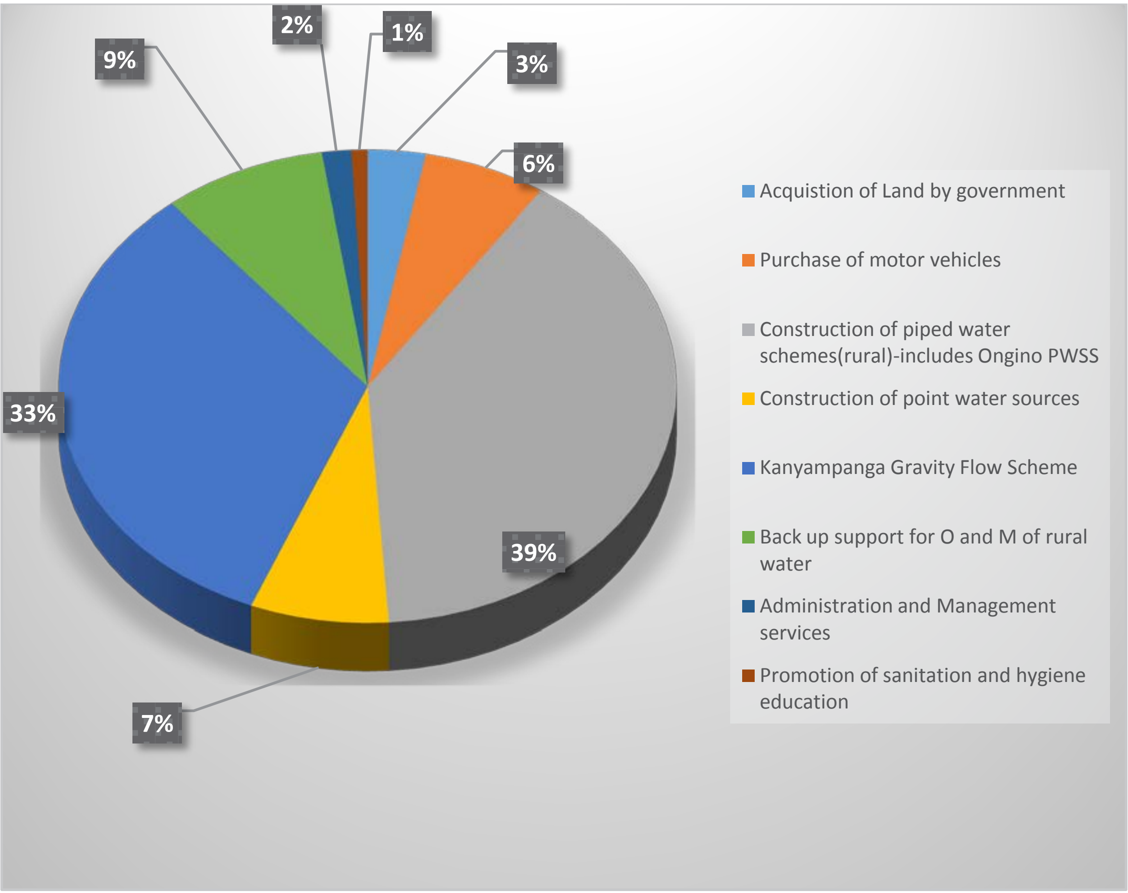
The annual monitoring for the project was focused on Outputs; completion of Kanyampanga GFS in Kanungu district, and Ongino piped water system in Kumi district.

Financial Performance

The FY 2013/14 GoU approved annual budget was Ug shs 14.937 billion of which Ug shs 14.621 billion was released and Ug shs 14.614 billion (99%) spent.

The FY 2013/14 donor approved annual budget was Ug shs 3.560 billion of which Ug shs 11.80 billion (331%) was released and amount spent was Ug shs 5.427 billion (46%). The figure 11.2 shows the expenditure prioritization of funds for the project 0163

Figure 11.2: Expenditure Prioritization of Project 0163 in FY 2013/14



Source: IFMS

Findings

i. **Construction of Kanyampanga Gravity Flow Scheme**

Background

The project is located in Kanungu district. This was designed to serve the water stressed areas of Kayonza, Kihihi, Kanyantorogo, Nyakikoni, Nyanga sub-counties and the peri-urban areas of Kihiihi Town Council. It draws water (15l/s yield) from three springs in Chumbugushu - Buchuragizi village in Kayonza sub-county and transfers it over 180km.

The contract for civil works was awarded to M/s Summit Projekt Ltd on 30th April, 2012 for the duration of 24 months. The expected completion date was 30th April, 2014 which was later revised to 31st October, 2014 with the approval of the Solicitor General. The extension was as a result of changes in the design.

The original contract was reviewed and the laying of the steel transmission mains was awarded to Kol Services Limited on the 28th February, 2014. The project site was handed over to the contractor on 15th March 2014 for a period of 10 months, up to 15th February, 2015.The supervision consultant for the construction works is M/s M&E Associates Limited.

The scope of works for construction comprised of; Source Protection, supply and laying of the distribution and transmission Mains, seven water reservoirs steel tanks capacity 70 m^3, and 120 m^3; water Collection points, and a water office.

Financial Performance

In the FY 2013/14, the approved budget for Kanyampanga was Ug shs 5 billion, the release was Ug shs 4.9 billion and all was spent.

The total contract sum for the project was Ug shs 17.81 billion out of which Ug shs 8,193,557,617 (46%) was paid by end of the FY. A total of Ug shs 119,000,000 was paid to Kanungu District Water office for implementation of software activities. Table 11.11 shows detailed financial performance for Kanyampanga GFS.

Table 11.11: Detailed Financial Performance of Construction of Kanyampanga GFS by 4th August 2014 (Ug shs)

Contract	Contract sum	Performance	
		Item	Payment
Construction Contract No.1: M/s Summit Projekt Ltd	Revised: 9,488,710,497	Advance Payment	3,358,598,964
		Executed Works	3,169,698,925
Sub-total			**6,528,297,889**
Construction Contract No.2: M/s KOL Services Ltd	8,326,298,640	Advance Payment	1,665,259,728
		Executed Works	0
Sub-total			**1,665,259,728**
Consultancy: M/s M & E Associates Ltd	530,000,000	Invoices	430,461,381
Advance to Kanungu District for Community mobilization, Support		Advance Payment	119,000,000
Supervision & Monitoring)			
Total Payment Made			**8,743,018,998**

Source: MWE/field findings

Physical Performance

By 4th August 2014, construction works for Kanyampanga GFS were on-going with an estimated overall progress of works at 80%. The expected completion of the scheme was scheduled for 31st November, 2014 and 75% of the time had elapsed. The steering committee formed to oversee the progress of works comprised of; chairman(Permanent secretary/MWE), Kanungu district executive committee, officials from MWE, and six members from the beneficiary sub-county Project Implementation Committee(PIC). The table 11.12 shows the physical performance of Kanyampanga GFS by 4th August 2014.

Table 11.12: Physical Performance for Kanyampanga GFS by 4th August 2014

Planned Outputs	Level of Achievement	Remarks
Contract 1: M/s Summit Projekt		
Source Protection • Protection of 3 spring sources, • Sedimentation tank, • fencing in chain-link on concrete posts, Compensation of land owners	Construction works were at 95%.	Three spring sources were protected (fencing in chain-link on concrete posts). Ongoing works included; landscaping and protection of two springs eyes to serve local communities Pending works include; construction of guard house, relocation and modification of 5 -stance pit latrines into eco-san toilets.
Secondary Transmission and distribution Mains:	Works were 85% complete.	254km and 164km of secondary transmission and distribution lines were laid and works on additional pipelines to serve water stressed areas were ongoing.
Construction of eight taps for the community around the source area.	Construction of taps stand for the community in Chumbugushu was completed	The communities were served with eight tap stands on 2.8km distribution line. This was because their previous sources of water were the protected springs. However, it was noted that one of the tap stands had been spoilt by

		community members leading to an overflow.
Construction of Water Reservoirs: • 7 No. steel tanks of sizes 70 m^3 and 120 m^3, Tanks to be erected on concrete bases • Compensation of landowners.	50% of construction works for the reservoir tanks was completed. 100% completion of land compensation to land owners	A distribution tank or a break pressure tank of capacity 120m3 at Hakitokye, a twin reservoir tank (each at 75m^3) at Nyamwegabira,70m^3 reservoir tank at army detach in Kashesha,80m^3 at Kabuga town, 75m^3 at Buganiro were being constructed on respective sites. M/s David Engineering Ltd was sub-contracted to carry out the construction works. Casting bases for all the seven planned reservoir tanks was on-going.
Water Collection points • Connection of 650 yard taps and household connections	Works were at 30% completion.	The 650 applications had been approved for household and yard connections. First consideration was given to households whose sanitation coverage had improved. A household needed to have a rack, latrine and a hand washing facility.
Water Office • Construction of the water office in Kihihi Town Council	Works were at 95% completion	The office was in good condition. It was roofed, plastered, painted and the doors/ windows installed, septic tank and plumbing fittings were also fitted.
Contract 2: M/s Kol Services Ltd		
Primary transmission steel pipeline • Supply and laying of 18.5 km DN200 PN40 Steel pipes; 5.5 km OD225 PN16 PVC Pipes; 8.6 km DN80 PN40 Steel pipes	Works for laying PVC pipes was at 82% whereas the DN pipes had not yet started.	4.5kms PVC pipes of the transmission line from the source to the main reservoir tank had been laid. However, the contractor recommended changes in the specifications of the planned steel pipes to Ductile pipes. There were no cost variations. Procurement of these pipes was underway from China.
Overall Progress (%)		**80% of the works were completed**
Time elapsed		**75% of the contract period**

Source: Field findings

The software activities were implemented by the district water office. These comprised of; Home Improvement Campaigns (HICs) with a target of 100% safe toilet coverage, monthly advocacy,and site meetings. Project Implementation Committee was formed with representative from each sub-county in the project area. These acted as a link between the community and the project, and ensuring good hygiene standards in selection of beneficiaries for a water connection.



Left to right: A well-protected spring in Chumbugushu, a water collection tank for the protected springs at the source and works on a spring eye protection for community use



Left to right: trenching works around the 2nd protected spring to control erosion, construction of a 170m^3/hr reservoir tank at Kanyantorogo, and a completed office block in Kihihi sub-county

Implementation Challenges

- Slow progress in approval of Designs. The consultant took more than two months to approve the changes in designs which affected the progress of works for implementation.
- Delayed payments to the contractor affected progress of works which affects implementation of activities
- Poor feasibility studies lead to frequent design changes to incorporate other areas causing lags in implementation.

Recommendations

- The MWE should carryout comprehensive feasibility studies to reduce on the design changes after commencement of works.
- The MWE and MFPED should make timely disbursement of funds to allow for early procurement of the necessary materials by the contractor.

ii. **Construction of Ongino Piped Water and Sanitation Scheme**

The project is located in Ongino sub-county, Kumi district. This was designed to serve the water stressed villages of; Oduka, Amuria, Atapara, Kanapa, and Morupeded. The Institutions to be served were; Ongino Health Centre III, Trading Centre, sub-county headquarters, and Atuitui primary school. The projected population to be served was estimated at 18,329 people with an estimated water demand of 172.7m^3/day in 2033.

The contract for construction works was awarded to M/s C&G Andijes Group Ltd on 1st October 2013 for a period of six months. The expected completion date was 31st March 2014 with a defects liability period of 12 months. However, there were design changes during implementation that led to change in scope of works. An addendum to extend the contract for a period of six months from 1st April to 31st September 2014 was approved by the Solicitor General.

The scope of construction works comprised of: laying 12.8km transmission and distribution mains 32-110mm HDPE pipeline, drilling borehole 18m^3/hr, pump and generator house, office block, two eco-san toilets, 50m^3 reservoir tank. The installation of 45kVA generator, submersible pump and 50 metered water connections to be made.

Financial Performance

The contract sum for the construction of Ongino piped water scheme was Ug Shs 966,202,369 (Exclusive of taxes) out of which an advance payment of Ug shs 192,240,474 (20%) was paid out by July 2014.

Physical Performance

By July 2014, the overall physical performance of the construction works for Ongino was 40% against the FY2013/14 planned target of 95% completion. The scheme was behind scheme due to delays in land acquisition for the sites. See table 11.13 for the detailed physical performance for Ongino piped water and sanitation Scheme

Table 11.13: Detailed Physical Performance for Ongino Piped Water Scheme by July 2014

Planned Outputs	Level of Achievement	Remarks
Construction of a pump house	No works had been started for the construction of the pump house	No works had commenced for this output
Construction of office block	Civil works for the office block had been 90% completed.	A superstructure for the water office block was completed. The pending works were; painting, and landscaping and electro installation works.
Construction of a generator house • Installation of a generator of capacity 45kVA	The generator house had not been constructed neither was the installation of the generator	The output had not commenced.
Construction of the Pump house • Installation of submersible pump	The construction works had not started yet	No works were started yet
Construction of two demonstration eco-san toilets	An Eco-san demonstration toilet was constructed at the water office block.	A superstructure for the eco-san toilet at the water office was completed. The pending works were plastering, painting, and other finishes works.
Laying 12.8km of 32-110mm HDPE transmission and distribution line	100% completion of supply	A total of 12.8kms of distribution mains had been laid. This was according to the specification of the pipes in the designs.
Construction of 50m^3 reservoir tank	Works were at foundation level.	The sub-structure for reservoir tank completed. Further works were halted pending land compensation for the site.
No. 50 metered water connections made	No connections had been made yet.	This output was not yet done
Overall progress (%)		**40% of the planned works**
Time elapsed		**66% of the contract duration**

Source: field findings

Implementation Challenges

- Delays in land acquisition. This affected implementation of works for the site of installation of the reservoir tank, pump house and production well.
- Poor feasibility studies led to frequent changes in the design after commencement of works leading to lags in the schedule.

Recommendations

- The MWE should effectively budget for land acquisition to avoid delays during implementation.
- The MWE should conduct proper feasibility studies to avoid design changes which distort implementation schedule.

Left to right: A constructed kiosk in Ongino town, a drilled production well, and a foundation for erecting of a reservoir tank

Analysis for Project 0163

Link between financial and physical performance

By August 2014, the overall average financial performance of monitored outputs Kanyampanga and Ongino was 45% while overall physical performance was 60% against the planned progress of 100%. This was a good performance for the physical works while the financial performance was below average.

Achievement of set targets

In the FY 2013/14, the set targets were completion of Kanyampanga GFS and Ongino pipe water scheme. By august 2014, Kanyampanga GFS was at 80% while Ongino was at 40%.

Overall Challenges

- Delayed payments to the contractor affected progress of works which affects implementation of activities
- Poor feasibility studies lead to frequent design changes to incorporate other areas causing lags in implementation.
- Delays in land acquisition affected the implementation of schedule of the contracted works

Conclusion

One of the golden performance indicators in the sector is increased access to safe, and adequate water. This was not achieved as the construction works for Kanyampanga and Ongino piped water scheme were rolled over to the FY 2013/14.

Recommendation

The MWE should carryout comprehensive feasibility studies to reduce on the design changes after commencement of works.

The MWE and MFPED should make timely disbursement of funds to allow for early procurement of the necessary materials by the contractor.

The MWE should effectively budget for land acquisition to avoid delays during implementation.

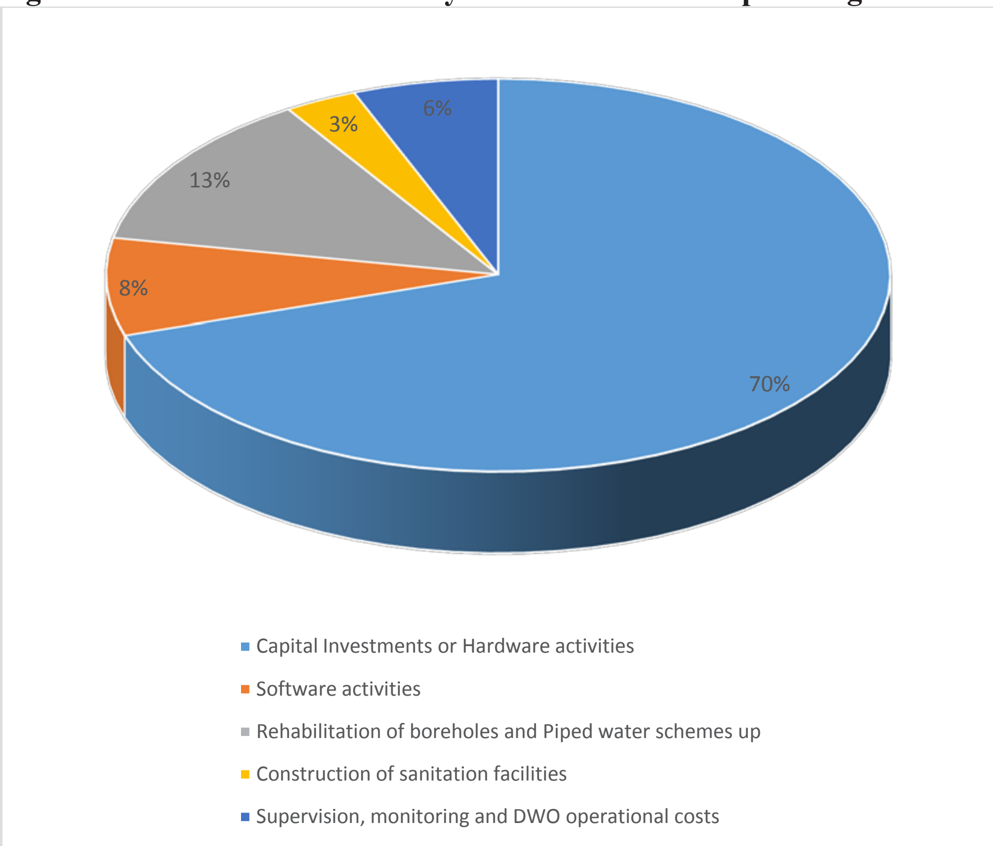
District Water and Sanitation Development Conditional Grant

Background

The Local Government Act (1997) empowers Local Governments to provide water and sanitation services. Every Financial Year, the District Water Office (DWO) receives the District Water and Sanitation Development Conditional Grant (DWSDCG) from Ministry of Finance Planning and Economic Development (MFPED) to construct new water and sanitation facilities, rehabilitate old water points, form and train Water User Committees (WUCs) etc, meant to improve health and livelihoods of the local population.

In the FY 2013/14, the total approved budget for the DWSDCG for all the local governments was Ug shs 62.372 billion and all was realized. The allocative efficiency of the grant as stipulated in the DWSDCG guidelines is shown in figure 11.3

Figure 11.3.: Allocative Efficiency of the DWSDCG as per the guidelines



The FY 2013/14 annual monitoring focused on a sample selection of Luwero, Mityana, Nebbi, Rakai, and Wakiso districts. These were selected to ascertain their level of utilization of the DWSDCG and whether the allocative efficiency in the guidelines was followed. The assessement was based on their ability to achieve key performance outputs stipulated in their annual work plans.

Findings

Financial Performance

There were no budget shortfalls for all the monitored districts. The release was 100% out of which 90% of the funds were expended by the end of the FY2013/14. This was an excellent release and absorption performance.

Out of the five monitored districts, the untimeliness of the funds was noted in Rakai district. The funds were received on the sector account on 23/08/2013, 1/11/2013, 4/02/2014 and 14/05/2014 for Q1, Q2, Q3 and Q4 respectively. This affected implementation of the activities in the subsequent quarters.

By the end of FY 2013/14, there was an unspent balance of Ug shs 34,598,179 on the Nebbi district sector account. The table 11.14 shows the detailed financial performance of the monitored districts by 30th June 2014.

Table 11.14: Detailed Financial Performance of the monitored districts by 30th June 2014(Ug shs)

District	Approved Estimates	Cumulative Releases (Q1-Q4)	% Releases	Expenditure	% Expenditure
Luwero	475,006,610	475,006,306	100	475,200,000	100
Mityana	461,565,319	461,565,319	100	461,565,316	100
Nebbi	508,414,875	508,141,438	100	473,816,821	93.2
Rakai	683,219,936	683,219,936	100	672,051,285	98.4
Wakiso	676,875,589	676,874,794	100	676,526,773	100

Source: IFMS and Q4 district progress reports FY 2013/14

Physical Performance

In the FY 2013/14, analysis of district physical performance based on selected output categories and annual planned activities. The Table 11.15 shows the detailed physical performance of the DWSDCG for the monitored districts by June 2014.

Table 11.15 Physical Performance of the DWSDCG by June 2014

District	Output Categories	Planned Activities	Annual Target	Achieved by end of FY 2013/14	Remarks
Luwero	**Stake holder coordination**	DWSCC meetings	4	4	District coordination meetings achieved as planned.
		Extension staff quarterly review meeting.	4	4	Excellent performance of 100% achieved.
	Software implementation (for sustainable sources)	Planning and advocacy meetings at district and sub-county	1	1	100% achievement for software activities. This is excellent performance.
		Establishment of WUCs	30	30	
		Training WUCs	30	30	
		Post construction support to WUCs	30	30	
		Baseline Survey for sanitation	1	1	
		World Water Day	1	1	
	Sanitation Hardware	Construction of public latrine	0	0	
	Water Supply (construction and rehabilitation)	Deep boreholes drilling (Hand pump)	6	6	Excellent performance at 100% achievement.
		Promoting domestic rainwater harvesting	2	2	Two RWHT planned and achieved 100% indicating good performance.
		Borehole rehabilitation	30	35	Over achievement at 116.7%. Excellent performance.
		Shallow well construction hand dug	10	10	Excellent performance at 100% achievement.
		Shallow well construction motorized drilled	15	11	Performance was good at 73%.
	Water Quality Surveillance	Water Quality testing (old sources)	200	200	100% water quality tests done. Excellent performance.

Mityana	**Stake holder coordination**	DWSCC meetings	4	4	Coordination meetings held as planned, indicating excellent performance at 100%.
	Office equipment for DWO	Procurement of container for spare parts storage	1	0	Funds allocated for this activity did not attract a supplier. Money was reallocated to buy spare parts for O&M that the community purchases directly from the district Headquarters. Community purchases directly from the district headquarters. This was a good decision made.
	Software implementation	Planning and advocacy meetings at district level	2	2	Two district advocacy meetings held as planned indicating excellent performance at 100%.
		Establishing and training WUCs	24	24	WUCs established and trained as planned. Excellent performance.
	Construction of Sanitation facilities	Construction of a pit lined latrine at Katiiko landing site in Busimbi S/C	1	1	Drainable VIP latrine constructed at Katiiko landing site.
	Water Supply facilities constructed	Medium spring protection	1	0	After verification the site was changed to a shallow well because the yield was too low.
		Shallow well construction-Hand dug	10	11	Ten shallow wells constructed plus the additional one that was changed from medium protected spring.
		Deep boreholes drilling	7	7	Seven new deep boreholes drilled as planned. Excellent performance.
		Promoting domestic rainwater harvesting	3	3	$10m^3$ plastic tanks installed at Kibogo, Kibale and Kitemu villages.
	Rehabilitation of Water facilities	Borehole rehabilitation	31	31	Boreholes rehabilitated as planned indicating 100% achievement. This is excellent performance.

District	Output Categories	Planned Activities	Annual Target	Achieved by end of FY 2013/14	Remarks
	Water Quality Surveillance	Water Quality testing (new sources)	30	30	Water Quality tests achieved as planned. Water found safe for human consumption.
Nebbi	**Stake holder coordination**	DWSCC meetings	4	2	The district conducted 2 meetings achieving an average performance of 50%.
		Extension staff quarterly review meeting.	4	4	Quarterly review meetings achieved as planned.
	Software implementation (for sustainable sources)	Planning and advocacy meetings at district and sub-county	1	1	Software implementation activities were achieved 100% indicating excellent performance.
		Training WUCs	20	20	
		Post construction support to WUCs	20	20	
		Drama shows	2	2	
		Baseline survey for sanitation	2	2	
		World Water Day	1	1	
	Sanitation Hardware	Construction of public latrine	1	1	A three stance VIP latrine built at Oweko catholic church in Ndhew sub-county.
	Water Supply (construction and rehabilitation)	Deep boreholes drilling (Hand pump)	9	9	All deep boreholes planned were drilled achieving 100% excellent performance.
		Promoting domestic rainwater harvesting	1	1	A household Rain Water Harvesting Tank (RWHT) constructed at Puyung East village in Alwi sub-county.

District	Output Categories	Planned Activities	Annual Target	Achieved by end of FY 2013/14	Remarks
		Borehole rehabilitation	9	9	All boreholes rehabilitated as planned.
		Borehole de-silting	2	1	Only one borehole in Olagoanyola village was de-silted because the truck failed to reach the second borehole site at Pundiek due to poor access. The money meant for the second borehole has been rolled over to FY 2014/15 when the second borehole will be de-silted.
	Water Quality Surveillance	Water Quality testing (new sources)	20	20	The district planned to carry out water quality tests for both new and old sources as indicated. Test results revealed all water points tested were suitable for human consumption. 100% achieved.
		Water Quality testing (old sources)	40	40	
Rakai	**Stake holder coordination**	DWSCC meetings	4	4	The annual targets for these activities were achieved 100% as planned.
		Extension staff quarterly review meeting	4	4	
	Software implementation	Planning and advocacy meetings at district (part of software)	2	2	Meetings were held, representing 100% achievement.
		Establishing WUCs	10	10	10 WUCs were established and trained in Kyampagi, Nninzi, Nsolobo, Kiwaguzi B, Bukira, Nvubu, Kirembwe A, Kirembwe B,
		Training WUC, on O&M, Gender, Participatory	10	10	

District	Output Categories	Planned Activities	Annual Target	Achieved by end of FY 2013/14	Remarks
		Planning.			Manyama, and Ggamba Villages. The district achieved 100% implementation as planned.
		Post construction support to WUCs	20	20	Activity was achieved 100% as planned.
	Construction of Sanitation facilities	Construction of public latrines in RGCs	1	1	A Six stance water borne public latrine was constructed in Kasasa sub-county, Sanje Trading Center achieving 100% as planned.
	Water Supply facilities constructed	Shallow well construction Hand dug.	1	0	Replaced with protected spring
		Extra-large spring protection;	1	2	200% achieved. Hand dug well changed to protected spring.
		Deep boreholes drilling;	6	6	100% achieved.
		RWHT	112	113	All achieved 100.9%.
	Rehabilitation of Water facilities	Borehole rehabilitation	25	25	Achieved as planned.
	Water Quality Surveillance	Water Quality Testing (new sources)	10	10	Water quality tests carried out as planned for new sources.
Wakiso	**Stake holder coordination**	DWSCC meetings	4	4	All meetings were achieved 100% as planned by the end of the financial year.
		Extension staff quarterly review meeting	4	4	
	Software	Planning and advocacy	13	13	Advocacy meeting at district and sub-county

District	Output Categories	Planned Activities	Annual Target	Achieved by end of FY 2013/14	Remarks
	implementation	meetings at district and sub-county			level achieved as planned to create awareness on water sector activities. 100% achieved.
		Establishing Water User Committees	54	54	The district reported establishing and training 54 WUCs for the major purpose of ensuring the sustainability of water sources, as they carry out O&M activities. 100% achieved as planned.
		Training WUCs on O&M Gender, Participatory planning and monitoring	54	54	
		Post construction support to WUCs	40	40	WUCs received support as planned.
		World Water Day celebrations	1	1	Celebrated at the district headquarters.
	Water Supply facilities	Medium spring protection	2	2	Springs protected in Kikajjo and Mirimu Villages, Makindye sub-county.
		Shallow well construction-Hand dug	34	37	Achieved 109%. Extra three wells constructed using retention money.
		Shallow well construction – Motorized drilled	11	11	Constructed in Gombe (5), Masulita (3) and Kakiri (3) sub-counties 100% achievement.
		Deep boreholes drilling	5	5	Boreholes drilled as planned.
	Rehabilitation of Water facilities	Borehole rehabilitation	9	9	Boreholes rehabilitated in Nangabo, Gombe, Busukuma, Namayumba, Kakiri, Wakiso, Katabi sub-counties.
	Water Quality Surveillance	Water Quality testing (new sources)	54	54	A total of 365 covering both new and old water sources as shown tested for water quality.
		Water Quality testing (old sources)	311	311	

Source: District Q4 progress reports FY 2013/14

Contribution of the constructed facilities to sanitation and safe water coverage

i. Sanitation Improvement

The districts of Mityana, Nebbi and Rakai planned and constructed sanitation hardware (public toilets) representing 60% of districts monitored; while Luwero and Wakiso districts did not plan for any sanitation hardware. This is considered good performance towards improved sanitation.

ii. Improved Access to Safe Water

All districts monitored had planned for various hardware components including deep boreholes, shallow wells, RWHTs and protected springs depending on the viable technology option in each respective district and a total of 56,333 extra persons had access to safe water supply by June 2014. The table 11.16 shows the DWSDCG's contribution to safe water coverage by end of FY 2013/14.

Table 11.16: The DWSDCG's Contribution to Safe Water by end of FY 2013/14

District	**Technology Option Constructed**				**Extra people accessing safe water**
	Rain Water Harvesting tank (RWHTs) $10m^3$	Protected Spring	Deep and Shallow wells (Hand Pump)	Rehabilitated boreholes	
Luwero	2	0	12	35	14,114
Mityana	3	0	18	31	14,721
Nebbi	1	0	9	10	5,707
Rakai	113	1	6	0	2,791
Wakiso	0	2	53	9	19,000
				Total	**56,333**

Guidelines on access to rural water supplies in Uganda indicate;
- Hand pump serves 300 persons
- Protected spring serves 200 persons
- RWHT of capacity greater than 6,000 liters serves seven persons (average of persons per household in Uganda).

Source: Field findings and Q4 district performance reports

Left to right; an abandoned and non-functional borehole in Wakiso district, a newly constracted $6m^3$ Rainwater harvesting tank in Rakai district and a functional borehole in Nebbi district

Challenges faced during implementation of the DWSDCG

- Low community participation in water and sanitation especially on the WUCs due to its voluntary nature
- Low ground potential for shallow wells in Luweero district due to underlying bed rock in Katugo and Mayangayanga sub-counties.
- Lack of spare parts outlets in some regions like Rakai and Luweero. This affects the operation and maintenance and functionality of the installed facilities.
- Low staffing levels in the water office to adequately implement the planned activities in the district. The mostly affected were the districts of Rakai,and Mityana

Recommendations

The MWE should carry on with sensitization of communities to engage in activities of water user communities as it enhances ownership of facilities.

The districts should prioritise allocation of funds to the appriopriate technologies like deep boreholes and ranwater harvesting.

District Hygiene and Sanitation Conditional Grant

Background

The District Hygiene and Sanitation Conditional Grant (DHSCG) is released quarterly to district local governments to enable them carry out planned hygiene and sanitation promotion activities. Districts utilize this grant with guidance from strategic and operational documents which include: The Improved Sanitation and Hygiene Strategy (ISH), 2006; Sanitation Mobilization Steps (MWE/DWD, 2004); Planning Guidelines for Hygiene Promotion and Education (MoH/EHD, 2005). The planning guidelines emphasize improved hygiene and sanitation through Home Improvement Campaigns (HICs) or Community Led Total Sanitation (CLTS).

In addition to HICs and CLTS, districts use part of the DHSCG to implement Sanitation Week activities. The Sanitation Week is a global event commemorated annually. In Uganda, the Sanitation Week is celebrated every year from 15th to 21st March. The national theme for the Sanitation Week in FY 2013/2014 was **"Open Defecation is a Shame, use Latrine".**

The Hygiene and Sanitation grant for the districts of Luwero, Mityana, Nebbi, Rakai and Wakiso were monitored in July 2014.

Findings

a) Financial Performance

The annual Approved Budget for each of the monitored district was Ug shs 22,000,000. By 30th June 2014, these districts had realized all the funds and all was spent. The Table 11.17 shows the financial performance of the DSHCG by 30th June 2014.

Table 11.17: Detailed Financial Performance of DSHCG by 30th June 2014

District	Approved Budget (Ug shs)	Cumulative Releases (Q1-Q4) (Ug shs)	% Release	Expenditure	% Absorption
Luwero	22,000,000	22,000,000	100	22,000,000	100
Mityana	22,000,000	22,000,000	100	22,000,000	100
Nebbi	22,000,000	22,000,000	100	22,000,000	100
Rakai	22,000,000	22,000,000	100	22,000,000	100
Wakiso	22,000,000	22,000,000	100	22,000,000	100

Source: IFMS and Q4 Districts Performance Reports FY2013/14

b) Physical Performance

By the end of the FY 2013/14, two model sub-counties for implementation of hygiene and sanitation promotion activities selected in each district. The table 11.18 shows the detailed physical performance of the DHSDCG by 30th June 2014.

Table 11.18: Detailed physical performance of (DHSDCG) by 30th June 2014

District	Output Categories	Hygiene and Sanitation (H&S) promotion Activities Implemented	Achievements/Results
Luwero	CLTS	The following hygiene and sanitation activities were done in Bamunanika and Butuntumula sub-counties. • Triggering; A total of 22 villages were triggered. • Follow up in the triggered villages to establish the level of impact. • Dialogue meetings. • Household visits. • Training of VHTs.	Latrine coverage rose from 24.9% to 96.6% and 26.6% to 96.9% in Bamunanika and Butuntumula respectively. Six villages out of 22 were due for 'Open Defecation Free (ODF)' declaration.
		• Promotion of Hand Washing.	
	Sanitation week campaign	The following Sanitation week campaign activities were carried out in Kiteme Parish, Bamunanika sub-county. (i) Triggering (ii) Training VHTs on data collection. (iii) Household and School inspection (iv) Drama shows.	The district sanitation implementation team had inspected 1,069 households in Kiteme parish of which 1,064 (99.5%) had constructed latrines; at least 47% of the 1064 households had latrines that met the minimum standards. Only 0.5% households completely lacked latrines.
Mityana	CLTS	CLTS activities were implemented in a total of 14 villages in Kalangaalo and Banda sub-counties. The activities included: Triggering, baseline survey, mobilization and sensitization through radio programmes, household follow up, drama shows and reward of best sanitation adaptors.	Latrine coverage improved from 62% to 81% in the two sub-counties; utilization of hand washing facilities rose from 36% to 40%; and at least 40 extension staff were trained on CLTS implementation techniques.
	Sanitation week campaign	Sanitation week activities were implemented in 14 villages of Banda and Kalangaalo sub-counties as above. Community mobilization and sensitization programmes were done through; - Radio tailored programmes. - Drama shows. - Inspection of households and schools. - Meetings with local leaders and VHTs. - Communal cleaning in public places. - Verification, selection and reward of best sanitation adaptors.	By the end of the sanitation week at least 118 new latrines were under construction. High political involvement and support towards sanitation week activities was observed.

Nebbi	CLTS	The following activities were conducted in Kucwiny and Panyango sub-counties in a total of 30 villages: - Community meetings with LCs & VHTs - Triggering - Follow up visits - Open Defication Free (ODF) verification - Recognition and reward of best sanitation adopters.	16 out of 30 villages triggered were declared ODF In Panayngo sub-county overall latrine coverage improved from 65% to 74% and use of Hand Washing Facility improved from 20.4% to 26.4% In Kucwiny sub-county overall latrine coverage improved from 52% to 69%
	Sanitation week campaign	The following hygiene and sanitation improvement activities were conducted during the sanitation week in Panyango and Kucwiny sub-counties; Household inspections, demonstration of hand washing, drama shows and radio talk show on radio Maria.	Improved hygiene and sanitation practices such as sweeping of compounds, use of drying racks, hand washing after latrine visit and construction of new latrines were observed.
Rakai	CLTS	Activities done were: Community leaders training on CLTS, triggering, data collection and follow up visits in Kakuuto sub-county.	By June 2014 eight toilets were fully constructed and 21 new toilets were under construction.
	Sanitation week campaign	The following community mobilization and sensitization activities were done in Kakuuto sub-county in Matenge, Samba and Kativu villages: - Household visits - Data collection - Reward of best sanitation adaptors.	Improved hygiene and sanitation practices such as construction of new toilets, use of drying racks and hand washing after latrine use were observed.
Wakiso	CLTS	Planned activities were not implemented because the DHI was reported sick during the financial year.	
	Sanitation week campaign	This activity was done in Namayumba sub-county. Home visits, Schools health inspection and health education, On spot cleaning of Namayumba town, Inspections of private health units, Checking Immunization status of children under five years old and Inspection of business premises were done.	The district did not report on their achievements.

Implementation Challenges by district

Luwero

- Households that had very elderly persons, minors and Persons with Disability (PWD) could not construct latrines on their own.
- Some youths engaged in mobile jobs like boda boda cyclists stubbornly refused to construct latrines.
- There was lack of adequate transport during mobilization.

Mityana

- The planting season interfered with implementation as most members could not be found at home
- Lack of adequate transport for extension workers.
- There was poor attitude of community members towards improving sanitation.
- Inadequate funding for continuous regular follow up activities.

Nebbi

- In Kucwiny and Panayango sub-counties the nature of soils in some areas was sandy and water logged during rainy seasons. This led to collapsing of the latrine.
- There was inadequate transport during implementation and the Health Assistants (HA) resorted to hiring motorcycles which became too expensive.
- The planting season affected activity implementation as community members would not be found at home.

Rakai

- Toilet constructions were affected by high water tables.
- Community members were reluctant to construct, use and maintain sanitation facilities.
- Communities were hesitant to respond to questionnaires during data collection.
- Natural calamities like funerals affected scheduled meetings.

Wakiso

- A reluctance to improve sanitation was observed among community members.

Recommendations

In Luwero, the district local government should endeavor to mobilize funds to construct latrines at households of special interest groups for instance the elderly persons.

The district implementing authority should invoke existing policies and bylaws to penalize stubborn youths who do not want to build latrines.

In Rakai and Nebbi, other technology options like the eco-san toilet should be constructed in areas with high water table and sandy soils.

All stakeholders including political leaders should always engage in sensitization campaigns for hygiene and sanitation improvement.

Analysis

Link between financial and physical performance

By June 2014, the overall average financial performance was 90% and the overall average physical performance 98%.This was an excellent performance for all the monitored districts.

Achievement of set targets

The major performance targets for the DWSDCG and the DHSDCG were achieved. Construction of hardware components in all districts monitored was excellent, though in Nebbi district one borehole in Pundiek sub-county was not de-silted due to poor access. The software implementation for all the districts was achievement though in some cases the WUCs were not functional. Wakiso district did not implement some activities for the DHSDCG because the DHI was sick for a long period during the FY.

Overall Challenges

- Low community participation in water and sanitation especially on the WUCs due to its voluntary nature.
- Lack of spare parts outlets in some regions like Rakai and Luweero. This affects the operation and maintenance and functionality of the installed facilities.

- Low staffing levels in the water office to adequately implement the planned activities in the district. The mostly affected were the districts of Rakai,and Mityana.
- The vulnerable like very elderly persons, minors and Persons with Disability (PWD) could not construct latrines on their own.
- Poor attitude of some community members like the youth towards sanitation activities

Conclusion

The primary objective for the implementation of the DWSDCG is increased access to adequate and safe water, and hygienic services to the rural population. The overall average physical performance 98% for all the monitored districts while their overall financial performance was 90%.

Recommendations

The MWE should carry on with sensitization of communities to engage in activities of water user communities as it enhances ownership of facilities.

The districts should prioritise allocation of funds to the appriopriate technologies like deep boreholes and ranwater harvesting

The district local governments should prioritise construction of latrines at households of vulnerables.

The district local governments should invoke existing policies and bylaws to penalize stubborn youths who do not want to build latrines.

Vote Function 0902: Urban Water Supply and Sanitation (UWSS)

Background

The UWSS Vote Function (VF) contributes to the overall sector objective; 100% coverage of water supply and hygienic sanitation facilities, based on management responsibility and ownership by the users in the urban population by the year 2015.The mission statement for the UWSS is: "*Provision of sustainable water and sanitation services to the population and economic activities in the urban areas of Uganda*".

Specific Objectives

- Increase water supply service coverage for Small Towns (STs), and Rural Growth Centres (RGCs) in a pro-poor sensitive manner;
- Improve Operation and Maintenance (O&M) of urban piped water supply systems;
- Establish effective regulation of urban water supply and sanitation services;
- Improve Urban Sanitation and Hygiene Services. reference

The UWSS receives funding from both GoU and donors. The support is channeled through the different projects implemented both centrally, and its decentralized zonal structures. The centrally Managed projects include but not limited to: Lake Victoria Water and Sanitation Project (LVWATSAN), Energy for Rural Transformation (ERT), National Water and Sewerage Corporation. The decentralized structures are Water and Sanitation Development Facilities (Central, East, North, and South West)

Financial Performance

In the FY 2013/14, the UWSS approved budget was Ug shs 150.14 billion, of which 95% (Ug shs 143.06 billion) was released, and 83% (Ug shs 118.49 billion) was spent.

The focus of annual monitoring was on schemes under the following projects: Project 1192: Lake Victoria Water and Sanitation (LVWATSAN) Phase II; Project 1130: Water and Sanitation Development Facility – Central; Project 1075: Water and Sanitation Development Facility – East; Project 1074: Water and Sanitation Development Facility – North; Project 1283: Water and Sanitation Development Facility – South Western.

Findings

Project 1192: Lake Victoria Water and Sanitation (LVWATSAN) Phase II

Background

The LVWATSAN was commissioned by the East African Community (EAC) through Lake Victoria Basin Commission (LVBC) in FY 2008/2009. Investment studies were done for fifteen (15) secondary towns of the EAC: Uganda, Kenya, Tanzania, Rwanda and Burundi. In Uganda, the towns of Mayuge, Buwama, Kayabwe, Bukakata, and Ntungamo were considered for project implementation. The project start date was 1st July 2011 and the projected end date is 30th June 2018.

The project objectives are: (i) To improve the quality of lives of the people living in areas surrounding Lake Victoria through improved water supply, improved sanitation facilities and provision of hygiene education; (ii) To improve environmental sustainability of Lake Victoria by considerably reducing the pollution load entering the lake from poor sanitation of surrounding areas.

The project is funded by the Government of Uganda (GoU) and the African Development Bank (ADB) at an estimated total cost of Ug shs 50,572 million. The GoU contributes 14% (Ug shs 6,967 million) while the ADB contributes 86% (Ug shs 43,565 million) of the total cost.

Planned key outputs for FY 2013/14

- Construction of five piped water supply systems of Ntungamo, Buwama, Kayabwe, Bukakata and Mayuge; (complete Mayuge, commence Ntungamo, Buwama, Kayabwe, and Bukakata)
- Construction of sanitation facilities; five sludge treatment works constructed in the five towns.
- Construct 42 toilets in selected public places in the five towns; (10 in Ntungamo and 10 in Mayuge)

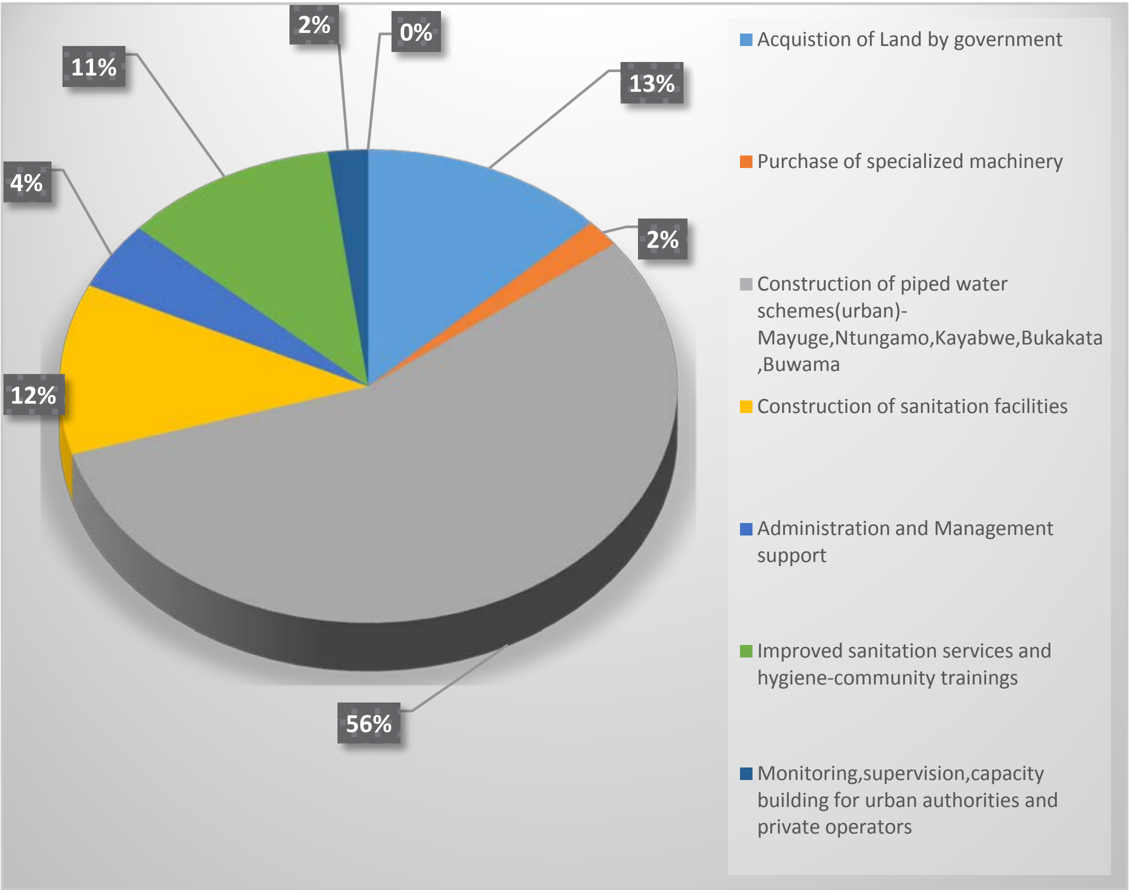
The annual monitoring focused on: i) Water supply schemes in Mayuge and Ntungamo; ii) Public and Institutional toilets in Mayuge and Ntungamo

Findings

Financial Performance

The GoU approved annual budget was Ug shs 0.35 billion of which Ug shs 0.35 billion was released and Ug shs 0.34 billion spent. The ADB approved annual budget was Ug shs 1.371 billion, of which Ug shs 3.452 billion was released and spent. The expenditure prioritisation of the GoU funds is reflected in figure 11.3

Figure 11.4 Expenditure Prioritisation of Project 1192, FY 2013/14



Source: IFMS

Field findings

i. Construction of Mayuge Town Piped Water Supply System

The water supply system was designed to provide safe and adequate water supply to the people of Mayuge Town for a period of 15years. The scheme is estimated to serve 12,232 people by 2015 and 26,802 people by 2030. The system shall be supplied with treated water from the Jinja-Iganga National Water and Sewerage Corporation (NWSC) water main pipeline.

The scope of works involved; supply and laying of transmission main, distribution main, installation of control fittings, pressure testing, and commissioning the water pipe networks; construction of booster station, water office, and five reservoir tanks; Seven bulk meters, 15 public stand posts, and 450 service connections.

The contract for construction works was awarded to Summit Projekt Limited on 15th July 2013 and the expected completion date was 15th July, 2014. The supervising consultants were M/s Fichtner Water and Transportation GmbH (FWT), and M&E Associates Ltd.

Financial performance

The total contract value of construction works was Ug shs 9,775,444,665 with contributions from the ADB and GoU as: Ug shs 7,734,331,819 (79%), and Ug shs 2,041,112,846 (21%). By 31st July 2014, the total value of interim certificates paid out to the contractor was Ug shs 6,057,439,059.79 (62%).

Physical Performance

By 31st July 2014, the overall physical performance was at 75% compared to the annual planned target of 100% completion of works. The contract time elapsed was at 91% which showed delays in construction works. The contractor was given additional time extension of 2.5 months up to 31st October 2014 to complete works. The detailed physical performance of Mayuge piped water scheme is shown in table 11.19.

Table 11.19: Detailed Physical performance for Mayuge Piped Water Scheme by 31st July 2014

Annual Planned Outputs/ Activities	Level of Achievement	Remarks
Transmission Mains: Supply and laying 17.12km of transmission main of assorted diameters and material types.	The contractor had laid 15.5km of transmission main.	Works were still ongoing. The pending works had been delayed due to changes in pipe types, from uPVC pipes to steel pipes to pass through a swampy area.
Distribution Mains: Supply and laying of 31.3km of the distribution main of assorted diameters.	The contractor had laid 33.6km of distribution main.	Pipe laying works were finished but the pipe interconnections were still pending.
Installation of control fittings:	Control fittings had not yet been installed.	Control fittings had not yet been procured.
Pressure testing: Testing for leakages in transmission and distribution mains	Pressure had not yet started.	The pressure testing equipment was not yet on site.
Booster Station: One booster station (floor area: $31m^2$) complete with two pumps each $245m^3/hr$ capacity at 110m head complete with one	The booster station superstructure, roofing, fixing of doors, and locks were finished. Installation of the two booster pumps and electromechanical works were pending.	Works for the booster station were behind schedule. It was reported that the contractor took a lot of time revising the drawings.
transformer.	The pumps had been ordered and were expected to arrive on site by 15thJuly 2014. Electricity supply installation works was ongoing.	
Water Office: $72m^2$ office floor area complete with associated site works and mechanical works.	Roofing, plastering and doors installation works were finished. Floor finishes were ongoing. Landscape works were pending.	The workmanship was good but the works were behind schedule

Reservoir Tanks: Supply and installation of five reservoir tanks of capacity 340m^3, 330 m^3, 100m^3, 70m^3, and 30m^3	All reservoir tank works were pending. The contractor had procured tank materials which were yet to be delivered to site.	Works were behind schedule
Installation of bulk meters	Works were pending	The bulk meters were yet to be procured.
Service Connections: Installation of Seven bulk meters, 15 public stand posts, 450 service connections.	Construction of ten (10) public stand posts was ongoing. Private consumer connection works were still pending.	The Town Council project team had submitted applications for connections to the consultant but payments for connection fees was awaiting approval from the consultant.
Overall progress	**75% of works had been completed**	**Overall works were behind schedule**
Time Elapsed		**91%**

Source: field findings/MWE progress report FY 2013/14


Left to Right: One of the solid waste disposal skip at Mayuge town council, on-going construction works at the water office, and extension of a 3-phase power to the pump house



Left to right:Connections awaiting preesure testing, a booster station house, and foundation Excavations for installation of the 40m^3 reservoir tank

Implementation Challenges

- Delayed and untimely payments by the contractor: The slow disbursement of funds to the contractor delayed procurement of materials from China.
- Delays in land acquisition affected the construction works of the planned outputs on the designed site.
- Delays in tax clearance by Uganda Revenue Authority (URA); The progress of works was affected by a delay in issuance of tax clearance for the procured materials.

Recommendations

- The MFPED and MWE should ensure timely disbursement of funds to enable procurement of materials on time.
- The MWE and Local governments budget for early acquisition to the reduce delays during implementation.

ii. Construction of Ntungamo Town Water Supply System

This system was designed to provide safe and adequate water supply to the people of Ntungamo municipality for a period of 15 years. It is estimated that the scheme shall serve a population of 16,396 people by 2015 and 25,126 people by 2030.

The contract for construction works were awarded to M/s Vidas Engineering Services Company Ltd on 6th February, 2014. Works commenced on 1st March 2014 and are expected to end on 28th February, 2015. The design and supervision consultancy was awarded to M/s Fichtner Water and Transportation GmbH (FWT) of Freiburg, Germany and M&E Associates Ltd of Kampala, Uganda.

The scope of works was: Supply and laying transmission main, distribution main network, and rehabilitation of existing reservoirs, and connection to the new pipe network. Construction of three borehole pump stations, three reservoir tanks, booster pump station, 20 public stand posts, and 200 service connections. Construction of Faecal sludge treatment plant with solid waste disposal facilities, construction of solid waste disposal skip sites, and storm water drainage.

Financial performance

The contract sum for construction of Ntungamo water supply system is Ug Shs 7,566,234,568 exclusive of VAT. The GoU contribution is Ug shs 1,272,640,654 (16.87%), and the ADB contribution is Ug shs 6,293,593,914 (83.18%) of the contract sum. By July 2014, the total disbursement to the contractor was Ug shs 2,071,765,967(60%) of the contract sum.

Physical performance

By 31st July 2014, the overall progress of works was at 10% against the annual planned target of 30%. The contract time elapsed was 33.3%. The implementation was behind schedule but works were on-going. The table 11.20 shows the detailed physical performance for Ntungamo piped water scheme by 31st July 2014.

Table 11.20: Detailed Physical performance for Ntungamo Piped Water System by 31st July 2014

Planned Outputs	Level of Achievement	Remarks
Transmission main: Supply and laying of 16.4km of transmission main.	1.9km of transmission main was laid	Works were still ongoing.
Distribution mains: Supply and laying of 32.3km of the distribution mains of assorted diameters	1.9km of the distribution network was laid	Works were still ongoing
Pump stations: Construction of three pump houses, including fencing and landscaping.	The superstructure and roofing works for three pump houses were finished. Fencing works were ongoing. Pending works included; plastering, pump electromechanical installations, and landscape works.	Works were still ongoing and the workmanship was good.
Reservoir Tanks: Construction and installation of three reservoir tanks of capacity 200m^3 (2-tanks) and 40m^3. Rehabilitation of reservoir tanks of capacity: 35m^3 and 45m^3	Site preparation works for the three new reservoir tanks were ongoing. Rehabilitation works for 45m^3 reservoir tank was complete.	The workmanship for the reservoir tank of 45m^3 was good. However, the tank foundation was under threat due to stone quarry activities on Nyaburare hill where the tank is located.
Booster station: Construction of one booster station in Kinoni	The superstructure and roofing works were complete, fencing works were ongoing. Plastering, landscaping, electromechanical works were pending.	The roofing and superstructure works were well constructed and the workmanship was good
Service connections: Construction of 20 public stand posts and 200 consumer connections	Works were still pending	Works were still pending
Construction of faecal sludge treatment plant with solid waste disposal facilities	Works were still pending	No works had been started
Construction of solid waste disposal skip sites	Works were still pending	
Construction of storm water drainage	Works were still pending	
Overall progress		**10% of works had been completed**
Time elapsed		**33.3% of the contract duration**

Source: field findings

Left to Right: A rehabilitated reservoir tank at Nyabubare, laying of the distribution lines, and Construction of a Kikoni booster station.

iii. Construction of Public and Institutional Toilets in Mayuge District

M/s ROJA Uganda Limited was awarded the contract for construction of public and institutional toilets in Mayuge Town Council on 15th July 2013 for a duration of six months.

Works commenced on 12th August 2013, and ended on 12th February, 2014. This intervention was undertaken to contribute towards improved hygiene and sanitation in selected schools, health centres, markets, trading centers and taxi parks.

The scope of works was to construct a total of 10 public and institutional toilets as follows: A 12-stance VIP toilet at the community centre, a 13-stance water borne toilet at the Town council Office, a three-stance water borne toilet at Mayuge HC III, a 13-stance water borne toilet at the Old Taxi Park, two six-stance VIP toilets each at Ikulwe P/S, Kyebando P/S and Mayuge P/S.

The monitoring team visited four of these toilets: the following toilets: A 13-stance water borne toilet at the Town council Office, a three-stance water borne toilet at Mayuge HC III, a 13-stance water borne toilet at the Old Taxi Park, and two six-stance VIP toilets at Ikulwe P/S.

Financial Performance

The contract value for construction works was Ug shs 977,907,667 (VAT Incl.). By 30th July 2014, Ug shs 911,055,888 (93%) was paid out. A total of Ug shs 66,851,779 (7%) was held as retention.

Physical Performance

By 31st July 2014, the public and institutional toilets in Mayuge were complete. The consultant was still monitoring the constructions for defects. There were no defects identified. All the VIP latrines were in use, but the water borne toilets were not operational, awaiting completion of the on-going construction of Mayuge water supply system. The table 11.21 shows the detailed physical performance of Mayuge public and institutional toilets by 31st July 2014.

Table 11.21: Detailed physical performance of Mayuge public and institutional toilets by 31st July 2014

Planned Outputs	Level of Achievement	Remarks
Construction of a 12-stance VIP toilet at the community centre	Two 6-stance VIP toilets were constructed at Bunya SS, separate for boys and girls.	Due to land wrangles at the community centre, the 12-stance VIP toilet was split in to two six-stance VIP toilets and constructed in Bunya SS.
Construction of a 13-stance water borne toilet at the town council office	Two toilets were constructed as follows: A six-stance water borne toilet at the town council office. A seven-stance VIP toilet at Katwe trading centre.	The 13-stance toilet was considered too big for the town council, thus it was split in to two.
Construction of a three-stance water borne toilet at Mayuge HCIII for the maternity ward.	A 3-stance water borne toilet was constructed at Mayuge HCIII	Works were completed but toilets were not in use pending completion of the water supply system in Mayuge town.
Construction of two six-stance VIP toilets at Ikulwe P/S	Two six-stance VIP toilets were constructed at Ikulwe P/S	Works were completed and toilets were in use.
Construction of two six-stance VIP toilets at Mayuge Town Council P/S	Two six-stance VIP toilets were constructed at Mayuge Town Council P/S	Works were completed and toilets were in use.
Construction of two six-stance VIP toilet at Kyebando P/S	Two 6-stance VIP toilets were constructed at Kyebando P/S	Works were completed and toilets were in use.
Construction of 13-stance toilet at Old Taxi Park	A 13-stance water borne toilet was constructed at the Old Taxi Park	Works were completed but toilets were not in use pending completion of the water supply system in Mayuge town.
Construction of a six-stance VIP toilet at Lugolole P/S	A six-stance VIP toilet was constructed at Lugolole P/S.	This was a compensation to the school for the land they provided to construct the booster station.
Overall progress (%)	**100% completion of works**	

Source: field findings

Left to right: A constructed toilet at a maternity ward at Mayuge Health Centre III, a water borne toilet at Mayuge Town Council, and at the taxi park

iv. Construction of Ntungamo Public and Institutional Toilets

The contract for construction of ten (10) public and institutional toilets in Ntungamo municipality was awarded to Vidas Engineering Services Limited on 15th July 2013 for a duration of six months. The construction commencement date was on 12th August 2013, and completion date was 12th February, 2014. The targeted areas for the intervention were; schools, health centres, markets, and taxi parks.

The scope of works was to construct 10 toilets as follows: Mato P/S (2), Lukindo P/S (2), Kinoni P/S (2), New Matooke market (1), Bus Park (1), Taxi Park (1), and Central Market (1)

Financial Performance

The contract sum was Ug shs 787,788,159 (VAT Incl.). By August 2014, three certificates valued at Ug shs 747,520,209 (95%) of the contract sum had been paid. A sum of Ug shs 40,267,950 (5%) of the contract sum was held as retention.

Physical Performance

A total of 11 toilets were completed by 30th June 2014. The toilets were located at; Mato P/S (2), Lukindo P/S (2), Kinoni P/S (2), New Matooke market (1), Bus Park (1), Taxi Park (1), Central Market (1) and Municipal Council Office (1).

Due to limited space at the Bus Park, Taxi Park and Central Market, the number of stances were reduced at all the three locations. The combined reduction was turned into a toilet and constructed at the Municipal council offices.

Analysis

Link between financial and physical performance

By 31st July 2014, the overall average physical performance for towns of Mayuge and Ntungamo was 71% and the overall average financial performance was 69%. This was good financial performance.

Achievement of set targets

In the FY 2013/14, overall physical performance on the completion of sanitation facilities in Mayuge and Ntungamo towns was achieved. However, the planned targets for the construction water works in Mayuge were at 75% against the 100% planned target and Ntungamo was at 10% against the planned 30% completion.

Overall Challenges

- Delayed and untimely payments to the contractor affect the procurement of materials
- Delays in land acquistion affect the scheduled time for implementation of the planned activities.

Conclusion

The main objective is the provision of adequate, safe water supply and sanitation services to the communities along the Lake Victoria basin. This was achieved under the sanitation component that was completed but implementation of water works were lagging behind.

Recommendations

The MFPED and MWE should ensure timely disbursement of funds to enable procurement of materials on time.

The MWE and Local governments budget for early acquisition to the reduce delays during implementation.

Water and Sanitation Development Facilities (WSDFs)

Background

The WSDFs were formed by MWE as a mechanism for funding water and sanitation investments in Small Towns (STs), Town Boards (TB) and Rural Growth Centres (RGCs) using a demand driven approach.

The WSDF was first piloted in south western region of Uganda in 1996, and based on the experience; it was up-scaled and rolled out to the Central, Northern and Eastern regions of the country. Currently, there are four regional branches with their headquarters in Mbarara, Wakiso, Lira, and Mbale districts.

The funding for the WSDFs has been managed under the Joint Partnership Fund (JPF): a basket fund under the Joint Water and Environment Sector Support Programme (JWESSP). This attracts counter-part funding from GoU and Development Partners; German financial Co-operation through KfW, European Union managed by Austrian Development Cooperation (ADC), and The African Development Bank (ADB)

The overall objective of WSDFs

- To improve the socio-economic situation and the opportunities for people living in the Small Towns (STs) and Rural Growth Centers (RGC's) through provision of safe, adequate, reliable, sustainable and accessible water supply and promotion improved hygiene and sanitation practices.

Specific objectives include but not limited to;

- Develop piped water supply systems in targeted STs and RGCs that are safe, adequate, reliable and accessible.
- Improve and promote general health, and hygienic conditions in the targeted STs and RGCs targeting 100% toilet coverage.
- Empower communities in the targeted STs and RGCs through a high degree of community engagement, and capacity building for Operation and Maintenance (O&M) of the installed facilities.
- Support O&M of existing water supply systems through rehabilitation and expansion of infrastructure to improve their functionality, and increase coverage.

Findings

Project 1130: Water and Sanitation Development Facility-Central (WSDF-C)

The WSDF-C was established in July 2010 to support implementation of piped water supply and sanitation infrastructure in STs and RGCs in the central region, with its offices in Wakiso district. The WSDF-C operates in 25 districts within the central and mid-western regions of Uganda. These are[90]; The projected end date is June 2016.

Specific Objectives of the WSDF-C

i) To improve the socio-economic conditions for people living in Small Towns (STs) and RGCs in the 25 districts through provision of safe, adequate, reliable and accessible water supply and promotion of sanitation facilities

ii) To improve general health conditions through the reduction of water borne diseases in the targeted STs and RGCs.

iii) To ensure cross-cutting issues of Gender, Environment, Good governance and HIV/AIDS are adequately addressed during project implementation.

Planned key project outputs for FY 2013/14 were; completion of piped water supply schemes; Ntwetwe,Nkoni, Zirobwe, and Bweyale, Start construction of seven piped water supply schemes; Kyamulibwa, Gombe, Nkoni, Kiganda, Kakumiro, Bugoigo, Kinogozi.**,**Rehabilitate three piped water supply systems; Bukomansimbi, Kasambya, and Buliisa ,Grid power extension for nine production wells for the schemes; Kasambya, Bukomansimbi, Kyamulibwa, Gombe, Nkoni, Kiganda, Kagadi, Kakumiro and Kinogozi,,Construction of sanitation facilities (70 eco-sans) in Kagadi, Kakumiro, Kiboga, Kiganda, Zigoti, Nkoni, Kyamulibwa, Gombe, Kanoni, Najjembe, Kinogozi, Kabembe, Nakirebe, Bugoyingo. Training eight water operators in O&M**,** Monitoring defects liability period for seven piped water supply schemes; Kasanje, Kako, Kakiri, Wakiso, Bweyale, Construction of 28 pubic sanitation facilities in public places including schools and markets. The annual monitoring focused on outputs for the schemes; Nkoni, Ntwetwe, Zirobwe and Kyamulibwa.

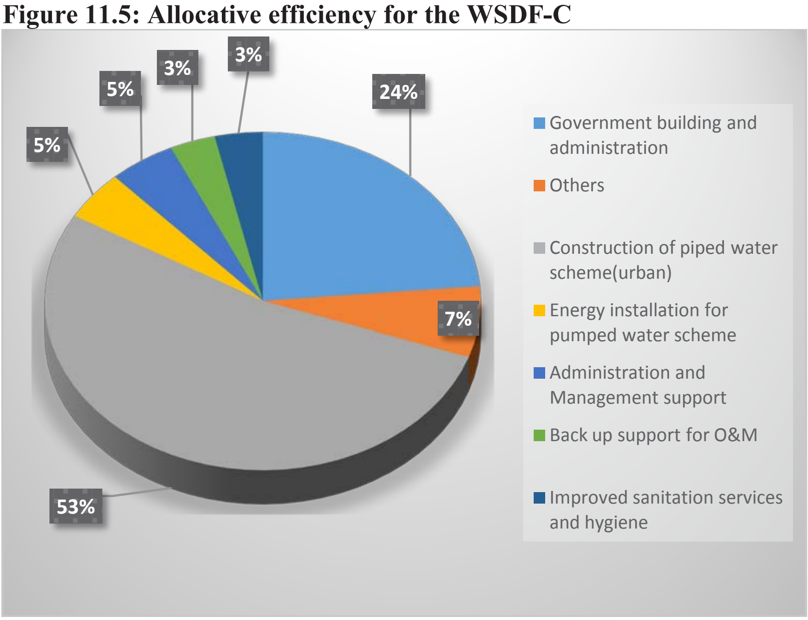
Findings

Financial Performance of the WSDF-C

The WSDF-C is funded by the African Development Bank (ADB) and 10% counterpart funding from the GoU. The funding is aligned to the financing agreements between GoU and the Development Partners.

During the FY 2013/14, the total approved annual budget for the WSDF-C was Ug shs 20,138 billion from both GoU and ADB. A total of Ug Shs 20,137,431,833(99%) was released and the total amount spent was Ug shs 27,466,571,445(136%). The over expenditure of Ug shs 9, 187,910,000 is a result of unpaid commitments made in FY 2012/13 that were honored in the FY 2013/14. They included; contractors' certificates, purchase of office equipment, and vehicles. The allocative efficiency is shown in the figure 11.4

Figure 11.5: Allocative efficiency for the WSDF-C



Source: IFMS

Field findings

i. **Construction of Nkoni Town Water Supply System**

Nkoni Town is located in Kkingo sub-county, Lwengo district. The Nkoni piped water supply system was designed to serve nine villages, with an estimated population of 4,690 people. The contract for construction works was awarded to M/s Stone Construction Ltd. The works commenced on 18th February, 2014 and the expected completion date is 17th October 2014 after a period of eight months.

The scope of construction works were; borehole drilling and pump station works, pump house and generator room, one-stance Eco-San toilet, installation of a borehole submersible pump, Supply and installation of a 35kVA generator.

Construction of a 120m^3 ground concrete tank**,** chemical house, Supply and installation of chemical dosing equipment. Supply and laying of transmission line OD 75 PN 16, 2.2km primary distribution mains (13km PN 10 sizes ranging from OD 90mm to OD 63mm), Supply and laying of secondary distribution PN 10 sizes ranging from OD 50mm to OD 20mm.

Financial Performance

The contract sum for the construction of Nkoni Town Water Supply Scheme was Ug shs 1,544,609,200. By 31st July 2014, the contractor had received an advance payment of Ug shs 463,382,760, and payment certificates 1, 2 and 3 of Ug shs (427,992,524; 404,200,975, and 171,002,253) respectively.

The total amount therefore paid to the contractor was Ug shs 1,466,578,512 reflecting 95% of the contract sum. The remaining 5% of the contract value was held as retention. The table 11.22 shows detailed financial performance for Nkoni town water supply scheme by 31st July 2014

Table 11.22: Detailed Financial Performance for Nkoni Town Water Supply Scheme by 31st July 2014(Ug shs)

Payment type	Contract Amount (UShs)	Percentage of contract Price Certified	Certified Amount (Ushs)	Cumulative Amount Certified to Date (Ushs)	Balance to be certified (Ushs)	Payment to Contractor
Advance Payment *(recovered under certificates)*	1,544,609,200	20%	463,382,760	0	1,544,609,200	463,382,760
Certificate 1	1,544,609,200	35%	534,990,655	534,990,655	1,009,618,545	427,992,524
Certificate 2	1,544,609,200	77%	653,857,200	1,188,847,855	355,761,345	404,200,975
Penultimate Certificate	1,544,609,200	88%	171,002,253	1,359,850,108	184,759,092	171,002,253
					Total paid to Contractor	1,466,578,512

Source: Field findings/WSDF- C Progress Report FY 2013/14

Physical Performance

By 31st July 2014, the scheme was fully completed and functional. The contractor was still at the site to address any defects that were identified on the system. The defects identified and were due for rectification were on the control valves in the pump house and on the reservoir tank.A scheme operator (Mr. Lukwago Rogers) was recruited to oversee the operations and maintenance of the scheme. The table 11.22 shows the detailed physical performance of Nkoni town water scheme by 31st July 2014.

Table 11.23: Detailed Physical performance for Nkoni town Water Supply System by 31st July 2014

Planned Output	Level of Achievement	Remarks
Pump station: Construction of the pump house, and installation of a borehole submersible pump.	100% completion of pump house construction fitted with all electromechanical controls. A submersible pump of capacity $8m^3$/hr was installed.	Leakage was identified at the pump control valves in the pump house.
Transmission mains: supply and laying of 2.2km transmission mains	The 2.2km of transmission main was supplied and laid.	By the time of monitoring, the transmission mains were already covered in the ground. There was no report of leakages.
Chemical house: Construction of chemical dosing house, including supply and installation of chemical dozing equipment	100% completion of chemical house with dozer trone chemical dozing equipment for treatment of water.	The dozer trone equipment was supplied and housed in the chemical house. The dozer trone was connected to the water supply system.
Reservoir tank: Construction of a $120m^3$ ground concrete reservoir tank Fencing around the tank, compound leveling and planting grass	100% completion of a concrete $120m^3$ reservoir tank. The fencing and planting of grass was done	Leakage was observed on the reservoir tank, at the point of connection between the tank and overflow pipe.
Distribution main: Supply and laying of 13km distribution main	13km of distribution main was laid	At the time of monitoring, all the pipes had been buried in the ground. No cases of leakages were reported.
Connections and Fittings 200 Private connections	All the 200 private connections and four public stand posts were made. The valve chamber, air release	The promotional connection fee for private connections was Ug shs 50,000. Both public and private connections were functional.

and four public stand posts Construction of valve chambers, air release valves, washouts and other pipe ancillaries	valves were constructed	Plans were underway for possible extension by the scheme operator.
Office block: Construction of an office block including supply of furniture.	A furnished office block was completed.	The office is to be used by the scheme operator for running the scheme on a daily basis. The water board would also use it for holding meetings related to O&M of the scheme
Eco-san toilet: Construction of a one-stance Eco-san toilet.	A one-stance eco-san toilet attached to a bath shelter at the pump station was constructed.	The eco-san had two squat holes, and two chambers. The toilet was being used by the security guard.
Construction of a Generator house including Installation of 35kVA generator	A generator house was constructed and a 35kVA generator was in place	By the time of monitoring, the generator was functional, housed in the generator house and well shielded from rainfall.
Software Activities		
Formation of the Water Board	A Water Board was formed to oversee the operation of the scheme attendant and other water related issues of the system. The board constituted of five members with two women holding key positions of Chairperson and Treasurer.	The water board seemed eager to take on their duties, but they were limited by lack of guidelines for their operations.
Training of Water Board on O&M issues	The Water Board was trained on the O&M issues.	By the time of monitoring, the latest training had been held in June 2014.
Overall progress	100% of works had been completed	

Source: Field finding/WSDF-C progress reports,FY 2013/114

Left to right: A constructed reservoir tank, a functional public stand post, pump control valves and electrical control units in the pump house

Challenge

- Lack of Management and performance contracts for the scheme operator and water board to guide the operations and maintenance of the scheme.

Recommendation

- The MWE should provide management and Performance contracts to the scheme operator and water board.

ii. Construction of Ntwetwe Town Water Supply

The project is located in Ntwetwe town in Kyankwanzi district. The contract for construction works was awarded to M/s Tegeka Enterprises. Ntwete Town piped water scheme on 1st April, 2013 being supervised by BEC Engineers (the consultants). The duration of contract was 10 months, and therefore the expected completion date was 1st March, 2014. The scheme was supplied by two production wells each of capacity 5m^3/hr with a targeted population at 10,030 people.

A second contract was awarded to the same contractor to extend water to the Ndibata community (3km from Ntwetwe town council). The duration of the contract was two months. The expected completion date was 1st May 2014.

The scope of works were; laying of distribution and transmission pipeline, erection of 100m^3, and 30m^3 steel water reservoir, construction of a booster pump, construction of three stance Eco-san toilet at the three borehole sources, 250 yard taps and six private connections;

Construction of an office block with a sanitary facility, a chemical dozing house, three pump control houses, three-phase power extension and installation of submersible pumps. Supply and installation of two generators.

Additional works for the second contract were: Laying of distribution pipe line, and construction of six public stand posts of Ndibata community.

Financial Performance

The original contract sum for the construction of Ntwetwe Town Water Supply and Sanitation system was Ug shs 2,220,845,135. An additional contract of Ug shs 274,318,402 was awarded for extension of Water to Ndibaata Community. Therefore the total new contract sum was Ug shs 2,495,163,537 of which Ug shs 2,359,211,671 (95%) had been paid to the contractor by August 2014. The 5% was held in retention, pending completion of the Defects Liability Period of 12 months. The table 11.23 shows the detailed financial performance of Ntwetwe town water supply scheme by 31st August 2014

Table 11.24: Financial Performance of Ntwetwe town water Supply Scheme by 31st July 2014(Ug shs)

Payment type	Contract Amount	Percentage of contract Price Certified	Cumulative Amount Certified to Date	Payment to Contractor
Advance Payment *(recovered under certificates)*	2,220,845,135	20%	444,169,027	444,169,027
Certificate 1	1,776,676,108		589,065,430	553,721,504
Certificate 2	1,776,676,108		1,022,333,261	468,331,756
Certificate 3	1,776,676,108		1,382,196,584	360,143,322
Certificate 4	1,776,676,108		1,497,556,271	115,359,687
Certificate 5	1,776,676,108			417,486,375
Amount paid to-date				**2,359,211,671**

Source: WSDF-C and field findings

Physical Performance

By 31st July 2014, the overall physical performance of the scheme was completed were 100%. The piped water scheme was still in the defects liability period, to end on 1st March 2015. A private operator, Power Technical Services had been recruited to manage the O&M, and extensions of water to other communities. The table11.23 shows the physical performance in terms of level of achievement of Ntwetwe piped water supply system.

Table 11.25: Physical performance of Ntwetwe Town Water Supply and Sanitation Scheme by 31st July 2014

Planned Output	Achievement	Remarks
Pump stations: Construction of two pump houses Installation of two borehole submersible pumps, each of $5m^3$/hr Three phase power extension to two pump houses	100% completion of two pump houses. Two borehole submersible pumps each of capacity $5m^3$/hr installed. A three phase power extension made at each pump house.	All works for the pump station were completed as planned. The pump stations were properly fenced using chain link, landscaping including planting grass and paving were properly done. The three phase power poles were vertical and the transformer well positioned.
Transmission mains: Supply and laying of 2.2km of transmission mains	2.2km of transmission main was laid.	At the time of monitoring, pipes were all laid and buried in the ground, and there were no reports of leakages.
Chemical house: Construction of Chemical house including Supply and installation of chemical dozing equipment	100% completion of chemical house with dozer trone chemical dozing equipment for treatment of water.	The water currently served in Ntwetwe is not treated because the Water Quality tests proved the water was safe for drinking. The doser trone equipment was reserved for emergency situations that would call for treatment.

Reservoir tanks: Erection of $100m^3$ water storage reservoir tanks to a height of 20meters Erection of $30m^3$ water storage reservoir tank to a height of six meters	Two steel tanks of capacity $100m^3$ and $30m^3$ were erected.	Tank works were completed as planned. No defects or rusts were observed on the tanks.
Distribution main: Supply and laying of 13km distribution main	13km of distribution main was laid.	Distribution main laid as planned no cases of leakages were reported.
Service connections: 250 private connections and six public stand posts Construction of six public stands posts for Ndibata parish.	All the 250 promotional connections were made and six public stand posts in Ntwetwe town council. The additional six public stand posts for Ndibata community were completed.	The promotional connection fee for private service connection was Ug shs 50,000. The service connections were functional.
Office block: Construction of office block including furnishing with furniture and computers.	A fully furnished office block was completed.	This was being used by the scheme operator for running the day to day operations of the scheme.
Generator house: Construction of a generator house including Installation of 35kVA generator	A generator house was constructed. It had a 35kVA generator installed.	The generator was being used as an alternative source of power source, it was functional and new.
Overall progress	100% of works had been completed	

Source: WSDF-C Progress report, April 2014 & Field findings

Left to right: Chlorine dozing equipments, tools supplied by the contractor for O&M, and household connection

Left to right: Installed generator, and a reservoir tank at the water office

Challenges

- High grid power tariffs and high costs of running the generator were affecting the smooth operation of the scheme.
- Lack of the piped water scheme layout. The private operator did not have a scheme layout used during O&M and for future planned extensions.

Recommendation

- The Electricity Regulatory Authority should give special electricity rates or consideration to piped water schemes to reduce on the burden/costs of operation.
- The MWE/WSDF-C should provide scheme layout to the scheme operator.

iii. Construction of Zirobwe RGC Piped Water and Sanitation Scheme

The Zirobwe RGC piped water and sanitation scheme is located in Zirobwe town in Luweero district. The scheme was designed to increased provision of safe water supply and adequate sanitation in the parishes of Bukimu, and Kakakala in Zirobwe sub-county. According to the water demand assessment, the scheme is designed to serve a population of 18,482 people. It was projected to meet the water demands of the town beyond the year 2029.

The scope of works in the contract were; Supply and laying of transmission mains (13.2km), distribution mains (22.62km), three pump houses, chlorine dozing house, erection of reservoirs of 200m^3,an office block and a generator house.

The contract for the construction works was awarded to Sumadhura Technologies Limited on the 1st March 2013 for a period of 10 months. The construction commencement date was 2nd march, 2013 and completion date was 2nd March, 2014.

Financial Performance

The contract sum for the construction of Zirobwe town piped water scheme was Ug shs 2,782,595,388 (VAT Exclusive). By July 2014, Ug shs 2,504,233,008 (90%) of the contract sum had been paid to the contractor. The 10% of the contract sum was held in retention. The table 11.26 shows the detailed financial performance for Zirobwe water supply scheme by 31st July 2014

Table 11.26: Financial Performance of Zirobwe Water Supply Scheme by 31st July 2014 (Ug shs)

Payment type	Contract Amount	Percentage of contract Price Certified	Cumulative Amount Certified to Date	Payment to Contractor
Advance Payment *(recovered under certificates)*	2,782,595,388	20%	556,833,098	444,169,027
Certificate 1	1,776,676,108		589,065,430	1,168,359,317
Certificate 2	1,776,676,108		1,022,333,261	1,168,508,889
Certificate 3	1,776,676,108		1,382,196,584	417,760,298
Amount paid to-date				**2,754,628,504**

Source: WSDF-C

Physical Performance

By 31st July 2014, the construction works were completed and was functional. The scheme was handed over to the community and scheme operator on the 31st April, 2014. The table 11.27 shows the physical performance for Zirobwe RGC Water Supply and Sanitation Scheme.

Table 11.27: Physical performance for Zirobwe RGC Water Supply and Sanitation Scheme

Planned Output	Level of Achievement	Remarks
Pump stations: Construction of three pump houses including electromechanical works, and Installation of three borehole submersible pumps.	Three pump houses constructed. Three borehole submersible pumps of capacities 26.3m^3/hr,10.6m^3/hr, and 13m^3/hr installed.	Pump station works were implemented as planned. The station was well fenced with chain link and compound landscaping was done.
Transmission mains: Supply and laying of 13.2km transmission mains	The 13.2km of transmission main was laid	Works for transmission mains were completed as planned and buried in the ground. Cases of leakages were reported.
Distribution mains: Supply and laying of 22.62km distribution mains	The 22.6km distribution main was laid.	Distribution mains were supplied and laid as planned. Leakages were reported.
Chlorine dosing house: Construction of chlorine dosing house including supply and installation of chemical dozing equipment	100% completion of chemical house with dozer trone chemical dozing equipment installed.	Works were completed as planned. The chlorine dosing equipment was connected to the system.
Reservoir tank: Erection of 200m^3 water storage reservoir tank to a height of 15m steel tower	100% completion of erection of the 200m^3 water storage reservoir tank at Namawojja to a height 15m high	Works on the reservoir tank were completed but the monitoring team observed that the tank was leaking.

Distribution main: Supply and laying of 13.32km distribution main.	13.32km of distribution main was laid	The distribution main was laid as planned.
Service connections: 250 Private connections and six public stand posts	372 private connections and six public stand posts were made.	The private connections increased from 250 to 372 due to high demand from the community. The promotional connection fee paid was Ug shs 50,000.
Watter office: Construction of the water office block with sanitary facilities. Supply of office furniture.	An office block with sanitary facilities constructed and furniture for the supplied.	This was being used by the scheme operator for running the scheme on a daily basis.
Generator house: Construction of a Generator house and installation of 35kVA generator	A generator house was constructed and a 35kVA generator was supplied.	The generator to be used as an alternative source of power supply was supplied but not yet installed/ connected.
Overall progress	100% of works were completed	

Source: WSDF-C draft completion report, May 2014 & field findings



Left to right: Installed submersible pumps, a 35kVA generator, a public kiosk at Zirobwe mosque

Challenges

- High water tariffs - The community complained of high water tariffs charged by the scheme operator. The billing charged was Ug shs 4,000 per cubic meter. This was affecting response and willingness to pay for the consumed water.
- Lack of the scheme design layout, and tools for O&M - the scheme operator was not provided with tools and scheme layout to ably carry out O&M, as such 2,000m^3 of water had been lost in leakages by August 2014.

Recommendations

The MWE/WSDF-C should regulate water tariffs.

The MWE/WSDF-C should provide scheme layout to the scheme operator.

iv. Construction of Kyamulibwa Town Piped water Scheme

The project is located in Kyamulibwa Town, Kalungu district. The scheme was designed to serve eight out of 14 villages in Kyamulibwa sub-county covering; Bunoga, Church, Kawunga, Kyamulibwa A, B, Misenyi, Kasuula A, and Lusozi. The design population to be served by 2015 was estimated at 14,810 and 18,215 people by 2030.

The contract for construction works was awarded to M/s Up Deal Uganda Ltd for a period of 10 months. The construction works started on 15th April 2014, and the expected completion date is 15th February 2015.

The scope of works were; Borehole and Pump station works (2No. pump stations), one-stance Eco-San toilet, Supply and installation of a 35kVA generator, office block, Installation of water borne toilet facilities, 220m^3 ground concrete tank, chemical house, chemical dosing equipment, transmission main 9.5km long, Distribution mains of total length 16.4km, secondary distribution of total length 16.0km.

Financial Performance

The contract value of the construction works was at Ug shs 3,005,757,685 and Ug sh 901,727,306 (30%) had been paid to the contractor by August 2014. The table 11.28 shows the detailed financial performance for Kyamulibwa town piped water scheme by 4th August 2014

Table 11.28: Financial Performance for Kyamulibwa town piped water scheme by 4th August 2014 (Ug shs)

Payment type	Contract Amount	Percentage of contract Price Certified	Certified Amount	Cumulative Amount Certified to Date	Balance to be certified	Payment to Contractor
Advance Payment *(recovered under certificates)*	3,005,757,685	30%	901,727,306	0	3,005,757,685	901,727,306
					Total paid to Contractor	901,727,306

Source: WSDF-C and field findings

Physical Performance

By 31st July 2 of completed physical works was at 40%. The construction works were still on schedule, and were expected to be completed by February 2015.The table 11.29 shows the Physical performance for Kyamulibwa town piped water supply system.

Table 11.29: Detailed physical performance for Kyamulibwa town piped water scheme by 31st July 2014

Planned Output	Achievement	Remarks
Pump station: Construction of three pump houses, eco-san toilet and Installation of three borehole submersible pumps	40% of works had been completed for the pump house and Eco-san toilet	Construction was on-going.
Transmission mains: Supply and laying of 9.5km of transmission mains	4km of the transmission had been laid. This was 40% of the 9.5kms planned.	Works were still ongoing
Distribution mains: Supply and laying of 32.4kms Distribution mains	A total of 14km had been laid. This was 43% of the planned kilometers to be laid.	Works were still ongoing. The finished sections had been properly backfilled.

Construction of Chlorine Dosing house Supply and installation of chemical dozing equipment	Works had not yet started for this output	Works were scheduled for a later date.
Reservoir tanks: Construction of two ground concrete tanks, each of capacity $110m^3$	35% of works for construction of the reservoir tanks had been completed for $110m^3$ capacity ground concrete works.	Works were ongoing, materials being used were of good quality.
Service connections 300 private connections Four public stand posts	The connections were not yet done	These were pending completion of the distribution and transmission mains.
Completion of the water office block with sanitary facilities	Construction was on-going. 50% of works up to the superstructure level was finished.	Works were still ongoing. Materials being used were of good quality.
Construction of a Generator house	Works had not started for this output	Works had been scheduled for a later date.
Overall progress	40% of works were completed	



Left to right: Construction works of a twin reservoir tank of $220m^3$, a water office block, and a pump house

Source: Field findings

Analysis

Link between financial and physical performance

By August 2014, the overall average financial performance for monitored schemes was 77.5% indicating very good financial performance, and the overall average physical performance was 85% which was excellent physical performance.

Achievement of set targets

The main performance targets in the FY 2013/14 for WSDF-C were achieved for the schemes monitored. Three out of four schemes were 100% complete as planned. Works for the incomplete scheme (Kyamilibwa) were progressing well and on schedule. The communities were being served water through both private connections, and public stand posts by the schemes.

Conclusion

The GoU commitment is increased provision of safe, and adequate water supply to the population. Through the WSDF-C, the contribution to the goal was visible through the 100% completion of functional piped water schemes for the towns; Nkoni, Ntwetwe, and Zirobwe towns. There were on-going construction works for Kyamulibwa town as well.

Both the physical and financial performance was excellent for all the planned outputs. The good practices for the towns included: well organized community participation, for instance; in Nkoni town, the Water Board on behalf of the community appreciated the WSDF-C for provision of well treated and not hard water.

Recommendation

- The WSDF-C has exhibited very good performance in implementing water supply systems. However, they should focus on issues of O&M, capacity building and empowering communities to maintain completed schemes so that these schemes can serve the purpose for which they were constructed.

Project 1283: Water and Sanitation Development Facility-South Western (WSDF-SW)

Background

The WSDF-SW was launched in July 2006 under the Ministry of Water and Environment / Directorate of Water Development. It was established as a pilot structure responsible for supporting Small Towns (STs) and Rural Growth Centres (RGCs) get access to piped safe water and improved sanitation.

The WSDF-SW is funded by the European Union to develop and support Small Towns and Rural Growth Centres under the EU MDG-Initiative to serve 350,000 people in the 24 districts of South-Western Uganda. The districts served are[91]:

The Overall objective of the WSDF-SW

- Provision of safe and adequate water and promotion of sanitation facilities in Small Towns and Rural Growth Centres in the South West of Uganda.

Specific Objectives

- Improve access to safe water supply in line with national standards: service quality, quantity and distance as well as water quality and source protection;
- Provide adequate sanitation through 100% latrine coverage, constructing public toilets, and sludge treatment facilities;
- Sustainable and efficient functionality of the new water and sanitation infrastructure, and appropriate arrangements for operation & maintenance.

Planned key outputs for FY 2013/14

- Back up support and procurement of private operators for 12 schemes of; Kyempene, Kakuuto, Kikagati, Matete, Nyarubungo, Rutokye, Kahunge, Kabuga, Kinoni, Rwenkobwa, Sanga, Muhanga and Gasiiza.
- Complete construction of nine schemes of; Kyempene, Kikagati, Matete, Kahunge, Kabuga, Kinoni, Ritokye and Nyarubungo.
- Construction 36 demonstration toilets and 12 public toilets in; Rutokye, Kyempene, Gasiiza, Rwenkobwo, Kinoni, Kinoka, Kasagamba, Muhanga, Lyantonde II, Kyempene, Kikagati, Matete, Nyarubungo.

The annual monitoring focused on the towns/schemes of; Kinoni, Rutokye, Kyempene, Kabuga, Kahunge, and Kakuuto.

Findings

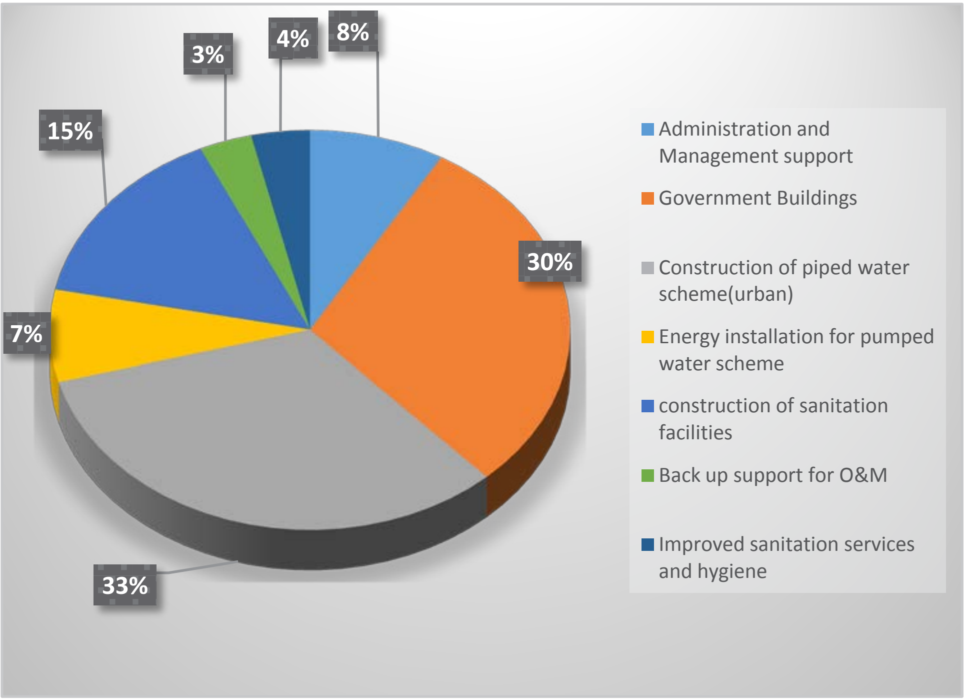
Financial Performance

The WSDF-SW receives funding from GoU, and the European Union (EU) under the Joint Partnership fund. The GoU contributes 10% while EU contributes 90% of the total budget.

In FY 2013/14, the GoU approved annual budget was Ug shs 1,576 billion. A total of Ug shs 1,797.24 billion was released and Ug shs 1,731.79 billion spent. The unspent balance was Ug shs 65.45 billion.

The donor (EU) approved annual budget for FY 2013/14 was Ug shs 18,000 billion. A total amount of Ug shs 18,000 billion was released, and the expenditure was Ug shs 16,697.39 billion. The allocative efficiency of the project is shown in the figure 11.5

Figure 11.6: Allocative efficiency of WSDF-SW



Source: IFMS

Field findings

i. **Construction of Kinoni Town Water Supply and Sanitation Scheme**

Kinoni town is located in Rugando sub-county, Mbarara district. The scheme was designed as an intervention to increase provision of safe water supply and adequate sanitation in Kinoni RGC.. The targeted population to be served by the scheme was estimated at 10,030 people.

The contract for the construction of Kinoni Town Water Supply and Sanitation Scheme was awarded to Ambrecco Holdings Limited on 30th August, 2013. The duration of contract was 10 months, and therefore the expected completion date was 1st March, 2014. The water for the scheme is supplied by a protected spring of an estimated yield 17.55m^3/hr

The scope of works in the contract comprised of; Transmission main, distribution and service lines, 344 Connections (Private and Institutional), eight public kiosks, 150m^3 (75m^3 twin) reinforced concrete tank with a valve house, office block with a sanitation facility; three-phase power extension, Installation of generator, and Eco-san toilet.

Financial Performance

The contract sum for the construction of Kinoni town water scheme was Ug shs 1,722,898,832. There was no advance payment made, and four certificates amounting to Ug shs 1,519,036,335 (88%) had been paid to the contractor. The table 11.30 shows the detailed financial performance for Kinoni town water scheme by 4th August 2014

Table 11.30: Detailed Financial Performance for Kinoni town water scheme by 4th August 2014 (Ug shs)

Contract Sum	Payments Certified			Amount Certified Submitted	Date of Payment	Status of Payment Paid
	Certificate Type	Amount	Less 10% Retention			
1,722,898,832	Advance	NIL				
	Certificate 1	720,784,890	72,078,489	648,706,401	24.10.2013	648,706,401
	Certificate 2	405,643,190	40,564,319	365,078,871		365,078,871
	Certificate 3	338,679,505	33,867,951	304,811,555	17.12.2013	304,811,555
	Certificate 4	222,710,565	22,271,057	200,439,509	29.04.2014	200,439,509
Amount Paid to Date						**1,519,036,335**

Source: WSDF-C/field findings

Physical Performance

By 4th August 2014, the overall physical performance was at 98%. The scheme was however not functional due to disconnected distribution pipes on the Mbarara-Ntungamo highway during road works. The table 11.31 shows the detailed physical performance for Kinoni town water and sanitation scheme by 4th August 2014.

Table 11.31: Physical performance of Kinoni Town Water Supply and Sanitation System by 4th August 2014

Planned Outputs	Level of Achievement	Remarks
Transmission main: Trenching, laying, backfilling and pressure testing 2km of transmission main	100% completion of laying, trenching and backfilling of the 2km transmission main.	Works were completed as planned and properly backfilled.
Distribution and service lines (60km) Trenching, laying backfilling and pressure testing	100% completion of laying, trenching and backfilling of the 60km distribution main.	Works completed as planned, but some sections of the pipe were cut during road works on Mbarara-Ntungamo highway.
Service connections 344 Private and Institutional, Eight public kiosks	The planned 344 household and institutional connections were 100% completed. Eight public kiosks done.	Service connections were successfully completed, but water was not being supplied.
Construction of Reservoir Two Reinforced concrete tank, each 75m^3 Valve House	A twin reinforced concrete tank of total capacity150 m^3 (75m^3 twin) was constructed. The construction of the valve house was 100% completed.	The tank is located on the slopes of a hill prone to soil erosion during the rainy season. However, plans to procure a contractor to combat the effects of the erosion were underway.
Office Block with a sanitation facility	100% completion of the Office Block with ecosan toilet	Works were completed as planned and the workmanship was good.
Construction of the Pump House and Extension of three-Phase Power to the pump house	The pump house was constructed and a three - phase grid power supply was extended to the pump house.	Landscape works, grass planting, leveling and paving were still pending.
Construction of the Generator House Supply and Installation of 35kVa Diesel Generator	100% completion of installation of a diesel generator of capacity 35kVa	The generator house was well constructed no cracks were observed, aeration was good and the generator was new.
Construction of guard house, and Ecosan toilet at source	100% completion of the guard house, and 95% completion of the Ecosan.	The doors to the Ecosan were not well fitted, and cement screeding had not been done
Construction of seven household Ecosan toilets	100% completion of the seven household ecosan toilets	The contractor exhibited good workmanship for the ecosan toilets.
Overall Progress of works	98% completion	

Source: field findings/WSDF-SW progress report FY 2013/14

Challenge

- Disconnected distribution pipes. The distribution pipes were cut by the road contractor on the Mbarara-Ntungamo highway during construction. This affected the flow of water.

Recommendation

- WDSF-SW and UNRA should liaise and address the issue of cut pipes.

Left to right: Concrete twin reservoir tank (150m^3), pump control valves and, an installed production well

ii. Construction of Rutokye Town Water Supply and Sanitation Scheme

Rutokye RGC is located in Bitereko sub-county, Mitooma district. The scheme was constructed to provide safe, adequate water and promotion of sanitation facilities. The targeted population to be served by the scheme was estimated at 10,465 people. The scheme is supplied from a production well of capacity 17m^3/hr.

The contract for the construction works was awarded to Ambrecco Holdings Limited on 30th August, 2013 for a period of six months. The commencement date was 6th September 2013, and expected completion date was 1st May 2014.The defects liability period was six months.

The scope of works were: Supply and laying of the transmission and distribution mains, 200 private and public kiosk connections, construction of the office block, installation of a 35kVA generator and solar panels, erection of a 90m^3 reservoir tank and source development and construction of the eco-san toilets.

Financial Performance

The contract value for the construction of Rutokye town water scheme was Ug shs 1,824,666,905. Five interim payment certificates valued at Ug shs 1,647,337,770 (90%) had been paid to the contractor. The table 11.32 shows the detailed financial performance for Rutookye RGC water and sanitation scheme by 4th Augsut 2014

Table 11.32: Financial Performance for Rutokye RGC Water and Sanitation Scheme

Contract Sum	Payments Certified		Less 10% Retention	Amount Certified	Date	Status of Payment
	Certificate Type	Amount		Submitted	Payment Made	Paid
	Advance	NIL				
	Certificate 1	432,874,286	43,287,429	389,586,857	7.10.2013	389,586,857
	Certificate 2	535,267,533	53,526,753	481,740,780	25.11.2013	481,740,780
	Certificate 3	535,730,101	53,573,010	482,157,091	28.02.2014	482,157,091
1,824,666,905	Certificate 4	95,219,182		95,219,182	16.06.2014	95,219,182
	Certificate 5	131,085,348	13,108,535	117,976,813	30.06.2014	117,976,813
	Retention (50%)	80,657,047		80,657,047	01.07.2014	80,657,047
Amount Paid to Date						**1,647,337,770**

Source: WSDF-WS/Field findings

Physical Performance

By 4th August 2014, the physical performance of the scheme was 98%. Despite completion of major components, there was no water supplied to the beneficiaries. A five member water board had been constituted. This was assigned with the O&M roles of the scheme. The table 11.27 provides details of physical performance for Rutokye RGC Water and Sanitation Scheme

Table 11.33: Physical Performance for Rutokye RGC Water and Sanitation Scheme by 4th August 2014

Planned Outputs	Level of Achievement	Remarks
Transmission main: Laying 4km transmission line	100% completion of trenching, laying, and backfilling of the 4km transmission line.	Works were completed as planned, no cases of leakages were reported.
Distribution main: Laying 44.43km distribution and service lines	100% completion 44.43km of the distribution and services lines	Works done as planned and no cases of leakages were reported.
Service connection: 197 total connections.	A total of 200 private connections had been made.	The contractor had successfully completed the works for service
(167 private, 21 Institutions, six public kiosks)	The construction of the six public kiosks had reached 90%: Walling, plastering, doors and windows, roofing and painting complete.	connections and the workmanship was good, no cracks were observed.
Reservoir tank: Supply and Installation of 90m^3 Steel Elevated Tank, and 5m^3 Reinforced concrete.	A 90m^3 reservoir tank to a height of 12m constructed. Construction works for a 5m^3 tank was completed.	Reservoir tank works were completed, no leakages were observed, however, the climbing ladder should be secured firmly on the ground.
Water office: Construction of office block with a sanitation facility	A water office block with eco-san toilet was constructed.	The workmanship was very good and the works were completed as planned.
Pump station works: Fencing of source area, Planting of trees, Landscaping and planting of grass	100% completion of fencing of source area, gate fixing already done. Planting of trees complete, and Landscaping done	Pump station works was finished, fenced with chain link, the grass was well trimmed.
Construction of Generator House Supply and Installation of diesel Generator	100% completion of the generator house. A generator of 35kVa capacity was installed and connected to the scheme.	The generator house was well constructed, well aerated and no defects were observed on the structure. The generator was new.
Construction of Pump house Installation of a submersible pump	The pump house was constructed A submersible pump of capacity 17m^3/hr was installed.	The pump house was well constructed, housing the pump control valves and the electrical controls. No defects were observed on the structure.
Supply and Installation of Solar panels	A total number of 136 solar panels had been installed.	This was the main source of power for the scheme.

Construction of Eco-san toilets Seven Household demonstration Eco-san toilets	Seven household Eco-san toilets were constructed.	The beneficiaries were; an elderly, disabled, councilor, a guard at the reservoir site, member of the Water and Sanitation Board, and two masons.
Overall Progress of works	98% completion	

Source: field findings/WSDF-SW progress report FY 2013/14

Left to right: Installed solar panels to support the system, submersible pumps, and a generator

iii. Construction of Kyempene Town Water Supply and Sanitation Scheme

Kyempene RGC is located in Rugarama sub-county, Ntungamo District. The contract for the construction works was awarded to Elmah Technologies Ltd, on 5th September, 2013 for a period of 6 months. The commencement date was 6th September 2013, and expected completion date was 1st May 2014. The defects liability period was six months

The scope of works; Laying of transmission, and distribution, drilling of the production well, erecting of reservoir tank of capacity, 200 connections to be made, construction of office block with a sanitary facility, construction of generator house, pump house, and installation of submersible pumps.

Financial Performance

The contract value of the construction of Kyempene town water scheme was Ug shs 1,582,646,835. There was no advance payment made, and five certificates amounting to Ug shs 1,580,672,053 (99%) had been paid to the contractor. The table shows the detailed financial performance for Kyempene RGC water and sanitation scheme by 4th August 2014

Table 11.34: Financial Performance for Kyempene RGC Water and Sanitation Scheme by 4th August 2014 (Ug shs)

Contract Sum	Payments Certified		Less 10% Retention	Amount Certified	Date	Status of Payment
1,582,646,835	Certificate Type	Amount	Less 10% Retention	Submitted	Payment Made	Paid
	Advance	NIL				
	Certificate 1	517,935,700	51,793,570	466,142,130	25.09.2013	466,142,130
	Certificate 2	324,298,889	32,429,889	291,869,000	22.11.2013	291,869,000
	Certificate 3	475,754,817	47,575,482	428,179,335	20.12.2013	428,179,335
	Certificate 4	311,413,913	31,141,391	280,272,522	29.04.2014	280,272,522
	Certificate 5	34,462,000	3,446,200	31,015,800	13.06.2014	31,015,800
	Retention (50%)	83,193,266	-	83,193,266	13.06.2014	83,193,266
Amount Paid to Date						**1,580,672,053**

Source: WSDF-SW/field findings

Physical Performance

By 4th August 2014, the scheme had been completed and handed over to the community on the 15th June 2014. The daily operations, operation and maintenance of the scheme was run by the scheme attendant. The table 11.35 provides details physical performance for Kyempene RGC water and sanitations scheme.

Table 11.35: Detailed physical performance for Kyempene RGC Water and Sanitation Scheme by 4th August 2014

Planned Outputs	Level of Achievement	Remarks
Transmission mains: Supply and laying 10.7km of transmission main 8.7km for Ngomba Source 2km for Nyamuteza Source	100% completion of trenching, laying, and backfilling of 10.7km for both Ngoma, and Nyamuteza sources	The works were completed as planned.
Distribution main: Supply and laying distribution main 7.3 km for Ngomba Source 8.4km for Nyamuteza Source	100% completion 15.7 km of the distribution for both Ngomba, and Nyamuteza sources.	The works were completed as planned. Cases of air locks were reported arising from lack of air release valves.
Drilling of two production wells	Two production wells of capacity 1.2l/s and 0.8l/s were drilled.	Good performance exhibited as works were completed as planned.
Reservoir tanks Construction of two 60m^3 and 30m^3 concrete reservoir tanks.	100% completion of two 60m^3, and 30m^3 concrete reservoir tanks constructed.	No defects were observed on the reservoir tanks.

Treatment works: Construction of $6m^3$ sedimentation tank, and $20m^3$ collection tank	100% completion of the $6m^3$ sedimentation tank, and $20m^3$ collection tank.	The catchment area was well protected, fenced off with chain link, no defects were observed on the structures.
Service connections 300 connections. (285 Private, 21 Institutions, six public kiosks)	100% completion of 285 private connections, 15 institutional connections, and 6 kiosks.	Communities were receiving water. Some of the water kiosts had been vandalized by the community removing the taps.
Office block with a sanitation facility	100% completion of works. A furnished office block with a 2-stance eco-san was constructed.	No defects were observed on the structure, the scheme operator was occupying the office block.
Construction of Generator House Supply and Installation of diesel Generator	100% completion of the generator house. A generator of 35kVa capacity was installed and connected to the scheme.	No defects were observed on the generator house, aeration was good and the generator was new. This was an alternative source of power for the scheme
Construction of Pump house and installation of two submersible pumps	Pump house works complete, and two pumps of capacity $12m^3$/hr and $8m^3$/hr installed.	Works accomplished as planned. No defects were observed on the structures.
Construction of Eco-san toilets Seven household demonstration Eco-san toilets	100% completion of household Eco-sans. Seven households and one Eco-san at the source were constructed.	The eco-san toilets were well constructed.
Overall Progress of works	100% completion	

Source: WSDF-SW progress report & field findings

Left to right: Water office, a short term provision by community to avoid airlocks, and household connection

Challenges

- Lack of tools for O&M. The contractor did not avail tools to the scheme attendant for O&M, and possible extension of water to new customers.
- Existence of airlocks along the distribution line. Air release valves were not installed for the scheme as a result smooth water flow was being affected.
- Vandalism of water equipments. The installed tap heads at some of the water points like kiosks were vandalized by the community members.
- Non-functional meters. By August 2014, some of the meters that were installed by the contractor were not functional. However, the contractor was still in the defects liability period to rectify the snags.

Recommendations

- The WSDF-SW should task the contractor to avail tool for O&M to the scheme attendant and install the air release valves on ownership of the facilities schemes and desist from vandalism.
- The WSDF-SW should task the contractor to replace all non functional meters within the defects liability period.

iv. Construction of Kabuga Town Water Supply and Sanitation Scheme

Kabuga RGC is located in Kamwenge sub-county, Kamwenge district. The contract for the construction works was awarded to Mupa Technical Services Limited, on 5th September 2013 for a period of six months. The commencement date was 29th August 2013, and expected completion date was 29th August 2013 and the defects liability period of six months.

The scope of works included; Supply and laying of transmission, and distribution, construction of twin reservoir tank of capacity $200m^3$, 200 connections to be made, construction of office block with a sanitary facility, construction of generator house, pump house, and installation of submersible pumps

Financial Performance

The contract sum for Kabuga town water scheme was Ug shs 1,374,486,194. An advance payment of Ug shs 412,345,858 was made, and four interim payment certificates valued at Ug shs 1,453,111,335 were paid to the contractor, representing 105% payments of the contract sum. The over expenditure was due to additional contract works awarded at Ug shs 78,625,141. The table 11.36 shows the detailed financial performance for Kabuga town water and sanitation scheme by 5th August 2014

Table 11.36: Financial Performance of Kabuga town water and sanitation Scheme

Contract Sum	Payments Certified		Less 10% Retention	Amount Certified Submitted	Date Payment Made	Status of Payment Paid
	Certificate Type	Amount				
1,374,486,194	Advance	412,345,858		412,345,858	27.08.2013	
	Certificate 1	362,035,300	36,203,530	325,831,770	24.10.2013	325,831,770
	Certificate 2	356,531,914	35,653,191	320,878,723	29.01.2014	320,878,723
	Certificate 3	228,108,100	22,810,810	205,297,290	17.02.2014	205,297,290
	Certificate 4	667,892,836	66,789,284	601,103,552	23.06.2014	601,103,552
Amount Paid to Date						**1,453,111,335**

Source: WSDF-SW/field findings

Physical Performance

By 5th August 2014, the scheme had been completed and the scheme was under a defects liability period of six months. The spring eyes were protected to provide water to the scheme. The WSDF-SW therefore was in the process of awarding another contract for construction of another alternative source for the community. The table 11.37 shows detailed physical perfromance for Kabuga RGC piped water and sanitation scheme by 5th August 2014

Table 11.37: Detailed Physical Performance for Kabuga RGC Water and Sanitation Scheme by 5th August 2014

Planned Outputs	Level of Achievement	Remarks
Transmission main: Supply and laying 1km of transmission main	100% completion of trenching, laying, and backfilling of the 1.0km transmission main	The pipes were of steel type, well laid and anchored above the ground.
Distribution main: Supply, trenching and laying and backfilling of 15km distribution main	100% completion of trenching, laying ,and backfilling of 15km distribution line	Pipes were buried in the ground. No cases of leakages were reported.
Reservoir tanks: • Construction of two twin reservoir each of $100m^3$ • $6m^3$ Sedimentation tank	100% completion of concrete reservoir tanks, each of $100m^{3.}$ A sedimentation tank of $6m^3$ at the spring source was constructed.	The tanks were well constructed; no leakages or defects were observed on the structures.
Source Catchment protection	The spring eyes of the source were well protected with a concrete structure. Since this was a source formally used by the community, WSDF-SW had awarded another contract for construction of an alternative source for the surrounding community.	The catchment area was well protected with barbed wire fence; the spring eyes were well protected in the collection chamber; no defects were observed on the sedimentation tank and other structures. The control valves were functional.
Service connection 100 connections. (84 Private connections, 12 Institutions, and eight Public kiosks)	100% completion of 100 total connections made	The water kiosks were well constructed and the finishes were good.
Office Block with a sanitation facility	100% completion of works. A furnished office block with a two-stance eco-san was constructed.	The office block was well constructed, no defects were observed, painting work was good doors and windows were well fixed.

Construction of Generator House including supply and Installation of diesel Generator	100% completion of the generator house. A generator of 35kVa capacity installed	The generator house was well constructed and well aerated. The generator was new and was to be used as an alternative source of power for the scheme
Construction of Pump house and installation of two submersible pumps	Pump house works completed and two submersible pumps installed in the sedimentation tank.	The pump house was well constructed; the doors and windows were well fitted.
Construction of Eco-san toilets	100% completion of household Eco-sans. Seven (7)	The workmanship for the ecosan toilets was good.
Seven household demonstration Eco-san toilets	households and one Eco-san at the source were as constructed.	
Overall Progress of works	100% completion	

Source: WSDF-SW progress report & Field findings

Left to right: Protected spring eyes with a boy tapping water from the pipes, collection water tank from the spring, a guard house, and a twin concrete reservoir tank of capacity 150m^3

Left to right: A completed office block in Kabuga town, a public water kiosk, and an eco-san toilet at the water office.

v. Construction of Kahunge Town Water and Sanitation Scheme

Kahunge town is located in Kahunge sub-county in Kamwenge district. The contract for construction works was awarded to Gets Technical Services Ltd on 7th for six months. The expected completion date was 29th August 2013 and six month defects liability period.

The scope of works for construction were; supplying and laying of transmission, and distribution main, erecting of $90m^3$ steel reservoir tank, construction of an office block, construction of three public kiosks, construction of pump and generator houses.

Financial Performance

The contract value of the construction works for Kahunge town water scheme was Ug shs 1,103,513,005. The total value of certificates paid out was equivalent to Ug shs 924,890,978. This represented 84% payments of the contract sum. The table 11.38 shows the detailed financial performance for Kahunge town water and sanitation scheme by 5th August 2014

Table 11.38: Financial Performance of Kahunge town Water and Sanitation Scheme

Contract Sum	Payments Certified		Less 10% Retention	Amount Certified Submitted	Date of Payment	Status of Payment
	Certificate Type	Amount				
1,103,513,005	Advance	NIL				
	Certificate 1	412,682,645	41,268,265	371,414,381	30.09.2013	371,414,381
	Certificate 2	355,130,835	35,513,084	319,617,752	26.11.2013	319,617,752
	Certificate 3	189,833,280	18,983,328	170,849,952	07.02.2014	170,849,952
	Certificate 4	70,009,882	7,000,988	63,008,894	04.04.2014	63,008,894
Amount Paid to Date						**924,890,978**

Source: WSDF-SW

Physical Performance

By 5th August 2014, the Kahunge piped water and sanitation was completed and was fully functional. The table 11.39 provides detailed physical performance for Kahunge piped water and sanitation scheme.

Table 11.39: Physical Performance for Kahunge Town Water and Sanitation Scheme

Planned Outputs	Level of Achievement	Remarks
Transmission main: Supply, laying, of 1km transmission main	100% completion of trenching, laying, and backfilling of the 1.0km transmission main	Works were finished and no cases of leakages were reported.
Distribution main: Supply and laying 15km of distribution main.	100% completion of trenching, laying ,and backfilling of 15km distribution line	Works achieved as planned; backfilling was well done.
Reservoir tank: Erecting of 90m^3 steel tank	100% completion of erecting a 90m^3 steel tank	The steel tank was well constructed, no leakages were observed, the tank area was well protected with chain link fence.
Service connections: 100 connections. (84 private connections , 12 Institutions, and eight public kiosks)	100% completion of 100 total connections made	Service connections and water kiosks were functional.
Office Block with a sanitation facility	100% completion of works. A furnished office block with a 2-stance eco-san was constructed.	Office structure was well constructed, no defects were observed.
Construction of Generator House and Supply and Installation of diesel Generator	100% completion of the generator house. A generator of 35kVa capacity installed.	The generator house was well constructed, no defects were observed; and the generator was new and was installed as an alternative source of power for the scheme
Construction of Pump house and installation of two submersible pumps	A pump house completed and two submersible pumps of capacity14.8m^3/hr and 29.4m^3/hr installed.	The pump house was well constructed; door and window were well fitted.
Construction of Eco-san toilets Three household demonstration Eco-san toilets	Three household demonstration eco-san toilets constructed. One was at the source.	Eco-san toilets well constructed.
Overall Progress of works		100% completion

Source: field findings

Left to right: A completed water office, reservoir tank, and water flowing at one of the kiosk

vi. Construction of Kakuuto RGC Piped Water and Sanitation Scheme

Kakuuto is located in Kakuuto sub-county in Rakai district. The original contract for construction of Kakuuto RGC water and sanitation scheme was awarded to Norrkoping Uganda Ltd on 30th June 2011. The contract value was Ug shs 950,237,116, and the duration of contract was 12 months. The expected completion date was 13th July 2012. However, due to the limited financial resources, the contractor was halted by WSDF-SW at 60% completion of works.

A new contract was awarded to the same contractor through direct procurement on 16th December 2013, for a period of three months. This was to finish the pending works in the original contract. The expected completion date was 16th March 2014, with a defects liability period of six months.

The scope of works were: supplying and laying of transmission, and distribution line, construction of $80m^3$ twin concrete reservoir tank, construction of an Office block, construction of eight public kiosks, construction of pump and generator houses, extension of 3-phase power.

Financial Performance

The original contract for construction works was awarded at a sum of Ug Shs 950,237,116. A total of Ug shs 567,145,687(60%) of the contract value was paid out for completion of 60% of works in the contract.

A new contract of Ug shs 399,726,959 was awarded for completion of 40% of remaining works in the original contract. By August 2014, four certificates had been paid out amounting to Ug shs 307,598,231 (77%). The table 11.40 shows the detailed financial performance for Kahunge town water and sanitation scheme by 5th August 2014

Table 11.40 Financial Performance for Kakuuto RGC Piped Water and Sanitation Scheme by 5th August 2014

Contract Sum	Payments Certified			Amount Certified	Date	Status of Payment
	Certificate Type	Amount	Less 10% Retention	Submitted	Payment Made	Paid
	Advance	NIL				
	Certificate 1	61,635,670	6,163,567	55,472,103	23.12.2013	55,472,103
	Certificate 2	154,350,367	15,435,037	138,915,330	27.01.2014	138,915,330
399,726,959	Certificate 3	49,760,343	4,976,034	44,784,309	31.03.2014	44,784,309
	Certificate 4	76,029,432	7,602,943	68,426,489	13.06.2014	68,426,489
Amount Paid to Date				**307,598,231**		

Source: WSDF-SW/field findings

Physical Performance

By 5th August 2014, the water scheme was completed. The table 11.41 provides details for physical performance for Kakuuto RGC piped water supply by 5th August 2014.

Table 11.41: Physical works for Kakuuto RGC Piped Water and Sanitation Scheme

Planned Outputs	Level of Achievement	Remarks
Transmission main: Supply and laying 1.6km transmission main	100% completion of trenching, laying, and backfilling of the 1.6km transmission main	Transmission mains well laid and buried in the ground.
28.87km Distribution and service main	100% completion of trenching, laying ,and backfilling of 28.87km distribution main	Targets for distribution main was achieved
Reservoir tanks: $80m^3$ ($40m^3$ twin) reinforced concrete tank with a valve house $20m^3$ Reinforced concrete Sedimentation & collection tank.	100% completion of twin reinforced concrete tanks of capacity $80m^3$ on Kakuuto town hill. A $20m^3$ reinforced concrete sedimentation and collection tank constructed.	Workmanship for the reservoir tanks was good. The area was well protected with chain link fence; however, landscape works was still pending.
Service connection 164 Connections (135 Private connections, 21 Institutions, and 8 Public kiosks)	100% completion of service connections made	Completed as planned but water was not yet flowing.

Office Block with a sanitation facility	100% completion of works. A furnished office block with a 2-stance eco-san was constructed.	The workmanship was good; the structure had no defects, landscaping was well done and the area was fenced with chain link.
Construction of Generator House • Supply and Installation of diesel Generator	100% completion of the generator house. A generator of 35kVa capacity installed.	The generator house was well constructed, well aerated and the generator was new. The generator was an alternative source of power for the scheme
Extension of 3-phase grid power supply.	100% completion of 3-phase power extension	Target for grid power extension achieved.
Source Development • Fencing of source area • Planting of trees • Landscaping and planting of grass • Protection of springs	100% completion of the source development	Source area was well protected with chain link fence, but landscaping works still needs to be improved.
Construction of Pump house and installation of two submersible pumps	100% completion of pump house and installation of submersible pumps.	No defects were observed on the pump house.
Construction of Eco-san toilets: Three Household demonstration Eco-san toilets	100% completion of household Eco-sans. Three households and one Eco-san at the source were constructed.	The eco-san toilet at the water source was not yet finalized. There was no door and finishes were pending.
Overall Progress of works	100% completion	

Source: Field findings

Left to right: A constructed twin concrete reservoir tank (80m^3) at Kakuuto town hill, a public water kiosk, and a water office near the sub-county

Analysis

Link between financial and physical performance

By August 2014, the overall average financial performance was at 90% and the overall average physical performance was at 99%. This was an excellent performance for the project in the FY 2013/14.

Achievement of set targets

In the FY 2013/14, the set target of completion of for water schemes in the towns was achieved for three out of the six. The completed and functional water schemes were: Kabuga, Kahunge, and Kyempene. The construction works in the towns of: Rutookye, Kakuuto, and Kinoni were completed but the schemes were not yet functional.

Overall Challenges

- Delays in land acquisition affects the implementation of the planned activities in the project.
- Disconnected distribution pipes by the UNRA road works affected the completion and functionality of Kinoki scheme.
- Vandalism of water equipment. The installed tap heads at some of the water points like kiosks were vandalized by the community members.
- Non-functional meters. By August 2014, some of the meters that were installed by the contractor were not functional. However, the contractor was still in the defects liability period to rectify the snags

Conclusion

The primary objective of the project is to provide safe, and adequate water and sanitation facilities in the small towns of south western Uganda. The overall average physical performance was 99%.

Recommendations

- The MWE and local Governments should budget for early land acquisition to reduce on the lags during implementation.
- The UNRA should work with the WSDF-SW IN response to the affected water works.
- The WSDF-SW should implore the contractor to rectify the defects that were identified on the completed schemes.

Project 1074: Water and Sanitation Development Facility-North (WSDF-N)

The WSDF-N is a funding mechanism for water supply and sanitation investments in small towns and RGCs in northern Uganda. The Facility forms part of the nationally identified programmes in the National sector framework implemented under the Joint Water and Sanitation Sector Programme Support (JWSSPS). The WSDF-N funding is through a joint contribution of GoU, and Development Partner; Kfw. The programme is currently covering 23 districts in the Lango, Acholi, and West Nile sub-regions of northern Uganda. These are;[92]

Overall Objective

- To achieve sustainable provision of safe water within easy reach, and hygienic sanitation facilities based on management responsibility ,and ownership

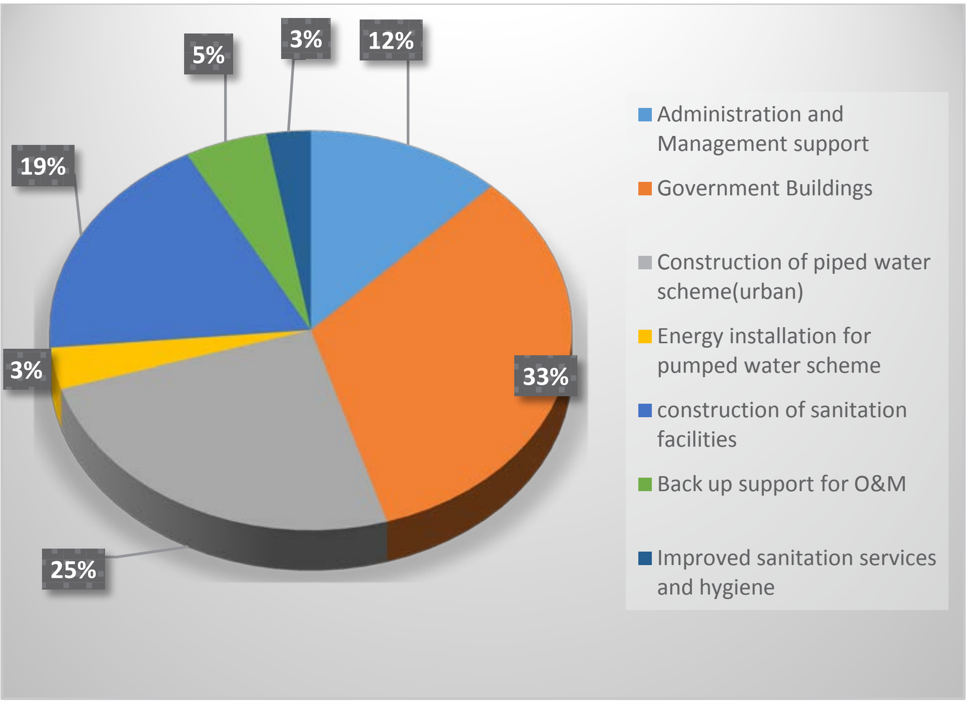
Specific Objectives

- To develop piped water supply systems and sanitation facilities in the Small Towns(STs) /Rural Growth Centers(RGCs) of Northern Uganda
- To mobilize the communities in the STs/RGCs and former Internally Displaced Persons(IDPs) camps to actively participate in water and sanitation activities
- To promote environmental sanitation in households in the STs/RGCs and former IDP camps
- To resize/convert piped water supply schemes and sanitation facilities in former IDP camps

Financial Performance

The WSDF-N receives funds from KfW (90%) and 10% counterpart funding from the GoU. In the FY 2013/14, the total approved annual budget was Ug shs 13.29 billion from both GoU and KfW. The release was Ug sh 13.11(99%) billion out of which 10.42 was spent. The unspent funds were committed on contracts for construction works in purongo in Nwoya, Patongo in Agago district, Ibuje in Apac district, Opip in Gulu, Ovujo in Arua district. The expenditure prioritization of the project is shown in figure 11.7

Figure 11.7: Showing the Expenditure prioritization for Project 1074



Source: IFMS

Findings

i. **Construction of Omugo RGC piped Water Supply Scheme**

The project is located in Arua district. The scheme was designed to serve a population of 11,587 people in three (3) parishes; Angazi, Bura, and Owayi. The contract for the construction works was awarded to Sumadhura Technologies Limited on on 16th January 2013, for a period of 16 Months. The expected completion date was 16th May, 2014 with a defects liability period of 12 months. The construction works were supervised by the WSDF-N engineers.

The scope of construction works were; a pump house, Generator houses, the two pump stations, an office block, 4- Stance water borne Public toilet with showers, 2 steel reservoir tanks of 200m³, and 100m³ capacity, two (2) Water kiosk, 240 Service connections. Submersible pumps, and generator, and laying 20km of distribution mains.

Financial Performance

The contract sum for the construction of Omugo piped water scheme was Ug Shs 1,920,000,000. By July 2014, three certificates had been paid out. The total amount paid out was Ug shs 1,719,598,902 (90%) of the contract sum. See table 11.32 for detailed financial performance. The table 11.41 shows the detailed financial performance for Omugo piped water scheme by 31st July 2014.

Table 11.42: Financial Performance of Omugo piped water scheme by 31st July 2014(Ug shs)

Contract Sum	Payments Certified	Amount Certified	Status of Payment
1,920,000,000	Certificate Type	Submitted	
	Advance	384,000,000	384,000,000
	Certificate 1	399,897,170	399,897,170
	Certificate 2	430,400,452	430,400,452
	Certificate 3	505,301,280	505,301,280
Amount Paid to Date			1,719,598,902

Source: WSDF-N

Physical performance

By July 2014, the construction of Omugo RGC piped water scheme had been completed. The technical hand-over of the scheme to the community was done on the 25th June 2014. The system was solar powered and the solar panels (105 No.) were provided by the ERT.

No scheme attendant for the operation of Omugo piped water scheme had been recruited yet. A water board comprising of five (5) members, with 2 women as treasurer and secretary was instituted. This was in-charge of the scheme until a scheme attendant was recruited.Table 11.43 shows the detailed physical performance of Omugo RGC Water Supply and Sanitation Scheme

Table 11.43: Physical Performance of Omugo RGC piped water scheme by 7th July 2014

Planned Output	Achievement	Remarks
Laying of 9.5kms Transmission mains	100% completion of	3400m of uPVC pipe mains OD110mm PN16 laid, backfilled and pressure tested 3500m of HDPE pipe mains OD75mm PN16 laid backfilled and pressure tested
Laying of 21kms Distribution mains	100% completion of 21kms distribution line	21km of Distribution mains of sizes ranging from OD110, 90,75, 63 and 50mm all to PN10 HDPE),
Reservoir tanks • Erection of $200m^3$ and $100m^3$ reservoir tanks.	100% completion of erecting reservoir tanks of capacity;	$200m^3$ opposite the Omugo sub-county office, and in Komendaku village. Extra works around the 100m3 tanks were awarded to the contractor. These were; chlorine dozing chamber, and meter chamber.

Connections • 240 Private connections • two(2) kiosks	`The private and public kiosks were completed. One kiosk was constructed instead of two.	A total number of 240 household connections and 1 kiosk had been completed. Land issues constrained the construction of the second kiosk as the owner of the land reclaimed it.
Completion of the water Office block with sanitary facilities	The output was completed	An office block with water borne toilets was constructed opposite the sub-county offices. This was to be used by the scheme attendant for the operations of the scheme. A four stance water borne toilet was also completed
Construction of seven(7) household Ecosan toilet , one(1) institutional Ecosan toilets, and Flush toilets	Completion of seven (7) household Ecosan toilet and one (1) institutional Ecosan toilet at Omugo primary school. 2 flush toilets at Omugo Health centre IV, and the office	The beneficiaries were selected by the water board guided by WSDF-N on the right criteria.
Construction of a Generator house • Installation of 35kVA generator	A generator house was constructed. A 35kVA generator as an alternative source of power to Solar	A house for installation of generator was completed. A 35Kva generator was functional and well protected from the rains.
Supply and Installation of solar panels	Completion of solar panels (105 No.) were provided by the ERT	The installed solar panels were 105 and were all functional.
Construction of pump stations • Installation of production wells	100% completion of the pump house. production wells;72m^3/hr, and 14m^3/hr	
Overall progress		**100% completion of works**

Source: field findings

ii. Construction of Paidha town Water Supply Scheme

The WSDF-N awarded the contract for construction of Paidha town water supply scheme to M/S Palm construction Limited. The contract was signed on the 15th January 2013 for a duration of 12 months and expected to be completed on 30th May, 2014. The scheme was projected to serve a population of 30,500 people in 2014, and 66,691 people in 2030.The construction works were supervised by the WSDF-N engineers.

The scope of works were; Construction of: pump house, Generator houses, the two pump stations, office block, 20km of distribution mains, 4-Stance water borne Public toilet with showers, two(2) Reservoir tanks of 192m^3, four (4)Water kiosk, 963 Service connections, Installation of Submersible pumps, and generators.

Financial Performance

The contract sum for the construction of Paidha Town piped water scheme was Ug Shs 3,457,357,145. By July 2014, seven certificates had been paid out. The total amount paid out was Ug shs 2,821,014,723 (82%) of the contract sum. The table 11.44 shows the detailed financial performance for Paidha piped water scheme by 31st July 2014

Table 11.44: Financial Performance of Paidha Piped Water Scheme by 31st July 2014

Payment type	Contract Amount (Ug Shs)	Cumulative Amount Certified to Date (Ug shs)	Payment to Contractor	Date of Payment
Advance Payment *(recovered under certificates)*	3,457,357,145	691,471,429	691,471,429	
Certificate 1		561,682,333	505,514,100	18/3/2013
Certificate 2		494,508,222	306,763,114	30/4/ 2013
Certificate 3		378,379,670	202,247,415	17/7/ 2013
Certificate 4		491,832,265	304,354,753	8/11/ 2013
Certificate 5		711,587,489	502,134,454	14/1/ 2014
Certificate 6		254,493,340	91,764,729	28/2/ 2014
Certificate 7		216,764,729	216,764,729	14/05/2014
Total Payments to-date			2,821,014,723	

Source: WSDF-N

Physical Performance

By August 2014, the completed works for Paidha pied water scheme were 95%. The beneficiaries were receiving water through both yard tap connections and the kiosks. The Paidha Town piped water scheme was technically handled over to the community or town council. The scheme was to be managed by National Water and Sewerage Corporation (NWSC). The table 11.45 shows the detailed physical performance of Paidha town water and sanitation by 9th July 2014

Table 11.45: Physical Performance of Paidha town Water Supply and Sanitation Scheme by 9th July 2014

Planned Output	Level of Achievement	Remarks
Construction of pump stations • Installation of production wells	Completion of the pump house, and installation of production wells; 76m^3/hr, 36m^3/hr	The pump house and production wells were installed at Jopomucho, and Ayoda. The works were of good quality
Laying of 9.5km Transmission mains	completion of laying of 9.5km transmission mains	The laying of the transmission mains was completed. No pipe bursts were seen and reported by the communities.
Laying of 31.6km Distribution mains	100% completion of 31.6 km distribution line	The laying of the distribution mains was completed to serve the targeted areas. No pipe bursts were seen and reported by the communities.

Reservoir tanks • Erection of two(2) reservoir tanks, each of storage capacity $192m^3$	Completion of two (2) reservoir tanks of capacity; $192m^3$	The storage reservoir tanks were erected at the town Council offices and the catholic mission. The tanks were able to reflect when the tank was at full capacity and when empty.
Connections • 963 service connections • Four(4) kiosks	78% completion of service connections and completion of four (4) kiosks was made.	A total number of 750 private connections, A connection fee of Ug shs 50,000 was made by the beneficiaries. Four Water kiosks located at mission, Congo road, Nebbi road, lorry park)
Completion of the water Office block with sanitary facilities	The water office block was completed	An office block with a four (4) stance water borne toilets was completed and furnished with furniture. This was used by the NWSC for management of the scheme
Construction of five(5) household Eco-san toilet , institutional Eco-san toilets and 8-stance flush toilet	100% completion of five (5) household Eco-san toilet, and two (2) institutional Eco-san toilet at primary schools. Two(2) 8-stance flush toilets were constructed	The eco-san toilets were completed and were in use. The urinal bowels were well fixed although users were not well trained on the use.
Construction of a Generator house • Installation of 60KVA generator • Three phase grid power connection to the pump houses	A generator house was constructed.	Perkins Engine Generator 60KVA was installed as an alternative source of power. A transformer was supplied to one of the pump houses site.
Pump Testing	Pump testing was done	the scheme was technically handled over to the Town council
Overall progress		**100% completion of works.**
Time elapsed		**100% of the contract period**

Source: field findings/ WSDF-N progress report

Challenges

- Delayed release of funds from Donor. The delayed release during the quarter of July to October 2013 affected the implementation of the planned outputs in the contracts. The construction works therefore stalled for four (4) months affecting completion
- Land issues since the project provided for no compensation and so it took time to convince people for the distribution line to pass through their land
- Hilly terrain making pumping head to be on the higher side.

Recommendation
The donors should make timely releases to enable early procurement of materials

Left to right: Installed production well, pump house, Generator, Office block and water reservoir in Paidha town

Left to right: completed school eco-san toilet at Assumptio Catholic school in paidha town, water kiosk and reservoir

Analysis

Link between financial and physical performance

The average overall physical performance for Paidha and Omugo piped water schemes was 100% completion and was achieved. This was an excellent performance. The average financial performance was 82% which was an excellent performance.

Achievement of set targets

The major performance targets WSDF-N were achieved. The completion of piped water schemes in the towns or RGCs; Paidha, and Omugo piped water supply schemes. By July 2014, the schemes were able to provide water to the beneficiaries in the both towns.

Conclusion

The functionality of Omugo and Paidha town piped water schemes contribute directly to overall goal of UWSS; increased access and provision to safe water in urban areas by 2015.

Recommendations

- The MWE/WSDF-N to ensure that all snags or defects identified within the defects liability period are rectified by the contractors for the completed schemes.

Project 1075: Water and Sanitation Development Facility-East (WSDF-E)

The WSDF-E is focusing on development of piped water systems in Small Towns (STs) and Rural Growth Centres (RGCs). It also focuses on; expansion and rehabilitation of existing schemes in the districts within its catchment area. The WSDF-E took over unfinished construction works from the North Eastern Towns Water and Sanitation Project (NETWSP). This was addressing water supply and sanitation, establishment of structures to ensure sustainable operation and maintenance (O&M) of newly constructed water supply systems. The WSDF-E is implementing in the districts of: [93]

Specific Objectives

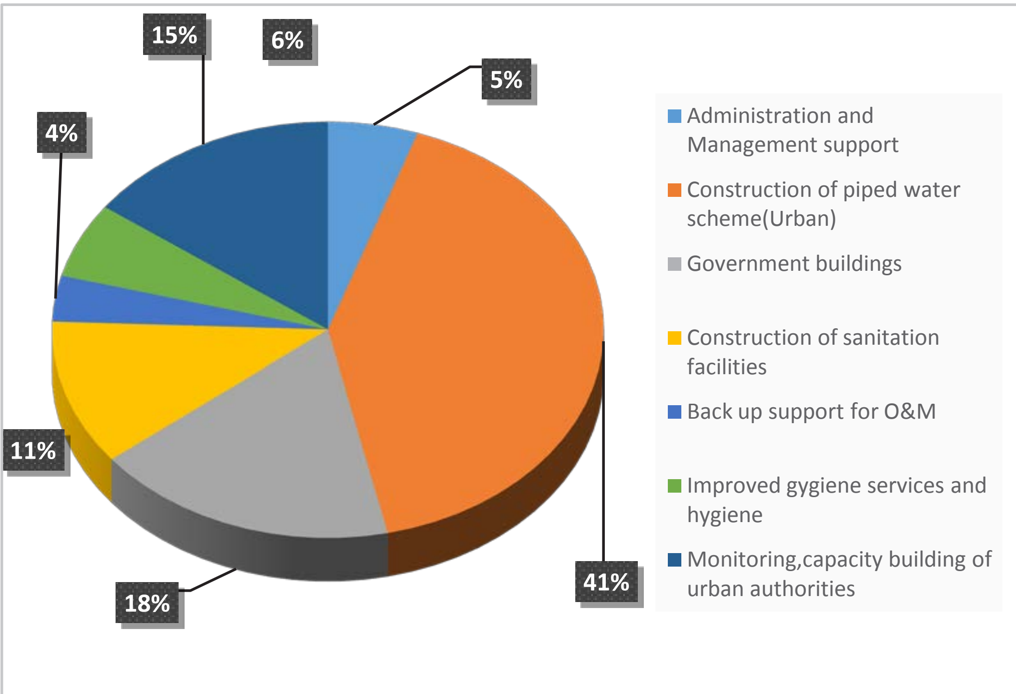
- Develop access affordable, safe and adequate water piped water scheme to access affordable, safe and adequate water
- Supply and sanitation services sustained by effective utility management arrangements.
- Effective and efficient management system of the Water and Sanitation Development Facility (WSDF- East) established.

Findings

Financial Performance

The WSDF-E receives funds from KfW (90%) and 10% counterpart funding from the GoU. In the FY 2013/14, the total approved budget was Ug shs 10.818 billion from both GoU and KfW. The release was Ug sh 15.431billion (141%) out of which 15.69 was spent. There was an over performance in the release and expenditure attributed to variations between the MFPED donor approved budgets and the actual release. The figure 11.8 Shows the expenditure prioritization of the project

Figure 11.8: Expenditure prioritization of Project 1075



Source: IFMS

Physical Performance

i. Completion of Kapchorwa Town Piped Water Scheme

The MWE undertook the construction of Kapchorwa piped scheme in 2008. A pipeline was designed by M/S Hydraulic and sanitation to separate the water supplied to the town council, and the rural areas. The construction works were embarked on but the scope omitted several important components that made the contractor refuse to correct the defects.

In the FY 2013/14, the WSDF-E awarded a contract to Ms Balaji Industrial and Agricultural Casting. This was an intervention to complete construction works, and correction of defects in the water supply system. The works started on 18th January 2032 for a period of 12months to be completed on 18th January 2014. The construction works were supervised by the engineers from the WSDF-E.

The scope of works were; fencing of the intake works, construction of a guard house at the intake, construction of a water abstraction channel, fencing of the primary sedimentation works, rehabilitation of two break pressure tanks, construction of valve chambers including replacement of faulty air and control valves, reinforcement of support structures for the gravity pipeline, restoration of functionality of the gravity pipeline for the rural areas, including replacement of fittings and pipe sections that had been washed away by minor land-slides.

Financial Performance

The contract sum was Ug shs 420,597,000. By the end of FY 2013/14, all the payments had been made to the contractor. The construction works were supervised by engineers of the WSDF-E.

Physical Performance

By 31st July 2014, the overall physical works were completed. Quality water was being served in the town of Kapchorwa. The old connection were receiving water while eight new connections had been made. The table 11.46 shows the detailed physical performance of Kapachorwa town piped water scheme by 31st July 2014.

Table 11.46: Physical Performance of Kapchorwa Town Piped water scheme by 31st July 2014

Planned Output	Level of Achievement	Remarks
Fencing of the intake	Fencing was done	A total of 222metres of the intake was done
Fencing of the primary sedimentation	Fencing was done	Materials used were metallic poles using barbed wire and were of good quality
Rehabilitation of two break pressure tanks	Works were completed	An additional height was added on the pressure break tanks
Construction of Valve chambers Replacement of faulty air and control valves	Works were completed	Works were well done and no defects observed.
Construction ,and installation of a housing unit for air blowers	Housing unit was constructed	Unit was well constructed and no defects were observed, air blowing machine was fixed

Construction of drop manholes and a sludge drying facility	12 drop manholes and sludge drying facility was constructed	Works were well done and no defects were observed on the structures
Construction of a public toilet	One public toilet was constructed	Works were well done and the facility was functional
Supply and installation of laboratory equipment, and chlorine dosing system.	Completion of installation of laboratory and chlorine dosing system	Equipment was installed to the water supply system
Overall progress		100% completion of works.
Time elapsed		100% of the contract time

Source: WSDF-E/ Field findings

ii. Construction of Busiu Piped water scheme

Busiu town is located in Mbale District. In 2009, Mbale District Local Government engaged National Water and Sewerage Corporation to design and extend water to Busiu town. After the feasibility studies, NWSC estimated the works to cost Ug shs 600million. However after the final design, the cost increased to Ug shs 1.2billion.

The increase in costs was attributed to the distance of the identified reservoir site to the NWSC water treatment works in Mbale town. The potential to provide and extend water to the trading centre of Busiu town was therefore limited.

In 2010, Mbale District Local Government applied for support and intervention from WSDF-E to construct Busiu piped water scheme. The MoU signed showed that WSDF-E would undertake the installation of the primary distribution pipe network, while Mbale district local government through NWSC undertook construction of the transmission pipeline and the reservoir tank.

The contract for the construction works was awarded to Ms Balaji Industrial and Agricultural Casting for a period of six months.

Financial Performance

In the FY 2013/14, the total sum of Ug shs 661,645,000 for was allocated for construction of the primary distribution. By 31st July all the funds had been paid to the contractor for the completed works.

Physical Performance

In December 2013, WSDF-E started construction of the 21km distribution pipe network. The works were completed in Mach 2014 but could not be handover due to the slow progress of the scope being implemented by NWSC. The distribution network covered busiu town, and institution like markets on Mbale-Tororo road.

The laid distribution pipe in Busiu town Mbale district

Analysis

Link between financial and physical performance

The overall average physical and financial performance for Kapchorwa town and Busiu was 100% completion. This was an excellent performance.

Achievement of set targets

The major performance targets were achieved. The completion of piped water schemes and distribution pipe network in the towns; Kapchorwa town piped water supply schemes and Buisu town.

Conclusion

The primary objective of the WSDF-E is to increase access to safe and adequate water in in small towns and RGCs. The overall physical performance was completion of the water schemes in the towns.

Recommendations

- The NWSC should undertake the completion of works for the Busiu town water scheme to make it functional.

Vote Function 0169: Water for Production (WfP)

Background

Water for Production (WfP) refers to development and utilization of water resources for productive use in crop irrigation, livestock, aquaculture, rural industries, and other commercial uses. The overall goal of the development of WfP is: "*to promote development of cost-effective and sustainable water supply and water management for increased productivity*"[94]. The current mandate in WfP facilities in Uganda is a shared responsibility between MWE and MAAIF. The MWE is responsible for "off farm" activities while MAAIF is responsible for "on farm".

The MWE through the WfP department undertakes construction and rehabilitation of earth dams, valley tanks, and bulk water transfer schemes with preference to the cattle corridor. The WfP received funding from the GoU for implementation of outputs.

Specific Objectives

- Construct, rehabilitate dams and valley tanks to increase water storage for agriculture and multi-purpose use.
- Provide irrigation facilities in the drought prone areas.
- Establish appropriate management systems, and enhancing capacity for key stakeholders in water for production management for the constructed facilities.

The planned outputs for FY 2013/14 were;

- Completion of Rakai Bulk Water Scheme,Kagamba sub-county Rakai District
- Completion of Nyamiringa Valley Tank, Kyankwazi District
- Installation of drip irrigation demonstration units on Leye dam in Kole district (75%), Akwera dam in Otuke district (75%), Arechek dam in Napak district (100%), Longorimit dam in Kaboong district (100%), Kagango dam in Isingiro district to 75%,and Kakinga dam in Sembabule(75%)
- Construction of Nyakiharo bulk water supply scheme, Kabale district (45%)
- Construction of Water Surface Reservoirs through rehabilitation of windmills in Karamoja region (90%)

The annual monitoring focused on the completion of Rakai bulk water scheme, Nyamiringa Valley tank, and installation of drip irrigation on Leye dam. The installation of drip irrigation on Arechek dam in Napak district (75%), Longorimit dam in Kaboong district (75%) were monitored in Q2 FY 2013/14.[95]

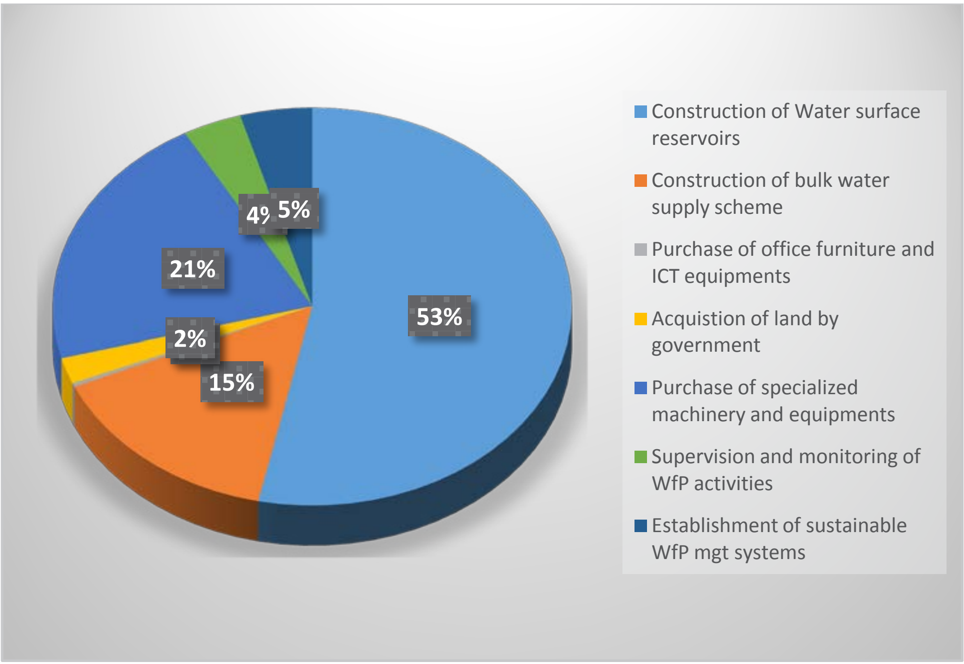
Nyamiringa valley tank was planned for 65% completion by end of FY 2012/13 but the contract had just been awarded due to delay in land acquisition.[96]

Financial Performance

In the FY 2013/14, the GoU approved annual budget was Ug shs 19.702billion, the release was Ug shs 19.116 billion (97%) and the expenditure Ug shs 19.035billion (99%).This was an excellent release performance and expenditure.

Water for Production received unbudgeted for funds from the Joint Partnership Fund (JPF) of Ug shs 328 million. There was no expenditure of the donor funds by end of the FY 2013/14 due to lack of guidelines for its utilization. The allocative efficiency of the funds is shown in the figure 11.8.

Figure11.8: Allocative efficiency for Water for Production



Source: Integrated Financial Management System (IFMS)

Physical Performance

Findings

i. **Construction of a Pilot Bulk Water Supply Scheme**

Background

The Rakai Bulk water scheme in Kagamba sub-county, Rakai district. This was aimed at ensuring easy, and reliable access to adequate water supply throughout the year for multipurpose use. The contract for the construction works was awarded to M/s Dott Services Limited. This was signed on the 10th November 2010 for 18 months.

However, construction works started on 1st February 2012, due to delays in land acquisition. The expected completion date was 30th June 2013.After commencement of works by the contractor, design modifications or changes in the scope of works by MWE were made. This led to the first addendum for an extension of the time frame for a period of 12 months to a new completion date - 30th June 2014.

On the 30th June 2014, a second addendum was granted for a two month extension of the time for completion of works. The revised timeframe was to incorporate other scope of works in the design assigned by MWE. The final expected date of completion therefore was 31st August 2014.

The Scope of Works

- The original scope of works were: to construct a rock fill type of dam suitable in areas with scarcity of earthly construction materials which was not feasible in Rakai.
- The first revised scope of work included construction of; an embankment (with well graded gravel fill material, clay core materials), spillway (open channel type) to drain excess water above the maximum water line. Installation of a culvert inlet pipe 1,200mm through the dam body connecting to the valve chamber, construction of the dam reinforced concrete inlet and outlet structures.
- The final scope of works included construction of; four- stance eco-san toilet, two cattle troughs, Flush sumps downstream, community water supply outlet and dykes for surface water run-off.

Findings

a. **Financial Performance**

The total contract sum was Ug shs 8,920,976,852 after the two revisions. A total sum of Ug shs 4,862,336,973 (55%) from advance payment, certificates 1&2 had been paid out by 30th August 2014. A payment of an interim 3rd certificate at Ug shs 2,748,410,734 was still pending. The table 11.47 shows the detailed financial performance for Rakai bulk water scheme by 4th August 2014.

Table 11.47: Financial performance for pilot bulk water flow scheme

Contract Sum	Payments Certified		Status of Payment	Date of Payment
8,920,976,852	Certificate Type	Amount		
	Advance	2,551,486,574	Paid	23rd/04/2012
	Certificate 1	504,845,269	Paid	26th /11/2013
	Certificate 2	1,806,005,130	Paid	19th/05/2014
	Interim Certificate 3	2,748,410,734	Pending	
Total Payments	**4,862,336,973**			

b. **Physical Performance**

By 4th August 2014, 95% of major works were completed by the contractor. The remaining works were on-going and the contractor was expected to complete works by 31st August 2014. The physical performance of Rakai bulk water supply system by 4th August 2014 is reflected in table 13.39.

Table 11.48: The Physical Performance of Rakai Bulk Water Supply System by 4th August 2014

Planned Activities	Level of Achievement	Remarks
Dam Construction works • Core trenching • Place graded sand for the filter drain • Filling and compaction of imported granular materials to the upstream and downstream • Provide, place and compact 150mm murram cap to 95% ASSHTO T99 density on the embankment crest at 3%	100% completion of the planned activities	The capacity of the dam under construction was 0.86million m^3 The contractor had planted grass and filled the upstream and downstream with granular materials. The quality of materials used was good
Pipe works • Laying of 450mm HDPE Culvert	100% completion of HDPE 450mm culvert pipeline works	Installation of associated fittings and pressure testing done successfully.

Installation of irrigation line • The 1,200mm diameter reinforced concrete irrigation line	completion of installation of the HDPE irrigation line	The 1,200mm diameter reinforced concrete irrigation line originally planned was replaced with 2/450mm HDPE PN 16 pipe.
Spillway works • Excavations to depth as specified by the design and construction of concrete spillway	60% of the spillway works had been completed.	The spillway works were on-going. There were excavation of the ground to depth by the tractor and other machinery. The concrete spillway was a replacement of the HDPE pipe in the original design. Pending works included; placing of concrete and compacting
Embankment protection • Gabion mattress in spillway channel • Planting grass downstream	98% of works on Riprap upstream works and 50% of grass planting were completed.	This w
Landscaping • Provide and place gabion mattresses of thickness 300mm on both upstream and downstream slopes of spillway crest	80% of placing the mattress on both upstream and downstream was completed	The placing of the gabion mattress on the slopes of the dam was on-going.
Construction of reinforced concrete inlet	100% completion	The reinforced concrete inlet with gabion boxes was fixed. All pipe fittings and installations were completed. The quality of completed works was good
Installation of one OD 450mm control valve	100% completion of the valve control house.	Two control valves were installed. An extra valve was installed as a measure for misuse of water without consent of water user committee. The constructed valves were of good quality
Construction of two cattle troughs	50% of works were completed.	The construction of cattle troughs was on-going. The on-going works were fixing and fitting of the pipes, mixing of concrete for building a structure of the trough. Pending works included; completion of the cattle trough structures and connection to the irrigation pipe.
Construction of four-stance Eco-san Toilet	60% of works were complete.	Construction works were on-going. The 4-stance Eco-san toilet was at finishes level. The quality of on-going works were good and were scheduled to be completed by 31st August 2014.
Construction of community water supply outlet	No works had commenced	This activity was not yet done
Construction of dykes for surface water run-off	20% of works on construction of dykes was completed.	Works were on-going at the site
Overall progress (%)		**95% completion of works**
Time elapse to date (%)		**95%**

Source: Field findings/WfP progress report

Sustainability

A Water User Committee (WUC) comprising of nine members was formed. Four of the members were women with two key positions; Treasurer, and Secretary as stipulated in the WUC guidelines. The training of the WUC focusing on the drafting of the O&M plan, and bye-laws for the facility was carried out on 31st May 2014 by MWE.



Left to right: Construction of cattle trough, an eco-san demonstration toilet, and a valve chamber at Kagamba sub county, Rakai district.



Left to right: Laying the gabion mattress, excavation works for the spillway, and an installed water pipe outlet at Kagamba sub county, Rakai district

Implementation Challenges

- Poor feasibility studies leading to cost variations
- Weather challenges. Heavy rains experienced during months of September and October 2013 slowed down gravelling works
- Land acquisition issues. The delays in acquiring land for construction of the scheme affects the progress of works

Recommendations

MWE should carry out effective and proper feasibility studies before commencement of the works to reduce design changes and cost variations.

MWE should liase with local governments in timely acquisition of land to reduce on delays in the implementation.

Analysis

Link between financial and physical performance

By 4th August 2014, the overall physical performance of the Rakai bulk water scheme was at 95%. This was an excellent performance, given that the expected contractual completion date was 31st August 2014. The overall financial performance was at 55%. This was below average and not commensurate to the completed level of physical works.

Achievement of set targets for WfP

The set target for the FY 2013/14 was completion of Rakai bulk water scheme. This however was not achieved and so works were extended until 31st August 2014.

Conclusion

The primary objective of construction of Rakai bulk water scheme is to provide water for irrigation to the community of Kagamba sub-county. This however was not realized due to delays in land acquisition, poor feasibility studies leading to design changes, and weather changes affecting implementation.

Recommendations

The MWE should carry out effective and proper feasibility studies before commencement of the works to reduce design changes and cost variations.

MWE should liase with local governments in timely acquisition of land to reduce on delays in the implementation.

ii. Construction of Nyamiringa Valley Tank

The valley tank is located in Kyayimba parish, Kapeke sub-county in Kyankwanzi district. Nyamiringa is a cattle grazing corridor with semi-arid features. The communities were moving long distances to dams or streams with their animals in other districts. The tank serves the parishes of Kyayimba, Kagobe, Kasega,Kayera and Banda in Kapeke sub-county. The contract for construction works were awarded to M/s Ambrecco Holdings Ltd on 24th October 2012 and the expected completion date was 19th January 2013. The defects liability period was six months

The original scope of works were; excavation of a 10,000m^3 valley tank at Nyamiringa, excavation of a spillway channel, construction of four cattle watering troughs and cattle trough ancillaries, construction of a VIP latrine. Additional works included; Cattle watering troughs, erecting oftwo10m^3 litre HDPE tanks, supply of two petrol driven pumps, and erection of a live fence consisting of treated timber posts and a gate.

a. Financial Performance

The contract for the construction of Nyamiringa Valley tank was Ug shs 559,801,000, although it was later revised to Ug shs 625,976,000 due to variations in the original scope of works. By August 2014, Ug shs 587,882,350 (94%) of Ug shs 625,976,000 had been paid out. The 6% was held as retention since the project was in its Defects Liability period. The table 11.49 shows the detailed financial performance of Nyamiringa Valley Tank by 31st July 2014

Table11.49: Financial performance of Nyamiringa Valley Tank by 31st July 2014(Ug shs)

Contract Sum	Payments Certified		Amount Certified	Date	Status of Payment
625,976,000	Certificate Type	Amount (Ug shs)	Submitted	Payment made	Paid
	Advance	167,940,300			Paid
	Certificate 1	126,009,000			Paid
	Certificate 2	198,987,900			Paid
	Certificate 3	94,954,150			Paid
Amount Paid to Date		587,882,350			Paid

b. Physical Performance

By the 31st July 2014, the construction works were completed but with snags. The snags included: raised slope of the water inlet than the water collection point at the Valley tank. Failure of the installed pumps to generate water from valley tank. The contractor had handed over the site to the community but was still in the defects liability period to rectify the snags. The table 11.50 shows the physical performance of Nyamiringa Valley tank by 31st July 2014.

Table 11.50: Physical Performance of Nyamiringa Valley Tank by 31st July 2014

Planned Outputs	Level of Achievement	Remarks
Excavation of a 10,000m^3 valley tank	100% of works were completed	The excavation of the valley tank was completed. There was some little water in the tank, however grass planting on the slopes on the tank was necessary to control the erosion of the soil.
Excavation of a spillway channel	100% of works were completed	The spillway was completed and works were good.
Construction of the water tank inlet	Completion of planned works at the valley tank inlet	The slope of the water inlet was higher than the water collection point in the catchment area. This implied water could get into the valley tank but spilled away in the nearby gardens and places.
Erecting of two 10m3 HDPE Water tank	Completion of two HDPE	Two 10m^3 HDPE water tanks had been erected nearby the Valley tank. These were storage tanks for supplying water to the cattle troughs.
Supply of two petrol driven pumps	The installation of the two petro driven pumps was completed but with snags.	The pumps were installed but with defects. The pumps were sucking air instead of water from the Valley tank.
Construction of Pump house	Completion of the pump house	The pump house was completed and the works were of good quality.
Construction of a 5-stance VIP latrine	Completion of a 4-stance VIP latrine instead of 5-stance planned	The 4-stance latrine had been completed but was not yet in use. The latrine had 2-stances for women and 2-stances for the men. The completed works were fair.

Construction of four cattle watering troughs and cattle trough ancillaries	Completion of cattle troughs.	Three were for Cattle and one for goats. These were not yet in use.
Erection of a fence consisting of treated timber posts and a gate	Completion of the fencing the valley tank with chain links	The valley tank was well fenced with chain links and a gate to control unnecessary access of the animals.
Overall progress (%)		100% completion of works

Source: field findings/WfP progress report

A shallow well for domestic water was constructed for the community although it was not part of the planned outputs.

Sustainability

The Operation and Maintenance (O&M) of the Valley tank was overseen by a water user committee. This comprised of five members with only one female on the committee. The water user committee however had not been trained. The training was supposed to encompass the drafting of an O&M plan, best practices on the sanitation around the valley tank, and collection of water user fees for minor repairs.



Left to right; a completed pump house, installed HDPE tanks of capacity10m3, and a 4-stance VIP latrine



Left to right; Spillway, public tap stand, and cattle trough at Nyamiringa

Analysis

Link between financial and physical performance

By 30th July 2014, the overall physical performance of the Nyamiringa valley tank was at 100%. The overall financial performance was at 94%. This was an excellent performance for both physical and financial performance.

Achievement of set targets for WfP

The set target was completion of a fully functional valley tank by the end of the FY2013/14. This was partially achieved as the valley tank had defects to be rectified by the contractor before it was handled over to the community.

Overall Challenges

- Delays in land acquisition. This delayed the implementation of the project in FY 2012/13 hence rolled over to FY 2013/14.
- Poor quality works. The construction works at the valley tank were of low quality compromising the value for money aspect.

Conclusion

The primary objective of construction of Nyamiringa valley tank is to provide water for livestock to the community. This however was not realized due to the enormous defects identified at the tank. The defects were; a raised inlet to enable flow of water from the catchment area to the tank, and disconnected pipes at the tank.

Recommendations

The MWE should ensure effective supervision and monitoring of the construction works for the facilities to reduce on defects for major components.

MWE should liaise with local governments in timely acquisition of land to reduce on delays during implementation.

iii. Installation of Pilot Drip Irrigation Systems

The MWE is piloting drip irrigation systems on dams, and reservoirs. This was premised on the climatic change patterns in Uganda. There has been insufficient rainfall for satisfactory crop growth in some parts of the country. The spatial and highly variable nature of rainfall in Uganda has led to massive environmental shocks (land degradation, drought and hunger) greatly affecting people's livelihoods.

The pilot drip irrigation systems were planned for the dams of: Akwera in Otuke district, Leye dam in Kole district, Kakinga dam in Sembabule district, Kagango dam in Isingiro district, Arecheck dam in Napak, and Longolomit dam in Kabong district.

Objectives of Pilot Drip Irrigation Systems

- To establish demonstration farms on some Water for Production facilities with appropriate pressure compensated drip irrigation systems.
- To equip farmers with the irrigation knowledge through demonstration trainings.
- To impart knowledge to farmers about enhanced agricultural production, and agriculture as a business.
- To demonstrate that water can be utilized to produce crops all year round irrespective of climatic conditions.

The annual monitoring focused on the installation of drip irrigation systems on the dams of Leye Dam, Arecheck dam in Napak district.

Pilot Drip Irrigation System on Leye Dam

Leye irrigation scheme is located in Kole district. The MWE awarded a contract for the pilot of drip irrigation on Leye and Akwera dam to Balton (U) Ltd on 4th February 2013. The contract execution period is 12months and expected completion date of 4th February 2015.

The scope of works in the contract entailed: land surveys, execution of soil and water tests and preparation of drip irrigation system design for one hectare piece of land. Installation; land fencing with chain linked fence, land clearing and preparation, and the installation of water supply to the plot and the drip irrigation system.

a. Financial Performance

The contract for installation of drip irrigation for both Leye Dam and Akwera dam was awarded at a sum Ug shs 294,000,000. By August 2014, Ug shs 50,500,000 (17%) advance payment was made to the contractor for Leye dam for commencement of construction works.

b. Physical Performance

Status on Progress of works

The Installation of the pilot drip irrigation system at Leye dam had not taken off. This was due to the delays in land acquisition and compensation for the project. By July 2014, the land compensation process was on-going. The process was handled by Kole District Local Government, and the land Valuation by the Chief Government Valuer, Ministry of Lands, Housing and Urban Development.

Implementation Challenge

- Delays in land acquisition. These affected the commencement of works for drip irrigation on leye dam.

Recommendation

The MWE and local government should kick start the land acquisition process for the projects early enough to avoid delays.

Pilot Drip irrigation on Arecheck dam in Napak district

The installation of drip irrigation system on Arecheck dam was at 89% with technical support for installation and continuous functionality on-going. The second round of vegetables was being planted for demonstration and these included; spinach, carrots, cabbage and onions. A tap stand was provided for the community to access water for domestic use.[97]

Implementation Challenges

- Frequent rains during the month of September 2013 disrupted continuous progress of works which led to delayed accomplishment of activities.
- The poor road condition due to rains delayed delivery of materials therefore delaying project implementation.
- Poor soils (clay soils) led to repetition of works (water, supply lines, fencing, trench work and beds).
- There were communication delays due to poor network in the region.
- Some of the trained farmers had to leave the farmer's group because they expected to be paid. The aim was to pick trainable people who would pass on the same skills.

Link between Physical and Financial Performance of Water for Production

The overall physical performance for pilot drip irrigation on Arecheck dam was 89% by February 2014 and the financial performance was 17.1%.This was an excellent performance. By July 2014, no works had commenced for installation of drip irrigation on Leye dam although overall financial performance was 20%. The overall physical and financial performance was below average.

Achievement of set targets for WfP

The planned target for FY 2013/14 was achieved for pilot drip irrigation on Arechek in Napak district. However the planned target of 100% completion on Leye dam was not achieved due to delays in land acquisition.

Overall Challenges

- Delays in land acquisition. These affected the commencement of works for drip irrigation on leye dam.
- Weather changes disrupted continuous progress of works which led to delayed completion of activities.
- The poor road conditions due to rains delayed delivery of materials affecting timely construction works

Conclusion

The main objective of the project is to supply and install drip irrigation systems on selected water for production facilities. This was to be done through identifying suitable crops, utilization of drip irrigation systems for income generation, and capacity building of farmers in improved agronomic practices. This was achieved for Arecheck dam in Karamoja region, however the objective was not achieve for Leye dam.

Recommendations

- The MWE should ensure acquisition of land by the local governments before a contract is awarded for constructions works in a district.
- The contractor for Arecheck dam recommended that the MWE reviews the draft training manual that was submitted such that training of farmers continues effectively

Vote Function 0904: Water Resources Management (WRM)

Background

The Directorate of Water Resources Management (DWRM) is charged with the responsibility of managing the water resources for the present and future generations. The DWRM implements the provisions of the Water Act through regulation of water abstraction and discharge of waste water into the environment. It’s further effected through water service regulation (drilling, dam safety), construction of surface and ground water monitoring stations, compliance monitoring, and enforcement of water laws.

Overall Objective

- To manage and develop the water resources of Uganda in an integrated and sustainable manner for the present and future generations.

Specific Objectives

- Ensure that Uganda fully utilizes its water resources for development and guarantees her water security;
- Ensure sustainable utilization of water resources to maximize benefits for the present and future generations; and
- Support the sustainable exploitation of water resources for economic activities.

The projects implemented under the WRM are: Support to Water Resources Management (0165), Lake Victoria Environment Management Project (0137), Operational Water Resources Management Nile Basin Initiative (0149), Mapping of Ground Water Resources in Uganda (1021), and Water Management and Development Project (1231).

In the FY 2013/14 annual monitoring was focused on Project (0165): Support to Water Resources Management (SWRM) project; construction of Surface water monitoring stations

Financial Performance

The WRM approved annual budget was 31.21billion, a release of Ug shs 37.62billion (120%), and an expenditure of Ug shs 31.21billion (83%). There was a variance in the donor approved annual budgets by Ministry of Finance, Planning and Economic Development (MFPED), and the figures from the donor to Ministry of Water and Environment.

Project 0165: Support to Water Resources Management (SWRM)

The SWRM seeks to enhance the capacity at the WRM through regulation of water abstraction, pollution monitoring and assessment of water resources. It further aims at improving the financial, organizational and institutional sustainability; improve capacity for water quality analysis, and upgrading of the monitoring network.

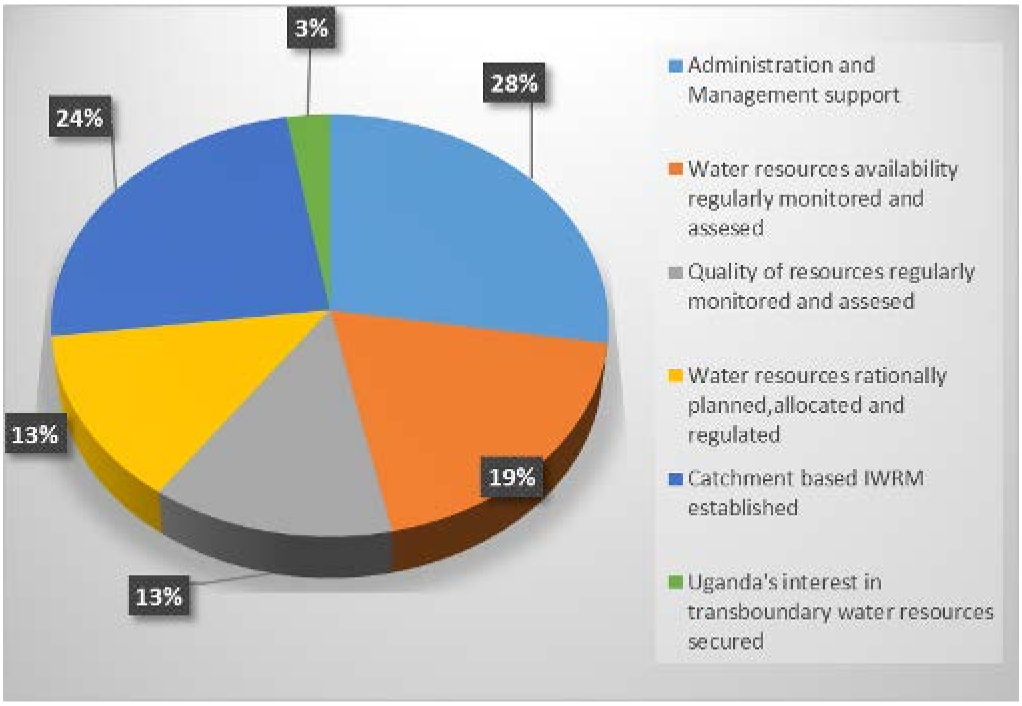
Objective

- The project is responsible for processing of permits to regulate abstraction of water using motorized pumps and canals, discharging wastewater in the environment, drilling for water, construction of dams and also reviews EIAs reports related to water resources.

Financial Performance

The GoU approved annual budget was Ug shs 3.232billion, the release was Ug shs 3.115billion, and the expenditure was Ug shs 3.232billion. This reflected a release performance of 96%, and an absorptive capacity of 104%. The donor approved budget was Ug shs 3.00billion, the release was Ug shs 5.51billion, and an expenditure of Ug shs 2.43billion. The absorptive capacity was 44%. The Allocative efficiency for the project is reflected in figure 11.9

Figure 11.9: Allocative efficiency for support to water resources management Project



Source: IFMS

Findings

i. **Construction of Awoja and Mpologoma Surface Water Monitoring Stations**

Awoja and Mpologoma Surface Water Monitoring Stations are located on Rivers Kapiri, and Mpologoma that form part of the Lake Kyoga Basin in Eastern Uganda. The basin has faced regular flooding and landslide challenges in the recent past. This led to the development of a floods management strategy by DWRM. It would act as an early warning system to minimize the impact of natural events on the people and their property. The collection of data on the water resources in the basin through monitoring stations was therefore necessary.

The construction of monitoring stations is implemented and supervised by the staff of the DWRM. The scope of works included: stilling wells with associated intake pipes, protective house for equipment, installation of fully operational water level data capturing and transmission equipment. The data captured, would be transmitted to the central base Station in Entebbe via Global System for Mobile communication (GSM).

- **Financial Performance**

The FY 2013/14, approved budget for the construction of Awoja and Mpologoma surface water monitoring stations was Ug shs 58,356,000. By 30th June 2014, Ug shs 58,356,000 was realized and spent on the developments works.

- **Physical Performance**

By 6th August 2014, the construction of Awoja and Mpologoma Surface Water Monitoring Stations on Awoja Bridge in Soroti, and at Budumba in Butaleja District was at 40%. The completed works were; installation of intake pipes and erection of a protective house. The pending works included; installation of data loggers, automatic data transmission systems to a fully operational monitoring station were still pending.

See table: 11.41 for physical performance on Awoja and Mpologoma Surface Water Monitoring Stations.

Table11.41: Physical Performance of Awoja and Mpologoma Surface Water Monitoring Stations

Key Outputs	Level of Achievement	Remarks
Stilling wells and Intake pipes	Completion of installation of the stilling wells and intake pipes	The wells, and intake pipes had been installed at Awoja bridge on river kapiri, and River Mpologoma. The installed pipes were of good quality and well-fixed into the rivers.
Construction of protective house	completion of the protective houses at both stations	The superstructures of the protective houses were finished. These completed works were of good quality
Installation of data loggers and sensors	No data loggers and sensors had been installed at Awoja and Mpologoma stations	This activity was still pending
Installation of an automatic data transmission system	No automatic data transmission systems had been installed at both stations	This activity was still pending
Erecting Signal to identify Monitoring station	No works were done yet	This activity was still pending
Overall progress (%)		40% of works were completed

Source: Field findings/SWRM progress report

Left to right: A super structre for Mpologoma monitoring station on River Mpologoma, installed pipes from Rive Kapiri to Awoja monitoring station, and an installed well in Awoja monitoring station

Challenges

- Lack of implementation capacity at DWRM. The constructions of the monitoring stations were relying on internal capacity of DWRM which is understaffed.

- Budget shortfalls -This affected the progress of works for the planned activities of the monitoring stations within a specified time frame.

Analysis

Achievement of set targets

In the FY 2013/14, the target was 100% completion and operationalization of Awoja, and Mpologoma surface water monitoring stations. The overall progress of works by August 2014, was at 40%. The physical performance was below average

Conclusion

The primary objective of construction of surface water monitoring station was to collect real time data for timely decision making. The overall physical performance was 40% against the planned target of 100% by end of FY2013/14. The constraints to success were: budget shortfalls and low implementation capacity within DWRM to carry out the planned activities.

Recommendations

- The DWRM should prioritize allocation of funds to completion of the surface water monitoring station.
- The MWE/DWRM should contract private firms to do works beyond the implementation capacity of the staff within the directorate.
- The MWE and Public Service should recruit more personnel in the DWRM so that capacity is boosted to carryout planned activities in time.

Part 4: CONCLUSIONS

Chapter 12: CONCLUSIONS

The overall conclusions that are derived from the field findings and analysis in the previous chapters, focusing on programme implementation during FY 2013/2014 are presented below by sector.

Financial Performance

The majority of MDAs had the approved budget amounts maintained. Overall, the performance of the finance sector in the FY 2013/14 was rated as very good with an average release performance of 82% for the development budgets for Ministries, Departments and Agencies. The release performance would have been better if works on Karuma Dam had not stalled.The cumulative absorption rate for most of the ministries/agencies as at 30 June 2014 was on average 99% which was excellent.

Physical Performance

Overall, the physical performance was good across sectors.

In **agriculture,** there was an improvement from the ranking of fair (50%-60%) in FY 2012/13. The good performance in the sector during FY 2013/14 was a result of use of resources as planned. For example under the *Agricultural Credit Facility*, the number of farms/firms accessing the Agricultural Credit Facility (ACF) increased from 154 by 30th June 2012 to 253 by 30th June 2014. More than a half of the investments (59%) were in agroprocessing machinery for handling tea, rice, maize, cotton and wheat. Under the *National Agricultural Advisory services (NAADS)*, inputs and technologies were distributed to farmers countrywide. By 30th June 2014: 1,934 bags of cassava cuttings, 168 oxen, 16,000 tissue cultured bananas, 240,000 pineapple suckers, 40,000kgs of sunflower seeds, 747 tonnes of bean seed, 884 tonnes of maize, 300,000 citrus seedlings, 300,000 mango seddlings, 20 milk coolers of 5,000 litres capacity, 21 maize mills and 250 motorised knapsack sprayers had been distributed.On the other hand, the *Uganda Coffee Development Organisation (UCDA)*:had procured and distributed; 18,712,437 coffee Wilt resistant Varieties to coffee farmers, 9,752,014 coffee seedlings to war veterans, rehabilitation kits of 40 water Tanks, 400 saws, 1600 Saw blades, 800 Pangs, 800 Slashers, 800 Secateurs and 272 tarpaulins to coffee farmers and nursery operators and 3600 liters of chemicals for controlling the Black Coffee Twig Borer. The *Labour Saving project* rehabilitated 93 water reservoirs/ponds/valley tanks against a target of 40.

The sector achievements were constrained by many challenges:

- **Regional imbalance in the distribution of sector programmes and outputs.** For example, the proportion of beneficiaries accessing the ACF was only 18% and 9% from the east and the north respectively.
- **Poor implementation and follow up of agricultural programmes:** For example there was high loss or wastage of NAADS inputs, while some commercial banks were reported to be extorting bribes to process the loans and were overcharging processing fees under the ACF.
- **Poor allocative efficiency**: More than a half of funds that were spent at the local government level for the NAADS programme were used to pay staff contracts, allowances, coordination costs and operational expenses. This poor resource allocation left limited funds (on average 30% of total expenditures) for technologies for farmers.

In **education**, good performance was noted for most of projects monitored. These included : project 0944 Development of PTCs ;by Project 1091 Support to USE-IDA ; Project 1092 ADB IV Support to USE ; Project 1270, Support to National Health and Departmental Training Institutions; and the the SFG project (0423) under KCCA. However, Project 0897 Development of Secondary Education underperformed as part of the project funds were diverted. Two projects under the Vote did not achieve the set targets (i.e. Project 0943 Emergency Construction and Rehabilitation of Primary Schools and project 0971 Development of TVET P.7 Graduate). In addition, the set targets under the LGMSDP (0115) were not achieved.

The **Energy** sector had fair performance as 63% of the projects were below average. Projects that performed well included; PREEEP; Management of Oil and Gas Sector in Uganda; and Construction of the oil refinery. The PREEEP project performed well in enhancing access to renewable energy technologies and increasing energy efficiency. Over 17,000 stoves had been distributed to households and 25 stoves for productive use to Small and Medium Enterprises. The Management of Oil and Gas sector project was on course.

The low performance was most common among transmission infrastructure projects where there were delays in acquisition of the corridor. The main causes for delays included; disputes due to low compensation rates, delays in; approval of compensation packages by the Chief Government Valuer, payment of the Project Affected Personss; and procurement of Resettlement Action Plan consultants. Delay in conclusion of the financing agreement affected performance of especially large hydropower plants. Other projects also highlighted low and late release of funds.

The **Health** sector good performance in both the National and Referral hospitals This was partly due to timely release of funds, and timely delivery of medical supplies ny the National Medical Stores. Challenges related to heavy workload for the health workers and abuse of the referral system was persistent. On the other hand use of the PHC garnt by local governments was also good.

The Ministry of Health progressed averagely in a number of projects including Health Systems and Strengthening (Project 1123) and Support to Mulago Hospital Rehabilitation (Project 1187) and Global Alliance for Vaccines Initiatives (GAVI), due to procurement challenges.

A number of challenges affected health service delivery including staffing gaps, inadequate nonwage budgets, lack of staffing accommodation and drug stock outs among others were noted.

Under the **ICT** sector, most of the planned outputs under the MoICT and NITA-U were achieved. For example, the Business process outsourcing was commissioned, commercialization of the national backbone infrastructure and supply of bulk bandwidth initiated, and several ICT regulations approved. Delays were noted on implementation of the national postcode and addressing system, implementation of phase III of the NBI and the digital migration national deadline under the MoICT.

In **industry** absorption of funds varied between poor under Soroti fruit factory, fair under PIBID and excellent under; OVOP, Kalangala Infrastructure Services, Value Addition Luweero fruit factory, construction of UNBS headquarters and UIRI. Overall physical progress across projects was good. However, implementation of some projects was rather slow for example Soroti fruit factory whose ground breaking had been re-scheduled more than twice, Value Addition Luweero fruit factory, PIBID and Development of Industrial Parks. Slow implementation was associated with lack of feasibility studies, poor planning, low capacity of contractors, and inadequate funding.

Under the **Roads** subsector,,Projects under MoWT have continued to be characterized by delays in implementation (most times by over 150% of the contract period), prolonged procurement processes, abandonment of works for long periods as well as poor contract management. This is the main cause of the poor budget performance due to the Ministry's failure to absorb funds on time; and the strategies have to be revisited in order to improve on the interventions.

Land acquisition still remains a challenge on most of the UNRA development projects as there are cases of sections of roads that have been skipped due to valuation issues. UNRA should devise a strategy that expedites the evaluation, verification and payment process for land acquisition to prevent delays that could lead to time extension. They can adopt a method where the land and properties there in are captured and the contractors are allowed to work in these affected areas and then compensation of properties follows immediately after.

Weak institutional capacity of URF Designated Agencies: Institutional weaknesses amongst some Designated Agencies included understaffing of works departments both in DUCAR agencies and UNRA upcountry stations; procurement delays, which hamper implementation of maintenance programmes and absorption of funds; and weak equipment portfolio in UNRA which continues to use obsolete equipment with high breakdown rates and maintenance costs.

The weakness of the private sector in the construction industry leading to delays in implementation of works, poor quality and expensive road maintenance works have continued to be a challenge to MoWT and UNRA.

The handling of emergency works on the critical roads at UNRA stations and districts affects planned works and hence targets are often not met, thus creating a need for emergence releases to the designated entities.

The equipment supplied under the Exim Bank financing can only do light grading and cannot handle the type of work that is required of it yet accessing of the regional equipment is hard, given the competing demand for it – averagely each region caters for about 30 districts. This strategy needs to be evaluated if maintenance backlog is to be handled effectively.

Gray areas in implementation of the force account policy in local governments have been observed. The Local Governments were not well prepared to maintain their district network under the force account intervention. Some of these lack key personnel like district engineers, road overseers, road inspectors, grader operators, etc. In addition, they do not possess the necessary equipment or readily have access to the regional equipment to enable them carry out the road maintenance activities effectively.

As a result of insufficient funding over a long period, the road maintenance backlog has kept steadily escalating as the public road network has continued to degrade without receiving the requisite levels of maintenance.

The Designated Agencies under the URF are reporting with difficulty as a result of manual reporting systems. This translates into untimely reports or failure to report in some instances.

Water, Environment and Sanitation

The overall performance of the WES sector during the FY 2013/14 was rated as good (60% - 70%). Good performance was exhibited in the completion of singila water scheme under the Alwi project in Rural Water Supply Sanitation, Nkoni, Ntwetwe, Zirobwe, Kyempene, Kahunge, Kabuga, Omugo, Paidha, and Kapchorwa water schemes under the Water and Sanitation Development Facilities in Urban Water Supply and Sanitation Vote function. The Water for Production Vote function completed construction of Nyamiringa valley tank and 80% of the pilot Rakai bulk water scheme.

Chapter 13: RECOMMENDATIONS

Implementation of programmes can be improved if corrective measures are taken by the various MDAs.This chapter highlights the key recommendations.

Ministry of Finance

- The MFPED should continue enforcing compliance to reporting deadlines to accounting officers
- The MFPED should consistently release funds before the 15^{th} of the first month of the quarter to enable the timely implementation of development works
- The central government/department/agencies procurement and disposal unit staff should continuously be sensitized on the new PPDA law to improve the procurement processes.

Agriculture

1) The MAAIF should ensure that agricultural sector programmes are equitably distributed in the country; affirmative action is needed for the North to benefit reasonably from the existing interventions.
2) The MAAIF should step up monitoring and supervision of agricultural programmes.
3) The MFPED and BoU should enhance publicity and information dissemination as well as supervision and monitoring of the ACF.
4) The Auditor General's office should audit the fraudulent practices and anomalies in agricultural sector programmes, expecially the ACF, KCCA NAADS and Labour Saving Technologies and Mechanization for Agricultural production programmes..
5) The MAAIF should restructure the NAADS budget to focus expenditures on provision of inputs and technologies and advisory services to farmers. Other recurrent expenses such as review meetings, coordination costs and vehicle maintenance expenses should be integrated in the regular local government budgets.

Education

1. The MoES should adhere to the work plan/performance contract for the financial year. In instances where projects are rolled over, they should be included in the subsequent work-plans.
2. The MoES should undertake the pre-project preparatory activities before the commencement of projects. For instance training of the head teachers under APL1 should have been carried out before project started.
3. The MoES with the implementing institutions need to carry out due diligence of contractors before contract awards are made.
4. For future projects the MoES should adopt the modality used under ADB IV in procurement of contractors and disbursement of funds for civil works. Contractors were centrally procured and payments made by the centre. This will ensure that more competent firms are contracted and reduce loss of funds at the hands of head teachers.

Energy

1. Government should come up with fair compensation values for all projects that use the way leave corridor.
2. The CGV's office should be enhanced with staff to speed up approvals submitted by UETCL.
3. The PPDA should develop the capacity in UETCL Project Implementation unit to handle procurements.
4. The UETCL, MEMD should initiate procurements early enough to enhance timely funds absorption.
5. The MEMD and MFPED should fast track the finalization of the financing agreement with the EXIM bank to expedite implementation of Karuma and Isimba Hydropower plants.

Health

- The sector should improve on its prioritization so that a few well eupped and manned facilities are available for effective service delivery.
- The Uganda National Bureau of Standards should strengthen monitoring and supervision to control substandard materials and equipment on the market
- The MoH should fast track the procurement processes of its projects to facilitate their implementation in stipulated timelines.
- The MoH and the NMS should invest in training personnel of health facilities to come up with viable procurement plans. The NMS also should expeditiously implement the revised basic kit taking into consideration population levels and disease burden.
- The GoU should support revitalization of the referral system to decongest referral hospitals and improve health service delivery at all levels. This could be achieved through provision of adequate staff accommodation, timely and adequate health supplies and drugs among others.
- District engineers should be held responsible for certifying poor quality works and the PPDA should blacklist contractors involved.

Information and Communication Technology

- The ICT sector should prioritize funding to phase III of the NBI, and Business Process Outsourcing under NITA-U, and the National Postcode and Addressing System pilot project in Entebbe as the projects have outlived their life span.
- NITA-U should be allowed to use part of the funding from commercialization of the NBI to re-locate the fibre optic cables in road reserves where UNRA is expanding national roads. Alternatively, the MoWT should adequate budget for expansion of roads including relocation of service infrastructure whose installation was cleared.
- The MoICT should speed up the analogue to digital migration before the international deadline of December 2015. The public should be adequately sensitized on this migration.
- The MoICT should spear head the harmonization of cross cutting activities in Government ministries and agencies implementing ICT programmes in order to prevent duplication.

Industrialisation

- The UIA should prioritize activities under development of industrial parks instead of spreading resources thin on the ground to register progress.
- The OVOP secretariat should link supported groups with other government agencies such as UNBS for certification and financial institutions to achieve the much desired transformation through value addition.
- Participating LGs in the DICOSS project should commit to sustain the activities initiated by the project with clear sustainability strategies. The anticipated contribution of the project to local revenue generation should be reciprocated with funding.
- The MoTIC should align the expenditure under the support to warehouse receipt system project to acquisition of land and construction of warehouses which formed the major outputs of the project.
- Government should prioritize the establishment of an industrialization fund for entrepreneurs to access cheap credit for investment in value addition.

Roads

- UNRA should fast track the propoised inclusion of tthe land acquisition component in the main contract.
- The URF should continue to train agency personnel and encourage early commencement of the procurement of materials for works. The URF should coordinate with the respective relevant key players like the Ministry of Public Service, MFPED, MoWT, MoLG, PPDA and other government institutions in addressing the capacity constraints at the agencies.
- The MoWT and UNRA should actively support efforts to roll out reforms in the local construction industry as proposed in the National Construction Industry Policy like creation of Uganda Construction Industry Commission (UCICO), which is expected to regulate and spur growth of the industry.
- The URF should coordinate with the Designated Agencies, MoWT, and MoLG towards clarification of the force account system, building of the required capacities, improving accountability, and mainstreaming quality assurance in the implementation of the policy.

Water and Sanitation

1. The MFPED should reconcile the approved budget estimates with the donors
2. The MWE should effectively budget for land acquisition to avoid delays during implementation.
3. The MWE should carryout comprehensive feasibility studies to reduce on the design changes after commencement of works.
4. The MWE and MFPED should make timely disbursement of funds to allow for early procurement of the necessary materials by the contractor.

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