THE REPUBLIC OF UGANDA

# Budget Monitoring Report
# Quarter One

## Financial Year 2013/2014

February, 2014

# TABLE OF CONTENTS

# ABBREVIATIONS AND ACRONYMS

| | |
|---|---|
| **ACAO** | Assistant Chief Administrative Officer |
| **ACCORD** | Action for Community Research & Development |
| **ADB** | African Development Bank |
| **ADF** | African Development Fund |
| **AfDB** | African Development Bank |
| **AG** | Accountant General |
| **AI** | Artificial Insemination |
| **AIA** | Appropriations In Aid |
| **AIDS** | Acquired Immune Deficiency Syndrome |
| **APL** | Adaptable Program Loan |
| **ASARECA** | Association for Strengthening Agricultural Research in Eastern and Central Africa |
| **ATAAS** | Agricultural Technology and Agribusiness Advisory Services |
| **BADEA** | Arab Bank for Economic Development in Africa |
| **BMAU** | Budget Monitoring and Accountability Unit |
| **BMU** | Beach Management Unit |
| **Bn** | Billion |
| **BoQs** | Bills of Quantities |
| **BoU** | Bank of Uganda |
| **BPO** | Business Process Outsourcing |
| **BTTB** | Background to the Budget |
| **BTVET** | Business, Technical and Vocational Education and Training |
| **CAA** | Civil Aviation Authority |
| **CAIIP** | Community Agricultural Infrastructure Improvement Programme |
| **CAO** | Chief Administrative Officer |
| **CBMS** | Community Based Management System |
| **CDD** | Community Driven Demand |
| **CEMAS** | Computerized Education Management and Accounting System |
| **CERT** | Computer Emergency Response Teams |
| **CFO** | Chief administrative Officer |
| **CGV** | Chief Government Valuer |
| **CIAT** | International Centre for Tropical Agriculture |
| **CIOs** | Chief Information Officers |
| **CLTS** | Community Led Total Sanitation |
| **CU** | Customs Union |
| **DA** | Designated Agencies |
| **DCOs** | District Commercial Officers |
| **DEOs** | District Education Officers |
| **DFO** | District Fisheries Officer |
| **DHO** | District Health Officer |

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|---|---|
| **DHSCG** | District Hygiene and Sanitation Conditional Grant |
| **DLGs** | District Local Government |
| **DSIP** | Agricultural Sector Development Plan and Investment Strategy |
| **DUCAR** | District, Urban and Community Access Roads |
| **DVD** | Digital Video Disc |
| **DWD** | Directorate of Water Development |
| **DWO** | District Water Office (s) |
| **DWSCC** | District Water and Sanitation Coordination Committee |
| **DWSDCG** | District Water and Sanitation Development Conditional Grant |
| **EAAPP** | Eastern Africa Agricultural Productivity Project |
| **EAC** | East Africa Community |
| **EACAA** | East African Civil Aviation Authority |
| **EATTP** | East Africa East African Trade and Transport Facilitation Project |
| **EDA** | Enterprise Direct Advisor |
| **EFT** | Electronic Funds Transfer |
| **EGI** | E-Government Infrastructure |
| **EoI** | Expression of Interest |
| **EPC** | Engineering Procurement and Construction |
| **ERP** | Enterprise Resource Planning |
| **ERT** | Energy for Rural Transformation |
| **ESDP** | Electricity Sector Development Project |
| **EXCO** | Executive Committee |
| **FAL** | Functional Adult Literacy |
| **FAO** | Food and Agriculture Organization |
| **FAWE** | Forum for African Women Educationalists |
| **FGD** | Focus Group Discussion |
| **FIEFOC** | Farm Income Enhancement and Forestry Conservation Project |
| **FINMAP** | Financial Management and Accountability Programme |
| **FY** | Financial Year |
| **GEF** | Global Environmental Facility |
| **GFS** | Gravity Flow Scheme |
| **GoU** | Government of Uganda |
| **Ha** | Hectare |
| **HC** | Health Centre |
| **HIV/AIDS** | Human Immunodeficiency Virus/ Acquired Immunodeficiency Syndrome |
| **HMIS** | Health Management Information Systems |
| **HSSP** | Health Sector Strategic Plan |
| **IAEA** | International Atomic Energy Agency |
| **ICEIDA** | Icelandic International Development Agency |
| **ICT** | Information and Communication Technology |

| | |
|---|---|
| **IDA** | International Development Agency |
| **IDA** | International Development Association |
| **IDPs** | Internally Displaced Persons |
| **IFMS** | Integrated Financial Management System |
| **ILRI** | International Livestock Research Institute |
| **IPC** | Interim Payment Certificate |
| **IPF** | Indicative Planning Figure |
| **IPPS** | Integrated Personnel and Payroll System |
| **IsDB** | Islamic Development Bank |
| **JICA** | Japan International Cooperation Agency |
| **KADWASA** | Kabale District Water and Sanitation Association |
| **KALIP** | Karamoja Livelihood Improvement Project |
| **KCCA** | Kampala City Council Authority |
| **Kg** | Kilogram |
| **Km** | Kilometre |
| **LC** | Local Council |
| **LG** | Local Government |
| **LGDP** | Local Governments Development Programme |
| **LGMSD** | Local Government Management and Service Development Programme |
| **LGMSDP** | Local Government Managerial and Service Delivery Programme |
| **LLG** | Lower Local Government |
| **LRA** | Lord's Resistance Army |
| **LVFO** | Lake Victoria Fisheries Organization |
| **MAAIF** | Ministry of Agriculture, Animal Industry and Fisheries |
| **MC** | Municipal Council |
| **MDAs** | Ministries, Departments and Agencies |
| **MELTC** | Mount Elgon Labour Based Training Centre |
| **MEMD** | Ministry of Energy and Mineral Development |
| **MFIs** | Microfinance financial institutions |
| **MFPED** | Ministry of Finance, Planning and Economic Development |
| **MICT** | Ministry of Information and Communication Technology |
| **MoES** | Ministry of Education and Sports |
| **MoH** | Ministry of Health |
| **MoICT** | Ministry of Information and Commutations Technology |
| **MOLG** | Ministry of Local Government |
| **MoLG** | Ministry of Local Government |
| **MoU** | Memorandum of Understanding |
| **MoWE** | Ministry of Water and Environment |
| **MOWT** | Ministry of Works and Transport |
| **MPS** | Ministerial Policy Statements |

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|---|---|
| **MSC** | Microfinance Support Centre Ltd |
| **MT** | Metric Tonnes |
| **MTEF** | Medium Term Expenditure Framework |
| **MWE** | Ministry of Water and Environment |
| **NAADS** | National Agricultural Advisory Services |
| **NALIRRI** | National Livestock Resources Research Institute |
| **NARO** | National Agricultural Research Organization |
| **NBI** | National Backbone Infrastructure |
| **NBI** | Nile Basin Initiative |
| **NCR** | Northern Corridor Route |
| **NDP** | National Development Plan |
| **NEC** | National Enterprise Corporation |
| **NELSAP** | Nile Equatorial Lakes Subsidiary Action Programme |
| **NEMA** | National Environment Management Authority |
| **NGO** | Non-Governmental Organization |
| **NIPA** | National IT Industry Promotion Agency (Korea) |
| **NISF** | National Information Security Framework |
| **NITA- U** | National Information Technology Authority-Uganda |
| **NMS** | National Medical Stores |
| **NSADP** | North West Agricultural Development Project |
| **NSIS** | National Security Information System |
| **NSSF** | National Social Security Fund |
| **NTCs** | National Teachers' Colleges |
| **NUSAF** | Northern Uganda Social Action Fund |
| **O&M** | Operation and Maintenance |
| **OBT** | Output Budgeting Tool |
| **OHS** | Occupational Health and Safety |
| **OLP** | Outstanding Loan Portfolio |
| **OPD** | Out Patient Department |
| **OPM** | Office of the Prime Minister |
| **OSBP** | One Stop Border Post |
| **PAPs** | Project Affected person |
| **PAR** | Portfolio at Risk |
| **PARI** | Public Agricultural Research Institute |
| **PDO** | Project Development Objectives |
| **PDU** | Procurement and Disposal Unit |
| **PEPD** | Petroleum Exploration and Promotion Department |
| **PHC** | Primary Health Care |
| **PIP** | Public Investment Plan |
| **PITs** | Project Implementation Teams |

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|---|---|
| **PKI** | Public Key Infrastructure |
| **PMA** | Plan for Modernization Agriculture |
| **PPDA** | Public Procurement and Disposal of Assets |
| **PPDA** | Public Procurement and Disposal of Public Assets Authority |
| **PPP** | Public Private Partnerships |
| **PRDP** | Peace, Recovery and Development Plan |
| **PSFU** | Private Sector Foundation of Uganda |
| **PTCs** | Primary Teachers' Colleges |
| **PV** | Photo Voltaic |
| **Q** | Quarter |
| **Q1** | Quarter 1 |
| **Q2** | Quarter 2 |
| **Q3** | Quarter 3 |
| **Q4** | Quarter 4 |
| **QAFMP** | Support to the Implementation of Quality Assurance for Fish Marketing Project |
| **RAP** | Resettlement Action Plan |
| **RCDF** | Rural Communications Development Fund |
| **RCIP** | Rural Communications Infrastructure Program |
| **REA** | Rural Electrification Agency |
| **RF** | Results Framework |
| **RFP** | Request For Proposal |
| **RFP** | Rural Financial Program |
| **RGS** | Rural Growth Centers |
| **RIEEP** | Rural Income and Employment Enhancement Project |
| **RMSP** | Rural Microfinance Support Project |
| **RoW** | Right of Way |
| **RRH** | Regional Referral Hospital |
| **RSPS** | Road Sector Programme Support |
| **RTI** | Rural Transport Infrastructure |
| **RWSS** | Rural Water Supply and Sanitation |
| **S/C** | Sub County |
| **SACCO** | Savings, Credit and Cooperative Organization |
| **SFG** | School Facilities Grant |
| **SMEs** | Small and medium enterprise |
| **STs** | Small Towns |
| **T/A** | Technical Assistance |
| **T/C** | Town Council |
| **TMEA** | Trademark East Africa |
| **TOR** | Terms of Reference |
| **TOT** | Training of Trainer |

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|---|---|
| **TSDF** | Transport Sector Development Project |
| **TSDP** | Transport Sector Development Project |
| **UA** | Unit of Account |
| **UCA** | Uganda Cooperative Alliance |
| **UCC** | Uganda Communications Commission |
| **UCSCU** | Uganda Co-operative Savings and Credit Union |
| **UEAWCP** | Uganda Egypt Aquatic Weed Control Project |
| **UECCC** | Uganda Energy Credit Capitalization Company |
| **UETCL** | Uganda Electricity Transmission Company Limited |
| **Ug shs** | Uganda Shillings |
| **UN** | United Nations |
| **UNBS** | Uganda National Bureau of Standards |
| **UNCST** | Uganda National Council for Science and Technology |
| **UNEB** | Uganda National Examination Board |
| **UNRA** | Uganda National Roads Authority |
| **UPE** | Universal Primary Education |
| **UPPET** | Universal Post Primary Education and Training |
| **UPS** | Uninterrupted Power Supply |
| **URA** | Uganda Revenue Authority |
| **URC** | Uganda Railway Corporation |
| **URF** | Uganda Road Fund |
| **US$** | United States Dollars |
| **USD** | United States Dollar |
| **USE** | Universal Secondary Education |
| **UTAMU** | Uganda Technology and Management University |
| **UWS** | Urban Water and Sanitation |
| **VAT** | Value Added Tax |
| **VF** | Vote Function |
| **VIP** | Ventilated Improved Latrine |
| **WATSAN** | Water and Sanitation |
| **WRM** | Water Resources Management |
| **WSDF** | Water and Sanitation Development Facility |
| **WSDF-C** | Water and Sanitation Development Facility Central |
| **WSDF-E** | Water and Sanitation Development Facility East |
| **WSDF-SW** | Water and Sanitation Development Facility South West |
| **WSP** | Water and Sanitation Programme |
| **WUC** | Water User Committee |
| **ZARDI** | Zonal Agricultural Research and Development Institute |

# FOREWORD

In order to achieve socio-economic transformation which is the focus of the budget for FY 2013/2014, the Government of Uganda is investing substantially in physical infrastructure and human capital. The translation of financial resources into tangible outputs requires efficient and effective implementation, supervision and monitoring of Government programmes.

The Government produces regular budget monitoring reports, since FY 2008/2009 to provide accurate and timely information on the status of programme implementation to aid decision making by policy makers. The focus continues to be on the priority areas of: Agriculture, Education, Health, ICT, Industralization, Roads, Energy, Microfinance and Water and Sanitation.

This budget monitoring report provides an overview of the financial and physical performance for selected programmes during the first quarter of FY 2013/2014 and part of the second quarter. 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 should 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**

# EXECUTIVE SUMMARY

## BACKGROUND

This report reviews selected key vote functions and programmes within the sectors, based on approved plans and significance of budget allocations to the votes. The focus is on nine sectors, including: agriculture, education, energy, health, industrialization, ICT, water and sanitation, roads, and micro-finance. 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.

Projects selected for monitoring were based on regional sampling, level of capital investment, planned quarterly output, and value of releases during the first quarter of FY 2013/2014. 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

### (a) Central Government Ministries/Agencies

**Introduction**

The budget performance of Q1 FY 2013/2014 of nine selected priority Ministries and one agency were analyzed. The Ministries/Agency includes MAAIF, MOES, MEMD, MFPED, MOH, MoICT, MTIC, MOWE, MOWT and UNRA.

**Conclusion**

Most of the approved development budgets FY 2013/2014 for the selected priority Ministries and Agencies has remained the same compared to the previous year with the exception of MOH and UNRA registering growth of 24% and 50% respectively; MAAIF registered a budget reduction of 22%.

The Q1 releases performances were in the range of 20-30%.

Most of the monitored Ministries/Agencies absorption rates were excellent with the exception of MAAIF, MOH and MOWE which registered low absorption rates of 50%, 37% and 36% respectively. There were varying reasons for low absorption and the notable ones across the Ministries were delayed procurement, insufficient funds and administrative bureaucracies in accessing funds for implementing activities.

**Recommendations**

- There is need to conduct a detailed study on the procurement processes in both Ministries and Local Governments in order to identify all the issues leading to the delayed procurement. This will help to inform government on the necessary action, whether operational or policy.
- The MFPED should release funds as per the work plans of the implementing entities and in this case the issue of insufficient funds will not arise.
- The line Ministries to reduce or eliminate administrative bureaucracies so that implementing entities can easily access funds and implement planned activities in time.

### (b) Districts Local Governments Conditional Grants

**Introduction**

Financial performance of the development grants was monitored in Quarter 1 of the FY 2013/2014. The development grants in perspective included Primary Health Care development (PHC), National Agriculture and Advisory Services (NAADS), School Facilitation Grant (SFG), Rural Water, Rural Roads and Local Government Management and Service Delivery (LGMSD).

A total of nine districts were visited and these included; Nwoya, Nebbi, Kyegegwa, Kasese, Ntoroko, Ntungamo, Lyantonde, Kiboga and Kyankwanzi. The monitored Districts were randomly selected from newly created Districts and those that were not visited within the last Financial Year 2012/2013.

**Key challenges/conclusions**

- The development budget for the local government conditional grants has been reducing over the years and yet the demands for the social services are on the rise in the local governments.
- Most of the district's received the Q1 releases late in the second month of the quarter and a few other districts' received funds in the last month of the quarter.
- There is a significant improvement in the timely release of funds from the General Fund Account to Sector Accounts. Most of the districts funds take less than a week to reach the sector accounts from the general fund account.
- Some local governments were able to fully absorb Q1 funds and this was due to the fact that most of them were paying for outstanding obligations for the previous year. Those that had low absorption, it was attributed to late receipt of funds and delayed procurement since the process had just been initiated.
- All the districts did not receive development releases for Q4 FY 2012/2013, as a result all the works for Q4 were rolled over and the funds received in Q1 have been used to pay the prior year commitments. This has distorted the development budget for the current financial year.
- The quarterly release for the NAADS grant is not in line with the planting seasons. This affects the timely purchase of inputs especially crops and as a result low absorption of funds.
- Lack of standardized reports at the local government, this affects all the grants as line ministries expect reports in their own format and MFPED expects the same reports in different formats.
- There is very little monitoring and supervision of development projects at the local government and this is attributed to poor facilitation of the monitoring units.

**Recommendations**

- There is need to have a stable or growth in the budget allocation for the conditional grants to local governments because the service delivery needs is always increasing.
- MFPED and other line Ministries to always release funds in time to ensure timely absorption of funds.
- The timing of NAADS releases should be harmonized with the planting seasons so that funds are not received when the planting season is over.
- The MFPED, MOLG and other Line Ministries should have a tripartite arrangement and harmonize the reports to have standard reports. This will save the LGs from making multiple reports to different entities and in different formats.
- The grants budget should allocate a reasonable amount to monitoring and supervision to enable coordinators effectively supervise the development activities.

# Physical performance

## i) Agricultural Sector

**Introduction**

Five agricultural projects were monitored namely: i) Export Goat Breeding and Production ii) Increasing Mukene for Home Consumption iii) National Livestock Research Institute iv) Support to Fisheries Mechanization and Weed Control v) Support to Implementation of Quality Assurance for Fish Marketing.

**Findings**

**Export Goat Breeding and Production**: Government disbursed Ug shs 406,666,666 for Q1 and Ug shs 254,732,383 for Q2 for project activities. The funds were transferred late by MAAIF and were received by the user on 10th December 2013. Hence, all the planned activities for the first and second quarter of FY 2013/2014 were not implemented. Being a multi-year project, other routine activities continued including goat multiplication and provision of extension services. Cumulatively over the five year period, the project had received Ug shs 4.4 billion (80.4% of the total project budget. It had achieved the targets of procuring and distributing the 350 exotic goats to farmers and farmer training. It underperformed on procurement of indigenous goats (22,788 procured and distributed against a target of 54,000), and registered no progress in development of Farmers Marketing Coorperative(s) and establishing market outlets. The poor budgeting for capital expenses in this project contributed significantly to poor performance. The project had received funds for six months beyond the MoU expiry date of 30th June 2013, which is an anomaly that needs to be reviewed, audited and corrected.

**Increasing Mukene for Home Consumption**: During Q1 of FY 2013/2014, the project used up Ug shs 182,000,005 out of the disbursed Ug shs 187,000,000 (97.3% absorption rate). These funds were used to construct a Mukene store at Kiyindi Buikwe, 4 Mukene drying racks in Bullisa, 4 Mukene drying racks in Buvuma, mapping of fishing grounds and breeding areas and holding several stakeholder meetings. The low adoption of improved technologies by fishermen and artisans was a major hindrance to project implementation. The high capital costs involved in constructing mukene drying racks and catamaran boats and the small number of racks provided by MAAIF for demonstration purposes contributed greatly to low technology adoption. Lack of value addition technologies; guidelines and standards for Mukene processing, negatively affected realization of the project outputs and outcomes.

**National Livestock Research Institute**: The program operates multi-year interventions. The NALIRRI received Ug shs 2,183,667,651 in FY 2012/2013 of which Ug shs 1,895,015,494 or 87% was spent. In FY 2013/2014, NALIRRI received a total of Ug shs 902,191,962 for Q1 and Q2 of which Ug shs.734, 131,962 was expended (81% of the total release). The NALIRRI successfully transferred technologies and good practices to farmers in various districts for the Animal Nutrition Programme. Other program areas (Livestock Breeding, Livestock health, Apiculture and Insectary) underperformed and their impact and visibility could not be traced at the farm level. The spread of NALIRRI activities over several NARO institutions reduced the overall impact of the Institute.

**Support to Fisheries Mechanization and Weed Control**: During FY 2013/2014 Q1, Ug shs 90,000,000 was released to the project, of which Ug shs 53,123,666 was spent (59% absorption rate). Most performance outputs of the Support to Fisheries Mechanization and Weed Control during Q1 where not delivered satisfactorily. With the end of phase three of the UEAWCP in FY 2010/2011 and delayed renewal of the MoU for the project between GoU and the Egyptian Government, the Support to Fisheries Mechanization and Weed Control slowed down in controlling weeds on the lakes. The weevil rearing centres that were set up for biological control were operating below capacity. And some of the mechanical control equipment was left unsecured at various landing sites.

**Support to Implementation of Quality Assurance for Fish Marketing**: Between 2009 and December 2013, the project received US$ 5,404,394 ICEIDA. About 76% of the donor funds were utilized for infrastructure development. During QI FY 2013/2014, Ug shs 91,886,667 was disbursed to the project; Ug shs 67,351,932 was spent (73% absorption). The project completed establishment of clean water and sanitation and fish handling facilities at 12 out of 18 planned landing sites and construction of 9 District Fisheries Offices. Operations and maintenance of the new infrastructure remains a key challenge.

**Conclusion**

The overall performance of the agriculture sector during quarter one and part of quarter 2 of FY 2013/2014 was below average (less than 50%). Two of the projects that were monitored exhibited good performance in terms of achieving the set financial and physical targets namely: i) Support to Implementation of Quality Assurance for Fish Marketing ii) Increasing Mukene for Home Consumption. Two projects partially met their targets namely: i) National Livestock Research Institute ii) Support to Fisheries Mechanization and Weed Control. The planned activities for FY 2013/2014 Q1 and Q2 for the Export Goat Breeding and Production project where not implemented as funds for the two quarters where received late on 10th December 2013.

The overall challenges affecting sector performance included: i) Under costing or poor budgeting for capital investments ii) Inaccurate capture of MAAIF projects in the Public investment Plan iii) Low absorption of funds iv) Lack of set performance targets

**Recommendations**

1) The MAAIF should improve planning and costing for infrastructure development, especially in large multi-year projects.

2) The MFPED should ensure that all programmes and projects that benefit from Government funding are included in the Public Investment Plan to eliminate inconsistencies and confusion in accounting for project funds and outputs.

3) The MAAIF needs to improve and fast track transfer of resources to the implementing Departments and projects and encourage early initiation of procurement processes by the implementing agencies.

4) The MAAIF should review its performance indicators and targets to ensure that they are smart and aim at achieving sector objectives.

5) The MAAIF should implement another phase of the Support to Implementation of Quality Assurance for Fish Marketing project to construct the fish handling facilities that were not done in the current phase and extend reach to other districts.

6) The NARO/NALIRRI, in collaboration with the International Atomic Energy Agency should fast track calibration of equipment in the insectary to enhance its functionality.

7) The NARO should review and restructure the set up of NALIRRI programmes to enhance service delivery, especially in the areas of Livestock breeding, Livestock Health, Apiculture and Insectary). Activities, staff and animals that belong to NALIRRI but are based at other NARO institutes should be relocated back to the Tororo Institute for enhanced functionality.

8) The MFPED/MAAIF should review and chart a way forward to address the anomaly of the Export Goat Breeding and Production project continuing to receive funds beyond the project end date of 30$^{th}$ June 2013. This is an issue for follow up by the Auditor General's office.

## ii) Education Sector

**The ADB IV project**

During the first half of 2013/2014 a lot of construction works has been going on under the ADB IV project. This was a 5 year project with a completion date of 30$^{th}$ June 2014 implemented by MoES. The total cost of the project is approximately USD 93.5 million. By December 2013 UA 22,928,068.77 (44.2%) was disbursed. GoU has made available an amount of UA 3,005,600 (52%) counterpart funding requirement of UA5,780,000.[1]

The major outputs of the projects are i) Rehabilitation of 42 senior secondary schools and 2 Technical Institutions and transform them into centers of excellence ii) Expansion of 15 seed schools, iii) Construction of 12 new seed secondary schools in sub counties that do not have any, iv) 2,500 Teachers and 600 school managers trained, of whom 40% will be female, v) Goods and services procured to improve learning conditions, vi) Gender mainstreaming and the fight against HIV/AIDS. As the project comes closer to the completion date, a lot of civil works are going on; for instance. As of November 2013 the progress of civil works for the different categories of schools under ADB IV was as follows:

- Eleven institutions out of the 31 being turned into centers of excellence were visited. Progress of civil works for the different structures in all the eleven institutions was between roofing and finishes levels. The completion date for majority of these schools was around December 2013. However, civil works in 8 institutions were behind schedule and contractors noted that they would require more time. In Mvara S.S., for instance, the contractor reported that he was behind by six months. Other contractors also reported that they would require at least two more months to complete the works. Contractors in 8 schools visited complained about the slow pace of processing interim certificates for payment by MoES. According to them this was the main cause of the delays in progress of civil works. The quality of civil works in all institutions visited was however very good.

- Four out the ten existing seed secondary schools for expansion were visited. Findings indicated that civil works for all structures in three schools were completed and all of them were in use. However civil works in Bulamu S.S. were abandoned incomplete by Ms Lamba Ltd.

- All the 7 new seed secondary schools being constructed under ADB IV were visited to find out the progress of construction. Findings indicated that civil works for all structures in 2 sites did not take off and the contractor abandoned the sites (i.e. Bufunjo seed and Katungulu seed). Progress of civil works for all structures in 4 sites was at ring beam (Apo S.S., Purongo Seed, Ogoko seed, Patongo S.S) while works were at finishes at Kanara Seed S.S. Findings further indicated that civil works in 3 sites were behind schedule (i.e. Ogoko seed, Patongo Seed and Kanara Seed) At least 2 contractors under this category attributed this to the slow processing of interim certificates by MoES.

- All the 5 existing seed being expanded under ADB IV were monitored. Findings indicated that civil works were completed in Buhanika seed secondary school, while civil works for the different structures were between wall plate and finishes level in the rest of the 4 sites. Civil works in 2 sites were behind schedule. The quality of civil works was good.

- Four out of the five schools seed schools being constructed to 100% were monitored. Findings indicated that works were completed in Mella Seed while they were at finishes level in Bumayoka seed. Contractor for Bumayoka seed was behind schedule. However, the contractor for Kalisizo Seed S.S and Kamwenge Seed Ms Lamba Ltd abandoned the sites. Works were left incomplete at Kalisizo Seed while almost no work was done at Kamwenge Seed.

- 5 schools out of the 13 additional centers of excellence for rehabilitation and expansion were monitored. The progress of civil works for the different structures in schools visited was between the plinth wall and casting the ground slab level. However, civil works St Peter S.S Nsambya had not started.

From the above, it is clear that civil work in 15 schools were behind schedule. Reasons ranged from slow payment of submitted interim certificates, delays in approvals of scope of works, land wrangles to weather challenges.

Contractors in12 schools complained that MoES was very slow in processing payments of submitted interim certificates. Information from MoES confirmed this finding and indicated that certificates worth over USD 7.45 million (UA4.93million) had not been paid and were under process.

The cause of the slow disbursement rate was reportedly due to the fact that the internal audit department of the ministry declined to approve payments for works that had variations in scope of works. It is true that some of the needs of the schools changed over time necessitating changes in scope of works to address more pressing school needs.

Two contracts by Ms Lamba Ltd stalled. The first was Lot 7 for expansion of Bulamu Seed Secondary School and construction of Kalisizo Senior Secondary School at a contract sum of USD 1,137,348.04). These two sites were executed up to 60% by the time they were abandoned. The challenge is that they hold at risk USD 500,003.81 out of an initial contract sum USD 1,137,348.04.

The second again by Ms Lamba Ltd was Lot 12 for expansion of Kamwenge Senior Secondary school, Katunguru Senior Secondary School and Bufunjo Secondary school at contract sum of USD 1,862,002.05. Almost no work was done in these three sites. (In Kamwenge S.S and Bufunjo S.S. only the foundations were excavated while no works were done at Katungulu.) However an advance payment of USD372, 404 was paid to the contractor. This contract was eventually terminated.

Under this project institutions also received furniture, text books, an assortment of science and sports equipment, tractors to improve food security and an HIV/AIDS kit to equip the guidance and counseling departments in schools. Teachers in these schools have also received trainings in better school management skills.

A number of schools had not received some of the items under the soft component (.e.g Apo Seed, Ogoko, Patongo Seed, Patongo, Mella, Bumayoka, Kanara).

**Conclusion:**

Based on 34 institutions monitored out of the 42, ADB IV project has contributed to the sector objective of contributing to expanding equitable access at Post Primary Education and Training level. The major outputs of the project will largely be achieved. Construction/rehabilitation in a number of schools was nearing completion and the quality of civil works was appreciated by beneficiaries. Teachers in schools visited have benefited from trainings to improve their school management skills. Under the soft component, schools received goods to improve the learning conditions.

**Recommendations:**

- MoES should expedite the process of processing all submitted interim certificates to ensure that contractors do not experience delays in receiving payments for completed works.

- MoES should ensure that civil works for expansion of Bulamu Seed and Kalisizo Seed schools are contracted out as soon as possible and completed before the expiry of the project.

- MoES should ensure that causes of slow approvals of genuine variations are addressed. This will go along way in expediting and completing of all civil works before the expiry date of the project.

- MoES should come up with alternative funding modalities for the terminated contract of the 3 schools (ie. Kamwenge S.S, Katungulu S.S and Bufunjo S.S.). These schools remain remote and needy and are in sub counties without any Government aided secondary schools.

- MoES should ensure that all schools under ADB IV receive all items for which they were entitled under the soft component to ensure that there is value for money (i.e. Furniture, books, sports equipment, laboratory equipment and sponsorship of the girl children).

- MoES should Endeavour to fulfill all conditions for sending the remaining part of UA 29,071,931.23 (55%) undisbursed funds as the project is coming to the end. GoU should also fulfill their part of completing the counterpart funding to 100%.

## iii) Energy Sector

**Introduction**

Monitoring in Q1 FY2013/2014 focused on four development projects under two votes: Ministry of Energy and Mineral Development (Vote 017) and Rural Electrification Agency (Vote 123). Vote 017, focused on (i) Energy for Rural Transformation (ERT) - Education component implemented by Ministry of Education and Sports (MoES); (ii) Mbarara-Nkenda/Tororo-Lira Transmission Lines Projects implemented by Uganda Electricity Transmission Company Limited (UETCL); and (iii) Construction of the Oil Refinery, implemented by Petroleum Exploration and Promotion Department; Vote 123 focused on Construction of Community Schemes implemented by the Rural Electrification Agency (REA).

Approved budget for the sector for Financial Year 2013/2014 was Ug Shs 1,337.98 billion. By Quarter 1, only Ug Shs74.351 billion (5.6% of approved budget) had been released. Release performance for the sector was poor. Absorption of funds for projects on the other hand was excellent, as projects expended on average 89% of released funds. Allocative efficiency for the projects was good as the greatest percentage of funds were spent on line items that are capital development in nature. These included; other fixed assets (49%) transfer to other government units (23%), and land acquisition (11%).

**Project 0325: Energy for Rural Transformation**

GoU approved budget for project 0325 for FY 2013/2014 is Ug Shs 2.337 billion. A total of Ug Shs 0.4 billion was released by Quarter one, representing release performance of 17%. Government therefore performed poorly in terms of releasing funds to the sector. Absorption of funds on the other hand was excellent as 87% of funds released were absorbed.

Two sub-components were monitored under the Energy for Rural Transformation (ERT) project: the grid extension project and the education sub-component. The ERT grid extensions project registered good performance as all the transmission networks projects monitored namely; Masindi-Waki-Buliisa ; Ntenjeru-Bule-Mpenja ; and Nkoge-Kashozi, were close to completion. Solar installation on the part of the ERT-education component was complete. However, the intended benefits of the project were compromised. Beneficiaries indicated that the installation is not reliable. This was due to installation of weak solar systems and as such the solar installations were not working properly.

**Project 1137: Mbarara-Nkenda/Tororo-Lira-Opuyo Transmission line Project**

Release performance for the project was below average, with only19% of the approved budget released to the project. All the released funds were expended indicating excellent absorptive capacity. Physical performance also improved as construction works had commenced for both the Mbarara-Nkenda and Tororo-Lira-Opuyo transmission lines; as compared to the status by the end of FY 2012/2013. By the end of the previous financial year, the project which started in May 2011 was at Resettlement Action Plan (RAP) implementation stage.

**Project 1184: Construction of the Oil Refinery Project**

Approved budget for the project was Ug Shs 34.98 billion. By Q1, Ug Shs 7.95 billion was released (23% of approved budget) of which 100% was absorbed, indicating good absorption capacity.

The Resettlement Action Plan (RAP) implementation is ongoing to secure land for the development of the refinery. Ongoing activities on site include registration of complaints, grievance verification and resolutions; bank account verification, and identification of land for resettlement.

**Vote 123: Rural Electrification Agency**

Approved budget for the vote was Ug Shs 36.98 billion. Government released Ug Shs 3.651 billion (9.8%

of approved budget) to the sector by Q1; indicating poor release performance. Expenditure was Ug Shs 3.09 billion (85% of released funds). Allocative efficiency was excellent as 100% of the funds received had been spent on other fixed assets, which are capital in nature. Physical performance is good. Construction of community schemes in Kasese by Kilembe Mines Limited is at completion stage.

**Critical Challenges**

- Delays in compesating project affected persons have continuously hindered implementation of projects implemented by the Rural Electrification Agency (REA).

- Unreliability of solar installations implemented by ERT- Education sub-component. This was due to the installation of weak solar systems, and as such, the solar installations were not working properly. Also several buildings were not installed with solar systems because they were not yet constructed at the time when the needs assessment was undertaken. This problem came about because of the big time lag between the needs assessments and the actual implementation of project.

- Low valuation of land slows down projects that acquire way leaves. In addition, some people with large pieces of land such as those owning tea estates and farm lands are not agreeing to surrender their land for project development.

- Inadequate funds released to the oil refinery sector for compensating the Project Affected people (PAPs) is delaying the RAP implementation.

**Conclusion**

Budget shortfalls greatly constrained implementation of projects. This was made worse by project specific challenges. Projects implemented by the Rural Electrification Agency are often faced by way leave issues as REA does not meet its commitment of compensating the Project Affected People in time. Solar installation under the ERT-education component was complete. However, the weak solar installation reduced the intended benefits of the project. Physical performance for the Mbarara-Nkenda/ Tororo-Lira-Opuyo project improved as construction works had commenced for both the Mbarara-Nkenda and Tororo-Lira-Opuyo transmission lines; as compared to the status by the end of FY 2012/2013. By the end of the previous financial year, the project which started in May 2011 was at Resettlement Action Plan (RAP) implementation stage. There are unresolved conflicts regarding land compensation. Nevertheless, good performance was seen across the sector in terms of absorptive capacity, and most of the projects monitored had registered improvement in physical performance.

**Key Recommendations**

- REA should fulfill its obligation of compensating project affected people on time

- The Ministry of Education and Sports which is implementing the ERT sub-component should install efficient solar panels as spelt out in the ERT 11 operations manual.

- There is a need for MFPED to create a budget line to facilitate the district land boards to review land rates on a regular basis.

  MFPED should release funds to the Oil Refinery project to speed up the RAP implementation.

## iv) Health Sector

**Project 1004: Rehabilitation of Regional Referral Hospitals**

Progress was monitored at four regional referral hospitals during Quarter 2, these were: Jinja, Fort Portal, Gulu and Kabale. At these hospitals project 1004 was monitored which relates to capital development expenditure i.e. activities such as rehabilitation of hospital facilities and other construction works.

Capital development funds released to the regional referral hospitals monitored was on track. At each of the four hospitals monitored, more than 60% of the annual capital development funds had been received by quarter 2: Fort Portal (90%), Gulu (92%), Jinja (100%), and Kabale (62%). The financial performance of the four Regional Referral Hospitals monitored in second quarter of the FY 2013/2014 was mixed. Of the four hospitals, Gulu Hospital had the highest absorption rate at 90% of available funds, while Kabale Hospital had not spent any funds from what it had received. Jinja and Fort Portal Hospitals had absorption rates below 20% of the available funds. The average absorption rate of funds in the four RRHs monitored was only 30%. The key reason cited for the poor performance in terms of absorptive capacity was delays in the procurement process. These delays were the result of a number of factors, in particular the understaffing and low capacity of procurement offices and delays on the part of contractors. Planned projects at Fort Portal RRH had been awarded but contracts not signed, while Kabale and Jinja Hospitals had not started their new projects. Rollover projects at the latter two hospitals were expected to be complete by end of the third quarter.

**Project 0422: Primary Health Care Capital Development Grants**

Progress was monitored on project 0422 in fourteeen districts and two municipalities; Bugiri, Buyende, Fort Portal MC, Gulu, Gulu MC, Iganga, Jinja, Kabale, Kabarole, Kanungu, Kasese, Kitgum, Mityana, Mubende, Ntungamo, Pader. Release performance of Primary Health Care development funds to districts' health accounts varied from a high of 50.3% in Kabale and Iganga district, 50% 12 districts to a low of 25% in Kitgum district.

Absorption of released funds by the second quarter of the FY 2013/2014 was varied, but in most cases was below 50%. Of the sixteen local governments monitored, only two districts (Buyende and Kitgum) had not expended any capital development funds by quarter two. Of those which had expended, Kabale and Kabarole districts had the highest absorption rates at 68% and 71% of funds received respectively, while Ntungamo had the lowest at 2.7% of the funds received. High absorption rates in Kabarole were the result of the district having no new projects but instead spending on a project rolled over from the previous financial year. However, the average absorption rate of PHC grants to the monitored districts was poor, at only 33%. The reason for low absorptive capacity in most districts was that the majority of projects planned for FY 2013/2014 had not commenced and were still in the early stages of procurement as of December 2013. In most local governments, it was reported that the procurement process was slow. This was due in part to a lack of personnel in the procurement office as well as delays in receiving funds on the account. In addition, it was reported that a number of projects had to be rolled over into the current financial year when fourth quarter funds were not released in 2012/2013. Rolled-over projects were progressing well in most districts and the quality of works observed was good in most cases.

Overall sector performance is assessed as being average at about 50%. This is due to the poor absorptive capacity of the majority of districts and RRHs and the fact that most new projects in this financial year have not commenced. The physical performance of rolled over or completed projects is good at 60-70%, with projects progressing well and good quality completed works.

**Recommendations**

I. Capital development funds should be paid in full to Regional Referral Hospitals and Local Districts. This would allow proper long term planning of capital development projects as well as timely payment of contractors for completed work. If Central Government experiences a shortage of funds then timely notification of this shortfall should be relayed to districts and hospitals. Likewise RRHs would benefit from having a more stable budget allocation over the years.

II. The static budget allocation needs to be reviewed on the basis of rising resource costs, increasing demands for healthcare provision within the local governments, and the additional costs associated with roll-over in project implementation. In addition, the distribution of funds between districts needs to be reviewed in order to ensure that allocations meet the differing needs and circumstances of different districts. The non wage recurrent budget must also increase in order to cover the costs of maintenance and other key services.

III. Increase the budget allocation for PHC development to local governments for the construction of staff accommodation and other health infrastructure. This will help with recruitment and retention of staff and could lead to improvements in service delivery. In addition greater funds need to be made available for the payment of staff in order to attract and retain adequate levels of staff.

## V) Information and Communications Technology Sector

Quarter one monitoring under National Information Technology Authority (NITA-U) specifically focused on three vote functions: 0551 Development of secure National Information Technology infrastructure; 0552 establishment of enabling environment for development and regulation; and 0553 strengthening and aligning NITA-U to deliver its mandate. Under the Uganda Communications Commission, focus was on the support to establishment of ICT school laboratories and the support to health institutions with ICT equipment for telemedicine under the Rural Communication Development Fund (RCDF).

Release performance under NITA-U was good as 26% (Ug shs 2.749 billion) of the approved budget of Ug shs 10.469 billion was released by end of Q1. Expenditure performance on the other hand was poor as only Ug shs 0.943 billion (34%) was spent. Expenditure performance was poorest under the development release where only 4% was utilized while under the Non-wage component, only 13% was utilized. The low financial performance related to the most recent transition to IFMS and the consequent delays in creation of suppliers on the system.

**0551 Development of secure National Information Technology infrastructure**

The following projects and programmes were reviewed under the vote function: 0551.

**i) National Transmission Backbone Infrastructure (NBI): Project 1014**

The approved budget for FY2013/2014 for the project is Ug shs 1.621 billion of which Ug shs0.218 (13%) of the budget was released. Expenditures for the project were very low at only 2% of the released funds. Most of the implemented activities in Q1 were precursor activities to the core development activities planned for the subsequent Quarters thus the low absorption rate.

By the end Q1FY various activities relating to implementation of NBI phase III and provision of bulk internet to MDAs were at various levels of progress.

Commendable progress on preparatory activities for development projects and implementation of programmes was noted although the achievements were less tangible because they are recurrent in nature.

There is need for NITA-U to fast track implementation of NBI phase three and last mile connectivity so that services reach the end users in time and ensure value for money.

**ii) Business Process Outsourcing (BPO): Project 1055**

The approved budget for the project excluding Appropriations In Aid (AIA) for FY2013/2014 is Ug shs 210 million of which Ug shs 25 million (12%) was released. No expenditures were made from the released funds by the end of the quarter.

The BPO centre was launched in September 2013 and two new operators procured. The centre employees over 300 people most of who are youth. Progress was registered by the end of Q1 albeit the zero absorption rate. The achieved outputs were carried out using the rolled over funds of the project from the previous financial year. The BPO centre was occasionally affected by internet down time and limited business opportunities. NITA-U should fast track sensitization activities for the operators to broaden their clientele and improve on expenditure performance.

**iii) Programme 02. Technical Services.**

The programme's approved budget for FY2013/2014 consist of only Appropriations in Aid. Implementation of the activities was expected to utilize the AIA which was not realized by the end of the Q1. All of the planned activities were under the procurement process and no NTR was realized by the end of the Quarter. NITA-U should fast track implementation of the vote activities. The AIA requires timely realization and appropriations to enable implementation of activities.

**iv) Programme 03. Information Security**

The programme's approved budget for FY2013/2014 consist of only Appropriations in Aid/Non tax revenue. Implementation of the activities was expected to utilize the AIA which was not realized by the end of the Q1. The inception report for the National Information Security Framework was presented and approved. Other activities relating to information security were ongoing at the different levels of completion. Some progress was realized despite the non-realization of the Non tax revenue. Processes for realization and appropriation of the NTR should be fast tracked to aid timely execution of the programmes activities.

**v) Programme: 04: E-Government**

The programme planned to implement activities using the AIA which was not realized by the end of the Q1. The e-government master plan was presented to government and other stakeholders. The government web portal was also developed and some basic content uploaded. Training to the technical staff on usage was also completed. Other activities were also ongoing at different levels of completion by the end of Q1. Overall, there was slow implementation of activities as 47% of the planned activities were still under procurement. There is need to fast track implementation of activities particularly those which were still under procurement.

**0552 Establishment of enabling environment for development and regulation**

Under the vote function 0552, two programmes were reviewed.

**i) Programme 05: Regulatory and Legal Services**

The approved budget for the programme excluding appropriations in aid (AIA) in FY2013/2014 is Ug shs 0.174 billion. Ug shs 0.058billion (33%) was released of which 16% was expended in Q1. Sensitization of four MDAs about the cyber laws was completed. The regulations of e-signature and e-transactions acts were gazetted. Other activities were ongoing. Distribution of expenditure was largely on workshops, seminars and allowances. Commendable progress was realized under the programme despite the low expenditures.

**ii) Programme 06: Planning, Research And Development**

The approved budget for the programme for FY2013/2014 excluding AIA is Ug shs0.512 billion of which Ug shs0.171 billion (33%) was released by end of Q1. Of the released funds, only Ug shs 0.027 billion (16%) was expended. Other unspent funds had been committed to other line items like workshops and seminars, consultancy services among others. Two surveys on integration of National IT Systems and Integration of Data centres, Disaster recovery and Shared Services were initiated. Social Media guidelines were also presented to NITA-U where additional comments were incorporated. Good progress was recorded by the close of the Q1. Absorption of funds was fair. There is need to fast track implementation of activities under the programme.

**VF: 0553 Strengthening and Aligning NITA-U to deliver its mandate.**

Under the vote function, two programmes were reviewed in Q1 performance

i) **Programme 01: Headquarters**

The approved budget for the programme in FY2013/2014 excluding AIA is Ug shs 7.439billion. Ug shs 1.927billion (26%) was released of which Ug shs0.823 billion (43%) was expended. Other activities were implemented using the rolled over funds to tune of Ug shs7, 700,000/- from the allowances line item. Expenditure performance was fair and led to some of the registered achievements. The low level of achievements was in part due to the poor funds utilization.

There is need to fast track the activities under the programme in order to ensure timely absorption of funds.

ii) **Programme 07: Finance And Administration**

The approved budget for the programme for FY2013/2014 excluding AIA is Ug shs 0.512 billion. Ug shs0.171billion (33%) was released of which Ug shs 0.067 billion (39%) was expended. Majority of the expenditures were made on electricity (46%), information and communications technology (31%), staff training (19%), and water (4%). The Integrated Financial Management System (IFMS) was successfully installed at NITA-U headquarters. Training of staff about IFMS, information security and the cyber laws was also conducted. Good progress was registered under the programme albeit the low funds absorption which was caused by the transition process from legacy to the IFMS. It is hoped that with a working IFMS system, absorption will tremendous improve in the subsequent quarters as activities will be implemented on time.

## Uganda Communications Commission

Two components of the Rural Communications Development fund were monitored during the quarter that is School ICT laboratories and support to health centres for implementation of telemedicine.

i) **School ICT laboratories**

Slightly more than 931 schools to date have been provided with the support at an average total cost of USD 25,000 per school.

All the monitored institutions had received ICT equipment and were under use. Internet was delivered to only 24% of the visited schools in spite of the existing data points in different areas.

Commendable progress has been registered in enhancing ICT access especially in rural schools. Grid and solar packages have been provided depending on the relevancy of the package. With the introduction of ***ICT studies*** as a subject at both O' and A' level, the support was very timely. There has been however challenges of lack of Internet connectivity, lack of qualified ICT teachers, Instructors not accessing the government payroll, lack of ICT curriculum and course books, and lack of proper ICT laboratories.

UCC should timely provide internet connectivity to schools given increased distribution of data points by the telecommunications companies in the recent past. The MoES should recruit ICT instructors/teachers, provide an ICT curriculum and course books as well as construct tailor made ICT laboratories.

ii) **Support to health centres for Telemedicine**

Slightly more than 170 hospitals/health centres have been prepared for telemedicine to date. All these health facilities were allocated solar powered equipment each estimated at USD 20,000.

All the visited institutions had received ICT equipment and were under use for other basic activities like data storage and management other than the intended telemedicine purpose. This was in part due to lack of internet connectivity, and training on how telemedicine works among the health workers. UCC should provide internet connectivity and comprehensive telemedicine training, to aid usage of the supplied equipment, to attain value for money.

## Vi) Industrialisation Sector

During Q1 FY2013/2014, monitoring concentrated on the selected development projects implemented by the MDAs including: Presidential Initiatives on Banana for Industrial development project (Ministry of Finance, Planning and Economic Development); Development of industrial parks (Uganda Investment Authority); One Village One Product (OVOP) and the District Commercial Services Support Project (DICOSS) (Ministry of Trade Industry and Cooperatives); Mbarara Winery Processing Facility and Luweero Essential Oil Pilot Projects (Uganda Industrial Research Institute).

Across the monitored projects in the industrialization sector, the release performance was good (42%) compared to the required 25% in Q1. Expenditure performance on the other hand was excellent (84%) as most of the released funds were absorbed. This is due to improvement in implementation of activities.

### a) Presidential Initiatives on Banana Industrial Development (PIBID)

The approved budget for PIBID for FY2013/2014 is Ug shs Ug shs25.200 billion of which Ug shs6.300 billion (25%) was released. Expenditure performance was excellent as all the released funds were absorbed. Majority of expenditure (90%) was made on the Construction of the factory and the associated infrastructure.

Construction works of the *Tooke* main processing plant remained at 80%. Works were ongoing on the different fronts of waste water lagoons, multi storied research/laboratory building and the conference hall. The construction works on the irrigation scheme were ongoing at the different levels of completion. More visible activities were ongoing at the main reservoir and Fertigation house. Other activities relating to land ownership, establishment of processing units among others were reportedly on schedule.

Overall, the works were 80% for the processing factory and 60% on the irrigation scheme. This was reflected in the absorptive capacity of the released funds which is partly attributed to the complete resumption of the activities of the project especially due to the new awarded contract to M/s Dott Services Limited. Implementation of activities at the irrigation scheme was slowed down due to the breakdown of the pipe joinery equipment.

The contractor should timely rectify equipment breakdowns to aid timely implementation of activities.

### b) Development of Industrial Parks

The approved budget for FY2013/2014 is Ug shs 2.690 billion of which Ug shs 0.673 billion (25%) was released. Expenditure performance was excellent as Ug shs 0.673 billion (100%) was absorbed. All expenditures were made on various activities of servicing of the parks country wide. Limited outputs were achieved across the many industrial and business parks partly due to inadequate releases/funding to the project, amidst the very many competing needs in servicing of the parks.

In Soroti Industrial and Business Park, the road works had stalled due to failure by UIA and the consultant to provide the revised drawings and instructions to the contractor. The contractor had demobilized staff while the equipment was parked at the camp site and accumulating interest (idle time). In Kasese Industrial Park, servicing of the parks had not commenced.

The project is behind schedule in part due to inadequate funding. The average cost of the required roads in any park takes up the entire annual budget for the project (about Ug shs 3 billion). Contract management has also been poor leading to the stalling of works.

The MFPED should increase funding to the project to enable timely servicing of the parks and uptake by the investors. UIA should also exhibit due diligence in contracts management to prevent future stalling of activities.

**c) One Village One Product (OVOP)**

The approved budget in FY2013/2014, is Ug shs 0.24 billion of which Ug shs0.06 billion (25%) was released. Expenditure performance was 50% of the released funds. Most of the expenditures were allocated to fabrication of equipment albeit the low absorption levels. This was because payment to the fabricators could not be made prior to completion of the works.

Some of the monitored organizations had received support from the secretariat (Kololo Progressive Enterprise Group Association in Mpigi, Bushenyi Farmers and Bee keepers Cooperative Society Limited, Kamwenge Beekeepers Savings and Credit Society Limited (KABECOS), Bee Masters Cooperative Society) while others had not received the support (Namungalwe Area Cooperative Enterprise). The non-receipt of the equipment was due to lack of transport means.

The project has the potential to enable products value addition and ultimate income enhancement of the farmers. Fair progress has been registered with constraints of funding, ineffective selection of beneficiaries. Some beneficiaries received equipment before they had the shelter to house it.

OVOP secretariat must exercise due diligence in selection of beneficiaries to ensure that the received equipment is put to use. MFPED should increase funding to the project to aid its roll out.

**d) District Commercial Services Support Project**

The approved budget for FY2013/2014 for project including GoU and External financing is Ug shs1, 941,776,000/=. The project is essentially financed by development partners. US$873,538.5 has been released for project implementation of which US$658,046 has been expended. Expenditures have been made on equipment purchases for the pilot districts, training of the Districts commercial officers, renovation of the district commercial offices and other related activities.

All the monitored districts had received the training and most of the equipment. They anticipated more equipment as planned under the project. All the monitored districts were satisfied with the received support. Majority of the monitored districts did not have a clearly defined sustainability strategy. The project has registered good progress especially in delivering of equipment and training. No secondary outputs have so far been registered as the US$10,000 release for such activities has not been made. There have been challenges of proper contract management and value for money especially under the renovation works that were largely managed by the districts.

The DICOSS secretariat should cause a value for money assessment of the project investment for renovations of the district commercial offices in Kaliro. The poorly executed work should be re-done to ensure value for money. The DICOSS secretariat should timely release the annual allocations to the local government in order to achieve the planned outputs on schedule.

**e) Uganda Industrial Research Institute**

The approved budget for the vote for FY2013/2014 is Ug shs 14.012 billion of which Ug shs 3.529(25%) was released. Expenditure performance was excellent as Ug shs3.356 billion (95%) was expended on the various activities relating to value addition, research and development and the other activities in line with the mandate of the institute.

- **Mbarara Winery project.**

The project funding is channeled through State House, as earlier attempts to fund the project through the

NAADS grant in Mbarara district were proved ineffective. The incubatee received wine making training from South Africa to boost his skills in winery project. UIRI delivered packaging equipment, generator, 10 fermentation tanks, motorized pumps, packaging bottles, winepress, and three fruit receipt bins, fruit crates, chemicals for sterilization to the incubatee. The received equipment was not in use due to lack of other components to facilitate value addition.

Overall, the project is behind schedule despite the enthusiasm of the incubatee. It has been affected by funding delays; lack of proper structure (fence, electricity, water, storage facilities) to kick start the activities. Currently, the received equipment remains idle until the outstanding works are funded and executed. Statehouse should timely and adequately provide funding to complete the outstanding works to ensure value for money for the delivered equipment.

- **The essential oil pilot anchor enterprise**

The project is funded using the allocation under the UIRI. The Council for Science and Technology of South Africa, and the UIRI is working with incubatees in Wabutungulu, Zirobwe sub county, Bamunanika County in Luweero district to establish pilot mother and demonstration gardens for essential oils (for generating scents for cosmetic products) in Uganda.

The key varieties of essential oil plants on the demonstration plots include: Rose geranium; Lemon blam; Hyssop; Marjoram sweet; Roman chamomiles. 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.

Investment into the essential oil enterprise is phenomenon due to the increasing markets abroad and the high returns that it brings. The project has been faced with pests that have particularly attacked Hyssop plant together with the limited funding for the project activities. Government of Uganda should increase the funding to UIRI to enable the institution execute her mandate.

## Vii) Microfinance Sector

The team visited the MSC head offices and the zonal offices of Arua, Hoima, Kabale and Kabarole, held discussions with the officials of MSC headquarters and the zonal officers who briefed the team on the activities carried out in quarter one of the financial year 2013/2014. The quarterly reports were also obtained that formed a basis for assessing MSC performance.

### Q1 Performance

During Q1 FY 2013/2014 (July to September 2013), Ug shs 1,517 million (25% of the approved budget) was received from Government towards the operating costs and nothing towards credit. Ug shs 13,250 million was available for credit from AfDB during the quarter for lending to clients. During the quarter Ug shs 9,046 million was repaid from loans also available for lending. Ug shs 312 million was available from IsDB for RIEEP consultancies in Islamic lending. The Company realised 110% of the planned sources of funding.

### Credit disbursement

During July –September 2013 quarter, the Company loan disbursement was below average. The Company disbursed 39 loans (52%) of the planned 75 loans. The amount disbursed was Ug shs 2,668,583,377 i.e 41% of the target of Ug shs 6,500,000,000.

The cumulative repayment rate as at end of September 2013 was 90%. There has been an increase in the repayment rate from 89% as at the end of last quarter. The total outstanding loan as at 30th September 2013 was Ug shs 45,535,192,975. The quality of the portfolio PAR> 90 days was poor at 31.3%.

**Key challenges/conclusions**

- Poor governance and management practices especially in SACCOs coupled with high default has led to a slowdown in MSC loan disbursement.
- Stakeholder weaknesses; UCSCU, REP and UCA have not done enough to build the capacity of SACCOs and no clear linkages between these entities. This is evidenced by the so many weak SACCOs.
- Some zonal offices reported late receipt of funds from MSC HQs and as a result it delays the implementation of activities at the zonal office.
- There are increasing cases of fraud in many SACCOs as managers are running away with SACCO funds. Even in cases where the culprits are apprehended, police takes too long to charge them.
- Default by politicians: Government politicians especially County chiefs and LCIII chairpersons are borrowing from SACCOs and are defaulting

**Recommendations**

- MFPED need to fund MSC Ltd to fully take over the responsibility of regularly training its clients particularly SACCOs in good governance practice.
- MSC Ltd to release operational funds to zonal offices to enable the zonal offices implements its activities in time.
- There is need to revise the regulatory framework to ensure enforcement, reduce default and improve recovery of MSC funds. The law should be enforced to reduce defaulting of especially politicians and thereby reduce political interference in operations of especially SACCOs. Subscribing to the Credit reference bureau will also help on background checks on potential borrowers.

## viii) Roads Sector

The road network is the mostly used form of transport carrying about 95% of the country's goods and 99% of traffic. The report covers input – output monitoring of selected road development projects and road maintenance programmes for the first quarter of FY 2013/2014.

**Financial performance**

Three votes were, monitored namely: 016-MoWT, 113-UNRA and 118-URF with a combined release of Ug shs 805.993 billion representing 33.42% of the Approved Budget. The sector spent Ug shs 582.294 billion, equivalent to 24.1% of the Approved Budget and 72.2% of the releases. There were no releases under the donor support on development projects.

The poor performance of the sector's expenditure is attributable to a number of factors which uniquely affected each vote. These include;

- MoWT - A number of staff on interdiction who were being paid half of their monthly salary pay; non-payment of salary for contract staff in a number of departments; the non authorization of released funds for routine core activities and other field activities (surveys and data collection) to be carried out by the ministry staff such as support supervision, monitoring and allowances; and failure to access the released funds for a number of project activities as stipulated in the approved work plans of FY2013/2014.

- UNRA – The debts carried forward from FY 2012/2013 of over Ug shs 300 billion for GOU development consumed most of the first quarter release. As a result, most of the works for Quarter 1 were not paid. By the end of the first quarter, the debt was over Ug shs 200 billion.

- URF - The slow response of designated agencies in submission of prerequisite information like bank accounts and work plans, the sluggishness in submission of quarterly accountability reports by Designated Agencies which caused delays in preparation of several reports; and critical staffing constraints in some key departments like PDU, Administration, and M&E.

**Physical Performance**

## VOTE 016- MoWT

**East African Trade and Transport Facilitation Project (EATTFP)**

Civil works on Mirama Hills OSBP facility were ongoing with a 10% physical progress against a contract time progress of 33% as of October 2013. This project is exclusively funded by TradeMark East Africa (TMEA). The contract agreement was signed on 6th June 2013 and MoWT handed over the project site on 14th June 2013. The contract duration is 12 months of construction with 12 months of defects liability period.

The contract agreement for Mutukula OSBP was signed on 8th July 2013. MoWT handed over the project site on 23rd August 2013 and excavation works for the foundation were ongoing in October 2013. The contract duration is 12 months of construction with 12 months of defects liability period. The civil works contract is being funded by TradeMark East Africa (TMEA) while the design and supervision contract is funded by the World Bank. However, there is one pending case for land compensation which is bound to affect the project.

**Rehabilitation of Upcountry Aerodromes**

The GoU release for this project in Q1-FY2013/2014 amounting to Ug shs 660.743 million was unspent because the funds were transferred to from MoWT to Civil Aviation Authority (CAA) in the second quarter. However, maintenance works were ongoing at the Jinja, Mbarara and Soroti aerodromes because part of the budget for this project is funded using internally generated revenue.

## VOTE 113 – UNRA

During the first quarter of FY2013/2014, a total of 68 Kms of unpaved national roads were upgraded from gravel to tarmac against an annual target of 200 Kms which represents 34% performance. One new bridge, Awoja, was completed out of the annual target of 10 bridges and the rehabilitation of one bridge, Nalubale bridge, was completed out of the annual target of 3 bridges.

The progress of works on key roads projects monitored was as follows:

- Hoima – Kaiso –Tonya road (92kms), 20.1% achieved in Q1 against 7.5%; cumulative progress was 59.42% out of the programmed 71.6%.

- Ishaka- Kagamba road (35.4kms), 8% completed in Q1; cumulative progress was 30%.

- Jinja-Kamuli (52kms), 7% completed in Q1; cumulative progress was 62%.

- Mbarara – Kikagati road (73kms), 12.7% achieved in Q1 against 7.5%; cumulative progress was 48.2% out of the programmed 57.2%.

Land acquisition still remains a challenge on most of these projects as there are cases of sections of road that have been skipped due to valuation issues. Delayed payments have also continued to be experienced on projects. 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. The same should be applied to the project payments in order to avoid interest claims.

**National Road Maintenance**

The performance of this program is as follows; routine manual maintenance of 17,670 Kms out of annual target of 19,500 Kms – 90.6% performance; routine mechanized maintenance of 2,037Km out of annual target 6000 Kms- 34% performance; term maintenance of 593Kms out of annual target of 5000 Kms (12% performance); routine maintenance of 20 bridges out of annual target of 300 bridges (6.7% performance; axle load control at 10 stations; ferry services along 9 routes; road safety activities; and other qualifying works.

The program received Ug shs 50.74 billion (23.2% of budget) for the Q1-FY2013/2014 activities. At the end of the quarter, 85.9% of the release had been expended. The National Roads Maintenance program underperformed as a result of combination of reasons that included: the decision to release funds for periodic maintenance only against payment certificates; delays in streamlining the process/procedures of releases against certificates; and delays in submission of an acceptable annual work plan from UNRA.

The program was monitored at two UNRA stations for the Q1-FY2013/2014 performance with a total road network of 1,663.1 Kms (8.5% of national road network). These are Masindi and Soroti stations which received 51.2% and 33.3% of their budgets respectively. Absorption of funds at both stations was above 80% at the end of the quarter. Each station had two roads under one term maintenance contract running in Q1.

**Challenges**

- Untimely release of funds for force account activities..
- Inadequate equipment resource at the stations is affecting the quality of the maintenance works due to lack of full sets of equipment vital to complete the maintenance process.

**Recommendations**

- The timely release of funds to carry out force account activities; and replacement of all aged equipment to reduce on the equipment maintenance cost; should be effected if planned outputs are to be realized in time.
- Roads under the additional network should be considered under term maintenance as they require much more work than can effectively be handled by the stations under force accounts

## ix) Water and Sanitation Sector

**Introduction**

The sector's approved development budget for financial year 2013/2014 is Ug shs 142.016 billion of which Ug shs 34.392(24.2%) was released during Q1 FY 2013/2014 and Ug shs 12.551(36.5%) of the released money spent.

During Q1 FY 2013/13, the District Water Sanitation and Conditional Grant, District Sanitation and

Hygiene Grant, construction of piped water systems (rural), Water and Sanitation Development Facilities - (Central, East and South West) were monitored to assess the level of budget execution.

**Vote Function: 0901 Rural Water Supply and Sanitation**

## Vote 501-850: District Water and Sanitation Conditional Grant (DWSCG)

Eight districts of Kabale, Kamuli, Kibuku, Kyenjojo, Mbale, Mubende, Ntoroko and Ntungamo were monitored. The Districts received an automatic release of 25% (Ug shs 1,102,962,023) of their approved budgets for FY 2013/2014 which was excellent release performance. The expended Ug shs 519,573,708 (47.1%) of the release was below average. The expenditures on the debts of last FY to a tune of about Ug shs 311,744,224.8 (60%) of the release affected plans and budgets for the entire quarter.

\Procurement of service providers for hardware activities was at different stages in the Districts monitored. The targets set for the subsequent quarters for hardware activities may be achieved for the districts apart from Mubende, Ntungamo and Mbale which had just started the procurement process. The Districts faced challenges of delayed receipt of funds and IFMS breakdown, inadequate transport facilities, and poor quality of materials on the markets.

**Programme 321449: District Hygiene and Sanitation Conditional Grant (DSHCG)**

The Districts[2] approved budgets ranged between Ug shs.20m to Ug shs.23m for the FY 2013/2014 and 25% of the approved budget was released. A total of Ug shs 38, 500,000 was received in Q1 FY 2013/2014 and Ug shs 24,457,000 utilized representing an overall absorption capacity of 63% which was good performance.

On average set targets achievement ranged between 66% and 100% which was very good performance. The districts of Kyenjojo, Kabale, Ntoroko and Kamuli achieved 100% while Ntungamo and Mbale had 0% achievement on set targets. Staffing gaps affected implementation and there was non-committal to good sanitation interventions by communities.

**Output 090180: Construction of Piped Water Supply Systems (Rural)**

The construction of piped systems of Kahama and extension of Tororo Manafwa were monitored.

The approved budget FY 2013/2014 for Kahama Gravity Flow Scheme (GFS) is Ug shs 600,000,000 of which Ug shs 150,000,000 was released for Q1 FY 2013/2014. The project is on schedule. Physical performance for Kahama GFS was at 70% which was excellent against poor financial performance of 0%. The delay in payment was said to be due to IFMs access challenges by the Ministry of Water and Environment (MWE).

The contractor for the extension of Tororo- Manafwa GFS had been paid 66% (Ug shs 742, 765,363) of the contract sum (Ug shs 1,121,128,578) by the end of Q1 against work progress of 95%. No money was paid to the project during Q1.The project was behind schedule though in final stages of implementation. The long distance from distribution lines, excess demand, difficulty in making connections in concentrated settlements and poor quality of water at the source were noted.

**Vote Function: 0902 Urban Water and Supply and Sanitation**

**Project 1130: Water and Sanitation Development Facility (WSDF)-Central**

WSDF-Central's financial performance was excellent with 95.3% (Ug shs 818.91 million) of the released funds (Ug shs 858.73 million) being absorbed. There was an additional Ug shs 4, 662.46 million utilized as balance carried forward from the Donor component.

WSDF-SW had good allocative efficiency as most of the funds were utilized on ensuring access to safe piped water supply in rural growth centers through construction of water supply schemes such as Zirobwe and Bweyale. Performance targets set for the quarter were achieved over and above the set targets. For example, planned construction progress for Bweyale was 70% and achieved 80%. Zirobwe water scheme planned 60% and achieved was 70%. There were implementation challenges of slow contractors, delays in securing land and low yielding boreholes that required other technology options which are quite expensive.

**Project 1075: Water and Sanitation Development Facility - East**

WSDF-East's financial performance was good with 63 % (Ug shs 2, 643,415,583) of the released funds (Ug shs 4146, 209,500) being absorbed. However not all the set targets for the quarter were achieved and this was attributed to slow contractors who delayed to implement works, land issues on which the office block is to be constructed, long procurement processes. The Facility lacks operation and maintenance manuals for constructed piped water systems.

**Project 1283: Water and Sanitation Development Facility –South Western**

WSDF-SW's financial performance was fair with 55.2% (Ug shs 2,763,415,583) of the released funds (Ug shs 5,004,210,000) being absorbed. WSDF-SW had good allocative efficiency as most of the funds were utilized on ensuring access to safe piped water supply in rural growth centers through construction of water supply schemes such as Kabuga and Kahunge and improved sanitation in Rural Growth Centers. The facility had the challenge of delay by communities to fulfill their land obligation and slow contractors.

**Conclusion**

Increased access to safe water and sanitation was realized in rural areas with ongoing piped water systems in both rural and urban areas. Most of the hardware activities planned in the quarter for the District Water and Sanitation Development Conditional Grant had not taken off waiting for procurement.

The sector's performance was ranked fair (50- 60%). Three of the programmes showed very good performance in terms of achieving the financial and physical targets (Project 1130 WSDF-Central, Project 1283 WSDF-South Western and Programme 321449 District Hygiene and Sanitation Conditional Grant). Two projects had fair performance (Project 1075 WSDF-East and Output 090180: Construction of Piped Water Supply Systems (Rural) with 0% payment made to the contractor against 70% physical performance and vote 501-850: District Water and Sanitation Conditional Grant (DWSCG) with districts like Mbale at 0% performance, and others like Kyenjojo and Kabale at 100% financial and 70% physical performance.

**Recommendations**

i) Ministry of Finance should ensure that all funds for development projects are released by third quarter as committed and provide technical support for the IFMS system in the District Local Governments (DLGs). This will ensure smooth running and timely implementation of projects.

ii) A general assessment of performance of vehicles and their operation and maintenance can be done for specific district with transport problems and a procurement plan put in place by the center.

iii) The Uganda National Bureau of Standards should quality check and test the materials on the market and blacklist the law breakers.

iv) The Ministry of Water should plan to settle land disputes early enough to avoid project delays. Where big chunks of land are required; proper procurement plans should be put in place and government should gazette all water sources' land even small ones to avoid future conflicts.

# PART 1:

# INTRODUCTION

# CHAPTER 1: BACKGROUND

The mission of 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 has 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 Unit 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 one 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 relevant.

### 2.2.1 Data Collection

Data was collected through a combination of approaches:

- Review of secondary data sources including: Ministerial Policy Statements for FY 2013/2014; National and Sector Budget Framework Papers; Sector project documents and performance reports in the Output Budgeting Tool (OBT), MFPED Budget Documents, , Budget Speech and 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); progress reports (Performance Form 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 CAOs, Chief Finance Officers, and 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 value for money 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 (21 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 fifteen chapters. Part one covers introduction and methodology, part two covers financial performance in local and 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 and 4 give financial performance of the central and local governments respectively. Physical performace of the sectors of agriculture, education, energy, health, ICT, trade and industry, microfinance, roads, water and sanitation constitute chapters 5-13 respectively. Chapter 14 gives the conclusion, while chapter 15 has recommendations.

# PART 2:

# FINANCIAL PERFORMANCE

# CHAPTER 3: FINANCIAL PERFORMANCE OF CENTRAL GOVERNMENT

## 3.1 Introduction

The financial performance analysis for Central Government consist primarily focuses on the selected priority sectors of Agriculture; Education; Energy; Health; Accountability (Finance); Information and Communication Technology (ICT); Water and Environment; Uganda National Roads Authority (UNRA): Works and Transport.

## 3.2 Scope and Methodology

This section reports on Government of Uganda (GOU) domestic development approved annual budget, releases and expenditures for the period July 2013 – September 2013 of the selected priority Ministries. These include Ministries of Agriculture Animal Industry and Fisheries; Ministry of Education and Sports; Ministry of Information, Communication and Technology: Ministry of Energy and Mineral Development; Ministry of Finance, Planning and Economic Development; Ministry of Health; Ministry of Works and Transport; and Ministry of Water and Environment. The financial analysis largely used the integrated financial management system (IFMS) data.

## 3.3 Financial Performance of selected Ministries.

### 3.3.1 Vote 010 Ministry of Agriculture, Animal, Industry and Fisheries

The Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) total approved development budget for FY 2013/2014 was Ug shs 40,551,218,966; a decrease of 22% compared the approved development budget for FY 2012/2013. The budget for the FY 2013/2014 was revised to Ug shs 41,926,664,782 as at 30th September 2013 as a result of budget re-allocations.

The quarter one development release to MAAIF was 25% of the revised budget. Table 3.1 shows the detailed release performance by project for the ministry. By 30th September 2013, the overall funds absorption was low at 49%. Projects 92, 94 and 1117 were able to absorb all the funds released. A number of projects registered very low absorption rates. The low absorption rates were attributed to lengthy procurement processes

**Table 3.1: MAAIF Budget Performance for Q1 FY 2013/2014 (Ug shs)**

| Project Code | Project Name | GoU Approved Budget (Revised) | Q.1 Releases | Q.1 Payments | % of Budget Released | % of Budget Spent |
|---|---|---|---|---|---|---|
| **76** | Support for Institutional Support | 5,470,519,866 | 1,218,399,124 | 747,654,748 | 22 | 61 |
| **90** | Livestock Disease Control | 4,125,000,000 | 1,203,333,334 | 1,040,475,219 | 29 | 86 |
| **91** | National Livestock Production Improvement | 1,500,000,000 | 500,000,000 | 34,926,000 | 33 | 7 |
| **92** | Rural Electrification | 540,999,996 | 211,166,666 | 221,158,097 | 39 | 105 |
| **94** | Supervision, Monitoring and Evaluation | 669,000,000 | 220,833,333 | 225,949,717 | 33 | 102 |
| **97** | Support to Fisheries Development | 1,675,445,816 | 100,000,000 | - | 6 | 0 |
| **104** | Support to the Cocoa Seedlings | 2,471,931,700 | 821,477,233 | 473,614,708 | 33 | 58 |
| **970** | Crop disease and Pest Control | 3,933,000,000 | 1,072,333,333 | 229,607,439 | 27 | 21 |
| **1007** | Improvement of Food Security in Cross Boader Dist. | 79,999,915 | 26,366,638 | 22,345,000 | 33 | 85 |

| Project Code | Project Name | GoU Approved Budget (Revised) | Q.1 Releases | Q.1 Payments | % of Budget Released | % of Budget Spent |
|---|---|---|---|---|---|---|
| **1008** | Plan for National Agriculture Statistics | 560,000,000 | 181,666,666 | 93,858,290 | 32 | 52 |
| **1010** | Agriculture, Prodn, Mkting & Regulation | 400,000,000 | 129,166,668 | 112,294,838 | 32 | 87 |
| **1012** | Integrated Pest and Disease Management | 200,000,000 | 60,000,001 | 43,758,599 | 30 | 73 |
| **1083** | Uganda Meat Exports Development Project | 701,556,970 | 253,852,323 | 106,805,000 | 36 | 42 |
| **1084** | Avian and Human Influenza Preparedness | 800,000,000 | 96,833,334 | 66,538,163 | 12 | 69 |
| **1085** | MAAIF Cordination/U Growth | 1,207,000,000 | 397,987,500 | 264,651,494 | 33 | 66 |
| **1086** | Support to Quality Assurance Fish Marketing | 281,660,000 | 91,886,667 | 67,351,932 | 33 | 73 |
| **1117** | Export Goat Breeding and Production | 1,220,000,000 | 406,666,666 | 406,666,666 | 33 | 100 |
| **1165** | Increasing Mukene for Human Consumption | 561,000,000 | 187,000,000 | 83,623,634 | 33 | 45 |
| **1166** | Support to Fisheries Mechanisation | 170,000,000 | 90,000,000 | 53,123,666 | 53 | 59 |
| **1170** | Kabale Tea Factory | 800,000,000 | 266,666,667 | 72,521,000 | 33 | 27 |
| **1194** | Labour Saving Tech & mech for Agri production | 7,427,106,000 | 1,625,702,001 | 329,037,368 | 22 | 20 |
| **1195** | Vegetabke Oil Development Project Phase 11 | 4,432,442,519 | 779,853,937 | 378,167,395 | 18 | 48 |
| **1238** | Rice Development Project | 900,000,000 | 130,833,334 | 72,069,558 | 15 | 55 |
| **1239** | Technical Assistance to Improve Animal Disease Diagnostic | 200,000,000 | 64,999,999 | 29,776,666 | 32 | 46 |
| **1264** | Communication of Agriculture in Northern Uganda | 200,000,000 | 65,000,000 | 40,096,300 | 33 | 62 |
| **1266** | Support to Agro processing & Mkting in Agriculture | 200,000,000 | - | - | 0 | 0 |
| **1267** | Construction of MAAIF | 1,200,000,000 | 400,000,000 | - | 33 | 0 |
| **Total** | | **41,926,664,782** | **10,602,026,090** | **5,216,071,497** | **25** | **49** |

***Source: IFMS***

### 3.3.2 Vote 013 Ministry of Education and Sports

The approved development budget for Ministry of Education and Sports (MOES) for FY 2013/2014 was Ug shs 55,264,715,000, an increase of approximately 2% of the previous FY 2012/2013. The total development release amount to MOES was Ug shs 13.1 billion representing 24% of the budget. The overall absorption rate as at 30th September 2013 was excellent at 81%. Projects 984, 1232 and 1273 had zero absorption by end of the quarter (See Table 3.2).

**Table 3.2: Budget performance for MOES in Q1 FY 2013/2014 (Ug shs)**

| Project Code | Project Name | Approved Budget | Q.1 Releases | Q.1 Payments | % of Budget Released | % of Budget Spent |
|---|---|---|---|---|---|---|
| **897** | Dev't Secondary Education | 6,350,500,000 | 1,549,162,299 | 1,352,243,489 | 24 | 87 |
| **942** | Development of BTVET | 8,452,462,000 | 2,061,563,006 | 1,966,528,709 | 24 | 95 |
| **943** | Emergency Construction of Primary School | 1,864,900,000 | 478,712,394 | 444,033,933 | 26 | 93 |
| **944** | Dev't PTCs | 5,284,938,400 | 1,279,613,708 | 984,595,548 | 24 | 77 |
| **971** | Development of TVET P7 Graduate | 2,200,000,000 | 513,392,025 | 510,372,025 | 23 | 99 |
| **984** | Relocation of Shimoni PTC (0984) | 992,061,600 | 203,319,157 | - | 20 | - |
| **1091** | Support to USE (IDA) | 2,834,600,000 | 599,550,518 | 302,321,147 | 21 | 50 |
| **1092** | ADB IV Support to USE (1092) | 9,543,900,000 | 2,310,021,418 | 1,367,715,033 | 24 | 59 |
| **1093** | Nakawa Vocational Training Institute (1093) | 1,013,553,000 | 196,001,010 | 196,001,010 | 19 | 100 |
| **1136** | Support to Physical Education and Sports | 2,079,800,000 | 456,827,390 | 100,000,000 | 22 | 22 |
| **1232** | Karamoja Primary Education Project | 600,000,000 | 25,669,601 | - | 4 | - |
| **1233** | Training of BTVET Technical Instructors. | 400,000,000 | 36,955,945 | 12,861,200 | 9 | 35 |
| **1241** | Development of Uganda Petroleum Institute Kigumba | 10,500,000,000 | 2,566,960,126 | 2,566,960,126 | 24 | 100 |
| **1270** | Support to National Health & Dev't Training. | 2,948,000,000 | 756,739,844 | 750,225,243 | 26 | 99 |
| **1273** | Support to Higher Education (Science & Technology) | 200,000,000 | 51,339,203 | - | 26 | - |
| **Grand Total** | | **55,264,715,000** | **13,085,827,644** | **10,553,857,463** | **24** | **81** |

***Source: IFMS***

### 3.3.3 Vote 017 Ministry of Energy and Mineral Development

The Ministry of Energy and Mineral Development (MEMD) approved development budget for FY 2013/2014 was Ug shs 1.299 trillion; 85% of the development budget was earmarked to Karuma Hydroelectricity project. The current year budget was more less the same as the last financial year (FY2012/2013: Ug shs 1.268 Billion).

Table 3.3 below shows the release performance as at 30th September 2013 was 6% of the budget but without Karuma Project in the base the release performance was 21%. The quarter one absorption was excellent; most projects were able to fully absorb the funds released.

**Table 3.3: Budget performance for MEMD in Q1 FY 2013/2014 (Ug shs)**

| Project Code | Project Name | Approved Budget | Q.1 Releases | Q.1 Payments | % of Budget Released | % of Budget Spent |
|---|---|---|---|---|---|---|
| **325** | Energy for Rural Transformation II | 2,337,000,019 | 411,720,887 | 359,393,539 | 18 | 87 |
| **940** | Support to Thermal Generation | 68,000,000,000 | 15,704,600,000 | 15,704,600,000 | 23 | 100 |
| **1023** | Promotion of Renewable Energy | 1,926,893,500 | 493,732,744 | 302,645,818 | 26 | 61 |
| **1024** | Bujagali Interconnection Project | 8,500,000,000 | 500,000,000 | 500,000,000 | 6 | 100 |
| **1025** | Karuma International Project | 1,920,000,000 | - | - | - | - |
| **1026** | Mputa Interconnection Project | 1,500,000,000 | 166,666,667 | 166,666,667 | 11 | 100 |
| **1137** | Mbarara Nkenda/Tororo-Lira Transmission Lines | 5,400,000,000 | 1,011,872,379 | 1,011,872,379 | 19 | 100 |
| **1140** | NELSAP | 3,200,000,000 | 586,967,312 | 586,967,312 | 18 | 100 |
| **1142** | Mgt of the Oil & Gas Sector in Uganda | 20,182,440,099 | 2,902,383,106 | 2,849,316,438 | 14 | 98 |
| **1144** | Hoima-Kafu Interconnection | 3,000,000,000 | 1,000,000,000 | 1,000,000,000 | 33 | 100 |
| **1183** | Karuma Hydroelectricity Power Project | 1,096,900,000,000 | 32,270,000,000 | 32,338,055,998 | 3 | 100 |
| **1184** | Construction of Oil Refinery | 34,982,279,998 | 7,949,623,161 | 7,933,673,601 | 23 | 100 |
| **1198** | Modern Energy from Biomas for Rural Dev't | 2,930,000,000 | 537,441,945 | 284,886,000 | 18 | 53 |
| **1199** | Uganda Geothermal Resources Dev't | 3,296,999,999 | 1,050,999,998 | 129,215,688 | 32 | 12 |
| **1200** | Airborne Geophysical Survey Geo Mapping | 3,599,000,001 | 655,000,002 | 426,567,468 | 18 | 65 |
| **1212** | Electricity Sector Dev't Project | 12,057,552,981 | 1,265,850,995 | 738,219,911 | 10 | 58 |
| **1221** | Opuyo Moroto Interconnection Project | 1,000,000,000 | 333,333,334 | 333,333,334 | 33 | 100 |
| **1222** | Electrification of Industrial Parks Project | 3,040,000,000 | 557,618,947 | 557,618,947 | 18 | 100 |
| **1223** | Institutional Support to Ministry of Energy and Mineral | 17,875,728,435 | 4,922,576,146 | 3,229,978,318 | 28 | 66 |
| **1258** | Downstram Petroleum Infrastructure | 5,000,000,000 | 1,299,999,999 | 227,793,000 | 26 | 18 |
| **1259** | Kla-Entebbe Expansion Project | 2,000,000,000 | 666,666,667 | 666,666,667 | 33 | 100 |
| **Total** | | **1,298,647,895,032** | **74,287,054,289** | **69,347,471,085** | **6** | **93** |

***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 for FY 2013/2014 was Ug shs 200 billion. The revised budget after reallocations as at 30th September 2013 was Ug shs 144 billion.

The total development release for the quarter was 35% of the revised budget. Most of the projects received 25% of their annual budget with the exception of project 945-Capitalisation of Institutions which received 81% of the revised budget. The total spent as at the end of the quarter was 95% of the release; most of the projects had fully absorbed the funds by the end of the quarter (See details in Table 3.4).

**Table 3.4: MFPED Budget Performance for Q1 FY 2013/2014 (Ug shs)**

| Project Code | Project Name | GoU Approved Budget (Revised) | Q.1 Releases | Q.1 Payments | % of Budget Released | % of Budget Spent |
|---|---|---|---|---|---|---|
| 15 | Microfinance Support Centre Ltd | 4,553,379,000 | 1,138,344,750 | 1,138,344,750 | 25 | 100 |
| 31 | Rural Financial Services | 2,000,000,000 | 195,000,001 | 195,000,001 | 10 | 100 |
| 46 | Support to NEC | 600,000,000 | 150,250,490 | 150,000,000 | 25 | 100 |
| 54 | Support to MFPED | 42,855,330,849 | 4,213,832,712 | 4,105,670,731 | 10 | 97 |
| 59 | Support to Poverty Action Fund | 2,800,000,000 | 700,000,000 | 63,480,732 | 25 | 9 |
| 61 | Support to Uganda National Council for Science | 835,000,000 | 208,750,000 | 208,750,000 | 25 | 100 |
| 65 | Support to Uganda Investment Authority | 500,000,000 | 125,000,000 | 125,000,000 | 25 | 100 |
| 745 | Support to Population Secretariat | 870,502,182 | 217,625,546 | 217,625,546 | 25 | 100 |
| 933 | Competitiness & Investment Climate Secretariat | 1,720,000,000 | 430,000,000 | 291,325,994 | 25 | 68 |
| 945 | Capitalisation of Institutions | 36,416,666,666 | 29,455,779,806 | 29,455,779,000 | 81 | 100 |
| 978 | Presidential Iniative on Banana Industry | 25,200,309,998 | 6,300,077,500 | 6,300,077,500 | 25 | 100 |
| 988 | Support to other Scientists | 2,971,688,386 | 742,922,096 | 742,922,096 | 25 | 100 |
| 994 | Development of Industrial Parks | 2,690,000,000 | 672,500,000 | 672,500,000 | 25 | 100 |
| 997 | Support to Microfinance | 2,856,981,952 | 714,245,488 | 508,868,230 | 25 | 71 |
| 1003 | African Development Foundation | 2,340,109,811 | 585,027,453 | 585,027,453 | 25 | 100 |
| 1017 | Rural Roads Programme Coordination | 389,009,974 | 97,252,494 | 98,250,001 | 25 | 101 |
| 1059 | Value Addition Tea Industry | 550,000,000 | 150,500,000 | 150,500,000 | 27 | 100 |
| 1060 | GEF Country Support Programme | 60,000,000 | 15,000,000 | 7,500,000 | 25 | 50 |
| 1063 | Budget Monitoring and Evaluation | 2,379,534,999 | 594,883,751 | 488,538,558 | 25 | 82 |
| 1080 | Support to Macroeconomic Management | 2,064,999,979 | 516,249,995 | 315,722,303 | 25 | 61 |

| | | | | | | |
|---|---|---|---|---|---|---|
| **1197** | FINMAP Comp 6 Management Support | 8,835,687,100 | 3,296,692,503 | 2,075,379,636 | 37 | 63 |
| **1208** | Support to National Authorising Officer | 200,000,000 | 50,000,000 | 26,600,000 | 25 | 53 |
| **1209** | Appropriate Renewable Technologies for Rural Ug. | 465,001,614 | 150,250,404 | 150,250,404 | 32 | 100 |
| **1211** | Belgo-Ugandan Study & Consultancy Fund | 299,889,691 | 74,722,424 | 37,735,000 | 25 | 51 |
| **Total** | | **144,454,092,201** | **50,794,907,413** | **48,110,847,935** | **35** | **95** |

***Source: IFMS***

### 3.3.5 Vote 014 Ministry of Health

The Ministry of Health (MOH) approved development budget for FY 2013/2014 was Ug shs 24.1 billion, an increase of 24% compared to the previous year development budget (FY 2012/2013 Ug shs 19.7 Billion). Projects 1123-Health Systems strengthening and 1141-Gavi Vaccines & HSSP were allocated more funds this financial year compared to the previous year.

The total development release for Q1 FY 2013/2014 to MOH was 20% of the approved budget (Table 3.5). The projects which received very low releases in the quarter were project 220-Global Funds for AIDS, TB & Malaria; 1123-Health Systems strengthening and 1148 TB Laboratory strengthening project.

The absorption for the quarter was very low, only 40% of the released amount. The low resource absorption was attributed to[3]: i) Delayed release of funds from MFPED ii) The procurement process had just been initiated at the time of the monitoring iii) Some works were still on-going and payments could not be effected.

**Table 3.5: Budget performance for MOH in Q1 FY 2013/2014 (Ug shs)**

| Project Code | Project Name | GoU Approved Budget | Q.1 Releases | Q.1 Payments | % of Budget Released | % of Budget Spent |
|---|---|---|---|---|---|---|
| **216** | District Infrastracture Support Programme | 1,498,000,000 | 349,500,000 | 3,036,000 | 23 | 1 |
| **220** | Global Funds for AIDS, TB and Malaria | 8,841,566,600 | 960,391,650 | 261,800,059 | 11 | 27 |
| **980** | Development of Social Health Initiative | 706,000,000 | 176,500,000 | 23,354,450 | 25 | 13 |
| **1027** | Institutional Support to MOH | 1,899,435,774 | 287,358,943 | - | 15 | - |
| **1094** | Energy for Rural Transformation Programme | 200,000,000 | 50,000,000 | - | 25 | - |
| **1123** | Health Systems Strengthening | 5,400,000,000 | 100,000,000 | 67,176,000 | 2 | 67 |
| **1141** | Gavi Vaccines & HSSP | 3,200,000,000 | 800,000,000 | 750,479,335 | 25 | 94 |
| **1148** | TB Laboratory Strengthening Project | 600,000,000 | 25,000,000 | - | 4 | - |

| | | | | | | |
|---|---|---|---|---|---|---|
| **1185** | Italian Support to HSSP & PRDP | 100,000,000 | 25,000,000 | - | 25 | - |
| **1187** | Support to Mulago Hospital Rehabilitation | 1,650,000,000 | 412,500,000 | 80,334,543 | 25 | 19 |
| **Grand Total** | | **24,095,002,374** | **3,186,250,593** | **1,186,180,387** | **20** | **40** |

***Source: IFMS***

### 3.3.6 Vote 020 Ministry of Information, Communication and Technology

The Ministry of Information, Communication and Technology (MoICT) approved development budget for FY 2013/2014 was Ug shs 2.5 Billion (Table 3.6). The development budget reduced by 79% compared to the previous year (FY 2012/2013: Ug shs 12 Billion) as projects 1014-National Transmission Backbone, 1054-NITAU and 1055-Business Process Outsourcing were moved to a new VOTE 126.

The total development release for the quarter was 23% of the budget; the funds were fully absorbed as at 30th September 2013 (Table 3.6).

**Table 3.6: Budget Performance for MoICT in Q1 FY 2013/2014 (Ug shs)**

| Project Code | Project Name | GoU Approved Budget | Q.1 Releases | Q.1 Payments | % of Budget Released | % of Budget Spent |
|---|---|---|---|---|---|---|
| **900** | E-Government ICT Policy Implementation | 1,518,059,527 | 446,801,938 | 446,340,938 | 29 | 100 |
| **990** | Strengthening Ministry of ICT | 970,611,473 | 127,956,629 | 127,956,629 | 13 | 100 |
| **Total** | | **2,488,671,000** | **574,758,567** | **574,297,567** | **23** | **100** |

***Source: IFMS***

### 3.3.7 Vote 113 Uganda National Roads Authority

The Uganda National Roads Authority (UNRA) approved development budget for the FY 2013/2014 was Ug shs 1.253 billion, 50% more than the previous FY 2012/2013 development budget. The budget increase was attributed to several new road projects coded 302, 315, 952, 953, 1041, 1042 and 1274-1281 (See Table 3.7).

The total development amount released to UNRA for Q1 FY 2013/2014 was Ug shs 387.5 Million (31% of the budget).

Table 3.7 shows a varying performance in the absorption rates: some projects had excellent absorption rates and others performed below average. The reasons for low resource absorption for some projects are highlighted below[4];

- **295-Upgrade Kampala-Gayaza Zirobwe** – delayed approval of valuation reports.
- **1031-Upgrade Gulu-Atiak-Bibia/Nimulu** – The works were behind schedule because of poor mobilization by the contractor and consultant and delayed compensation for land at some sections.

- **1032-Upgrade Vurra-Arua-Koboko-Oraba** – late release of funds.
- **1044-Ishaka-Kagumba** – The works were behind schedule because of the underperformance of the contractor.
- **1180-Kampala-Entebbe Express Highway** – insufficient releases.
- **1276-Mubende-Kakumiro-Kagadi** – delays in procurement of the contractor.

**Table 3.7: Budget Performance for UNRA in Q1 FY 2013/2014 (Ug shs)**

| Project Code | Project Name | GoU Approved Budget | Q.1 Releases | Q.1 Payments | % of Budget Released | % of Budget Spent |
|---|---|---|---|---|---|---|
| **265** | Uganda-Atiak-Moyo-Afoji (104 Km) | 7,000,000,000 | 1,333,333,334 | 1,015,649,141 | 19 | 76 |
| **267** | Improvement of Ferry Services | 20,000,000,000 | 6,666,666,667 | 6,203,003,220 | 33 | 93 |
| **293** | Construction of RD Agency HQs | 1,000,080,000 | - | - | - | - |
| **294** | External Audit Services | - | - | 134,342,385 | - | - |
| **295** | Upgrade Kampala-Gayaza-Zirobwe (44.3 Km) | 10,000,000,000 | 3,333,333,334 | 518,526,652 | 33 | 16 |
| **302** | Reconstruct Jinja-Bugiri (72Km) | 2,000,000,000 | 666,666,667 | - | 33 | - |
| **315** | Reconstruct Masaka-Mbarara (154 Km) | 10,000,000,000 | 3,333,333,333 | 3,333,333,333 | 33 | 100 |
| **321** | Upgrade Fort Portal-Bundibugyo-Lamia (104 Km) | 20,000,000,000 | 6,666,666,666 | 6,632,991,350 | 33 | 99 |
| **952** | Design Masaka-Bukakata Road | 5,000,000,000 | 1,666,666,667 | 1,563,045,650 | 33 | 94 |
| **953** | Rehabilitation Kawempe-Luwero-Kafu road (166 Km) | 40,000,000,000 | 13,333,333,333 | 15,792,701,238 | 33 | 118 |
| **954** | Design Muyembe-Moroto-Kotido (290 Km) | 40,000,000,000 | 10,500,000,000 | 7,052,988,612 | 26 | 67 |
| **955** | Upgrade Nyakahita-Ibanda-FortPortal (208 Km) | 15,000,000,000 | 5,000,000,001 | 5,967,833,982 | 33 | 119 |
| **957** | Design the New Nile bridge at Jinja | 12,500,000,000 | 4,166,666,666 | 4,215,926,917 | 33 | 101 |
| **1031** | Upgrade Gulu-Atiak-Bibia/Nimule (104 Km) | 3,200,000,000 | 1,066,666,667 | 299,048,434 | 33 | 28 |
| **1032** | Upgrade Vurra-Arua-Kiboko-Oraba (92 Km) | 3,500,000,000 | 1,166,666,667 | 294,433,918 | 33 | 25 |
| **1033** | Design Hoima-Kaiso-Tonya (85 Km) | 67,000,000,000 | 22,333,333,334 | 26,722,914,881 | 33 | 120 |
| **1034** | Design of Mukono-Katosi-Nyenga (72Km) | 40,000,000,000 | 13,000,000,000 | 11,679,209,694 | 33 | 90 |

| Project Code | Project Name | GoU Approved Budget | Q.1 Releases | Q.1 Payments | % of Budget Released | % of Budget Spent |
|---|---|---|---|---|---|---|
| **1035** | Design Mpigi-Kabulasoka-Maddu (135Km) | 60,000,000,000 | 19,333,333,333 | 23,017,304,425 | 32 | 119 |
| **1037** | Upgrade Mbarara-Kikagata (70 Km) | 67,000,000,000 | 22,333,333,333 | 28,561,207,248 | 33 | 128 |
| **1038** | Design Ntungamo-Mirama Hills | 5,000,000,000 | 1,500,000,000 | 1,000,000,000 | 30 | 67 |
| **1041** | Design Kyenjojo-Hoima-Masindi-Kigumba (238Km) | 21,000,000,000 | 4,000,000,000 | 3,333,333,333 | 19 | 83 |
| **1042** | Design Nyendi-Sembabule (48Km) | 23,000,000,000 | 7,333,333,333 | 7,249,061,434 | 32 | 99 |
| **1044** | Design Ishaka-Kagamba (35 Km) | 32,000,000,000 | 6,333,333,334 | 2,917,738,003 | 20 | 46 |
| **1056** | Transport Corridor Project | 357,547,400,000 | 117,182,000,000 | 149,890,000,000 | 33 | 128 |
| **1104** | Costruct Selected Bridges (BADEA) | 36,296,000,000 | 10,598,666,667 | 10,247,732,450 | 29 | 97 |
| **1105** | Road Sector Institution Capacity Dev project | 42,154,200,000 | 8,718,066,667 | - | 21 | - |
| **1158** | Reconstruction of Mbarara-Katuna Road (155 Km) | 25,000,000,000 | 8,333,333,333 | 6,705,512,750 | 33 | 80 |
| **1180** | Kampala Entebbe Express Highway | 90,000,000,000 | 22,370,946,312 | 10,046,521,575 | 25 | 45 |
| **1274** | Musita-Lumino-Busia/Majanji Road | 55,000,000,000 | 18,333,333,334 | 16,511,034,266 | 33 | 90 |
| **1275** | Olwiyo-Gulu-Kitugumu Road | 70,000,000,000 | 23,333,333,333 | 22,510,742,878 | 33 | 96 |
| **1276** | Mubende-Kakumiro-Kagadi Road | 25,000,000,000 | 8,333,333,334 | 3,117,375,452 | 33 | 37 |
| **1277** | Kla Nothern Bypass Phase 2 (Land Acquisition) | 40,000,000,000 | 13,333,333,333 | 11,970,570,747 | 33 | 90 |
| **1278** | Engineering & Design Kampala-Jinja Expressway | 5,000,000,000 | 1,666,666,667 | - | 33 | - |
| **1279** | Design Seeta-Kyaliwajjala-Matugga-Wakiso-Buloba-Nsangi | 1,000,000,000 | - | - | - | - |
| **1280** | Engineering and Design-Najjanankumbi-Busabala and Nambole-Namilyango-Seeta | 500,000,000 | - | - | - | - |
| **1281** | Enginneing and Design Tirinyi-Pallisa-Kumi/Kamonkole Road | 1,500,000,000 | 224,707,375 | - | 15 | - |
| **Total** | | **1,253,197,680,000** | **387,494,853,691** | **388,504,000,000** | **31** | **100** |

***Source: IFMS***

### 3.3.7 Vote 113 Ministry of Trade, Industry and Cooperatives

The Ministry of Trade, Industry and Cooperatives (MTIC) approved development budget for FY 2013/2014 was Ug shs 8.1 billion, a budget reduction of 67% compared to the previous FY 2012/2013 (Ug shs 24.7 billion). This difference is explained by a large allocation of Ug shs 16.6 billion to Kalangala Infrastructure Services Project in FY 2012/2013; only Ug shs 320 million was allocated to this project in FY 2013/2014.

The amount released for Q1 was Ug shs 1.58 billion (20% of the budget) and most of the projects fully absorbed the funds by 30th September 2013 with the exception of projects 1164 and 1202. The reason for low absorption in these two projects was under funding that hindered implementation of the planned activities[5].

**Table 3.7: Budget Performance for MTIC in Q1 ended 30th September 2013 (Ug shs)**

| Project Code | Project Name | GoU Approved Budget | Q.1 Releases | Q.1 Payments | % of Budget Released | % of Budget Spent |
|---|---|---|---|---|---|---|
| **248** | Government Purchases and Taxes | 1,583,440,000 | 134,747,622 | 123,323,681 | 9 | 92 |
| **1111** | Soroti Fruit Factory | 4,760,811,655 | 1,058,406,443 | 1,058,406,443 | 22 | 100 |
| **1128** | Value Addition-Luwero | 181,578,553 | 33,158,173 | 33,158,173 | 18 | 100 |
| **1162** | Quality Infrastructure and Standards Prog. | 134,578,869 | 31,031,263 | 32,552,277 | 23 | 105 |
| **1164** | One Village One Product Programme | 244,685,792 | 56,509,886 | 28,629,874 | 23 | 51 |
| **1202** | Enhancement of Market Access | 232,346,253 | 53,660,287 | 29,133,150 | 23 | 54 |
| **1203** | Support to Warehouse Reciept System | 609,000,000 | 140,651,876 | 141,098,077 | 23 | 100 |
| **1240** | Kalangala Infrasture Services Project | 320,000,000 | 73,905,748 | 73,904,034 | 23 | 100 |
| **1246** | District Commercial Services Support Project | 25,050,000 | 11,550 | - | 0 | 0 |
| **Grand Total** | | **8,091,491,122** | **1,582,082,848** | **1,520,205,709** | **20** | **96** |

***Source: IFMS***

### 3.3.8 Vote 019 Ministry of Water and Environment

The Ministry of Water and Environment (MOWE) approved development budget for FY 2013/2014 was Ug shs 153.8 billion, same budget as for FY 2012/2013. The total amount released to MOWE for Q1 was 23% of the budget; a few projects 1192, 1188, 1189, 164 and 165 registered very low release performances of less than 20% (Table 3.8).

Overall, the Q1 FY 2013/2014 absorption rate for MOWE was very low at 36%. Below is a highlight of some of the reasons for the low absorption[6].

- Payments could not be effected because works were still on-going; examples were projects 169, 1192 and 1130.
- Some activities were deferred because the funds received were insufficient e.g project 158-School and Community Water IDPs.
- Suspension of work by a contractor on the site due to adverse ground conditions; this was the case for project 1188 - Protection of Lake Victoria Kampala Sanitation program.

**Table 3.8: Budget performance for MOWE in Q1 FY 2013/2014 (Ug shs)**

| Project Code | Project Name | GoU Approved Budget | Q.1 Releases | Q.1 Payments | % of Budget Released | % of Release Spent |
|---|---|---|---|---|---|---|
| **124** | Energy for Rural Transformation | 195,101,881 | 48,775,500 | 4,136,800 | 25 | 8 |
| **137** | Lake Victoria Envim Mgt Project | 1,471,422,187 | 176,024,333 | 176,024,333 | 12 | 100 |
| **140** | Meteorological Support for PMA | 4,036,708,896 | 846,677,250 | 303,474,078 | 21 | 36 |
| **146** | National Wetland Project Phase II | 3,342,170,816 | 635,542,500 | 174,959,973 | 19 | 28 |
| **149** | Operational Water Res. Mgt NBI | 265,141,334 | 66,285,250 | 48,193,796 | 25 | 73 |
| **151** | Policy and Management Support | 10,191,815,706 | 3,286,286,583 | 71,573,056 | 32 | 2 |
| **158** | School and Community Water - IDPs | 11,083,000,000 | 2,896,551,500 | 75,389,076 | 26 | 3 |
| **163** | Support to WRM | 15,237,000,000 | 3,933,465,132 | 1,250,690,250 | 26 | 32 |
| **164** | Support to Small Town WSP | 3,660,224,335 | 402,673,366 | 148,820,299 | 11 | 37 |
| **165** | Support to WRM | 4,031,758,621 | 694,040,368 | 229,359,816 | 17 | 33 |
| **168** | Urban Water Reform | 804,076,652 | 161,019,000 | 82,561,800 | 20 | 51 |
| **169** | Water for Production | 20,001,732,808 | 5,713,816,583 | 488,942,635 | 29 | 9 |
| **947** | FIEFOC-Farm Income Project | 17,909,501,328 | 5,099,076,619 | 4,821,042,284 | 28 | 95 |
| **1021** | Mapping of Ground Water Resource | 138,610,229 | 34,651,250 | 5,865,166 | 25 | 17 |
| **1074** | Water and Sanitation Facility-North | 1,677,078,844 | 493,187,879 | 493,187,879 | 29 | 100 |
| **1075** | Water and Sanitation Facility-East | 1,797,837,962 | 472,126,167 | 472,126,167 | 26 | 100 |
| **1102** | Climate Change Project | 1,039,291,104 | 199,822,750 | 82,882,304 | 19 | 41 |
| **1130** | WSDF Central | 4,115,931,833 | 873,733,000 | 873,733,000 | 21 | 100 |
| **1188** | Protection of Lake Victoria-Kla Sanitation Prog. | 34,919,433,677 | 5,000,000,000 | 1,839,207,723 | 14 | 37 |
| **1189** | Sawlog Production Grant Scheme Project | 1,227,761,531 | 218,440,500 | 218,440,500 | 18 | 100 |
| **1190** | Support to Nabeya Forestry College Project | 692,979,518 | 148,244,750 | 148,244,750 | 21 | 100 |
| **1191** | Provision of Improved Water Sources of Returned IDP | 674,000,000 | 164,767,202 | 14,245,000 | 24 | 9 |
| **1192** | Lake Victoria Water and Sanitation | 852,533,039 | 41,924,250 | 11,490,654 | 5 | 27 |
| **1193** | Kampala Water Lake Victoria Water & Sanitation Prog. | 11,174,000,000 | 2,343,500,000 | - | 21 | 0 |
| **1231** | Water Management & Dev't Projects | 1,789,446,510 | 427,309,000 | 8,475,500 | 24 | 2 |

| Project Code | Project Name | GoU Approved Budget | Q.1 Releases | Q.1 Payments | % of Budget Released | % of Release Spent |
|---|---|---|---|---|---|---|
| **1283** | Water & Sanitation Dev't Facility-SW | 1,454,000,000 | 441,097,750 | 438,472,750 | 30 | 99 |
| **Grand Total** | | **153,782,558,811** | **34,819,038,482** | **12,481,539,589** | **23** | **36** |

***Source: IFMS***

### 3.3.9 Vote 016 Ministry of Works and Transport

The Ministry of Works and Transport (MOWT) approved development budget for FY 2013/2014 was Ug shs 86.1 billion, only 1% less than the previous financial year's budget. The overall MOWT development release performance was 18% but most of the projects received 24% of the budget (See Table 3.10). Projects 42 and 1061 received zero release and projects 951 and 1052 received the lowest releases of 5% and 7%, respectively.

The MOWT funds absorption was very low at 35%. Varying reasons for low absorption in the Q1 sector performance report have been highlighted below:

- Administrative bureaucracies in accessing funds for the planned activities.
- Slow implementation due to poor works by contractors; this was cited in project 269 - construction of bridges.
- Delayed procurement cited in project 306 Urban Roads Re-sealing and project 307 Rehabilitation of Districts Roads.
- Lack of adequate road equipment causing low output of the kms particularly in Districts.
- Delays in reviewing designs.
- Delays in approving the Environmental Impact Assessments; this was the cause of delay in the implementation of project 951-East African Trade and Transportation facilities.
- In some instances inspections were not done due to lack of facilitation which delayed subsequent phases of the project.

**Table 3.10: Budget performance for MOWT in Q1 FY 2013/2014 (Ug shs)**

| Project Code | Project Name | GoU Approved Budget | Q.1 Releases | Q.1 Payments | % of Budget Released | % of Release Spent |
|---|---|---|---|---|---|---|
| **42** | Institutional Support to URC | 1,000,000,000 | - | - | 0 | 0 |
| **269** | Construction of selected bridges | 3,190,000,000 | 760,927,989 | 71,764,282 | 24 | 9 |
| **271** | Development of inland water transport | 1,870,000,000 | 446,061,236 | 80,292,588 | 24 | 18 |
| **304** | Upcountry Stations Rehabilitation | 500,000,000 | 119,267,712 | 111,346,078 | 24 | 93 |
| **306** | Urban Roads Re-sealing | 3,420,000,000 | 801,479,010 | 88,565,265 | 23 | 11 |
| **307** | Rehab. Of District Roads | 2,000,000,000 | 477,070,840 | 110,361,174 | 24 | 23 |
| **308** | Road Equipment for District Units | 5,153,000,000 | 1,229,173,017 | 908,461,620 | 24 | 74 |
| **515** | Rehabilitation of Bugembe Workshop | 2,154,000,000 | 513,805,294 | 181,613,962 | 24 | 35 |
| **902** | Axle Load Control | 500,000,000 | 119,267,713 | 42,931,560 | 24 | 36 |
| **936** | Redevelopment at State House at Entebbe | 600,000,000 | 143,121,253 | 6,378,580 | 24 | 4 |
| **951** | East African Trade & Transportation Facilitation | 11,910,000,000 | 574,970,364 | 78,797,439 | 5 | 14 |
| **965** | Redevelopment of Kyabazinga's Palace at Iganga | 400,000,000 | 95,414,169 | 33,031,385 | 24 | 35 |
| **966** | Late Gen Tito Okello's Residence | 250,000,000 | 59,633,855 | 1,259,000 | 24 | 2 |
| **967** | General Construction and Rehabilitation Works | 796,000,000 | 189,883,196 | 7,561,819 | 24 | 4 |
| **1045** | Interconnectivity Project | 5,090,000,000 | 1,099,648,285 | 986,262,981 | 22 | 90 |
| **1047** | Rehabilitation of Devept of Upcountry Aerodr | 2,770,000,000 | 660,743,112 | 16,697,479 | 24 | 3 |
| **1048** | Motor Vehicle Inspection Services | 1,873,000,000 | 446,776,841 | 50,560,488 | 24 | 11 |
| **1049** | Kampala-Kasese Railway Feasibility Project | 2,650,000,000 | 632,118,863 | 77,328,303 | 24 | 12 |
| **1050** | Establishment of the National Transport Data Bank | 2,148,058,787 | 512,388,108 | 163,453,382 | 24 | 32 |
| **1051** | New Ferry to replace Kabalega | 2,134,000,000 | 509,034,588 | 487,533,076 | 24 | 96 |
| **1052** | Rehabilitation and re-equiping of EACAA-Soroti | 533,333,333 | 35,780,313 | 16,409,771 | 7 | 46 |
| **1061** | Construction of Gov't Office Blocks | 9,607,000,000 | 21,468,188 | 4,436,425 | 0 | 21 |
| **1062** | Karamoja Roads Development Programme | 2,719,360,000 | 648,663,679 | 33,491,787 | 24 | 5 |
| **1096** | Support to Computerized Driving Permits | 1,980,000,000 | 472,300,131 | 25,180,141 | 24 | 5 |

| Project Code | Project Name | GoU Approved Budget | Q.1 Releases | Q.1 Payments | % of Budget Released | % of Release Spent |
|---|---|---|---|---|---|---|
| **1097** | New Standard Gauge Railway Line | 5,050,000,000 | 1,204,603,871 | 1,061,206,556 | 24 | 88 |
| **1105** | Strengthening Sector Coord, Planning & ICT | 2,190,250,000 | 522,452,258 | 135,492,486 | 24 | 26 |
| **1159** | Kasese airport Dev't project-KADP | 1,300,000,000 | 310,096,046 | 23,853,542 | 24 | 8 |
| **1160** | Transport Sector Development Project (TSDP) | 1,493,000,001 | 356,133,384 | 93,933,973 | 24 | 26 |
| **1171** | U-Growth Support to MELTC | 5,140,000,000 | 1,225,594,987 | 62,960,886 | 24 | 5 |
| **1172** | U-Growth Support to DUCAR | 2,235,640,000 | 532,563,719 | 40,453,542 | 24 | 8 |
| **1173** | Construction of MoWT Headqters Building | 2,433,000,000 | 579,307,121 | 431,527,108 | 24 | 74 |
| **1284** | Development of New Kla Port in Bukasa | 1,000,000,000 | 238,535,420 | - | 24 | 0 |
| **Grand Total** | | **86,089,642,121** | **15,538,284,562** | **5,433,146,678** | **18** | **35** |

***Source: IFMS***

## 3.4 Conclusions

The approved development budgets in FY 2013/2014 for most of the selected priority Central Government Ministries and Agencies remained the same compared to the previous year with the exception of MOH and UNRA registering growth of 24% and 50%, respectively. The MAAIF registered a budget reduction of 22%.

The Q1 release performances were in the range of 20-30% with the exception of MOH with a release performance at 13%.

Most of the monitored Ministries/Agencies absorption rates were excellent with the exception of MAAIF, MOH and MOWE which registered low absorption rates of 50%, 37% and 36%, respectively. There were varying reasons for low absorption and the notable ones across the Ministries were delayed procurement, insufficient funds and administrative bureaucracies in accessing funds for implementing activities.

## 3.5 Recommendation

The problem of delayed procurement continues to be a major cause of low absorption in many of the Ministries/Agencies. It is recommended that:

i) A comprehensive study is conducted to identify all the operational and policy issues that will guide procurement reforms.

ii) The Ministries/Agencies should reduce or eliminate unnecessary administrative bureaucracies to ensure that funds are easily accessed and activities implemented in time.

# CHAPTER 4: FINANCIAL PERFORMANCE OF LOCAL GOVERNMENTS

## 4.1 Introduction

Financial performance of the development grants at Local Government level was monitored in Quarter 1 of the FY 2013/2014. The development grants monitored included Primary Health Care Development (PHC), National Agriculture and Advisory Services (NAADS), School Facilitation Grant (SFG), Rural Water and Rural Roads and Local Government Management and Service Delivery (LGMSD).

## 4.2 Objectives

i) To establish timeliness of funds sent from MFPED for development grants to the respective sectors for implementation of activities in their work plans.

ii) To ascertain if there were any balances retained on the sector accounts at the end of F/Y2012/2013; and if so whether the balances were sent back to the consolidated fund as required by the financial regulations.

iii) To find out whether there is adequate absorption of funds received from the Ministry of Finance Planning and Economic Development and if not, any justification for low absorption.

iv) To analyze the budget trend of the development grants to districts for FY 2011/12, FY 2012/2013 and FY 2013/2014.

## 4.3 Scope and Methodology

A total of nine districts were visited and these included; Nwoya, Nebbi, Kyegegwa, Kasese, Ntoroko, Ntungamo, Lyantonde, Kiboga and Kyankwanzi. The monitored Districts were randomly selected from newly created Districts and those that were not visited within the last Financial Year 2012/2013. The monitoring team made physical visits to the district offices of the Chief Administrative Officer (CAO), Chief Financial Officer (CFO), and sector heads of departments. Other methods of gathering information included: reviewing of relevant official documents and records; interviewing of key personnel of the local governments; and recording of the findings during the monitoring.

The method of analysis of the financial performance mainly focused on the following variables: amount of funds realized, timeliness and absorptive capacity of the releases of Q1 FY 2013/2014. Any unspent balances as at 30$^{th}$ June 2013 of the district local governments were also verified. A budget trend analysis was also established and attention drawn on the approved budgets for the three (3) past financial years i.e. F/Y2011/2012, FY2012/2013 and FY2013/2014 for the development grants.

## 4.4 Limitations

- Breakdown of the IFMS at the districts; this limited accessibility by the monitoring team to data for some local governments hence taking longer time than anticipated in the field.

- Poor record keeping in most local governments, and particularly those not on the IFMS system.

## 4.5 Findings

### 4.5.1 Primary Health Care-Development Grant (PHC Dev't).

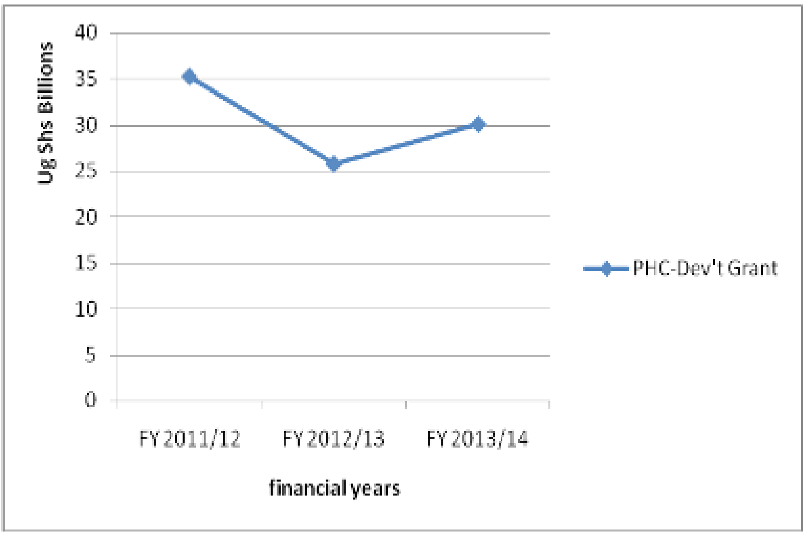
**Introduction**

This grant is channeled to local governments from MFPED with an aim of enhancing effective and efficient health service delivery and timely decision making by policy makers. The PHC-development is used for building infrastructure, medical and hospital equipment, communication systems, ambulance and transportation facilities. The implementation strategy for the grant is to consolidate the existing facilities for improved effectiveness to deliver services and locate new facilities in underserved areas to increase accessibility.

**Financial performance**

Figure 4.1 below shows the budgetary trend analysis of the PHC development grant for financial years from FY 2011/12 to FY 2013/2014.

**Figure 4.1: PHC-Development Grant Budgetary Trend**




| Financial Year | PHC-Dev't Grant (Ug shs) |
|---|---|
| FY 2011/12 | 35,203,763,438 |
| FY 2012/2013 | 25,755,122,785 |
| FY 2013/2014 | 30,083,599,000 |

***Source: Legacy system***

Figure 4.1 above shows that the total PHC approved budget reduced over the three years. Given the overwhelming growth in demand for health services or primary health care services throughout the country, there is need to keep an upward growth in the budgets for the grant.

The national representation of the Q1, FY 2013/2014 budget and release for PHC development grant was at Ug shs 30,083,599 and Ug shs 7,520,900, respectively. This reflected 25% realization of the grant for all the local governments. Activities implemented across the districts in Q1 included construction of staff houses, maternity wards and procurement of some medical equipment.

A sample of nine districts was selected to assess the financial performance of the PHC-development grant for Q1 FY 2013/2014. These included; Kasese, Kiboga, Kyankwanzi, Kyegegwa, Lyantonde, Nebbi, Ntoroko, Ntungamo and Nwoya. Table 4.1 below shows the financial performance of the grant across the districts.

**Table 4.1: Budget Performance for PHC-Development Q1 FY2013/2014 by districts**

| District | Approved budgets (Ug shs) | Total receipts (Ug shs) | Date Received from MFPED | Date remitted to Sectors | Total amount absorbed (Ug shs) | % of Budget Released | % of Receipts Spent |
|---|---|---|---|---|---|---|---|
| Kasese | 154,928,000 | 45,975,000 | 16/08/2013 | 20/08/2013 | 45,098,308 | 30 | 98 |
| Kiboga | 99,933,000 | 24,983,000 | 16/08/2013 | 21/08/2013 | 24,983,000 | 25 | 100 |
| Kyankwanzi | 59,366,000 | 14,842,000 | 05/09/13 | 11/09/13 | 5,064,768 | 25 | 34 |
| Kyegegwa | 65,303,000 | 16,326,851 | 13/08/2013 | 03/09/13 | 0 | 25 | 0 |
| Lyantonde | 152,267,000 | 38,067,000 | 13/08/2013 | 19/08/2013 | 31,915,000 | 25 | 84 |
| Nebbi | 260,738,000 | 105,160,000 | 19/08/2013 | 20/08/2013 | 105,160,000 | 40 | 100 |
| Ntoroko | 119,403,000 | 29,850,000 | 13/08/2013 | 20/08/2013 | 29,850,000 | 25 | 100 |
| Ntungamo | 200,539,000 | 50,134,000 | 16/08/2013 | 19/08/2013 | 50,134,000 | 25 | 100 |
| Nwoya | 308,250,000 | 77,062,000 | 19/08/2013 | 23/08/2013 | 77,062,000 | 25 | 100 |

***Source: Field Findings***

Table 4.1 above shows the total amount of releases sent to the selected local governments for Q1 for PHC-Dev't and the absorption rates. The districts realized on average 25% of their approved budgets, although Nebbi and Kasese district received 40% and 30% of their budgets.

In terms of timeliness, the releases were sent in the second month of the quarter for all the local governments visited. It however took less than five working days for the LGs to remit the funds to the sector accounts. This is in accordance with the budget execution circular.

The absorption of the grant was excellent in all monitored districts except for Kyegegwa and Kyankwanzi. Kyankwanzi absorbed only 34% of the realized funds while Kyegegwa did not spend at all in the quarter. The reasons advanced for such low absorption for both Kyankwanzi and Kyegegwa was that procurement process was still on-going and contracts had not been awarded.

Eight (8) out of the nine (9) monitored districts had no unspent balances by the end of FY 2012/2013. Lyantonde district had an unspent balance of only Ug shs 27,331 by the end of FY 2011/13.

**Challenges faced in the implementation of the grant.**

- **Poor Drug Management:** This arises from the staff behavior patterns of stealing government drugs meant for the health centers .For example in Nebbi district, staff from Mukale HC 11 was found in possession of government drugs by the medicines and Health services monitoring unit.

- **Lack of transport:** The need to monitor district activities and provision of outreach services are constrained by absence of transport means to reach the served areas.

**Conclusions**

Consistency or growth in the approved budget and 100% realization of the grant is the most desirable situation for any district local governments in any given financial year (FY). The PHC development grant has been reducing over the last three financial years. However all the monitored local governments were able to realize 25% of the annual approved budget. An excellent performance was exhibited by all district local governments in terms of timeliness of remitting the funds to the sector accounts. The selected districts fully absorbed the funds with the exception of Kyankwanzi and Kyegegwa.

**Recommendations**

- Monitoring and supervision of drugs by the district health officer should be strengthened to reduce mismanagement of the drugs meant for the government health centers.

- Need to provide transport means. This could come in form of vehicles or motor bikes to ease movement of the health personnel at local governments. This would help in reaching the hard to reach areas.

### 4.5.2 School Facilitation Grant (SFG)

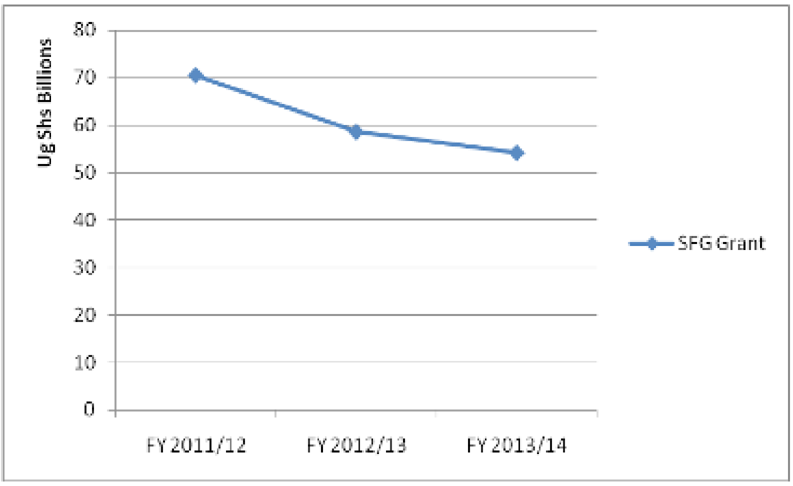
**Introduction**

The school facilitation grant funding is channeled to districts as a conditional grant and utilized in accordance with the poverty action fund general guidelines issued by MFPED. The target of the grant is to assist the most needy school communities by providing basic primary school physical infrastructures. Ideally the target is for every primary school to achieve a classroom to pupil ratio of 1:55, desk to pupil ratio of 1:3, latrine to pupil ratio of 1:40 and permanent accommodation for at least four teachers.

**Financial performance**

A trend analysis of the School facilitation Grant (SFG) has been drawn to reflect on the growth of the budget over the last three financial years for all district local governments in Uganda (Figure 4.2).

**Figure 4.2 Budgetary Trend for School Facilitation Grant (SFG)**




| Financial Year | SFG Grant (Ug shs) |
|---|---|
| FY 2011/12 | 70,546,538,550 |
| FY 2012/13 | 58,603,745,550 |
| FY 2013/14 | 54,198,839,000 |

***Source: Legacy System***

Figure 4.2 above shows a decline in the budgetary allocations to the School Facilitation Grant over the last three years for all the district local governments. This is not commensurate with the growing demand for education from the communities. The grant reduced by Ug shs 20 billion in FY 2012/2013 and by Ug shs 4 billion in FY 2013/2014.

The approved budget FY 2013/2014 was Ug shs 54,198,839,000 and the release Ug shs 13,549,710,000 representing 25% of the approved budget. Activities implemented across the districts were constriction of classrooms, staff houses and monitoring and supervision of activities in schools.

In Q1 FY 2013/2014, the monitoring team sampled out nine district local governments to assess the budget performance of the SFG grant; the budget performance of these districts is given in Table 4.2. The Table shows the approved budgets for the school facilitation grant for the district local governments, realized funds of the budget and its expenditure. It further shows the timeliness of the funds from MFPED to the general fund account of the district and the sector specific account.

**Table 4.2: Budget Performance for SFG Q1 FY 2013/2014 by district**

| District | Approved budgets (Ug shs) | Total receipts | Date Received from MFPED | Date remitted to Sectors | Total amount absorbed (Ug shs) | % of Budget Released | % of Receipts Spent |
|---|---|---|---|---|---|---|---|
| Kasese | 754,869,000 | 188,717,000 | 16/08/2013 | 20/08/2013 | 82,106,000 | 25 | 44 |
| Kiboga | 482,652,000 | 120,663,000 | 16/08/2013 | 21/08/2013 | 96,163,000 | 25 | 80 |
| Kyankwanzi | 482,652,000 | 120,663,000 | 05/09/13 | 16/09/2013 | 7,850,425 | 25 | 7 |
| Kyegegwa | 623,086,000 | 155,771,000 | 13/08/2013 | 03/09/13 | 26,276,367 | 25 | 17 |
| Lyantonde | 210,652,000 | 52,663,000 | 13/08/2013 | 19/08/2013 | 34,233,000 | 25 | 65 |
| Nebbi | 406,904,000 | 101,725,940 | 19/08/2013 | 20/08/2013 | 101,725,940 | 25 | 100 |
| Ntoroko | 210,652,000 | 52,663,000 | 16/08/2013 | 21/08/2013 | 31,597,800 | 25 | 60 |
| Ntungamo | 210,652,000 | 52,663,000 | 16/08/ 2013 | 19/08/2013 | 52,663,000 | 25 | 100 |
| Nwoya | 622,042,000 | 155,511,000 | 19/08/2013 | 23/08/2013 | 132,184,350 | 25 | 85 |

***Source: Field findings***

All the monitored districts had realized 25% release of their approved budgets. The releases were received late on the general fund account in the second month of the quarter. Timeliness is assessed based on the period stipulated in the budget call circular to remit the funds to their respective sector within 5 working days after being received on the general fund account. Table 4.2 shows that there was timely remittance of the funds to the sector accounts with the exception of Kyankwanzi and Kyegegwa.

Excellent absorption of funds was registered in Kiboga, Nebbi, Nwoya and Ntungamo. Lyantonde and Ntoroko absorption rates were fair while Kasese, Kyankwanzi and Kyegegwa absorption rates were poor below 50%. The low absorption in Kasese District was attributed to the failure of the District Engineer to sign the certificate for works which was done on time. Lyantonde district LG had an unspent balance of only Ug shs 90,000 by the end of FY 2012/2013 on the account of SFG.

**Challenges faced during the implementation of the Grant**

- Inadequate information at the district on the funds sent directly to the beneficiaries. The local governments did not get copies of the disbursed fund schedules yet they were expected to account for such funds.

- Lack of transport means for monitoring and supervision: Most of the District Education Officers (DEOs) lacked transport means to conduct monitoring and supervision activities. The DEOs could hardly monitor the activities in the hard to reach schools.

- Political Interference: SFG faced a challenge of political interference where sites chosen by the District Education Officers were changed or influenced by the politicians for their political ambitions.

**Conclusions**

Despite the increasing demand and importance of education within the communities, the budgetary allocations for the School Facilitation Grant (SFG) were declining over the three financial years. The district local governments realized 25% of their approved budgets for Q1 FY 2013/2014. The MFPED made releases late to the LGs; the funds were received in the middle of the second month of the quarter. Timely release of funds from the general fund account to the sector accounts was observed in most of the districts with the exception of Kyankwanzi and Kyegegwa.

**Recommendations**

- The release schedules of funds sent directly to beneficiaries should also be shared with district local government for transparency and better accountability.
- Need to provide vehicles or motorcycles to DEOs offices. This would aid in monitoring and supervision of planned activities under the SFG quarterly work plans.
- Strong and serious sensitization to politicians: They should be asked not to intervene into the allocation and implementation of SFG activities.

### 4.4.3 National Agricultural and Advisory Services (NAADS) Grant

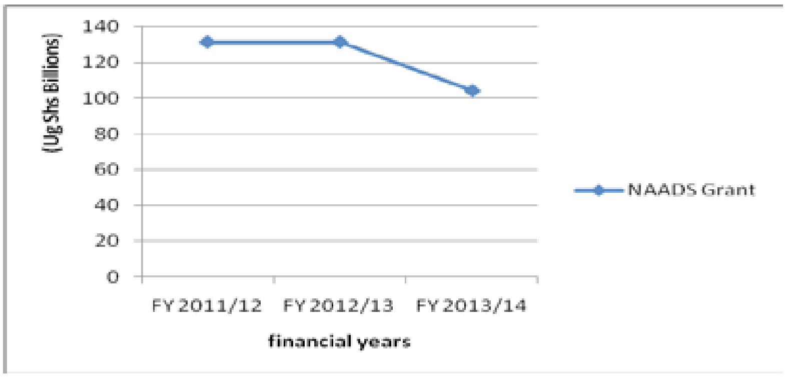
**Introduction**

The NAADS grant is a development grant channeled from MFPED to the NAADS secretariat and then to the district local government. The NAADS Programme was created in 2001 by an Act of Parliament to specifically address constraints of lack of access to agricultural information, knowledge and improved technology among rural poor farmers in the country. The fund is meant for implementation of activities under the NAADS programme that is currently being implemented in all districts, municipalities and sub-counties in Uganda. The objective of the NAADS is to promote food security, nutrition and household incomes through increased productivity and market oriented farming. It's supposed to empower all farmers to access and utilize contracted agricultural advisory services, promote farmer groups to develop capacity to manage farming enterprises and also create options for financing and delivery of agricultural advice for the different types of farmers.

**Financial performance**

The NAADS approved development budget for FY2013/2014 was Ug shs 104,342,403,000; a release of Ug shs 34,780,801,000 was made in Q1 representing 25% release performance. Figure 4.3 shows the budgetary trend analysis of the NAADS grant for the past three financial years i.e. FY 2011/12, 2012/2013 and 2013/2014.

**Figure 4.3: Budgetary Trend Analysis of NAADS**




| Financial Year | NAADS Grant (Ug shs) |
|---|---|
| FY 2011/12 | 131,247,138,411 |
| FY 2012/2013 | 131,247,138,411 |
| FY 2013/2014 | 104,342,403,000 |

*Source; Legacy system*

Figure 4.3 above shows that the NAADS grant budget was constant for the two financial years of FY 2011/2012 and FY 2012/2013 before it fell significantly in FY 2013/2014. The NAADS is one of the approaches being taken to boost food security in Uganda and a decline in the budget of the grant may have negative implications. Table 4.3 below shows the detailed budget performance of the NAADS grant for Q1 FY 2013/2014.

**Table 4.3: Budget Performance of NAADS Grant in Q1 FY 2013/2014 by District**

| District | Approved budgets (Ug shs) | Total receipts | Date Received from MFPED | Date remitted to Sectors | Total amount absorbed (Ug shs) | % of Budget Released | % of Receipts Spent |
|---|---|---|---|---|---|---|---|
| Kasese | 2,665,103,000 | 844,916,000 | 16/08/2013 | 20/08/2013 | 826,184,635 | 32 | 98 |
| Kiboga | 614,899,000 | 204,966,000 | 16/08/2013 | 21/08/2013 | 6,928,367 | 33 | 3 |
| Kyankwanzi | 994,517,686 | 293,377,250 | 05/09/13 | 11/09/13 | 278,219,028 | 29 | 95 |
| Kyegegwa | 773,139,000 | 200,468,000 | 13/08/2013 | 03/09/13 | 180,242,002 | 26 | 90 |
| Lyantonde | 575,397,000 | 145,654,000 | 13/08/2013 | 19/08/2013 | 137,523,000 | 25 | 94 |
| Nebbi | 1,117,862,000 | 444,692,010 | 19/08/2013 | 20/08/2013 | 345,815,084 | 40 | 78 |
| Ntoroko | 885,824,000 | 226,930,000 | 13/08/2013 | 19/08/2013 | 226,930,000 | 26 | 100 |
| Ntungamo | 1,532,545,000 | 510,848,000 | 16/08/2013 | 19/08/2013 | 510,848,000 | 33 | 100 |
| Nwoya | 503,831,000 | 167,944,000 | 19/08/2013 | 24/08/2013 | 167,944,000 | 33 | 100 |

***Source: Field findings***

Table 4.3 shows that the NAADS Q1 release performance was in the range 25%-40% with Nebbi District registering the highest at 40%. All the selected districts received funds late in the second month of the quarter and Kyankwazi district received its funds very late in the last month of the quarter. In all the districts, funds were timely remitted to the sector accounts except Kyegegwa district which took three weeks to remit the funds from the general fund account to the sector.

Excellent absorption of funds was noted in Kasese, Kyankwanzi, Kyegewa, Lyantonde, Ntungamo, Nwoya and Ntoroko districts. Kiboga district had the least absorption of funds at 3% of the realized funds. The very poor absorption in Kiboga was attributed to the late guidelines on the utilization of funds received from the NAADS secretariat. An unspent balance of Ug shs 9,835,000 was noted in Lyantonde district at the end of FY 2012/2013.

**Challenges**

- Untimely release of funds. Late receipt of funds delayed implementation of activities especially purchas of inputs.

- Quarterly release of the NAADS grant was not in line with the seasoning of crops. Designated seasons of the year for planting did not rhyme with the timing of the releases.

- Limited capacity of the suppliers for improved seeds: Suppliers or stockiest failed to provide improved seeds while others provided adulterated seeds.

- No clear guidelines or criteria for selection of farmers and distribution of inputs received under delegated procurements from NAADs secretariat. Lack of proper guidelines created misunderstandings within the community.

**Conclusions**

The NAADS budget allocation reduced by 20% over the last three years to FY 2013/2014. The amount released in Q1 FY 2013/2014 was 25% of the approved budget. The NAADS grant was released late from the MFPED but the funds were timely remitted to the sectors. The absorption rate in most of the selected districts was excellent with the exception of Kiboga.

**Recommendations**

- Quarterly releases for NAADS should be made in line with the seasons so that technologies can be procured in time for planting.

- Clear guidelines and selection criteria of the beneficiaries should be made transparent to all stakeholders at the local government level. The community or other stakeholders like district NAADS Coordinators should be involved in the selection of the beneficiaries under the delegated procurements.

### 4.4.4 Rural Water Development Grant

**Introduction**

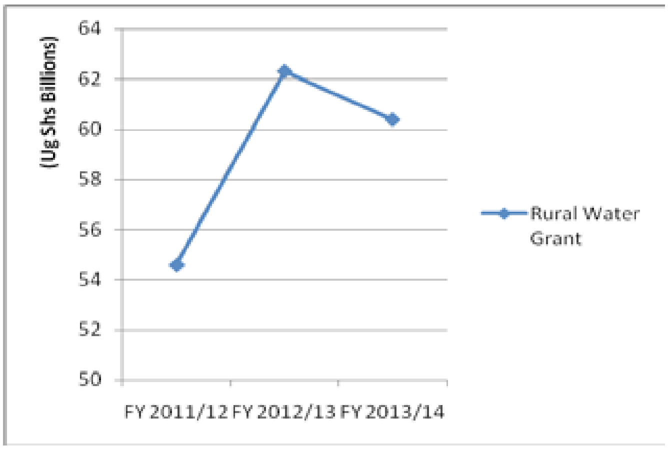
The rural water development conditional grant is GoU support channeled to the district local governments from MFPED. The support is geared towards achieving safe water to reach water provision levels of up to 77% of the population in rural areas by 2015.

The planning and budgeting guidelines for the grant from Ministry of Water and Environment stipulate that Capital Investments or Hardware activities for the grant should not be less than 70% of the budget, Software activities should be up to 8%. Rehabilitation of point water sources up to 13%, construction of sanitation facilities up to 3%, supervision, monitoring and DWO operational costs up to 6%. The hardware activities include construction of shallow wells, deep boreholes, protected springs, domestic rainwater harvesting tanks and ecological sanitation toilets. The software activities on the other hand include; sensitizations and advocacy on health issues and use of the water.

**Financial performance**

Below is the graphical representation of the budgetary trend analysis of the grant for the three financial years i.e. FY 2011/12, 2012/2013 and 2013/2014.

**Figure 4.4: Budgetary Trend Analysis of Rural Water Grant**




| Financial Year | Rural Water Grant (Ug shs) |
|---|---|
| FY 2011/12 | 54,583,095,000 |
| FY 2012/2013 | 62,291,520,000 |
| FY 2013/2014 | 60,372,434,000 |

***Source: Legacy System***

Figure 4.4 shows there was growth in the rural water grant from FY 2011/12 to FY 2012/2013. The budget for the grant then declined in FY 2013/2014. Generally the activities implemented under the grant included; software activities of planning and advocacy, sensitization of communities and trainings. Hardware activities included deep borehole, shallow well drilling, domestic rainwater harvesting and construction of VIP latrines.

The rural water grant budget performance by district as at 30th September 2013 is provided in Table 4.4.

**Table 4.4: Budget Performance for Rural Water Grant in Q1 FY 2013/2014 by district**

| District | Approved budgets (Ug shs) | Total receipts | Date Received from MFPED | Date remitted to Sectors | Total amount absorbed (Ug shs) | % of Budget Released | % of Receipts Spent |
|---|---|---|---|---|---|---|---|
| Kasese | 551,547,000 | 137,886,000 | 16/08/2013 | 20/08/2013 | 137,883,000 | 25 | 100 |
| Kiboga | 414,560,000 | 103,640,000 | 16/08/2013 | 21/08/2013 | 32,224,150 | 25 | 23 |
| Kyankwanzi | 523,283,500 | 125,580,000 | 05/09/13 | 11/09/2013 | 104,665,777 | 25 | 83 |
| Kyegegwa | 365,532,000 | 91,383,000 | 13/08/2013 | 03/09/2013 | 42,528,880 | 25 | 47 |
| Lyantonde | 439,179,000 | 109,795,000 | 13/08/2013 | 19/08/2013 | 95,587,000 | 25 | 87 |
| Nebbi | 508,415,000 | 127,103,720 | 19/08/2013 | 20/08/2013 | 26,602,181 | 25 | 21 |
| Ntoroko | 329,000,000 | 82,250,000 | 14/08/2013 | 19/08/2013 | 15,403,400 | 25 | 98 |
| Ntungamo | 441,359,000 | 110,340,000 | 16/08/2013 | 19/08/2013 | 110,340,000 | 25 | 100 |
| Nwoya | 312,688,000 | 78,172,000 | 19/08/2013 | 23/08/2013 | 312,688,000 | 25 | 100 |

***Source: Field findings***

All the monitored districts received 25% of the approved budgets in Q1 FY 2013/2014. The releases were received on the general fund account in the middle of the second month of the quarter.The funds were timely remitted to the sector accounts from the general fund account. Kiboga, Kyegegwa and Nebbi absorption rates were poor while the rest of the other districts monitored had an excellent absorption performance.

Excellent utilization of funds for the rural water grant was noted in the districts of Kasese, Ntungamo, Kyankwanzi, Lyantonde, Nwoya and Ntungamo districts. This was because Q4 FY 2012/2013 activities were rolled over to Q1 FY 2013/2014 due to a zero release in Q4 and the funds received were used to pay the completed works for the previous year. Kiboga, Kyegegwa and Nebbi districts performed below average in the utilization of the water grant. These districts had only implemented software activities.

**Challenges in implementing the grant**

- Cuts of local government budgets negatively affected operations in the year. The districts had entered into contractual obligations that they were forced to roll over to the subsequent year which affects its budget.
- Lack of standard reports: While MFPED promotes us of the OBT format for reporting by sectors, the line Ministry (MWE) prefers its own format. Multiple reporting is time wasting and cumbersome as most districts are under staffed.
- Lack of transport for DWO offices, especially in new districts, that contrained monitoring and supervision of hardware activities in hard to reach areas.

**Recommendations**

- The MFPED should desist from cutting budgets of local governments to reduce distrotions.
- The DWOs to be facilitated with transport so that projects can be monitored to avoid shoddy works.

**Conclusion**

The budgetary allocation to rural water grant increased by 10% in FY 2013/2014 as compared to FY 2011/12. The rural water grant released in Q1 was 25% of the approved budget and the absorption was excellent for most of the monitored districts with the exception of Kiboga, Kyegegwa and Nebbi which had absorption rates below 50%.

### 4.4.5 Local Government Management Service Delivery (LGMSD) Grant

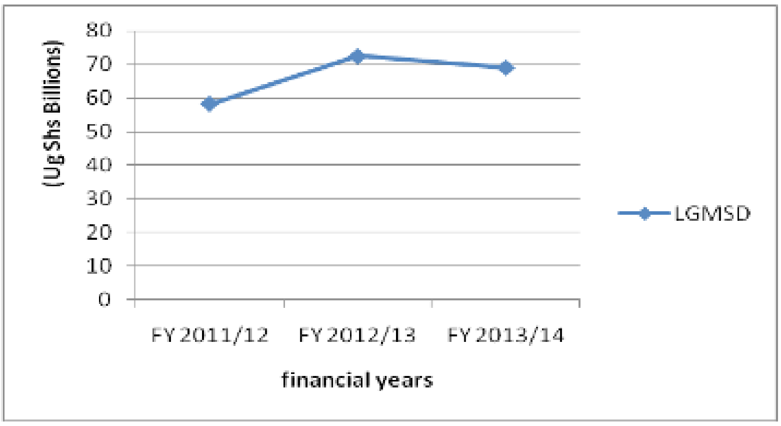
**Introduction**

The Local Government Management Service Delivery (LGMSD) conditional grant are funds sent from MFPED to local governments to finance their development plans. The grant is operated at both district and sub-county levels and is basically used for infrastructure development. The overall goal of the grant is to enhance Local Governments ability to plan and manage financial resources for effective and sustainable delivery of services. The components of the LGMSD are Community Driven Development (CDD), capacity building, and re-tooling. Local governments use the funds for tangible capital developments such as construction of schools, health units and roads.

**Financial performance**

Figure 4.5 shows the budgetary trend analysis of the LGMSD grant for three financial years i.e. FY 2011/12, 2012/2013 and 2013/2014.

**Figure 4.5: Budgetary Trend Analysis of Rural Water Grant**




| Financial Year | LGMSD Grant (Ug shs) |
|---|---|
| FY 2011/12 | 58,211,762,310 |
| FY 2012/2013 | 72,462,367,310 |
| FY 2013/2014 | 69,066,499,000 |

***Source: Legacy System***

The LGSMD budget increased by 19% in FY 2013/2014 compared to FY 2011/12. The total release for the LGSMD grant in Q1 FY 2013/2014 was Ug shs 17.3 billion representing 25% of the approved budget. Table 4.5 shows the detailed budget performance by district of the LGMSD grant as at 30th September 2013.

**Table 4.5: Budget Performance of the LGMSD in Q1 FY 2013/2014 by district**

| District | Approved budgets (Ug shs) | Total receipts (Ug shs) | Date Received from MFPED | Date remitted to Sectors | Total amount absorbed (Ug shs) | % of Budget Released | % of Receipts Spent |
|---|---|---|---|---|---|---|---|
| Kasese | 1,112,068,000 | 281,373,000 | 16/08/2013 | 20/08/2013 | 281,370,000 | 25 | 100 |
| Kiboga | 303,019,000 | 75,755,000 | 16/08/2013 | 21/08/2013 | 60,123,000 | 25 | 79 |
| Kyankwanzi | 334,376,486 | 81,008,000 | 05/09/13 | 10/09/13 | 53,603,460 | 25 | 66 |
| Kyegegwa | 237,000,000 | 58,063,000 | 13/08/2013 | 03/09/13 | 53,472,823 | 25 | 92 |
| Lyantonde | 129,707,000 | 32,426,660 | 13/08/2013 | 19/08/2013 | 25,268,000 | 25 | 78 |
| Nebbi | 943,327,000 | 235,831,730 | 19/08/2013 | 20/08/2013 | 235,831,730 | 25 | 100 |
| Ntoroko | 215,115,000 | 53,779,000 | 13/08/2013 | 19/08/2013 | 53,779,000 | 25 | 100 |
| Ntungamo | 652,386,000 | 163,096,000 | 16/08/2013 | 19/08/2013 | 163,096,000 | 25 | 100 |
| Nwoya | 301,579,000 | 75,395,000 | 19/08/2013 | 24/08/2013 | 75,395,000 | 25 | 100 |

***Source: Field findings***

Table 4.5 shows that all the districts' Q1 release performance was 25%. The districts of Kasese, Kyegegwa, Nebbi Ntoroko, Ntungamo and Nwoya were able to fully absorb the funds while the absorption rates of Kiboga, Kyankwanzi and Lyantonde districts were just fair.

Only Lyantonde district had an unspent balance of Ug shs 25,630 on the account of LGMSD by the end of the FY 2012/2013.

**Challenges**

- Insufficient funds: The LGMSD is still a very small grant compared to the needs of the local government, worsening with the dwindling local revenues.

- Inadequate funds for capacity building, because of the limited budget for LGMSD leading to staffing gaps.

**Conclusions**

The budgetary allocations for the LGMSD grant increased in FY 2012/2013 and slightly decreased in FY 2013/2014 although still higher than the FY 2011/12 funding level. The Q1 funds were released late from the MFPED; the districts remitted the funds to the respective sector accounts in time. Utilization of funds for most of the monitored districts was good but due to the fact that most districts were paying for last year's outstanding obligations.

### 4.4.5 Rural Roads Rehabilitation Grant

**Introduction**

The rural roads rehabilitation grant from MFPED comprises of Rural Transport Infrastructure (RTI) or PAF normal and PRDP. The RTI is a continuation of the Danish support to the Uganda Road sector in road sector programme support (RSPS) 1 and 11.The component focus on developing, testing, refining and consolidating the methods, procedures and results of the previous programme. The objective of the grant is to maintain and rehabilitate district and community access roads to support the agricultural production in the area. It ensures sustainability and capacity building of the districts.

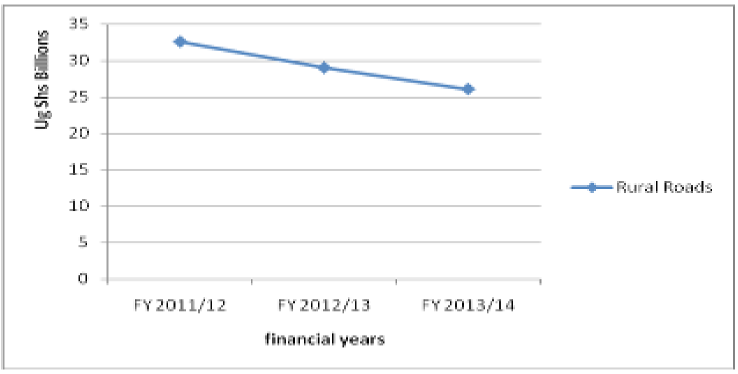
The grant is currently supporting 18 districts of Apac, Gulu, Kaberamaido, Kumi, Lira, Pader, Amolatar, Amuria, Oyam, Dokolo, Bukedea, Otuke, Lamwo, Ngora, Serere, Katakwi, Kitgum and Soroti. These districts were selected by the Ministry of Works and Transport (MoWT) as they were affected by civil war for 2 decades. MFPED plays a coordination and supervisory role in transfer of funds to the local governments.

Another government support in form of rural roads rehabilitation grant is channeled through Uganda Road Fund (URF) to all district local governments in Uganda. This is used for routine maintenance (manual and mechanized), periodic maintenance (manual and mechanized) for district roads, bridges and culverts.

**Financial performance**

Figure 4.6 below shows the budgetary trend analysis of the rural roads rehabilitation grant for the three financial years starting FY 2011/2012.

**Figure 4.6: Budgetary Trend Analysis of Rural roads rehabilitation Grant**




| Financial Year | Rural Roads (Ug shs) |
|---|---|
| FY 2011/12 | 32,583,175,000 |
| FY 2012/2013 | 29,001,024,000 |
| FY 2013/2014 | 26,066,357,000 |

***Source: Legacy System***

The total budgetary allocation for the rural roads rehabilitation grant has reduced over the three years. The budget in FY 2013/2014 was reduced by 25% compared to the budget in FY 2011/12. Table 4.6 below shows the Q1 FY 2013/2014 detailed budget performance by district of the rural roads rehabilitation grant.

**Table 4.6: Budget Performance of the Rural Roads Rehabilitation Grant in Q1 FY 2013/2014 by district**

| District | Approved budgets (Ug shs) | Total receipts (Ug shs) | Date Received from MFPED | Date remitted to Sectors | Total amount absorbed (Ug shs) | % of Budget Released | % of Receipts Spent |
|---|---|---|---|---|---|---|---|
| Kasese | 3,355,889,000 | 272,415,792 | 20/08/2013 | 28/08/2013 | 272,415,792 | 8 | 100 |
| Kiboga | 308,817,000 | 120,108,750 | 20/08/2013 | 23/08/2013 | 120,108,750 | 39 | 100 |
| Kyankwanzi | 548,507,500 | 88,801,622 | 20/08/2013 | 23/08/2013 | 32,376,050 | 16 | 36 |
| Kyegegwa | 152,526,000 | 29,965,000 | 20/08/2013 | 04/09/13 | 22,421,900 | 20 | 75 |
| Lyantonde | 152,526,000 | 98,363,012 | 20/08/2013 | 12/09/13 | 40,091,000 | 64 | 41 |
| Nebbi | 705,244,000 | 176,311,060 | 23/08/2013 | 26/08/2013 | 85,482,956 | 25 | 48 |
| Ntoroko | 462,509,000 | 36,890,750 | 20/08/2013 | 27/08/2013 | 15,403,400 | 8 | 42 |
| Ntungamo | | - | - | - | - | - | - |
| Nwoya | 798,822,000 | 199,705,000 | 23/08/2013 | 27/08/2013 | 79,882,000 | 25 | 40 |

***Source: Field findings***

Table 4.6 shows that Ntungamo did not receive any funds on the rural roads grant. Kasese, Kyankwanzi and Ntoroko districts release performances were very low below 20%; other districts had a good release performance. The districts of Kasese and Kiboga fully absorbed the Q1 funds and this was possible because the districts used the Q1 funds to pay for last year's works which were rolled over to the current year. Kyegegwa's absorption rate was fair while the rest of the other districts absorption was poor.

Ntungamo district had an unspent balance of Ug shs 304,567,800 as at 30$^{th}$ June 2013 on the account of the rural roads grant. The district did not return the funds to the consolidated account because the Accountant General (AG) had authorized them to spend the money by 31 December 2013 if the funds were committed. Field findings indicated that the funds were spent in Q1 FY 2013/2014.

**Challenges faced during implementation of the grant**

- Late release of funds: Most districts could not initiate procurement processes until funds were received. Late receipt of funds manifested into late award of contracts and late implementation of construction works.

- Insufficient funds: The demand for the rural roads to be rehabilitated is too high and the budget allocations were too small. The districts had pressures from politicians to have roads rehabilitated in their constituencies.

**Conclusion**

The budgetary allocations for the rural roads grant have been declining over the three financial years. The District local governments benefiting from the RTI realized 25% of their approved budgets while those benefiting from URF realized varying proportions of their budgets. Excellent performance in the remittance of funds to specific sector accounts within 5 working days was noted. This was a good practice and in line with the budget execution circular from MFPED.

Excellent utilization of funds was noted for the districts of Kasese and Kiboga. This was attributed to roll over activities from FY 2012/2013 whose works had been completed but due to a zero release in Q4 obligations remained outstanding and were paid using the Q1 FY 2013/2014 release.

**Recommendations**

- The MFPED and the Uganda Road Fund urged to improve on the timely release of funds to the local governments to enable them absorb the funds before the financial year ends.

- Need to revise the amounts of funds sent in order to meet the current demand to work on the different roads

### 4.4.6 Local Government key cross cutting challenges/conclusions

Various challenges and emerging issues were noted during field work:

1) The development budget for the local government conditional grants reduced over the years and yet the demands for social services were on the rise in the local governments.

2) Most of the districts received the Q1 releases late in the second month of the quarter; a few districts received funds in the last month of the quarter.

3) There was a significant improvement in the timely release of funds from the General Fund Account to Sector Accounts. Most of the districts funds took less than a week to reach the sector accounts from the general fund account.

4) Some local governments were able to fully absorb Q1 funds and this was due to the fact that most of them were paying for outstanding obligations for the previous year. Those that had low absorption, it was attributed to late receipt of funds and delayed procurement since the process had just been initiated.

5) All the districts did not receive development releases for Q4 FY 2012/2013. As a result, all the works for Q4 were rolled over and the funds received in Q1 were used to pay the prior year commitments. This distorted the development budget for the current financial year.

6) The quarterly release for the NAADS grant was not in line with the planting seasons. This affected the timely purchase of inputs especially crops and as a result funds absorption was low.

7) Lack of standardized reporting formats at the local government resulting in duplicative efforts in presenting the same information in different formats to the line ministries and MFPED.

8) There was limited monitoring and supervision of development projects at the local government attributed to poor facilitation of the monitoring units.

**Recommendations**

1) There is need to have stable performance or growth in the budget allocation for the conditional grants to local governments because the service delivery needs were increasing.

2) MFPED and other line Ministries to release funds in time to ensure timely absorption of funds.

3) The timing of NAADS releases should be harmonized with the planting seasons so that funds are not received when the planting season is over.

4) The MFPED, MOLG and other Line Ministries should have a tripartite arrangement and harmonize the reports to have standard reports. This will save the LGs from making multiple reports to different entities and in different formats.

5) The grants budget should allocate a reasonable amount to monitoring and supervision to enable coordinators effectively supervises the development activities.

# PART 3:

# PHYSICAL PERFORMANCE

# CHAPTER 5: AGRICULTURE

## 5.1 Introduction

### 5.1.1 Agriculture sector objectives and priorities

The Government's investment priorities in the sector are guided by the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) Agricultural Sector Development Plan and Investment Strategy (DSIP). The sector target is to transform two million (50%) subsistence agricultural households to market oriented production through sustainable commodity value chains by 2020[7]. In the ongoing phase of the DSIP 2010/11 – 2014/15, interventions are centered on technology development, agribusiness advisory services and improving the interface between agricultural research and advisory services. These are implemented through the Agricultural Technology and Agribusiness Advisory Services (ATAAS) project.

Since 2011, the Government adopted the commodity based approach to increase agricultural production and productivity which would in turn enhance food and nutrition security, household incomes, value addition and exports growth[8]. In FY 2013/2014, the sector is continuing to implement this approach, promoting 10 strategic commodities that are categorized into two groups, namely: i) Food security commodities: maize, beans, rice, bananas, cassava, dairy cattle, meat, fish. Ii) Market/export oriented commodities: maize, beans, cassava, rice, coffee, tea, fish, fruits and vegetables.

Other key investment priorities in FY 2013/2014:

- Ensuring availability of seed, planting, stocking and breeding materials for the priority commodities at farm level;
- Increasing pasture in dry seasons
- Promote value addition and labour saving technologies
- Development of irrigation infrastructure through public-private-partnerships (PPPs)
- Facilitating the acquisition and utilization of agricultural mechanization technologies.

In FY 2012/2013, the Government spent Ug shs 271.63 in the agricultural sector, excluding arrears and taxes[9]. The projected expenditure for the sector in FY 2013/2014 is Ug shs 405.38, excluding arrears and taxes[10].

### 5.1.2 Scope of monitoring

This report reviews progress in agricultural programme implementation during the first two quarters of FY 2013/2014 (July – November 2013), but with some reflection on performance during FY 2012/2013. Five programmes were monitored as listed in Table 5.1. Most of these programmes were either highly centralized (National Livestock Research Institute, Export Goat Breeding and Production) or by their nature and purpose, were geographically restricted to water bodies (Increasing Mukene for Home Consumption, Support to Fisheries Mechanization and Weed Control) and hence with limited presence in most local governments.

For the Support to Implementation of Quality Assurance for Fish Marketing project, more than half of the

7 MAAIF, 2013
8 MFPED, 2012; MFPED, 2013.
9 MFPED, 2013a.
10 MFPED, 2013-2014.

investments had been monitored in Q2 FY 2012/2013 and the visits in this quarter covered the remaining unmonitored interventions.

**Table 5.1: Agricultural programmes monitored in Q2 FY 2013/2014**

| Project Code | Programme/project | Sampled institutions/ districts |
|---|---|---|
| 1117 | Export Goat Breeding and Production | MAAIF, Sembabule |
| 1165 | Increasing Mukene for Home Consumption | MAAIF, Buikwe, Bullisa, Buyende, Mpigi |
| Vote 142 Programme 10 | National Livestock Research Institute (NALIRRI) | Tororo, Masaka, Jinja |
| 1166 | Support to Fisheries Mechanization and Weed Control | MAAIF, Rakai, Mpigi, Wakiso, Kampala, Jinja |
| 1086 | Support to Implementation of Quality Assurance for Fish Marketing | MAAIF, Hoima, Nakasongola, Nebbi |

The following criteria guided selection of the projects/programmes that were monitored:

- High potential to contribute to the sector mission and objectives of commercializing and mechanizing agriculture.
- Priority Government investment areas in FY 2013/2014.
- Their performance had not tracked before or in recent periods by the ministry.

### 5.1.3 Methodology

The monitoring work informing this report was undertaken during November to December 2013. For all the interventions that were monitored, the following key performance data was gathered:

- Project profile and background
- Financial performance data
- Implementation processes and challenges
- Outputs and intermediate outcomes
- Beneficiary satisfaction, where relevant.

Data was collected through a combination of approaches:

a) Review of secondary data sources including: MAAIF Ministerial Policy Statement for FY 2013/2014; National and Sector Budget Framework Papers; MAAIF project documents and performance reports in the Output Budgeting Tool (OBT), MFPED Budget Documents, Project progress reports, Budget Speech 2013/2014 and district performance reports;

b) Review and analysis of data in the Integrated Financial Management System (IFMS);

c) Consultations and key informant interviews with project managers in implementing agencies both at the Central and Local Government level;

d) Field visits to project areas involving discussions with lower local government (LLG) officials and beneficiaries. Observation and photography were key data collection tools during the monitoring exercise.

## 5.2 Export Goat Breeding and Production

### 5.2.1 Background

The Government of Uganda is piloting the five year Exports Goat Breeding and Production Project in Sembabule district, in partnership with Sembeguya Estates (U) Ltd. A Memorandum of Understanding was signed between Sembeguya Estates and GoU on 22nd March 2005 to execute the project during two financial years FY 2005/2006 and FY 2006/07 and to use the following three years for supervision and monitoring to ensure project sustainability. Funding for this project ceased in FY 2005/2006 and resumed on 1st July 2009. Box 5.1 provides the summary project profile.

**Box 5.1: The Export Goat Breeding and Production Project at a Glance**

**Implementing agency:** MAAIF in partnership with Sembeguya Estates (U) Ltd

**Source of funding:** Government of Uganda and Sembeguya Estates (U) Ltd. Funds channelled through the National Agricultural Advisory Services.

**Implementation period:** 1st July 2009 – 30th June 2013

**Objectives:** The original concept was to raise goats for export to the Middle East. In recent years, the objectives are: 1) To increase the contribution of the goat industry to people's income and welfare by developing a breeding model that will supply improved breeding goats sustainably to commercial producers and ranchers. 2) To provide conducive environment for goat breeding through design and development of farm structures including fencing and watering points.

**Project Components:** i) Goat breeding and multiplication ii) Development of farm structures iii) Management and coordination

**Target population:** 108 farmers in Sembabule district.

**Project Targets:** i) 350 exotic breeding goats procured and distributed. ii) 54,000 indigenous goats procured and distributed. iii) Trained farmer's groups. iv) Development of Farmers' marketing cooperative/s. v) Established market outlets for goats. Each of the 108 farmers to receive 500 local Mubende goats and one savannah buck during the project period.

***Source:*** MAAIF Ministerial Policy Statement FY 2013/2014; Sembeguya Estates' performance reports.

The key planned activities and targets for FY 2013/2014 for the project were[11]:

- Purchase and distribution of 5,904 goats to farmers in Sembabule District
- 2 stakeholder workshops
- 108 on farm demonstrations and trainings 4 joint field supervision visits with NAADS
- 4 joint field visits between Sembeguya Estates and Sembabule Local Government
- Pay 14 project staff salaries

### 5.2.2 Findings

#### i) Financial performance

By 30th December 2013, six months after the project end date, a cumulative total of Ug shs 4.4 billion had been released (80.4% of the total project budget) out of which Ug shs. 3,827,620,000 (85.5% of total releases) was expended on procurement of goats (Table 5.2). The rest, 14.4% was expended on other activities like

11 MAAIF Ministerial Policy Statement FY 2013/2014

monitoring, supervision, establishment of farm infrastructure, allowances, salaries and workshops. Earlier disbursements up to FY 2009/2010 amounted to Ug shs 937,576,975.

For the first half of FY 2013/2014, a total of Ug shs 661,399,049 was released (Ug shs 406, 666,666 for Q1 and Ug shs 254,732,383 for Q2) to the project. The proprietor of Sembeguya Estates acknowledged receipt of Ushs 604,083,066 (Ug shs.57.3 million less, retained by MAAIF for monitoring and supervision) on 10th December 2014. Planned activities could not be undertaken as scheduled due to the late transfer of funds to the project account by MAAIF.

**Table 5.2: Financial performance of the Export Goat Breeding and Production Project (FY 2009/2010 – FY 2013/2014) – Ug shs**

| Financial Year | Total Budget | Releases | Expenditure (Procurement of goats) |
|---|---|---|---|
| FY 2009/10 | 963,000,000 | 907,296,732 | 756,000,000 |
| FY 2010/11 | 962,998,635 | 941,052,321 | 826,500,000 |
| FY 2011/12 | 1,220,000,000 | 1,001,943,622 | 866,355,000 |
| FY 2012/2013 | 1,196,230,668 | 963,225,152 | 835,050,000 |
| FY 2013/2014 | 1,220,000,000 | 661,399,049 | 543,715,000 (Earmarked) |
| **Total** | **5,562,229,303** | **4,474,916,876** | **3,827,620,000** |

***Source: IFMS, BMAU Monitoring Reports and Sembeguya Estates' Performance Reports.***

### ii) Physical performance

### a) Overall performance

Table 5.3 summarizes the physical performance of the project against the set targets, over the five year period. Two of the key targets on procurement of exotic goats and training farmer groups were achieved; one target on procurement of indigenous goats was partially achieved and no progress was registered in developing a farmers' cooperative and establishing market outlets.

**Table 5.3: Overall physical performance the Export Goat Breeding and Production Project FY 2009/10 – FY 2013/2014**

| Target | Progress | Percentage progress | Remarks |
|---|---|---|---|
| 350 exotic breeding goats procured and distributed. | 350 goats were procured and distributed. | 100% | Achieved. This was a private contribution from Sembeguya Estates as part of the Public Private Partnership. |
| 54,000 indigenous goats procured and distributed. | 22,788 goats procured and distributed. | 42.2% | Under performed by 57.8% |
| Trained farmer's groups. | Ten stakeholder workshops held. | 100% | Two stakeholder workshops were held every financial year |
| Development of Farmers' marketing cooperative/s | A goat farmer's marketing cooperative was registered and a bank account opened. | 0% | Not operational. It was meant to facilitate access credit services at minimum costs among other objectives. This was not achieved because banks offer credit at a minimum of 10% interest fee which is too high and un affordable to goat farmers. |
| Established market outlets for goats. | No local or international market outlets have been established. | 0% | Not achieved |

***Source: Field findings; Sembeguya Estates' performance reports***

The proprietor of Sembeguya Estates reported the following challenges as impacting negatively on project performance:

1) High unit cost of local goats: the budget for procurement of goats remained the same since 2004 despite inflation and the tremendous increase in the unit costs. The unit cost of a goat rose from Ug shs 120,000 in FY 2004/2005 to Ug shs 150,000 in FY 2009/10 and Ug shs 185,000 in December 2013.
2) Delayed release of project funds by MAAIF negatively impacting on achievement of targets: first and second quarter releases for FY 2013/2014 were not received until 10th December 2013; hence the planned activities could not be undertaken as scheduled.
3) Untimely/off season release of funds: when project funds are released in December, the project makes losses as the unit cost of goats escalates. Funds are often released in rainy seasons. Animals that are procured during the rainy season are highly susceptible to diseases like pneumonia.
4) Lack of water for production. The district equipment was not accessible to excavate wells on beneficiary farmers; the equipment was often stationed at farms of prominent farmers for long periods.
5) The low quality of Mubende goats that are sourced from all parts of the country. Many goats are found with defects because they are not selected for quality by the contractors.
6) The 2 vehicles and 2 motorcycles that were availed by MAAIF at project inception were obsolete, with high maintenance and repair costs. Lack of transport made timely monitoring of project beneficiaries difficult.
7) Lack of capacity to replicate the project in districts that have expressed interest including Mubende, Rakai, Gomba, Kiruhura and Lyantonde.

The proprietor of Sembeguya Estates recommended the following measures for addressing the above challenges:

1) The MAAIF in consultation with MFPED should revise the project budget upwards to take into consideration inflation and current market prices of goats to enable achievement of targets.

2) The MAAIF should ensure timely release/transfer of funds to the project to fasten implementation of planned activities.

3) The MAAIF/MFPED should consider releasing funds to the project on a seasonal basis.

4) The MAAIF in collaboration with the district should provide equipment including a tipper, excavator, loader and compactor to the project to help in establishing wells for the project beneficiaries. The Project Proprietor and beneficiaries expressed willingness to co-share in operating and maintaining the unit under a public private partnership arrangement.

5) The private sector would step up the agronomic practices of deworming, vaccinating and spraying the goats after purchase and before delivery to farms to partly address the poor quality of goats purchased by contractors.

6) The MAAIF should provide new transport facilities to facilitate timely monitoring and supervision of project beneficiaries.

7) The MAAIF should consider replicating the project to districts that have expressed interest to enhance project sustainability.

### b) Field Findings

**Trends in goat purchases**

**Breeding stock at Sembeguya Nucleus Estate Sembabule district**

The project achieved the target of procuring breeding stock for the nucleus estate of 350 exotic goats. By December 2013, the project had procured and distributed 22,788 local Mubende goats to beneficiary farmers. Table 5.4 shows the trends in local goat purchases since project inception. The number of goats procured stagnated in FY 2011/2012 despite increase in budgetary allocations (also refer to Table 5.2). This was mainly due to the increase in the unit cost of goats.

**Table 5.4: Trends in local goat purchases by the Export Goat Breeding and Production Project**

| Item | FY2004/05 | FY2009/10 | FY2010/11 | FY2011/12 | FY2012/2013 | Total |
|---|---|---|---|---|---|---|
| Purchase of goats | 3,025 | 5,040 | 5,510 | 4,683 | 4,530 | 22,788 |

Source: Field findings; Sembeguya Estates progress reports.

**Distribution of goats**

The goats were distributed to 108 farmers in six sub counties including Lugusulu (59 beneficiaries), Rwemiyaga (12 beneficiaries), Ntuusi (20 beneficiaries), Mijwala (10 beneficiaries), Matete (3 beneficiaries) and Rwebitakuli (4 beneficiaries). Selection of beneficiaries was based on the following criteria:

- Interest and willingness to undertake goat breeding and multiplication.
- Demonstrated experience in goat rearing.
- Ownership of at least 150 acres of land
- Acceptance of project terms and conditions: not selling goats until they have multiplied to agreed levels; building farm infrastructure and allowing monitoring and supervision by project staff.

The number of goats given to any farmer depended on performance in terms of goat multiplication. The rate of goat multiplication was directly correlated to the level of agronomic practices. The goats were given out in batches of 50 as the farmers' performance was being progressively monitored. The target was for each farmer to ultimately receive 500 local goats and 1 exotic buck. Table 5.5 shows that the best performing farmer received 478 goats and the worst performer received only 50 goats.

**Table 5.5: Distribution of local Mubende goats to farmers by December 2013**

| No. Farmers | Goats distributed to each farmer | Total distributed |
|---|---|---|
| 5 | 350 | 1750 |
| 13 | 300 | 3900 |
| 26 | 250 | 6500 |
| 23 | 200 | 4600 |
| 28 | 150 | 4200 |
| 9 | 100 | 900 |
| 1 | 50 | 50 |
| 1 | 400 | 400 |
| 1 | 478 | 478 |
| **107** | **2,278** | **22,778** |

***Source: Field findings; Sembeguya Estates progress report***

### Goat multiplication

In the project design, it was planned that the 108 farmers would multiply the goats over the five year period to achieve 192,000 female breeding stock. These would then be used to produce 16,000 goats annually for export to the Middle East. The Proprietor of Sembeguya Estates reported that the project had produced 50,000 goats overall, out of which 35,000 were mature female breeding stock. This indicates underperformance of the goat multiplication exercise by 157,000 female breeding stock or a 20% performance rate.

The low goat multiplication rate was attributed to a number of factors: i) the inadequate budget allocated to the project resulting in low goat purchases ii) poor quality of local Mubende goats that are procured and distributed to farmers iii) Diseases and abortions iv) inadequate monitoring, extension and supervision of the beneficiary farmers v) unofficial sell of goats by the farmers.

### Demonstration and Training

The project was employing 14 people: 2 Veterinary Officers, 2 Veterinary Assistants and 10 casual laborers. The officers were supporting the beneficiaries through provision of extension and veterinary services, demonstration of modern farming methods and training. Casual laborers undertook routine maintenance at the nucleus estate farm including bush clearing, slashing and grazing the goats. Ten stakeholder workshops involving central government, local governments, community, district, local Non-governmental Organisations (NGOs) and farmers were conducted since project inception. Maintenance of a goat holding centre at the nucleus estate was undertaken; this is the first place where goats are kept, treated, dewormed for a period of one month before they are distributed to the farmers.

### Case Studies on beneficiary satisfaction

The monitoring team sampled 5 beneficiaries to confirm receipt of goats from the nucleus estate and assess performance and beneficiary satisfaction. The findings are presented below.

**Ms. Nyamwiza in Nkoma village**

**Project goats in Ms. Nyamwiza's farm in Nkoma village**

***Physical performance***

The farmer who resides in Nkoma Village, Kawanda Parish Rugusuru Sub County started rearing goats in 1992. She started collaborating with Sembeguya Estates in 2011 and acknowledged receipt of: a) 1 Savanna buck b) 300 goats in batches of 100 goats per year since 2011 to 2013 c) Training on good farming practices and utilization of veterinary services including vaccination.

***Benefits***

The farmer registered the following benefits in the project:

1) Goat multiplication; 450 goats were multiplied out of the 300 goats received. Out of the 450 goats on the farm, 150 bucks were sold at Ug shs 60,000 each. The farmer remained with 300 goats (of which 110 were Savannah white goats).

2) Goat sales: the beneficiary sold off the existing unimproved old stock upon involvement in the goat breeding and multiplication project.

3) School fees security; "I *cannot fail to raise Ug shs 300,000 to send my children to school every term"* she emphasized.

4) Treatment of livestock diseases; "*I sale bucks and mature goats to treat my cattle"* said the farmer.

***Challenges***

The farmer reported the following challenges:

1) Significant goat losses due to theft; a total of 19 goats were stolen between August-November 2013.

2) Over 40 kids were lost to diseases in 2013.

3) Low goat prices and returns due to the high cost of inputs, especially the vaccines and animal drugs.

4) Conflict in the community: many people in the community have not benefitted directly from the project and where causing conflict as a result of theft and trespassing of animals.

5) The goat multiplication process was slow as few animals were provided by Sembeguya Estates every year.

***Recommendations***

The farmer recommended the following:

1) The farmers should be supported to collaborate with local security forces to eliminate thieves in the community.

2) MAAIF through Sembeguya Estates should avail vaccines on the local market to mitigate animal diseases and losses.

3) Sembeguya Estates should fast track establishment of market outlets at both local and international level. Standard prices for goats should be established.

4) The project should be expanded to benefit more people in the community to avoid conflict and clashes.

5) Sembeguya Estates should step up the number of goats provided to each farmer every year to quicken the multiplication process.

**Mr. Mwesigye of Kyabaresa village**

**Project goats at Mr. Mwesigye farm**

***Physical performance***

The farmer resides in Kyabaresa Village, Kawanda Parish, Rugusuru Sub County. He started goat rearing in 1995. He started collaborating with Sembaguya Estates in 2011 and acknowledged receipt of: a) 250 local goats in three batches - 50 goats in 2011, 100 goats in 2012 and 100 goats 2013. b) One buck c) Veterinary services including vaccination. d) Monitoring and supervision from the project staff. By November 2013, he had multiplied the stock to 462 goats out of which 180 were bucks and had been sold.

The beneficiary signed a standing agreement with Sembeguya estates to supply his farm with at least 50 goats every year for a period of five years upon good performance. He expected 250 more goats from Sembeguya Estates.

***Benefits***

The farmer noted following accruing from the project:

1) Training that led to undertaking goat farming as a business in the region.

2) Increased income from the project which was used for paying his children's school fees.

3) Social networking.

4) Goat waste that was used both as fertilizer and an income source. A lorry of goat waste was sold at Ug shs 150,000.

***Challenges***

The farmer reported the following challenges to project implementation:

1) Animal diseases - over 60 goats were lost to diseases in 2013.

2) Water scarcity.

3) Low project outreach at village and district level translating into general lack of knowledge and experience sharing among beneficiaries on improved goat rearing.

4) Animal theft resulting in insecurity.

***Recommendations***

The following were the recommendations made by the project beneficiary:

1) The MAAIF should avail vaccines to beneficiary farmers through Sembeguya Estates and make them available on the local market to mitigate animal diseases and losses.

2) The MAAIF/Government, in collaboration with the district should provide water excavation equipment to enable farmers excavate water for production wells.

3) The project should be expanded and replicated to other districts to increase production and supply. This will help generate internal and external markets for the goats and encourage peer learning among beneficiaries from different localities.

4) The farmers should be encouraged to work together with local defense forces to eliminate thieves in the community.

**Mr. Karakure of Kizano village**

***Physical performance***

The beneficiary who lives in Kizano Village, Kayishya Parish Rugusuru Sub County started rearing goats 30 years ago. His collaboration with Sembeguya Estates began in 2010 with a purpose of poverty alleviation. He acknowledged receipt of 200 goats in four batches of 50 goats from 2010 to 2013. These were multiplied into more than 200 goats which were all sold for an average of Ug shs 175,000 per goat. The proceeds were used to pay for children's school fees. At the time of the monitoring visit in December 2013, the farmer did not have any goats on his farm.

***Challenges***

The key challenges noted by the beneficiary were:

1) Animal diseases including diarrhea that led to death of some goats at the farm.

2) Lack of markets offering good prices for the goats.

3) Lack of water for production.

4) Lack of book keeping skills to record the goat multiplication process. This was associated with high illiteracy levels among the herdsmen and farmers.

5) The contractual period with Sembeguya Estates to provide 500 goats to the farmer had long passed, yet the farmer was provided with only 200 goats. The MoU between the farmer and Sembeguya Estates was not renewed.

***Recommendations***

The beneficiary recommended the following:

1) The MAAIF to increase accessibility to animal vaccines within the local markets.

2) Sembeguya Estates should link farmers to viable local and international markets.

3) Government through the district structures should provide water excavation equipment to farmers.

4) Sembeguya Estates should train the herds men and farmers in book keeping.

5) Sembeguya Estates should renew the MoU with the farmer and review the terms of agreement to ensure that the farmer gets all the goats that were signed for.

**Note: The monitoring team noted that the farmer had not understood or appreciated the project design and approach of goat multiplication to reach the agreed level of 500 goats before commencement of sales. He understood the project to be for poverty alleviation rather than wealth creation, resulting in complete sale of the capital stock plus the off springs. The farmer had forgotten the terms in the contract that he signed with Sembeguya Estates.**

**Mr. Rubereza of Kizano Village**

***Physical performance***

The beneficiary of Kizano Village, Kayishya Parish Rugusuru Sub County started rearing goats 15 years ago. His collaboration with Sembeguya Estates began in 2011 whereby he signed a 5 year contract for the Estates to supply 50 goats annually. He acknowledged receipt of the following; a) 300 goats in six batches of 50 goats from 2011 to 2013. b) One buck c) Veterinary services d) Monitoring and supervision from the project staff.

He expected to receive 200 more goats from Sembaguya Estates. The beneficiary multiplied the stock received to 500 goats out of which 200 were pure Savannah breeds and 100 bucks were sold.

***Benefits***

The farmer appreciated the project due to the following benefits that were registered:

1) Improved household incomes; *"I can't fail to buy my self-anything. I used to be a poor man before collaborating with Sembeguya Estates. I can ably say that am among the richest persons in my village due to the goat rearing project"* Rubereza emphasized.

2) Ability to pay school fees for the children.

***Challenges***

The farmer reported the following challenges:

1) Animal diseases leading to abortions, death and loss of goats. Over 50 goats were lost in 2013.

2) Wild dogs claimed over 27 goats in the last 12 months.

3) Lack of water for production.

4) Animal theft: three goats were stolen by unknown people.

5) Politics that negatively impacted on project performance *"A number of people including those in Government de-campaigned our project claiming that it's nonexistent which was not true. This greatly affected us both emotionally and financially. We could neither graze our animals nor concentrate on other productive activities"* said Mr. Rubereza.

*Recommendations*

The farmer recommended the following measures to improve project performance:

1) The Sembeguya Estates should avail timely veterinary services to mitigate losses resulting from diseases and abortions.

2) The district should work closely with farmers to eliminate wild dogs in the area.

3) The Government should assist farmers to excavate wells for providing water for production. The beneficiary expressed willing to co-share in the expenses associated with providing water for production to the farmers.

4) The Local Governments to support the farmers in strengthening security to eliminate thieves.

5) The public and media should be encouraged by Central and Local Government authorities to refrain from politicizing government projects. The public should be empowered to participate in monitoring progress of Government projects.

**Mr. Tumuhairwe of Kizano Village**

*Physical performance*

The beneficiary in Kizano Village, Kayishya Parish Rugusuru Sub County started rearing goats in 2000. He started collaborating with Sembeguya estates in 2009 for the purpose of improving the standard of living for his household. He acknowledged receipt of: a) 250 goats since 2010 to 2013 in five batches of 50 goats b) One buck c) Veterinary services d) extension services. By December 2013, he had multiplied the stock to 290 goats out of which 200 bucks had been sold. The rest had reproduced over 117 Savannah goats.

*Benefits*

The beneficiary reported the following benefits arising from implementation of this project:

1) Income security - in 2013, he realized a total of Ug shs 5.6 million from sale of bucks.

2) Construction of a family house from the proceeds.

3) Paying for his children's education.

4) Household income catering for domestic expenses.

*Challenges*

He noted the following challenges:

1) Animal diseases including fever heightening abortions and death of the goats. Extension services from Sembeguya Estates were not adequate and timely in many instances.

2) Lack of water for production.

3) Goat losses due to wild dogs (27) and a motor accident (4).

***Recommendations***

The farmer recommended that:

1) Sembeguya Estates should avail timely extension and veterinary services to farmers. The MAAIF should assist in routine vaccination of all animals for the project beneficiaries.

2) The Government should support the district to establish sources of water for production on the farms.

3) The district should support farmers to eliminate wild dogs in the area.

### 5.2.3 Analysis

***Link between financial and physical performance***

By 30th December 2013, the GoU had cumulatively disbursed Ug shs 4.4 billion to the project over a five year period, 85.5% of which was expended on procurement and distribution of goats to farmers which was the core target of the project. Field findings indicated that 350 exotic goats and 22,788 indigenous goats were procured and distributed to farmers in six sub counties. The project beneficiaries acknowledge receipt of drugs and extension services from the project. Other activities implemented include registration of the goat farmer's marketing cooperative, establishment of a goat holding centre, stakeholder workshops, monitoring and supervision.

Specifically in FY 2013/2014, the Government released Ug shs 661,399,049 to the project. However, the funds were not absorbed as they were transferred late to Sembeguya Estates Account. The proprietor of Sembeguya Estates reported that the funds were received on 10th December 2013 for quarter 1 and quarter 2 of FY 2013/2014; hence the scheduled activities were not implemented.

Physical performance of the project was greatly constrained by:

1) High unit costs of goats
2) Delayed transfer of funds to project account
3) Lack of water for production
4) High prevalence of goat diseases.

***Achievement of set targets***

Two of the key targets on procurement of exotic goats and training farmer groups were achieved; one target on procurement of indigenous goats was partially achieved (22,788 procured against a target of 54,000 implying a deficit of 31,212 goats or a 42% achievement rate) and no progress was registered in developing a farmers' cooperative and establishing market outlets. It was also planned that the 108 targeted farmers would multiply the goats so that the project exports 16,000 white goats to the Middle East and Arab countries[12] by the fifth year. This target was not achieved as no goat has been exported yet the project period expired in June 2013.

The monitoring team did not find evidence of efforts to renew the MoU between GoU and Sembeguya Estates to complete the pending activities. The low project performance on some of the key indicators was attributed to the under costing by MAAIF of goats resulting in inadequate funds being disbursed for this item. The unit cost of a goat has remained at Ug shs 120,000 since FY 2004/2005, yet the market rate had risen to UShs 185,000 per goat by December 2013.

12 The choice of market was guided by the fact that Arabs associate white goats to religion and traditional practices.

***Comparative analysis***

This project is a pilot in Sembabule with a plan to roll it out to other areas once the good practices have taken root. Since inception in FY 2004/2005, the project still operates in the six sub-counties where it started with the 108 target farmers. There is a variation in performance between the beneficiary farmers, with some performing better than the others. Those farmers who had adopted goat rearing as a business and applied good agronomic practices seemed to be doing better than the others.

The monitoring team also noted that some of the farmers lacked credible records on the goat multiplication process and did not understand the concept of multiplication for export. Hence, they had sold off the goats. The project lacked a robust monitoring and evaluation system to keep track of performance of individual farmers, and ultimately the overall project performance. The proprietor of Sembeguya Estates reported that he lacked adequate funds to hire staff to undertake regular monitoring surveys to establish benchmarks for goat multiplication.

Compared to other countries like Kenya and South Africa, successful goat breeding and multiplication is dependent on good management, support from Government and clear marketing structures[13]. This project lacks Government support in terms of establishing proper marketing structures and or identifying potential markets for the goats.

### 5.2.4 Conclusion

The Export Goat Breeding and Production project has provided 350 exotic goats, 22,788 indigenous goats and training to 108 target farmers in Sembabule district since FY 2009/2010. The project continues to draw Government funds although the current MoU with Sembeguya Estates Ltd expired on 30th June 2013. The project has contributed positively to people's welfare and income through goat breeding and sales and promoted construction of farm infrastructure on the beneficiaries' farms.

The targets that were set for the five year period were partially achieved despite the fact that Ug shs 4.4 million or 80.4% of the budget was released. Whereas the targets for distribution of exotic goats and training of farmers groups were achieved, the project underperformed with regard to distribution of indigenous local goats by 57.8%; the farmers marketing cooperative and market outlets were not established.

The approach used by Government in disbursing project funds contributed significantly to the observed underperformance. Achievement of set targets required front loading of project funds in the first 2-3 years of implementation so that the goat multiplication process would be fast tracked; instead, the funds were disbursed in small tranches and on untimely basis and where affected by inflation of the capital items.

The project beneficiaries expected Sembeguya Estates through GOU to provide a ready and sustainable market in the Middle East for the goats multiplied over the years. There are no indications that this project model is sustainable and replicable. Efforts should be made to have a well-researched marketing strategy clearly indicating anticipated volumes and markets at both local and international levels to mitigate future losses on the investment.

### 5.2.5 Recommendations

It is recommended that:

1) The MAAIF should ensure that the MoU governing the PPP with Sembeguya Estates should be renewed. The project should be given a time extension to enable achievement of the set targets and outcomes.

13 Promoting Opportunities for Goat Meat Production and Processing in North West for Entrepreneurs and Investors. Cape town, South Africa; March 2013

2) The MAAIF should improve planning and costing for goat purchases and infrastructure development for this project.

3) The MAAIF should work with MWE and Sembabule District leadership to avail equipment to the project for excavating water sources on farms.

4) To encourage growth of market linkages and access to inputs, the Sembeguya Estates management should fast track the establishment of the Farmers' Marketing Cooperative and a Savings and Credit Cooperative Organization (SACCO). The MAAIF should play an active role in facilitating institutional formation and growth.

## 5.3 Increasing Mukene for Home Consumption

### 5.3.1 Background

Fish is one of the strategic commodities being targeted for development by Government to enhance national food security and exports. In recent years, large fish species particularly Nile perch and Nile tilapia are on a declining trend as a result of increased fishing effort. Small fish species including Mukene are increasingly contributing to commercial catches of up to 80% weight on Lake Albert and 40% on Lake Victoria. About 40% of the small fishes that are harvested in the country are for direct home consumption. Mukene fishing is however characterised by poor fishing methods, handling and processing technologies. This compromises quality and limits direct human consumption despite its high nutrition values[14].

To address these challenges, the Government of Uganda with support from Food Agriculture Organisation (FAO) is implementing the Increasing Mukene for Home Consumption project that commenced in FY 2010/2011. The main objective of the project is to promote alternative and better Mukene fishing and processing technologies; support and strengthen management measures and policies; inform stakeholders of opportunities in improved Mukene production, processing and marketing. Box 5.2 provides a summary project profile.

14 Draft National Policy of Fisheries Management and Development of Small Fishes 2011.

**Box 5.2: The Increasing Mukene for Home Consumption Project profile**

**Implementing Agency:** Ministry of Agriculture, Animal Industry and Fisheries.

**Funding:** Food and Agriculture Organisation (FAO) grant of US $ 434,000 and GoU.

**Project period:** 7/1/2010 to 1/31/2014

**Specific objectives:**

- Support harmonization and implementation of a strategy and national management plan for sustainable exploitation and management of small fish species.
- Promote the use of cataraman boats for offshore fishing of Mukene on major water bodies.
- Promote development of new mukene products.
- Provide small community based infrastructure for Mukene fish processing and handling at landing sites
- Promote linkage of fishers and artisan processors to cooperative and marketing institutions for increased access to credit and fishing and processing gear/equipment.

**Key Outputs:**

- Four demonstration catamaran boats15 and four women groups
- Small community based infrastructure at landing sites and markets (racks, stores, handling and processing facilities
- improved standards & guidelines for Mukene handling and processing and feed manufacturing
- Improved hygienic standards among the fisherfolk who process Mukene.
- New and culturally acceptable Mukene products.

***Source:*** MFPED PIP FY 2012/2013 – 2014/2015. MAAIF project documents for various years.

### 5.3.2 Findings

#### i) Financial performance

The approved annual budget for FY 2012/2013 for the Increasing Mukene for Home Consumption Project was Ug shs 662,000,000, of which Ug shs 611, 367,527 (92.5%) was released. A total of Ug shs 264,182,769 was expended. Expenditures were mainly on construction of racks, training, printing of polices, guidelines and standards and data collection on Mukene production among others.

15 Catamaran boats are two boats that are bound together and operated by one engine. They have enhanced stability on water and can be used to fish in deeper waters.

For FY 2013/2014, the project's approved annual budget is Ug shs 561,000,000, out of which Ug shs 187,000,000 (33.3%) was released during quarter one. A total of Ug Shs. 182,000,005 (97.3% absorption rate) was expended as shown in Table 5.6. The funds were utilized for activities that were in line with the project objectives and targets.

**Table 5.6: Expenditures of the Increasing Mukene for Home Consumption Project during Q1 of FY 2013/2014**

| No. | Activity | Amount |
|---|---|---|
| 1 | Construction of a Mukene store at Kiyindi Buikwe (Procurement) | 41,195,245 |
| 2 | Construction of 4 Mukene drying racks in Bulisa | 29,478,760 |
| 8 | Mapping of fishing grounds and breeding areas | 19,820,000 |
| 3 | Construct 4 Mukene drying racks in Buvuma | 19,600,000 |
| 4 | Collecting of samples of small fishes from Lake Albert and assessment of heavy metals | 17,178,000 |
| 5 | Stakeholder capacity building meeting with Lake Victoria DFOs and women processors | 12,933,000 |
| 6 | Stakeholder meeting with Lake Albert DFOs and women processors | 11,370,000 |
| 7 | Assessing available data and information/field training in suitable harvesting methods for Mukene exploitation | 9,760,000 |
| 8 | Meeting with Mukene Traders and Exporters Association | 6,870,000 |
| 9 | Dissemination of information at World Food Day in Serere | 4,995,000 |
| 10 | Designing of a market system for Mukene data collection | 3,000,000 |
| 11 | Printing of Posters | 3,000,000 |
| 12 | Data collection on Mukene products (Market study) | 2,800,000 |
| **Total** | | **182,000,005** |

***Source: MAAIF Progress Report 2013***

### ii) Physical performance

### a) Overall performance

Table 5.7 gives the cumulative performance of this project against set outputs and targets. Overall, the project achieved most of the set targets.

**Table 5.7: Cumulative physical performance of the Increasing Mukene for Home Consumption Project (FY 2010/11 – FY 2013/2014 Q1)**

| Expected outputs | Achievement | Remarks |
|---|---|---|
| Construction of four demonstration catamaran boats | Two boats were constructed and piloted on two landing sites; Kiyindi in Buikwe and Kasekulo in Kalangala District.<br>Two boats under construction were to be handed over to Jinja and Buvuma districts by end of December 2013. | Target almost achieved. |
| Establishment of community based infrastructure including 32 mukene drying racks, stores, handling and processing facilities four women groups at the landing sites and markets. | Established 23 Mukene drying racks and distributed them on lakes Kyoga and Victoria.<br><br>Procurement of construction works for 8 Mukene drying racks in Bullisa district was ongoing.<br><br>Procurement of the contractor to establish a Mukene store at Kiyindi landing site in Buikwe district was ongoing.<br>Designs for stores in Hoima, Bulisa, Buvuma and Kalangala were being undertaken by Ministry of Works and Transport | Target was partially achieved.<br><br>No Mukene storage facility was established. |
| Guidelines on good manufacturing practices of animal feed using Mukene | Draft regulations on animal feed production using Mukene in place. Dissemination of these regulations is awaiting cabinet approval. | Target achieved. |

| | | |
|---|---|---|
| Improved new Mukene products and linkages between processors and buyers at both national and regional level. | Supported formation of the Mukene Traders Processors and Exporters Association (MUTEPA).<br><br>Developed new Mukene products including sweet, powder, chips and simsim varieties.<br><br>Four groups of Mukene processors were linked to national and external markets through the Mukene Traders Association of Uganda. These include; Kiyindi in Buikwe, Bogoigo Women Processors in Bullisa, Kasekulo in Kalangala and Namakeka in Buvuma districts | Target was achieved. |
| Improved standard for Mukene handling and processing. | Capacity building for both fishermen and processors through training on fishing, handling and processing.<br><br>Code of good practice for safety and quality assurance was developed and disseminated.<br><br>On average, 90% of the fishers know about the good fishing and handling practices of Mukene. | Target was achieved. |
| Compliance to Lake Victoria Fisheries Organization (LVFO) directives on mesh size and distance from shore for Mukene fishing. | This has been done through introduction of catamaran boats that promote fishing from deeper waters, off the shoreline. Sensitization of fishers on use of good quality and bigger fishing nets. | Target achieved. |
| Development of the final strategy and National Management Plan for sustainable Mukene and other small fish species exploitation and management. | Developed a Draft Policy and Management Strategy on Fisheries Management and Development of Small Fishes (2011).<br><br>Small fishes policy and management plan disseminated and implemented in Hoima, Bullisa, Ntoroko, Bundibugyo, Bugiri Mukono, Buikwe and Mpigi. | |

***Source: Field Findings***

**Challenges**

The following challenges where reported by the Department of Fisheries Resources MAAIF as constraining project performance overall:

1) Poor adoption rates of improved technologies by fishermen and artisans due to the high costs involved. For example the unit cost of construction of a catamaran boat is about Ug shs 24 million (of which Ug shs 10 million for the boat, Ug shs 10 million for the engine and Ug shs 4 million for the generator). Many fishermen prefer drying their fish on fishing nets placed on the ground instead of putting up drying racks that are considered to be more expensive.

2) Although communities appreciated the improved mukene drying technologies, the volumes of Mukene harvested were too high to be accommodated on the few racks. Hence, most of them continue drying fish on bare ground.

3) Lack of value addition initiatives among the fish processors.

4) Lack of Mukene standards to guide both users and consumers on product safety and quality.

5) Lack of automated fish dryers; existing Mukene drying technologies are dependent on weather; losses during rainy seasons are therefore inevitable.

6) Conflicts between Mukene and Nile perch fishermen. Mukene is considered to be food for the Nile perch, hence conflicts between the two types of fishermen are frequent on all water bodies. These affected initial demonstration trials of catamaran boats in both Buikwe and Kalangala districts.

**Recommendations**

The officials from the Department of Fisheries Resources MAAIF recommended that:

1) The NARO and MAAIF should collaborate with local artisans to develop and disseminate to fisher folk cost-effective and affordable Mukene technologies for fishing, processing and value addition.

2) The MFPED/MAAIF should implement another phase of this project with a larger budget to scale up outreach to landing sites and the number of technologies given to the fishermen and women groups.

3) The MAAIF should develop and widely disseminate of standards and safety guidelines to processors and consumers for other mukene products that are being sold on the market. Examples include Mukene Yoghurt and powdered Mukene.

4) The MAAIF should promote and disseminate processing and value addition technologies that can be used during wet seasons to reduce post harvest losses. Examples are mechanical or automated fish driers.

**b) Field Findings**

Four landing sites in four districts were visited to assess implementation progress of the Increasing Mukene for Home Consumption Project . These included; Kiyindi landing site in Buikwe district; Walukuba landing site in Bullisa district; Bukungu landing site in Buyende district and Katebo landing site in Mpigi district. The findings are presented below.

## BUIKWE DISTRICT

Fishing is the main source of employment in the 52 fishing communities in the district. The estimated number of individuals directly depending on the resource is approximately 70,000 with the highest populations in Kiyindi, Ssenyi, Kikondo and Nkombwe landing sites. The Buikwe fishery is estimated at a minimum landing/ beach value of Ug shs 45 billion approximately 180% of the whole district 2013 budget. Annual Mukene catches amount to 4,631,000Kgs with each kilogram sold at an average price of Ug shs 750. [16]

**Kiyindi Landing site**

The monitoring team interacted with two sets of respondents that had benefitted directly from the Increasing Mukene for Home Consumption Project namely: Kiyindi Women Fish Processors Group and Kiyindi Beach Management Unit (BMU).

**Kiyindi Women Fish Processors Group**

***Background***

Kiyindi Women Fish Processors group operates from Kiyindi village, Kiyindi Parish Najja Sub County in Buikwe District. The group was formed in FY 2009/2010 with the main purpose of improving living standards and alleviating poverty of disadvantaged families through fish processing. It is comprised of 80 members (60 females and 20 males), most of whom are widows with orphans. Each group member is expected to make a monthly contribution of Ug shs 20,000 to facilitate fish processing and marketing operations.

16 The state of fishing communities in Buikwe District, ICEIDA 2013

***Physical performance***

The group acknowledged receipt of the following from MAAIF and with support of other development partners:

1) Smoking kiln and firestones to facilitate fish deep frying in 2010. These were provided by Food and Agriculture Organization (FAO).

2) Two drying racks and nets for seven more racks that the group had established using locally available materials. This was in 2012.

3) Training on good fishing practices, handling, processing and use of catamaran boats in 2010.

The group adopted the new technologies by constructing an additional five Mukene drying racks using local materials to ensure that all their fish was no longer dried on the ground. In addition, the group worked with other partners to establish a small Mukene processing facility and diversified their products. With the above interventions, daily Mukene production was boosted from 5Kgs of processed Mukene in 2010 to 30Kgs in 2011 and 100-200Kgs in 2013. The monitoring team noted that the drying racks were all in good working condition.

**Left: Drying racks at Kiyindi landing sites constructed by MAAIF Right: Drying racks at Kiyindi landing site constructed by Kiyindi Women Fish Processors group**

***Project benefits***

**New Mukene product varieties at Kiyindi landing site Buikwe district**

The Chairperson and members of Kiyindi Women Fish Processors Association (KWFPA) reported the following benefits attributed to the project:

1) Improved fish handling: drying of Mukene on bare ground had increasingly become unpopular at the landing site.

2) New Mukene product varieties were developed and marketed including powdered, sun dried, deep fried, chips, sweet and SimSim Mukene.

3) Price increase; before the introduction of the drying racks a kilo gram of Mukene was below Ug shs 2,000. Presently, it ranges from Ug shs 7,000 to Ug shs 15,000 per kilogram depending on variety.

4) Improved fishing methods, handling and processing led to increased Mukene consumption at both household and national level translating into high demand, better prices and markets.

5) Training center; a number of people from different parts of Uganda visit the landing site to learn about best practices regarding fishing, handling, processing and marketing of Mukene.

6) Change of people's attitudes towards Mukene consumption; in the past, Mukene was perceived to be dirty food for poor people and animals. With improved quality, attitudes have changed and it is appreciated as a highly nutritious food for both children and adults.

7) Employment opportunities; all the 80 members of the group were directly or indirectly employed by the group. This has translated into improved incomes and standards of living for both members and the entire community.

***Challenges***

Members of Kiyindi Women Fish Processors Association reported the following challenges to the project:

1) Limited market compared to the large supply of mukene products. More than 100Kgs of Mukene are processed on a daily basis but cannot be effectively marketed.

2) Lack of value addition facilities rendered Mukene processing to be labor intensive, time consuming and not cost effective. The group was investing heavily in labour and finances for manual harvesting, drying, milling, labelling and packing activities. The tonnage produced is lower due to the manual processes.

3) Although more than twelve drying racks were replicated, existing infrastructure could not accommodate increasing fish volumes at the landing site.

4) Lack of Mukene storage facilities: most group members store Mukene and its products in their homes increasing risk of contamination.

***Recommendations***

The following recommendations were made by members of Kiyindi Women Fish Processors Association:

1) The MAAIF should publicize and sensitize the public about the nutritional values of Mukene to foster bigger markets at both national and international levels.

2) The MAAIF should provide value addition machinery to women groups that are involved in fish processing as well as other fishermen to improve the quality and quantity of Mukene produced while reducing drudgery and post harvest wastage. The communities should be sensitized and trained to produce diversified products for mukene.

3) The MAAIF working closely with District Fisheries Officers should sensitize communities on the principle underlying establishment of demonstration infrastructure. This will enable communities appreciate the small size and number of demonstration racks and replicate in their localities.

4) The MAAIF should fast-track efforts towards establishment of a Mukene store at the landing site to avoid losses arising out of poor storage practices.

**Kiyindi Beach Management Unit**

***Physical performance***

The Chairperson and members of Kiyindi BMU reported that the landing site received two catamaran boats in 2009 for demonstration purpose from MAAIF and FAO. By then, the main challenges where illegal fishing, overfishing on the lake shores and poor fish handling and hygiene. The MAAIF introduced drying racks for demonstration and also trained the fishermen in good practices over the years.

Because of these interventions undertaken under the Increasing Mukene for Consumption project, a number of positive outcomes where noted at the landing site:

1) The number of boats involved in mukene fishing increased from 20 in 2009 to 200 by December 2013.

2) A significant reduction in illegal fishing methods.

3) Adaptation of the catamaran boats by the fishermen: they crafted bigger boats and they made a three boat catamaran instead of the two boat catamaran that was brought by MAAIF for demonstration. They found that the three boat catamaran was more stable, safer and had more space for the increased mukene catch.

4) More boats ventured in fishing in deep waters where there is mature fish that is less contaminated by worms.

5) The volume of fish harvested increased from 4 tins per boat from fishing at the shorelines to 100 tins per boat from fishing in deep waters.

6) Adaptation of energy giving sources to facilitate fishing during the night in the deeper waters.

7) Drying fish using solar driers.

The monitoring team found the MAAIF demonstration catamaran boats at Kiyindi landing site but they were no longer functional, having broken down in 2011. The quality of wood that was used in construction of catamarans was reported to be inferior and could not sustain operations for more than 5 years yet their design life was 16 years.

**Left: Dilapidated MAAIF Catamaran boats at Kiyindi landing site Right: Three boat catamaran adapted and constructed by fishermen at Kiyindi landing site**

*Challenges*

The Kiyindi BMU members reported the following challenges:

1) High costs of construction, maintenance and repair of catamaran boats; they were noted to be expensive and not affordable to the local fishermen and artisans.

2) Poor fishing methods, handling and processing practices still existing at the landing site.

*Recommendations*

The Kiyindi BMU members recommended that:

1) The MAAIF should support local artisans to construct both drying racks and catamaran boats using locally available resources. This would not only boost replication of technologies at minimum costs but would also foster project sustainability as a result of improved catches, quality and better markets.

2) The District, collaborating with MAAIF, should encourage BMUs to have a separate budget to maintain and repair catamaran boats for project sustainability.

3) The district should facilitate study tours of BMU members and Women processors groups to other more advanced landing sites to build capacities in modern fish handling and processing.

## BULLISA DISTRICT

Bullisa district has a total of 15 landing sites including Kawaibanda, Magali, Piida, Booma, Tugombili, Wakukuba, Bubwe, Kamagongolo, Nyamukuta, Sonsyo, Bugoigo, Kabolwa, Songalindu/Karakaba, Cogo/Lyekec, Katala, Kalolo, The total number of people involved in fishing were estimated to be over 10,000 in 2012 and total monthly Mukene catches amounted to six tonnes. Each kilogram of Mukene is sold at an average price of Ug shs. 2,300.[17]

The Increasing Mukene for Home Consumption project was introduced in Bullisa district in November 2012 to enhance the quality of fish products through improved fish handling and marketing. The Bullisa District Fisheries Officer reported that in November 2013, four Mukene drying racks were established at Walukuba landing site. The monitoring team visited this site to assess progress in project implementation.

**Walukuba Landing site**

**Fenced off MAAIF funded mukene drying racks not yet operational at Walukuba landing site.**

*Physical performance*

The landing site is located in Walukuba village Walukuba parish Butyaba Sub County in Bullisa district, and accommodates over 100 Mukene fishers daily. The Walukuba BMU members reported that four demonstration drying racks with a fence were installed at the landing site by MAAIF in November 2013. By the time of monitoring visit in November 2013, they had not been handed over to the community. Utilization was expected to commence upon commissioning of the project before the end of the year.

17 Senior District Fisheries Officer Bullisa District, November 2013.

The beneficiaries had been sensitized on the importance and use of the demonstration drying racks through the Beach Management Unit (BMU). However, they had not set up yet management structures and maintenance and sustainability mechanisms.

***Challenges***

The BMU members highlighted the following challenges that may affect project performance:

1) Demonstration facilities were too small and few to lead to rapid adoption of the technology by fisher folk. On average an individual fisherman collects 20Kgs of fresh Mukene daily yet one rack was designed to dry only 40 Kgs daily. Implying that only 8 out of 100 people would be able to dry their catch on the racks daily. This will not only leave the rest to continue drying their fish on bare ground but was likely to breed conflict among beneficiaries.

2) Low and undifferentiated prices for mukene products.

***Recommendations***

The BMU members recommended that:

1) The MAAIF should provide additional four drying facilities with over 1,000Kg drying capacity to encourage technology adoption.

2) The MAAIF should make efforts to link fish farmers to markets to foster sustainability and replication of technologies introduced.

## BUYENDE DISTRICT

The district has 56 landing sites with more than 5,000 people who are directly employed in the fishing sector. The annual Mukene catches amount to over 1,000 Metric Tonnes. The Increasing Mukene for Home Consumption project was introduced in the district in April 2012 to address the challenge of poor quality of mukene arising from drying products on bare ground[18]. The monitoring team visited Bukungu landing site that benefitted from the project to assess implementation progress.

**Bukungu Landing Site**

***Physical performance***

Members of Bukungu BMU confirmed receipt and installation of four demonstration mukene drying racks from MAAIF in May 2012. Although the community appreciated the facility, the racks were limited in terms of size and number. Prioritization of users had to be done. Consultations with communities through the BMU were made and it was agreed that the existing women groups - Tusubira Women's Group, Asaba Awebwa Women's Group and Chunga Mudomo Women's Group would access and use the infrastructure for demonstration purpose. Each of group is made up of 30 members.

In June 2012, the groups started using the racks, with each group drying at least 20Kgs of fresh Mukene daily. Members were trained on good practices for fishing, and post harvest handling. They were also taken for a study tour at Kiyindi Landing site in Buikwe district where they learnt new Mukene processing technologies.

Monitoring done in November 2013 established that the fish drying racks were in place. Due to the poor quality of materials, all of the nets on the racks got torn in the first year of use. In February 2013, the contractor replaced them with better and durable nets. Some nets had got worn out again but the users had no strategy for maintenance or replacement of the damaged infrastructure.

18 Buyende District Fisheries Officer, November 2013.

**Left: MAAIF financed demonstration mukene drying racks at Bukungu landing site Right: Some of the nets were worn out**

***Benefits***

The following benefits have been by the beneficiary groups to date;

1) Improved knowledge base and market linkages resulting from trainings and study tours: the BMU organized a study tour to Kiyindi landing site in Buikwe where members learnt about new Mukene technologies, varieties and value addition for better markets. The groups interacted with an investor during the study tour who promised a ready market for Mukene products.

2) Time saving as the modern racks dry Mukene much faster compared to traditional drying methods.

3) Better prices due to quality improvement in mukene products which where free of dust, animal droppings and sand. Prices increased from an average of Ug shs17,000 per basin of mukene dried on ground to Ug shs 21,000 for a basin of clean mukene dried from the MAAIF racks.

***Challenges***

Members of Bukungu BMU and the benefitting Women Groups noted the following challenges affecting project implementation:

1) Non-adoption of the new technologies due to high costs involved in constructing the drying racks. One meter of the drying net was costing Ug shs 4,000, angle bars cost more than Ug shs.1, 500,000 million. The standard length of a rack is 21m by 1.5m requiring about $32m^2$ of the drying net.

2) Lack of sustainable supply of Mukene due to weather fluctuations.

3) Demonstration facilities were too small and few to convince the fisher folk to adopt the technology. Only 4 of a 100 boats that harvest fish daily Mukene were able to dry their fish using the MAAIF racks.

4) Lack of land to establish more demonstration facilities to benefit a considerable number of Mukene fishers.

5) Lack of standard guidelines on mukene fishing, handling and processing at the landing site.

6) Lack of Mukene storage facilities. Most mukene was stored in people's homes, leading to product contamination.

7) Lack of labor to undertake fishing; this leaves boat owners at the mercy of their workers who report less harvest and returns.

8) Lack of general lack of knowledge regarding the entire Mukene value chain. Communities lack skills and knowledge in mukene handling, processing and marketing.

***Recommendations***

The following recommendations were made by the respondents at Bukungu landing site;

1) District Fisheries Officers together with BMU members should promote use of local materials in establishment of racks. These are cost effective and can perform equally the same function as MAAIF racks.

2) The MAAIF, in collaboration with the District Fisheries Officers, should sensitize communities on the principle underlying establishment of demonstration infrastructure. This will enable communities appreciate the size of demonstration infrastructure and promote technology adoption.

3) The district leadership should sensitize communities to avail land to facilitate establishment of new drying facilities and other modern technologies for demonstration.

4) The MAAIF should work with the District Fisheries Office and BMU leaders to sensitize the fishing community about existing regulations, policies and standards on fishing, handling, processing and marketing.

5) The MAAIF through BMUs should establish Mukene storage facilities at the landing site to minimize post harvest losses and enhance product quality.

6) The district should encourage communities, including the youth, to provide labour through undertaking fishing opportunities and activities to minimize conflicts between fishers and boat owners.

7) The MAAIF working with NARO should promote value addition and demonstrate to communities simple adoptable technologies associated with processing, packaging and marketing.

## MPIGI DISTRICT

The monitoring team held discussions with the Acting District Fisheries Officer and project beneficiaries at Katebo landing site in Mpigi district. Below are the findings:

**Overview by the District Fisheries Officer**

***Physical performance***

Mukene project was introduced to the district in FY 2010/2011 to enhance fish quality through improved fishing and handling methods at a number of landing sites. A total of four drying racks were provided with two Ssenyondo and two in Katebo Landing sites.

***Benefits***

The acting District Fisheries Officer noted the following benefits;

1) Improved quality of Mukene translating into high demand, better prices and market. The price of Mukene improved from Ug shs.1, 500 of ground dried to Ug shs.3, 000 of clean Mukene dried on racks.

2) Reduced Mukene drying time; Mukene on racks takes a minimum of 6 hours to dry compared to ground drying that takes between 12 hours to 24 hours, depending on weather.

3) Improved knowledge base; fishing communities were trained on good fishing methods, handling and value addition to both Mukene and other fish varieties.

***Challenges***

The following challenges were noted;

1) Drying technologies are dependent on weather; much of Mukene is lost due to lack of automated drying technologies during rainy seasons.

2) Seasonal redundancy; Mukene catches were reported to be low on full moon nights rendering fishers redundant during that time of the month.

3) Competition from other fish varieties and vegetables including legumes affecting markets.

4) Limited number of demonstration racks in relation to users and volumes of fish harvested.

5) High cost of technology adoption; the cost of drying materials rendered replication impossible for a number of farmers. They were reported to be expensive and unavailable on local markets.

***Recommendations***

The DFO recommended that:

1) MAAIF should make efforts to procure and disseminate mechanical drying facilities to organized groups to minimize losses resulting from poor weather conditions.

2) The district should encourage communities to have alternative means of livelihoods to avoid seasonal redundancy resulting from unavailability of Fish.

3) The project should increase the number of demonstration drying racks to benefit a considerable number of Mukene processors at different landing sites.

4) District fisheries officers together with BMU should promote use of local materials in establishment of racks. These are cost effective and can perform equally the same function as MAAIF racks

**Katebo Landing Site**

The project was introduced at the landing site in 2010 to enhance fish quality through improved fishing and handling practices. Upon training of members of Katebo Self-help group members, three demonstration drying racks were established in FY 2010/11. The group is made up of 25 fish processors owning more than 12 boats at the site.

***Benefits***

Study visit to Katosi landing site were a number of lessons of handling and processing were drawn.

1) Better quality products that are dust free. The racks were noted to be hygienic and facilitate drying on rainy days unlike traditional drying methods.

2) Reduced Mukene drying time; rack dried Mukene takes only six hours compared to ground drying that takes more than twelve hours to dry.

3) Improved prices; a kilo gram of ground dried Mukene was sold at Ug shs. 2,500 while rack dried was sold at Ug shs.3, 750.

4) Value addition; Mukene dried on the rack can be salted ready for consumption. This was reported to be impossible for ground dried Mukene.

***Challenges***

1) The racks were reported to be few in relation to the number of processors in place. Only three out of 25 processors can access the racks on a daily basis leaving the rest of the members to dry their fish on the ground.

2) Lack of capacity to demonstrate technologies learnt; racks require strong materials in terms of nets and stands. Locally available resources are prone to termites; some members replicated the technologies using local materials but were taken down by termites killing their morale to further adoption.

3) Lack of a ready market at both local and national level.

4) Lack of capacity to facilitate value addition; the group expressed interest in value addition through milling but lacked the capacity to do so.

5) Unfavorable weather conditions compromising steady supply of quality products.

***Recommendations***

The chairperson of Katebo Self-help group recommended that;

1) MAAIF should increase the number of demonstration racks to at least thirty to benefit a considerable number of Mukene processors at the landing site.

2) MAAIF through the District Fisheries Office should introduce good and cheap demonstration materials at locally accessible markets.

3) Market linkages; MAAIF should link the group to ready markets at both local and regional markets.

4) MAAIF should support the group with value addition machines like milling, labelling and packing machines.

5) MAAIF should introduce catamaran boats to facilitate fishing from deeper ends of the lake for mature and good quality fish for better markets.

### 5.3.3 Analysis

***Link between financial and physical performance***

During FY 2012/2013, 92% of the revised budget was released, out of which only 43.2% was expended indicating low absorption capacity. Unspent balances were sent back to the consolidated fund. The monitoring team found evidence of existence of the mukene drying racks as reported in MAAIF performance reports. A number of project activities especially under infrastructural development did not take off. In FY 2013/2014, 33% of the revised budget was released during quarter one. Expenditures were on infrastructure development (27%), procurement (29%) and the balance on capacity building, meetings, and mapping of fishing grounds.

***Achievement of set targets***

With the project end date (31st January 2014) drawing closer, many targets relating to development of policy, regulations, plans, strategy and capacity building were achieved and draft publications were in place. In terms of infrastructure development, 71% of the drying racks planned to be established during FY 2012/2013 were in place with four in Bullisa, four in Buyende, three in Namayingo, four in Buikwe, four in Mpigi, two in Mukono and four in Soroti. Mukene storage, mechanical drier and feed mill facilities were not established. Two catamaran boats were constructed with support from FAO. Two more catamarans were yet to be handed over to local communities. Overall 60% of infrastructural development was achieved.

***Comparative Analysis***

Of the four districts visited, Buikwe performed better than the rest of the districts. The women group at Kiyindi landing site replicated seven drying racks using own resources. One trio-catamaran boat was also constructed using locally available materials. On the other hand none of the three districts adopted any of the above undertakings despite trainings and study tours. Adoption of new technologies was reported to be greatly constrained by costs of replication.

***Sustainability***

Despite a number of activities ongoing including procurement of drying stores and mechanical driers, there were clear efforts in place towards project extension by MAAIF. The MAAIF project coordinators were waiting for communication from MFPED regarding the way forward. Mukene fishing communities in all districts visited did not have clear sustainability plans and had not adopted the technologies demonstrated. This means that project benefits registered may be short lived. This project could be extended or prioritized under the non-ATAAS projects on recovery of declining fish species to foster completion of activities that may spill over the project end date.

### 5.3.4 Conclusion

A number of project objectives and targets were fully realized, particularly in the areas of construction of fish drying infrastructure in various districts and putting place policies, regulations plans and strategies. Adoption of technologies demonstrated is very paramount for commercialization and project sustainability. It has greatly been constrained by unavailability and costs of replication. Support should therefore be geared towards use of locally available materials to increase adoption rates, commercialization to increase incomes at both household and national levels.

### 5.3.5 Recommendations

1) MAAIF should emphasize use of locally available materials through community sensitization to increase adoption rates to foster commercialization for increased incomes at both household and national levels.

2) MAAIF through District Fisheries Officers should sensitize communities on the principle underlying establishment of demonstration infrastructure to appreciate the size and quantities accommodated.

3) MAAIF in collocation with the Uganda Industrial Research Institute (UIRI) should support or incubate local artisan Mukene processors to undertake value addition for bigger markets at local, regional and international level.

4) All stakeholders including MAAIF, National Fisheries Resources Research Institute (NaFIRRI) and Uganda National Bureau of Standards (UNBS) should establish Mukene safety standards to mitigate problems that may arise out of negligent processing, handling, packing and marketing.

5) MAAIF should have budgetary provisions for automated Mukene driers to organized fishing groups to avoid losses associated with rainy seasons. MAAIF could partner with UIRI to fabricate mechanical driers using locally available resources.

6) District local governments through Beach Management Units (BMU) should sensitize fishing community on the background, importance and project objectives to avoid clashes and foster harmonious working relations between different type fishers.

## 5.4 National Livestock Research Institute

### 5.4.1 Background

The National Livestock Resources Research Institute (NALIRRI) is one of the 14 Public Agricultural Research Institutes (PARI) in Uganda under the National Agricultural Research Organisation (NARO). The NARO was established by an Act of Parliament on 21st November 2005 with the goal *"To enhance the contribution of agricultural research to sustainable agricultural productivity, economic growth, food security and poverty reduction through generation and dissemination of appropriate technologies, knowledge and information"*[19].

The NALIRRI is based in Tororo district and houses the MAAIF Insectary[20]. Box 5.3 provides a summary profile of the NALIRRI.

**Box 5.3: The National Livestock Resources Research Institute**

**Implementing agency**: National Agricultural Research Organisation (NARO)

**Mandate**: To generate, promote, coordinate and transfer appropriate livestock technologies and knowledge for sustainable development.

**Mission:** To contribute to the improvement of the welfare of Ugandans and the conservation of the natural resource base by increasing productivity and utilization of livestock resources.

**Program areas**: (1) Animal Health including sleeping sickness in man (2) Animal Breeding (3) Animal Nutrition (4) Apiculture (5) Socio-economics including marketing baseline and diagnostic studies (6) Emerging issues such as avian influenza, Napier stunt disease, swine flu, climate change and veterinary public health.

**Sources of Funding**: i) GoU ii) Agricultural Technology and Agribusiness Advisory Services (ATAAS) iii) Eastern Africa Agricultural Productivity Project (EAAPP) and iv) donations and grants to researchers under Karamoja Livelihood Improvement Project, International Livestock Research Institute (ILRI), International Centre for Tropical Agriculture (CIAT), the Association for Strengthening Agricultural Research in Eastern and Central Africa (ASARECA), and University of YALE.

**Outputs**: Feed resources improved; rational feed resources utilisation guidelines developed. Veterinary public health and environmental safety standards developed; strategic livestock genetic resources management technologies generated; biological and diagnostic tools developed; information and technologies for control of animal diseases, appropriate livestock infrastructure and commercial apiary production generated; veterinary chemicals and drugs developed and evaluated.

***Source: Discussions with NALIRRI staff; MFPED, 2013-2014.***

19 www.naro.go.ug.
20 Facility for studying and breeding insects; Recently focusing on tsetse fly research.

### 5.4.2 Findings

#### i) Financial performance

During FY 2012/2013, NALIRRI received Ug shs 1.4 billion on budget and Ug shs. 709,944,386, all totaling up to Ug shs 2,183,667,651 (Table 5.8). A total of Ug shs 1,895,015,494 or 87% of the disbursed funds were spent, indicating a high resource absorption capacity.

**Table 5.8: NALIRRI's Financial Performance for FY 2012/2013**

| Project | Budget | Bal/BD 11/12 | Releases | Expenditure | Expenditure details. Remarks |
|---|---|---|---|---|---|
| **ON BUDGET FUNDS** | | | | | |
| ATAAS | 1,015,075,002 | 14,008,717 | 553,703,755 | 567,580,699 | Expenditure was above releases by over Ug shs.10, 565,949. This was not explained to the monitoring team |
| EAAPP | 904,532,500 | 137,017,574 | 447,763,707 | 442,865,156 | Travel in land 70%, 27% was general supplies of goods and services, 3.4% was fuel, lubricants and oils |
| Development | 182,586,357 | 0 | 139,141,551 | 139,141,551 | Medical and veterinary supplies 73% of total expenditure, maintenance of vehicles 5%, travel in land 5%, computer supplies 4%, fuel, lubricants and oil 4%, maintenance civil 2.4%, information and communications 2.3%, computer supplies 2.2%, staff training 2%, commissions and related charges 1.4%. |
| Recurrent | 295,354,000 | 0 | 262,720,557 | 262,720,577 | |
| Non Tax Revenue | 72,692,000 | 0 | 70,393,675 | 70,393,675 | |
| **Sub-Total** | **2,470,239,859** | **151,026,291** | **1,473,723,265** | **1,482,701,658** | 100.6% of the actual receipts was expended |
| **OFF BUDGET FUNDS** | | | | | |
| KALIP | | 51,219,010 | 221,423,544 | | |
| ILRI | | | 41,807,000 | | |
| CIAT | | | 12,586,087 | | |
| ASARECA | | 56,879,589 | 391,908,180 | 388,704,903 | |
| YALE | | 23,295,497 | 42,219,575 | 23,608,933 | |
| **Sub-total** | | **131,394,096** | **709,944,386** | **412,313,836** | 58% of the donor receipts were expended |

*Source: NALIRRI financial Records*

During FY 2013/2014, NALIRRI financial data base showed that a total of Ug shs 902,191,962 was released out of which a total of Ug shs.734, 131,962 was expended (81% of the total release). In terms of use of funds, EAAPP activities took up 43% of total expenditure, ATAAS 22%, Recurrent 15% and GOU Development 2%.

### ii) Physical Performance

### a) Overall performance

Table 5.9 summarizes program performance during FY 2012/2013 and Q1 FY 2013/2014, based on discussions with NALIRRI staff, documented evidence and field findings.

**Table 5.9: NALIRRI physical performance in FY 2012/2013 and Q1 FY 2013/2014**

| Planned outputs | Actual progress |
|---|---|
| 1. Animal Nutrition | |
| Research on forage and pasture evaluation, analysis and seed production. | 4 trial sites established, one each at NALIRRI, Namulongo Institute, Buginyanya Zonal Agricultural Research and Development Institute (ZARDI) and Kamenyamigo DATIC.<br>Multiplication and distribution of tolerant varieties of Napier grass varieties (Kakamega 1 and 2, 112 and 16789) undertaken.<br>30 acres established for Napier grass multiplication at NALIRRI and 10 acres at Namulonge Station. |
| Dry season feeding and multiplication and distribution fodder. | Dry season feeding including multiplication and distribution of *Lablab, Caliandra* alternative feed resources like *Bracharia*, *ENDIISA* pastures to communities in Jinja, Masaka, Mbarara was done.<br>Ongoing demonstration work at Serere Research Institute. |
| Soil nutrient management in small holder dairy systems and water conservation. | Using ASARECA funds, 8 water harvesting facilities were repaired in Ngora and Masaka districts; 5 treadle pumps were distributed in Ngora district. |
| Develop livestock feed early warning systems. | Livestock feed early warning systems to improve standards, quality, knowledge on animals and poultry were developed, including for control of Napier stunt disease. |
| Improve animal nutrition through training. | Training conducted for farmers in various parts of the country on production and conservation of pastures especially for the dry seasons.<br>One PHD student on animal nutrition |
| Avail suitable improved pasture legume and grass seed to farming communities for semi-arid region | Over 600 acres of improved pasture were opened up in Karamoja region, in districts of Kabong, Kotido, Amudat and Moroto under the Karamoja Livelihood Improvement Project (KALIP).<br>215 acres of degraded pasture where improved in Moroto district. Weeds reduced from 45% to 5% cover and legumes increased by 30%. |
| 2. Livestock breeding | |
| Livestock improvement through animal breeding programs. | 170 cows from 101 households in Katakwi district provided with artificial insemination against a target of 200. This work was done in collaboration with NAGRIC&DB.<br>NALIRRI livestock breeding program being undertaken at Serere Research Institute.<br>The station received 6 Exotic Ayrshire Cattle that were still kept at NAGRIC&DB as pastures where being prepared at NALIRRI to receive them. |
| Documenting the genetic value of livestock through research and training. | Several PHD and M.Sc. students undertaking studies in this area. |
| Maintain local indigenous breeds like Zebu, Boer, Saiwah among others. | 200 goats and 200 cattle that were originally at Serere Research Institute where transferred to NALIRRI. Breeding of Small East African Zebu and Saiwah cattle breeds, and Mubende and Boar goats is ongoing.<br>Other NALIRRI breeding work at Namulonge Research Institute and Mbarara ZARDI for Nganda Cattle and Long Horn cattle.<br>NALIRRI breeding herd still kept at Serere Station. |
| Improve productivity of livestock to avail more milk, meat, eggs, drought power and income. | 150 farmers trained on breeding, feeding, health care and record keeping for livestock enterprises in different parts of the country. |

| | |
|---|---|
| Improve the nutrition of cattle and goats for the semiarid areas. | Undertaken in collaboration with the Animal Nutrition Component, |
| 3. Livestock Health | |
| Provide diagnostic tools, vector control strategies, early warning system models to farmers | No progress as NALIRRI staff were deployed at National Animal Disease Diagnostics and Epidemiology Centre (NADDEC). |
| Routine surveying and monitoring of disease outbreak. | No progress due to lack of equipment and functional laboratories. |
| 4. Apiculture | |
| Undertake research to improve bee keeping practices, pest and disease management as well as bee forages | Research to improve bee keeping practices, pest and disease management as well as bee forages was ongoing at PHD level. |
| Relocation of bee forages | Relocation of bee forages from old site to new apiary site at Tororo was ongoing. |
| 5. Insectary | |
| Complete construction and equipping Insectary; breed over 500,000 tsetse flies | Construction was completed; insectary was partially equipped but was underperforming with only 2,000 flies. See below for further details. |

***Source: Field findings; NALIRRI progress reports 2013/2014.***

Overall, the NALIRRI made significant progress in implementing the Animal Nutrition and Livestock breeding programmes and limited progress in the other programme areas – Livestock health, Apiculture and the Insectary. Below are pictorials of ongoing research work at NALIRRI.

**Top left: Bee Forage Nursery  Top right: Napier Grass trail  Bottom left: Lab Lab legume trail Botton right: Pannicum and Napier grass trails at NaLIRRI**

**MAAIF Insectary**

***Background***

The MAAIF Insectary, hosted by National livestock Research Institute (NALIRRI) in Tororo, is a regional facility intended to breed over 500,000 tsetse flies that can guarantee total eradication of tsetse by releasing males after sterilization that ensure that no further tsetse fly offspring are produced. It was intended to. A technical cooperation was signed between the GoU and the International Atomic Energy Agency (IAEA) in

2001 to refurbish and expand the facility. The project was also supported by the African Development Bank (ADB)[21].

***Physical performance***

Construction of the insectary was completed and the facility was officially handed over to NALIRRI in July 2012. It was not functioning at full capacity. It housed only 2,000 female flies against the expected target of 500,000 flies. This was attributed to the non functionality of the modern equipment from the International Atomic Energy Agency (IAEA) that was not calibrated. The IAEA sent an expert from Tanzania to calibrate the equipment but lacked sufficient expertise and understanding of the equipment since all the equipment manuals were in Slovakian language. Efforts to have a Slovakian expert to calibrate the equipment were underway.

***Challenges***

The NALIRRI staff noted the following challenges that were impeding effective performance of the insectary:

1) Lack of a cheap and safe source of blood for breeding tsetse flies. Tsetse flies were fed on cow blood imported from Slovakia at a cost of US$ 10,000 per 2,000 litres of blood every six months. Alternatively, an ox has to be slaughtered on a daily basis to get blood on which to feed the tsetse flies. The flies die when fed on animals that have been treated with insecticides.

2) Intermittent power; performance of the tsetse flies is dependent on constant humid temperatures which are greatly affected by frequent power irregularities. The situation was worsened by lack of fuel to power the standby generator at the insectary.

3) Lack of expertise knowledge to calibrate the equipment.

4) Lack of tsetse feeds; tsetse flies feed on processed cow blood which is not available in Uganda. Processing cow blood requires that it is decontaminated by certain levels of radiation which could not be done due to lack of radiation protection and safety laws in Uganda.

5) Lack of funding; No GOU funds were released during 2012/2013 for insectary activities.

***Recommendations***

The NALIRRI staff recommended that:

1) The Government/NARO should restock NALIRRI so that more animals are available for providing blood for the breeding programme in the insectary.

2) NARO should lobby with UMEME to connect NALIRRI on three phase power to avoid future insect losses.

3) NALIRRI through IAEA should fast track efforts to get an expert from Slovakia to calibrate the equipment. Better still, NALIRRI should send a Ugandan entomologist to Slovakia to learn all about equipment calibration and any other related business to accelerate performance of the insectary.

4) NALIRRI scientists through research should innovate alternative and cost effective tsetse feeds to reduce on all encumbrances related to importation of processed cow blood from Slovakia.

5) MFPED should prioritise the insectary through releasing timely funds to undertake planned activities.

21 BMAU Quarter 2 report (Jan-March 2010)

**Overall Challenges at NALIRRI**

The NALIRRI staff noted the following challenges that were negatively impacting on the institution's performance:

1) Most of NALIRRI activities and staff are spread in other NARO Institutes which decreases the visibility and impact of the Tororo based facility.

2) Limited and late release of GOU funds by NARO stalled implementation of planned activities. Research trials and demonstrations had to be repeated in the subsequent seasons for meaningful results to be obtained. In some instances, the delay to release e funds was at the point of Accounting Officer NALIRRI when waiting for accountability for previous disbursed funds.

3) Lump sum release of funds at the end of the financial year accompanied by pressure for utilization from MAAIF. Funds were allocated by MFPED to items that were not relevant to NALIRRI.

4) Lengthy procurement processes.

5) Poor planning for asset disposal: a number of the institute's assets were disposed without an approved plan to acquire new ones. This hindered smooth work operations of the institute.

6) Dilapidated infrastructure.

7) Lack of irrigation systems to support steady growth of pastures.

8) Climatic changes affected research programs; research takes a lot of time and findings were often affected by changing weather conditions.

9) Transport inadequacies to follow up demonstrations and trials across the country.

10) Lack of animal handling facilities like a dip, loading rump and milking parlour for livestock improvement.

11) Land grabbing; over two acres of NALIRRI land were lost to squatters.

12) Unsustainable expenditures by NALIRRI on programmes based at Serere Livestock institute; a total of Ug shs 50 million was expended on labor, animal drugs, paddocks, barbed wire and fencing annually on only 150 animals.

13) Inadequate follow up and supervision of NALIRRI activities at district and farm level.

**Recommendations**

The staff of NALIRRI recommended that:

1) All NALIRRI activities, animals and staff at other NARO Institutes should be relocated back to the Tororo Institute premises.

2) NARO and NALIRRI should release funds in time to the programme implementers; the submission of accountabilities for funds disbursed in previous quarters should be fast tracked at the Institute.

3) MFPED/MAAIF should release funds to the relevant line items and in time.

4) The NALIRRI Programme Heads should initiate the procurement processes early in the year. The Public Procurement and Disposal of Assets (PPDA) should sensitise Government staff on procurement laws and regulations to ensure timely implementation of planned activities.

5) Planning for asset disposal for NARO Institutes should be strengthened.

6) More funding should be allocated by MFPED/NARO to infrastructure development at NALIRRI.

7) NARO should support NALIRRI to establish irrigation systems for pasture multiplication all year round.

8) NALIRRI's funds should be released seasonally to avoid losses from off season undertakings.

9) NARO should prioritize, plan and budget for transport to facilitate effective monitoring and supervision research undertakings.

10) NALIRRI should fast track procurements related to animal handling facilities like the milking parlour, dip and loading ramp to facilitate improved livestock management.

11) NARO should ensure that NALIRRI land is surveyed and allocated titles to avoid future land losses.

12) MAAIF through NARO should fast track movement of animals from Serere to NALIRRI Tororo to reduce on expenditures related long distance farm management.

13) NALIRRI should step up monitoring and supervision of its activities at district and farm level to enhance technology adoption.

**Case studies of NALIRRI beneficiaries**

The monitoring team visited NALIRRI beneficiaries in Masaka and Jinja District. Discussions were held with the focal point persons/households and the individual beneficiaries. Below are the findings. Also refer to Table 5.10.

## MASAKA DISTRICT

**Background**

Mr and Mrs Daaki, the group leaders of Akamira Eyiye Development Group, were NALIRRI's contact and lead farmers in Masaka District. They reside in Kitenga village Lukugwe Sub County The main purpose of the group is to alleviate poverty women among widows, elderly and the youth through farming and a credit and savings scheme.

**Physical performance**

The group's collaborations with NARO began way back in 2001 with research on enhancing livestock improvement through good feeding. Since then, the group received the following;

a) New feeding technologies including legume, tree fodder and drought resistant grass like Bracaria Molator were distributed to farmers for multiplication.

b) Three silage chopper in FY 2007/2008.

c) Study and exposure tours for group leaders to both Nairobi and Ethiopia in 2009.

d) Farmer training; it focused on fodder planting, management, conservation, preparation of hay, making of block salt nutrients and horticulture in FY 2009/2010.

e) Solar driers in FY 2009/2010.

f) Drip irrigation.

g) Under ground water harvesting wells, covers and water pumps.

h) Legumes and Napier grass varieties provided in FY 2012/2013. Some of the grasses where still in field by the time of the monitoring visit in December 2013.

**NALIRRI technologies and good farming practices adapted by Mr. and Mrs. Daaki in Kitenga village Masaka district**

**Project benefits**

The group leaders noted the following benefits;

1) Drought resistant grass hence animals were fed all through the year.

2) Increased household income from establishment of poultry houses, sale of pasture seed; a 60-70 Kg sack was sold at Ug shs 20,000.

3) Exposure and learning of new farming practices from the aforementioned international study tours.

4) Reduced household expenditures on animal feeds and other nutrients like salt blocks.

5) Improved standard of living; members constructed houses and educated their children out of the incomes from sale of milk, pastures and vegetables.

6) Improved knowledge regarding livestock farming, pasture management, conservation and horticulture.

7) Reduced distances in search for water and good pastures.

8) Improved milk and waste production.

9) Fertilizers and biogas from increased animal waste.

**Challenges**

The group leaders reported the following challenges:

1) Unavailability of ingredients of multi- nutrient salt blocks on the local markets.

2) Pests and diseases affecting tree fodder.

3) Inefficiencies of silage cutters received. They were slow and could not be used effectively.

4) Water pump Inefficiency; It was designed with small water drawing cups which were time constraining and labour intensive.

**Recommendations**

The group leaders recommended the following:

1) MAAIF through the district production office should avail all raw materials related to animal feed including block nutrients on local markets.

2) Government through MAAIF should subsidise the cost of pesticides to facilitate accessibility.

3) NALIRRI should consider providing the more durable and effective metallic silage cutters to the beneficiaries.

4) NALIRRI should provide beneficiaries with efficient water pumps with bigger water drawing cups to avoid wastage.

## JINJA DISTRICT

**Physical performance**

The NALIRRI project was introduced to the district in May 2012. The District Production and Marketing Officer reported that a total of 50 farmers were selected into one group. Selection was based on ownership of land, individual activeness and interest to undertake livestock farming. The group received the following;

- Napier, Bracaria Molator, Kakamega one and two seed varieties in FY 2011/2012
- Monitoring and supervision of beneficiaries by both NALIRRI and district staff.

- Training of farmers was done in June 2012/2013 on good pasture breeds, management and conservation. By November 2013, NALIRRI officials had not come back to distribute the grass to selected beneficiaries.

- In April 2013, the District Production and Marketing officer undertook the initiative to acquire grass varieties from Luuka District using own resources that were distributed to four beneficiaries. One acre of livestock grass was planted for demonstration and the following benefits were noted; i) Increased milk production. Ii) Biogas from increased animal waste. Iii) Drought resistant pastures hence animals can be fed all thought the year.

**Challenges**

The District Production and Marketing Officer reported the following challenges affecting NALIRRI project performance in Jinja District:

1) Napier stunt disease affecting most of the farmer gardens.

2) Delays in receipt of planting materials by NALIRRI. This frustrated a number of farmers that were interested in pasture multiplication.

3) NARO and NALIRRI research findings were not disseminated as planned, hence many farmers lost morale for adopting the technologies.

4) Limited budget for monitoring and supervision of farmers.

**Recommendations**

The District Production and Marketing Officer made the following recommendations:

1) Scientist should innovate pest and disease resistant grass varieties to avoid future losses.

2) NALIRRI should fast track distribution of planting materials to selected farmers during FY 2012/2013.

3) NALIRRI should ensure that research findings are disseminated to a farmers. This could be done through media and seminars.

4) MAAIF should facilitate District Production Department to monitor and supervise farmers through a clear streamlined and funded budget.

Detailed findings at farm level are presented in Table 5.10.

### 5.4.3 Analysis

***Link between financial and physical performance***

The NALIRRI received a total of Ug shs 2, 183,667,651 during FY 2012/2013. For FY 2013/2014, NALIRRI financial data base showed that a total of Ug shs 902,191,962 was released out of which a total of Ug shs.734, 131,962 was expended (81% of the total release). The link between financial and physical outputs could not be easily discerned due to the ambiguous nature of performance indicators for research based activities. The fact that many NALIRRI activities where located in other NARO institutes made it difficult to attribute performance. Donor funded programmes were most prominent among those seen at NALIRRI station and onfarm, especially those funded by under EAAPP.

Field findings indicated significant performance in implementing the Animal Nutrition and Livestock breeding programmes and least progress for Livestock health, Apiculture and the Insectary. Pasture multiplication and distribution to farmers across the country was one of the Institute's significant and tangible outputs which could be physically verified by the monitoring team. The sampled beneficiaries in Jinja and Masaka districts had adapted most of the technologies that were disseminated by NALIRRI.

Some of the explanatory factors for the underperformance in some program areas related to: NALIRRI staff and activities being located in other NARO Institutes; lack of calibration of equipment in the insectary; delayed transfer of resources to user departments and dilapidated infrastructure.

**Table 5.10: Performance of NALIRRI Beneficiaries in Jinja and Masaka Districts**

| Name | Location | Received | Benefits | Challenges | Recommendations |
|---|---|---|---|---|---|
| Lwanyanga Maria | Kitenga Village, Kalagala Parish, Lukugwe Sub County, Masaka District | Fodder, training on livestock farming and horticulture, solar drying panels, underground water harvesting tank, pump and irrigation pipes. | Weekly income of Ug shs. 15000-20,000 from sale of vegetables.<br><br>Assured of animal feeds.<br><br>Food security.<br><br>Payment of school fees, pocket money and home sundries. | Limited market for vegetables.<br><br>Lack of transport facilities to nearby markets.<br><br>Limited labor to undertake big scale farming. | District through the DAO should link organized farmers to viable markets in other parts of the country.<br><br>Farmers should be encouraged to contribute towards transport through their respective groups.<br><br>The district should encourage youth to get actively involved in large scale farming. |
| Nakakande Devina | Kitenga Village, Kalagala Parish, Lukugwe Sub County, Masaka District | Fodder, training on livestock farming, horticulture, block salt making, planting, conservation and pasture management, regular monitoring and visits from NARO staff. | Increased house hold income from sale of vegetables, pastures and animal waste.<br><br>Increased knowledge base from training on livestock management.<br><br>Reduced expenditure on salt blocks. Saves close to Ug shs 25, 000 on each block made.<br><br>Increased and improved quality of milk. | Pests and diseases affecting pastures and vegetables.<br><br>Lack of water for production.<br><br>Limited labor to undertake large scale pasture multiplication.<br><br>Inadequate land for rotating pasture. | Government should subsidize the prices of pest and herbicides to affordable rates.<br><br>The government through the district should assist serious farmers to establish water for production wells.<br><br>Supporting the elderly and widows to undertake pasture multiplication. |
| Natume Agnes | Mulema Village, Kalagala Parish, Lukugwe Sub County, Masaka District | Fodder (Molator grass), underground water harvesting cover, training on livestock farming and horticulture. | Increased milk production from 4-10 litres of daily milk production per cow. She had three cows.<br><br>Weekly income from sale of vegetables. Ushs 2,000 per week. School fees for children from sale of milk and vegetables.<br><br>Social capital from interaction with different people involved in livestock agriculture across the country.<br><br>Increased knowledge base.<br><br>Fertilizers and biogas from animal waste.<br><br>Improved health from consumption of green vegetables. | Pests and diseases affecting vegetables<br><br>Animal diseases.<br><br>Lack of water for production during the dry season.<br><br>Limited land.<br><br>Limited knowledge regarding livestock and horticulture. | The government should avail farmers with soft loans to buy pesticides and animal drugs.<br><br>Farmers should be assisted to expand existing underground wells to avoid water shortage during dry seasons. Current capacity is 1,400 litres.<br><br>The district should organise more trainings on livestock farming, horticulture, handling and marketing. |

| | | | | | |
|---|---|---|---|---|---|
| Ssebuwufu Joyce | Kayunga village, Kalagala Parish, Lukugwe Sub County, Masaka District | Fodder, silage chopper, underground water harvesting tank (32,000 litres), water pump, training on livestock farming, feeding practices, pasture growing, management and conservation. | Water conservation for both animal and home consumption.<br>Improved milk production.<br>Food and water security.<br>Reduced expenditures on water bills, journeys and time spent on collection of water from wells.<br>Unity and togetherness among group members. | Limited knowledge on management of molator and bracaria pastures. | NARO should organise trainings on planting, pasture management of molator and bracaria varieties. |
| Mr. Tigarengera/ Asuman Nakwanga | Wakitaka village, Buwekula Parish, Mafubira Sub county, Jinja District | Fodder | Drought resistant grass hence animals can be fed thought out the year. | Lack of fertilisers<br>Limited labour to weed the grass. | NALIRRI should provide fertilisers to famers for better grass yields and fasten pasture multiplication. |
| Ms. Mirab Kunya | Nakabongo village, Namulesa Parish, Mafubira Subcounty, Jinja District | Fast growing animal grass of 3 months maturity period.<br>Training on good farming practices. | Multiplication and distribution of seed to more than 10 people in the community.<br>Increased daily milk production (from 6-10 litres of milk per cow<br>Increased animal waste used as fertilisers and biogas. | Pests and diseases<br>Limited training on both livestock farming and marketing. | Scientists under NALIRRI should research and distribute pest resistant pastures to farmers.<br>NALIRRI through the district should organise more trainings on pest and disease management. |
| Ms. Jane Kagawa | Nakabongo village, Namulesa Parish, Mafubira Subcounty, Jinja District. | Fodder.<br>Training on livestock, pasture management and conservation.<br>Social capital | Good healthy animals<br>Fertilisers and biogas<br>Increased milk production (from 6-10 litres on daily milk production per cow).<br>Increased household income from sale of grass cuttings. A 70-80 Kg bag is sold at Ug shs.25, 000.<br>Gave seed over 20 farmers for multiplication. | Pests and diseases<br>Grass was pricky and difficult to harvest.<br>Limited training on livestock farming, management of pests and diseased | Farmers should be trained on how to handle, mitigate pests and diseases.<br>NALIRRI should organise study tours between farmers of different locations to allow to knowledge and experience sharing for better yields. |

**Source: Field findings.**

*Achievement of set targets*

Many NALIRRI activities did not have concrete measurable performance targets. Field findings indicated that several outputs under the Livestock Nutrition and to some extent the Livestock Breeding programmes where implemented. The monitoring team requested the NALIRRI top management and staff to rank the organization's performance in FY 2012/2013 against the core mandate and findings are presented in Table 5.11.

**Table 5.11: Achievement of set targets as rated by NALIRRI top management**

| Activity | Percentage progress | Remarks |
|---|---|---|
| Livestock nutrition | 50% of the outputs were achieved | Average performance |
| Livestock breeding | 20% | Progress was slow and below average |
| Apiculture | 30-40% | Below average |
| EAAPP, KALIP,ILRI, CIAT, ASARECA and Yale projects | 85% | Good performance for off budget funded programmes was attributed to regular release of funds in substantial amounts to undertake planned activities[1]. |

***Source: Field findings***

### 5.4.4 Conclusion

During FY 2012/2013 and Q1 FY 2013/2014, the NARILLI registered significant progress towards fulfilling the organizational mandate of generating and transferring livestock technologies to farmers. Most visible at farmer level were the interventions under the Animal Nutrition program relating to multiplication and distribution of Napier grass varities, water conservation technologies and improvement of pastures in semi-arid regions. Adoption of technologies and good practices was high for the Animal Nutrition program. The farmers reported increased household incomes and improvement in the standard of living resulting from adoption of NALIRRI technologies.

Other program areas (Livestock Breeding, Livestock Health, Apiculture, Insectary) where generally underperforming and their impact could not be traced at farm level. Lack of consistent follow up and supervision of NALIRRI activities at farm level was noted to hinder technology adoption.

The institution lacks verifiable performance indicators and targets which makes measurement of progress difficult. Whereas several activities where being implemented in different parts of the country, their overall contribution to the expected outputs was still low. Their linkage to the financial resources disbursed was obscure. The Insectary was not functioning to its full capacity as the modern equipment was not calibrated.

### 5.4.5 Recommendations

It is recommended that:

1) The NALIRRI should improve its performance indicators and targets as a means of enhancing service delivery and accurate measurement of progress.

2) All NALIRRI activities, animals and staff that are located at other NARO Institutes should be relocated back to the Tororo premises for increased programme effectiveness.

3) NARO/NALIRRI in collaboration with the International Atomic Energy Agency should fast track calibration of the equipment in the insectary to enhance its functionality.

4) The NALIRRI should strengthen implementation of the following programmes: Livestock Breeding, Livestock Health, Apiculture, Insectary

5) NALIRRI should step up monitoring and supervision of its activities at district and farm level to enhance technology adoption.

6) NARO should ensure that all NALIRRI land is surveyed and titled to minimize land grabbing by politicians and other interested persons

## 5.5 Support to Fisheries Mechanization and Weed Control

### 5.5.1 Background

In the MFPED Public Investment Plan (PIP) for FY 2012/2013 -2014/2015, this project 1166 is named as *"Support to Fisheries Mechanization and Weed Control"* to be implemented during the period 7/1/2010 to 1/31/2014[22]. However, review of project documents and discussions with MAAIF officials revealed the correct name of the main project as *"Uganda Egypt Aquatic Weed Control Project* – UEAWCP". All the signposts at the project sites had UEAWCP as the project name. The Support to Fisheries Mechanization and Weed Control project is support intervention by GoU to provide counterpart funding to the UEAWCP.

It was noted that the UEAWCP was not included in the PIP whereas it is the main modality for generating the outputs that are attributed to the Support to Fisheries Mechanization and Weed Control Project. **It is important that the UEAWCP is included in the PIP by MFPED to eliminate inconsistencies and confusion in accounting for project funds and outputs between this project and the Support to Fisheries Mechanization and Weed Control Project**.

The UEAWCP was on the verge of entering its fourth phase of implementation by the time of the monitoring visit in December 2013. The project started in 1998, as a collaborative effort by the Ugandan and Egyptian Governments to address the challenge of aquatic weeds, notably the water hyacinth that was choking up the outlets of Lake Victoria, Kyoga and Albert. The project phases are summarized in Box 5.4.

**Box 5.4: Project phases of the Uganda Egypt Aquatic Weed Control Project**

**First Phase 2000 – 2005:** Using a grant to GoU, the Government of Egypt under the UEAWCP procured a complete system of mechanical equipments including: 50 units of hydraulic excavators, cranes, floating and shore harvester, propelled barges, hydraulic suction dredger, bushing boats, ferries, dam trucks, speed boats and bulldozers. The machines were used in removal of floating aquatic weeds from Lake bodies in Uganda and Tanzania.

**Second Phase 2005 -2007:** The UEAWCP focused on construction of fish landing sites along the shores of Lakes Victoria, Albert and Kyoga and construction of water dams.

**Third Phase 2007 – 2011:** Focused on completion 15 dams in the North and Eastern Uganda and decongesting lakes of weeds. The Government in 2009 started the Support to Fisheries Mechanization and Weed Control project to meet the tax obligations of the UEAWCP.

**Fourth phase 2014 onwards:** The GoU signed off a new US$ 2 million agreement with the Government of Egypt on January 18th 201323 for the fourth phase of the UEAWCP to commence by February 2014.

***Source:*** MAAIF Project Implementers and Head of Egyptian Irrigation Mission December 2013

22 MFPED, 2012d.
23 Nsubuga. J., 2013.Egypt-Uganda sign s $ 2million pact for aquatic weed control project. Available at: www.ugandapicks.com/2013/01/uganda-egypt-signs-2m-pact.html.

The project focuses on manual, biological and support mechanical control of the weed. The weed control component is implemented by Egypt and the major functions of the Ugandan Government are to clear taxes, monitor and supervise, provide water for agricultural products and capacity building of communities according to the agreement.

### 5.5.2 Findings

#### i) Financial performance

The Government has since 2009 disbursed funds for the Support to Fisheries Mechanization and Weed Control project as counterpart funding for the Uganda Egypt Aquatic Weed Control Project (UEAWCP). The funds that were disbursed in the past two years are indicated in Table 5.12.

**Table 5.12: GoU financial performance for the Support to Fisheries Mechanization and Weed Control project (Ug shs)**

| Item | FY 2011/2012 | FY 2012/2013 | FY 2013/2014 Q1 |
|---|---|---|---|
| Approved budget | 399,999,434 | 900,000,000 | 270,000,000 |
| Revised Budget | 311,628,000 | 900,000,108 | |
| Releases | 311,627,994 | 233,584,140 | 90,000,000 |
| Payments | 311,627,994 | 232,863,265 | 53,123,666 |
| Available funds | 0 | 720,875 | 36,876,334 |

***Source: IFMS data base.***

The MAAIF project implementers reported that most of the disbursed GoU funds were earmarked to clearing tax arrears that were incurred during importation of the heavy equipment used for mechanical weed control under the UEAWCP. Other resources were used for assessment and manual removal of the water hyacinth, maintaining landing sites, training, and supervision and monitoring of the activities.

Discussions held with the Head of Egyptian Irrigation Mission indicated that a total of US$ 20.4 million was spent in the 3 phases (2000-2011), of which US$ 13.9 million was spent in the first phase, US$. 4.5 million in the second phase and US$ 2.0 million in the third phase. A total 44.4% of the entire investment was expended on procurement and shipment of machinery to Uganda.

#### ii) Physical performance

#### a) Overall performance

***Cumulative performance 2007 - 2011***

During the period 2007 – 2011, the key cumulative outputs that were achieved by MAAIF under the UEAWCP and with counterpart funding in later years from the Support to Fisheries Mechanization and Weed Control project are shown in Table 5.13. These works were implemented by the Mosahment el Behera Company from Egypt, with support from MAAIF.

**Table 5.13: Cumulative Outputs of the Uganda Egypt Aquatic Weed Control Project/ Support to Fisheries Mechanization and Weed Control project 2007 -2011**

| | Target | Achievement |
|---|---|---|
| 1 | 24 agricultural dams constructed | Target was achieved. Dams were constructed in the districts of Kitgum (4), Sembabule (9), Mityana (1), Kyankwanzi (2), Kamuli (2), Wakiso (2), Kaliro (3), Bushenyi (1). Dams were desilted in Mpigi and Isingiro districts.<br><br>Fish ponds were constructed in the districts of Kitgum, Kaliro, Wakiso and Bushenyi. |
| 2 | 5 landing sites developed | Target was achieved and surpassed: 6 landing sites were developed on Lake Victoria: Masese in Jinja District; Buvumbo, Musa and Buyiga in Mpigi District and Ggaba and Portbell in Wakiso district. |
| 3 | Infrastructure for 4 aquaculture parks constructed | No information. |
| 4 | 300m murram road constructed at Kajjansi Fish Farm | Construction of 300 m was completed |
| 5 | Routine aquatic weed removal from rivers and lakes | Target was achieved. Weed Control was undertaken at various rivers and lakes bordering the districts of Nakasongola, Amuru, Wakiso, Rakai, Jinja and Mpigi |
| 6 | Routine monitoring of the water hyacinth | Target was achieved. Routine monitoring undertaken in 10 hotspots in Mpigi, Masaka, Kalangala, Rakai, Jinja, Mayuge and Mukono districts. Surveys were conducted on Lake Kyoga shoreline in Kamuli, Buyende, Soroti, Amolator, Apac and Lira districts. |

***Source: MAAIF/UEAWCP progress reports for various years.***

When the third phase of the UEAWCP ended in 2011, some of the heavy equipment for mechanical removal of the water hyacinth were left at the landing sites while others were stationed at MAAIF Offices in Bugolobi Kampala. The MAAIF/Egypt project implementers reported that at every station where the machines were left, a policeman was hired to ensure their safety, paid by Mosahment el Behera Company.

The machines belong to both the Egyptian and Ugandan Governments. The MoU stipulated that the machines would be repaired and left in working condition by the implementing company before hand over to MAAIF. The MAAIF officials reported that Mosahment el Behera Company carried out the repairs and testing of the machines during November to December 2012.

***Outputs in FY 2012/2013 and FY 2013/2014 Q1***

The achievements of the Support to Fisheries Mechanization and Weed Control project in FY 2012/2013 against planned targets are shown in Table 5.14.

**Table 5.14: Physical performance of the Support to Fisheries Mechanization and Weed Control project in FY 2012/2013**

| | Planned | Actual | Remark |
|---|---|---|---|
| 1 | 25,000 tonnes of weed mechanically removed at River Kagera mouth | A total of 1200 tonnes of water hyacinth were harvested from River Kagera | Target not achieved by 23,800 tonnes |
| 2 | Water hyacinth mechanically and manually controlled at Portbell, kiira Dam, Bujagali | Sensitized and mobilized communities for manual removal of weeds in Sango Bay, Rakai and Mukono. | Target partially achieved. |
| 3 | Water hyacinth infestation levels established in hotspots | Conducted monitoring and assessment of water hyacinth on Lake Kyoga, Lake Victoria, River Kagera and minor lakes of Opeta and Bisina. | Target achieved. |
| 4 | Construction of 12 water dams | Initiated assessment of status of water dams in Kiboga, Isingiro, Kaliro | Target not achieved. |
| 5 | Train communities in Mukono, Mpigi and Wakiso on pond management and weed control | Trained communities in the districts of Mpigi, Wakiso, Mukono, Namayingo and Kitgum in pond management and weed control. | Target was achieved. |
| 6 | Masese, Gaba and Buvumbo landing sites maintained operational | The 3 landing sites were maintained operational. | Target was achieved. |
| 7 | Aquatic weed removal equipment maintained. | Repair and maintenance of mechanical control equipment commenced. The Mosahment el Behera Company paid for the work of maintaining equipment. The maintenance work continued into FY 2013/2014. | Target was partially achieved. |
| 8 | 1 weevil rearing station established on Lake Victoria | Started construction of one weevil rearing station in Kateebo landing site. | Target was partially achieved. |

***Source: Field findings; MAAIF, 2013; MAAIF, 2013a.***

In FY 2013/2014 Q1, the following achievements were reported by the MAAIF project implementers (Table 5.15):

**Table 5.15: Physical performance of the Support to Fisheries Mechanization and Weed Control project in FY 2013/2014 Q1**

| | Planned | Actual | Remark |
|---|---|---|---|
| 1 | 25,000 tonnes of weed mechanically removed at River Kagera mouth | The 3 landing sites were maintained operational.<br><br>Manual weed removal operations by communities ongoing in Sango Bay and Kasensero near Kagera River.<br><br>Constructed one weevil rearing station in Bunjako at Kateebo landing site in Mpigi district. | Information not available on how much tonnage of weeds was removed. |
| 2 | Support PPP arrangement to operationalise hatchery units to increase fry production in 4 centres of Gulu, Bushenyi, Kajjansi and Mbale | No progress | |
| 3 | Procure fry to stock dams in Sembabule, Kitgum and Pallisa and supply to selected farmers in the clusters | Assessment of the minor lakes and dams in the target districts. | Some initial work done towards the target. |
| 4 | Water hyacinth infestation levels established in 4 hotspots on Lake Victoria | Conducted an assessment of the status of water hyacinth infestation in Kagera, Bunjako, Sango Bay and Murchison hotspots. | Target was achieved. |
| 5 | 15 communities trained in pond management and weed control | Trained communities in the districts of Mpigi, Wakiso, Mukono, Namayingo and Kitgum in pond management and weed control. | Target was achieved. |

| | | | |
|---|---|---|---|
| 6 | Aquatic weed removal equipment maintained. | Repair and maintenance of mechanical control equipment commenced. The Mosahment el Behera Company paid for the work of maintaining equipment. The maintenance work continued into FY 2013/2014. | Target was partially achieved. |
| 7 | 1 weevil rearing station established on Lake Victoria | Started construction of one weevil rearing station in Kateebo landing site. | Target was partially achieved. |

***Source: Field findings; MAAIF, 2013; MAAIF, 2013a.***

**b) Field findings**

The monitoring team sampled and visited six landing sites and a fish farm in the five districts of Jinja, Kampala, Mpigi, Rakai and Wakiso that benefitted from the UEAWCP/Support to Fisheries Mechanisation and Weed Control project. The findings are presented below.

## JINJA DISTRICT

### Physical performance

The Masese BMU Chairperson and members confirmed that Masese landing site, located in Walukuba Masese Division Jinja District, benefitted from the UEAWCP project starting in 2005. The Egyptians leveled the landing site and constructed three jetties. They completed the works and handed the infrastructure to Jinja Municipal Council in 2007. The Council was supposed to provide other supportive infrastructure at the landing site for it to become functional. These included toilets, working slabs and sheds, fencing, water and electricity. The Council failed to provide these additional facilities and utilities which led to the fishermen refusing to use the landing site. By the time of the monitoring visit in December 2013, the modernized working space at Masese Landing Site was not in use. Large parts of the site were choked by weeds due to non-use of the facility.

**UEAWCP funded jetties at Masese landing site Jinja**

**Parts of jetties choked by weeds**

### Challenges

The BMU leaders reported two key challenges hindering effective occupancy and use of the rehabilitated facility:

1) Threat of eviction from the landing site since 2003 by an Egyptian investor AFRICANS DEVELOPMENT INCORPORATION as explained in the Box 5.5 below.

**Box 5.5: Fraudulent leasing of land for new Masese landing Site**

"On 31/07/2003, MAAIF leased out our land to AFRICANS DEVELOPMENT INCORPORATION to develop and operate properties including a foundry workshop, beach, landing site, fish market on Walukuba Road. In May 2004, the investor forcefully attempted to evict the over 5,000 fisher folk and market vendors from the landing site without any alternative site to locate to. The MAAIF in 2005, on behalf of Government, identified plots 96-112 and 116 Walukuba Road to relocate the fisher folk. Hence, we were squeezed to one site of the original landing site as the new site was being developed by the UEAWCP.

In 2012 Jinja Municipal Council fradualently leased part of the new landing site plot 116 to individuals. We referred the matter to IGG in January 2013 and LCIII Chairman Walukuba/Masese. In consultation with the District Land Board Jinja, the lease offer was cancelled. In September 2013, we learnt that officials from Jinja Municipaly Council had instructions to lease out the new landing site to another foreign investor. We have appealed to the Office of the President, MAAIF and Jinja District leaders to intervene in this matter as we have no alternative place to vacate to".

***Source: Official Letters to Office of the President, The Inspectorate General of Government and Jinja Municipality, October 2013; Masese BMU Chairperson.***

2) Failure of the fisherfolk and market vendors to relocate into the new landing site due to lack of priority facilities including water, electricity, toilets and market stalls.

3) Poor communication and transparency between MAAIF, Jinja Municipal Council and the fishing community on matters relating to use of the new landing site.

**Recommendations**

1) The Jinja Municipal Council should lease the new landing site to the market vendors and fisher folk in the names of their association "Masese Beach Management Unit/Fish Market Vendors Association Jinja.

2) The Government should handover the new landing site to Masese BMU would mobilize the communities to install some of the remaining facilities.

3) The MAAIF and Jinja Municipal Council should improve communication and transparency with the fishing community in regard to the new landing site.

## KAMPALA DISTRICT

The monitoring team visited Portbell and Gaba landing sites that benefitted from this project. Below are the findings.

**Portbell Landing site**

**Physical performance**

The Chairperson and members of PortBell BMU reported that by 1999, the landing site was choked by the water hyacinth that hindered movement of boats, ships and people. The GoU in collaboration with the Egyptian Government brought a set of machines in 2004 to open up the shores. Some of the machinery that was brought included a ferry, six trucks, an excavator and a crane. Mechanical weed removal was undertaken during 2004 to 2006, including expanding the landing site. In 2006, MAAIF/NARO introduced biological weed control. These measures led to eradication of the aquatic weed, improvement in the transportation system and enhanced fish catch.


**UEACWP ferry and other equipment at PortBell Landing site**

The monitoring exercise in December 2012 revealed that the landing site was free of the water hyacinth indicating effectiveness of the UEAWCP. Some of the machines were left abandoned at the landing site with nobody in charge of their safety. The Portbell BMU leaders noted that the project did not fully involve the fisher folk in implementation; hence the community had no obligation to ensure security of the machines.

**Challenges**

The following challenges were reported by the PortBell BMU leaders:

1) The construction at the landing site was not completed as was promised by the Egyptians. Some parts of the landing site where not leveled and cemented as had been done at other sites.

2) The beneficiaries were not informed of the resources that were spent on the project and the outputs that were to be delivered for accountability purpose.

3) The machines at the site were not left under any one's responsibility and hence could be vandalized.

4) Some parts of the machines were submerged in mucky waters and would go out of use due to lack of regular clean up and maintenance.

**Recommendations**

The Portbell BMU leaders recommended that:

1) The MAAIF should complete construction and modernization of Portbell landing site.

2) The MAAIF/Egypt Government should deploy a security guard at the machines.

3) They accountability for the funds given to the Egyptians by the Ugandan Government for constructing the landing site should be provided to the beneficiary communities.

4) Some members of the community should be trained by MAAIF on how to operate/maintain the machines for project sustainability. The machine operators should be hired from within the community.

**Gaba landing site**

**Physical performance**

Throughout the 1990s, Gaba landing site was infested by the aquatic weed on Lake Victoria which hindered water transportation, poisoned fish and also was home to lethal snakes. The UEAWCP was implemented at the landing site during 2004 to 2008. The Chairperson and members of Gaba BMU reported that civil works that were implemented during 2004-2007 included construction of 2 piers, balcony, road tarmac, stone layering at the landing site and lighting structures. During 2007/2008, the weed was mechanically removed from the lake. All equipment was removed from the site in 2008.

By the time of the monitoring visit in December 2013, some hyacinth was present on the lake but not a problem to the fishing activities. The BMU members reported improved transportation on Lake Victoria due to absence of the weed. They however noted that some of the infrastructure that was constructed by the UEAWCP was not of good quality or was not completed. In particular, the concrete layering on the landing site was not completed, the road construction was partially done, lighting was not installed and the concrete on the piers had broken down in some parts.

- Insecurity due to un-installed security lights at the sight.


**Top right: UEAWCP constructed piers at Gaba landing site Bottom left: Partially graveled parking yard Bottom right: partially constructed road at the landing site**

**Challenges**

The following challenges were reported by the Gaba BMU members:

1) Partial completion of the construction works by the UEAWCP/MAAIF.

2) High levels of insecurity associated with lack of street lighting which was supposed to be installed by the project.

3) Break down of parts of the piers due to poor workmanship by the project.

**Recommendations**

The following recommendations were made by the Gaba BMU members:

1) The MAAIF/GoU should complete the works at the landing site, including tarmacking the roads and yards.

2) The MAAIF, through this project should install the security lights as had been planned.

3) The MAAIF should renovate parts of the piers that were not properly done.

## MPIGI DISTRICT

The monitoring team held discussions with Mpigi District Fisheries Officer (DFO) and visited Kateebo and Buvumbo landing sites that had benefitted from the UEAWCP/Support to Fisheries Mechanization and Weed Control project. Below are the findings.

**Perspectives of the DFO**

**Background**

The continuous flow of the aquatic weed in at landing sites like Buvumbo, Golo, and Katebo led to skin diseases among fishermen, reduction in fish catch and closure of the sites. In 2006, mechanical control of the weed started under the UEAWCP and later the biological control method was introduced up to 2012.

**Challenges**

The following challenges were noted by the Mpigi DFO:

1) The water hyacinth has increased at the landing sites since 2012 when the project ended.

2) A more dangerous aquatic weed which is acidic, in a tree like form and locally known as 'Bilingi' had emerged. The weed disrupted the fish breeding grounds.

3) People were illegally selling land next to the lake which would in future be a source of wrangles between the fisher men and the community members.

**Recommendations**

The Mpigi DFO recommended the following:

1) The MAAIF should revive the project for weed control in the district.

2) The MAAIF/GoU should provide tools like wheel bowls and long forks to the fisher folk so that they remove the weed manually in the meantime.

3) The Ugandan Government should disseminate the policy that stops fraudulent sale of land near the lake, clearly stating the metres of land under reservation according to environmental laws.

**Buvumbo Landing Site**

**Physical performance**

The landing site is located in Musa Parish Kamengo subcounty Mpigi district. The Buvumbo BMU Chairperson reported that implementation of the UEAWCP commenced 2006 after the following machines were deployed onsite: 2 ferries, 6 trucks, 2 tractors, generator and 2 cranes. The Egyptians widened the landing site from 30 meters to 150 meters and removed the weed. It was reported that the same machines were used to open up the neighbouring landing site Buyiga A.

Most of the machines were redeployed in 2011 to other landing sites. The tractors were taken in February 2013. The monitoring team noted that 2 ferries were still at the site left in the mucky waters. The BMU members reported that some project officers repaired the 2 ferries in February 2013 and they were in good working condition.

**Left: Buvumbo landing site choked up by aquatic weeds Right: UEAWCP ferry left abandoned at Buvumbo landing site Mpigi.**

**Challenges**

The following were the challenges that were reported by Buvumbo BMU members:

1) Due to lack of heavy duty machines to maintain the landing site, the weeds had returned and choked the entire landing site leaving only 30 metres of the lake for operations, 10 metres of which were occupied by the redundant ferries.

2) Partial civil works were done by the project. The community was informed by the project officers that the landing site would be properly leveled and lined with concrete and guard rails would be installed to improve safety at the site. This work was not done and there was no maintenance of the area that was expanded.

3) The three security guards that were put by the Behera Company to secure the machines were last paid in February 2013 which led to the resignation of two of them; the remaining guard worked only during the day.

4) The district was collecting a levy of over one million Ug shs per month but had not reinvested in improving that infrastructure and facilities at the landing site.

**Recommendations**

The Buvumbo BMU members recommended that:

1) Excavators and tractors should be redeployed by MAAIF to open up and maintain the landing site.

2) The MAAIF should ensure that he civil works that were not completed by the project are finished so that the site is modernized. Nets should be placed at the inlet of the landing site to stop the continuous inflow of the water weeds.

3) The security guards should be paid their arrears for guarding the ferries. The remaining guard should be paid a salary.

4) Mpigi district should tender out maintenance of the landing site to the Buvumbo BMU. An agreement should be made between the Local Government and the BMU for effective use of the non-tax revenue in maintaining the landing site, with a small percentage being remitted to the district coffers.

**Kateebo landing site**

**Biological control weevil rearing station at Kateebo landing site Mpigi**

**Physical performance**

The community at Katebo landing site in Mpigi district reported that their area was prone to aquatic weeds and they had been relying on manual methods to clean up the lake, with minimal effectiveness. Other MAAIF projects introduced biological control methods that worked for some time. Between 2006 to early 2013 different researchers had come to the site to research and experiment with the aquatic weeds.

In August 2013, under Support to Fisheries Mechanization and Weed Control project, a weevil rearing station was established at the landing site for undertaking biological control of the weeds. At the station, four cages were installed; by the time of the monitoring visit in December 2013, one the cages was filled with weevils and the aquatic weed. The weevils were left to multiply and it was planned that members of Kateebo landing site would be trained by MAAIF on how to use the weevils to fight the aquatic weed[24].

**Challenges**

The following challenges were reported by the fishing community at Kateebo landing site:

1) The aquatic weed cover was increasing on the lake, negatively affecting fishing activities. During heavy rains, the weeds carry away all the lights used for fishing and closes off the landing site.

2) The manual approach used to remove the weed by the fishing community was not impactful, especially due to lack of equipment and tools.

3) Another weed locally known as "Bilingi" had emerged. It had acidic leaves that stopped fish from hatching eggs and multiplied very fast.

4) The weevils that were being hatched were too few since only one out of the four catches was being used. The biological control method would not be effective with insufficient weevils.

24 Treasurer Katebo Beach Management Unit

**Recommendations**

The fishing community at Kateebo landing site recommended the following:

1) The MAAIF/GoU should promote mechanical control of the weeds at the landing site.

2) The MAAIF in collaboration with the district should provide equipment to the communities for manual harvesting of the weeds, including wheel barrows, rakes, forks and gum boots.

3) The MAAIF should allocate more funds to enhancing weevil production for biological control of the weeds.

## RAKAI DISTRICT

**Physical performance**

The control of water hyacinth at Kibuko Masangano landing site in Kasensero Parish Kyobe Subcounty Rakai district started in 1995. Several projects were implemented using different control methods as outlined below:

**Weevil rearing for biological weed control at Kibuko Masangano landing site**

- Aquatics Unlimited Company from California used a combination of mechanical and manual methods of weed control. The project had 25 workers, one tractor and a boom with electrical poles that were used to remove the weeds. The project started in October 1995 and wound up in May 1997 when the El Nino rains destroyed the equipment.

- Between 2001 and 2003, NARO implemented biological control methods using weevils on River Kagera, under the Lake Victoria Environment Management Project (LVEMP). The method was reported to be very effective in controlling the weeds and opening up the landing sites to fishing activities.

- The UEAWCP introduced mechanical weed control in 2004 and operated up to 2010. The Egyptians brought deployed the following machines at the landing site: 3 dump tracks, 2 elevators, 1 multi-purpose boat, 1 conveyer boat and tools (2 life jackets, 2 wheel borrows, 4 pair of boots, 2 rakes, 4 pairs of gloves and 2 hoes). Nine persons were contracted by the project to operate the machines. It was reported by the community at the landing site that that the UEAWCP effectively controlled the water weeds during the project period.

- The community also reported that the Egyptians undertook repairs and maintenance of the machines during May 2013. The elevators were not repaired as they were submerged in water. The monitoring team confirmed presence of these machines at the landing site, apparently in good working condition.

- In March 2013, the MAAIF restarted the biological weed control method of rearing weevils in cages at the landing site. Four cages were installed but only one had been filled with the weevils feeding on the hyacinth for multiplication purpose. The volunteer caretaker at the site reported that the weevil multiplication process was slow as few weevils were introduced in the cage.


**UEAWCP/MAAIF Elevator and conveyor boat at Kibuko Masangao landing site Rakai district**


**Left: One of the four MAAIF supported fish ponds at Buloba Fish Farm Right: Expanded fish hatchery**


**Left: UEAWCP/MAAIF dump trucks at Kibuko Masangano landing site Right: Assorted project equipment in storage at the landing site**

## Challenges

The following challenges where reported by the community members at the landing site:

1) The hyacinth had increased on the lake since the UEAWCP stopped operations.

2) Poor working conditions and exploitation of workers by the Egyptian company. While the UEAWCP project was functional, laborers were not given their allowances and not allowed to rest after being overworked.

3) Lack of electricity at the site that would reduce the cost of operating the heavy duty machines.

4) Difficulty of finding spare parts for the machines which frequently broke down (especially the hydraulic pipes and shafters) when in use. Spares could only be accessed from Kampala.

5) Inadequate monitoring and support by MAAIF whereby the machines were abandoned at the landing site without anyone paid to ensure security. The caretaker/supervisor for the machines was not paid for his services.

6) The biological control method was likely to take long before it would yield results as the weevil multiplication process was very slow.

**Recommendations**

The following recommendations were made by the community members at the landing site:

1) The Ugandan Government/MAAIF should renew the UEAWCP to mechanically control the weed especially during the rain seasons. Mechanical control was recommended as the best method because it removes large volumes of weed at a go. For instance, 30 tonnes of weed can be harvested on a daily basis.

2) The MAAIF should ensure that the working terms and conditions of the workers should be improved. For example, the hours should be lessened to what is humanly possible, with workers provided with rest periods and properly remunerated.

3) The MAAIF should collaborate with the Ministry of Energy and Mineral Development (MEMD) and Rural Electrification Agency (REA) to extend the power lines from Kasensero to this landing site to ease use of the machines.

4) The Government should provide incentives to private sector to set up spare part shops and garages in Rakai district.

5) The MAAIF should regularly monitor and supervise the project and ensure that the project workers are properly remunerated. The caretaker/supervisor of the machines requested for a small allowance since he was last paid in 1997.

6) The MAAIF should provide more weevils to fast track the multiplication process and biological control of the weeds.

## WAKISO DISTRICT

**Background**

The intervention from the UEAWCP/Support to Fisheries Mechanization and Weed Control project in Wakiso district was at Buloba Fish Farm through a Public Private Partnership (PPP) arrangement. Buloba Fish Farm is located in Tomi village Buloba Parish Wakiso subcounty in Wakiso district. The farm started in 1998 with an objective of producing fingerlings for Tilapia and Cat fish for farmers and training them on how to rear fish. In 2008, the farm also started producing table fish sold to different households in the area. The farm has a hatchery, fish ponds and water reserves.

In FY 2010/2011, the Farm Manager approached MAAIF for support to scale up the farm operations. The farm had 12 small shallow ponds that were 300 $m^2$ and 0.5 meters deep with low production at 200kgs of fish fingerlings per month.

**Physical performance**

Starting 2010/2011, the UEAWCP/Support to Fisheries Mechanization and Weed Control project expanded, deepened and merged the 12 small fish ponds into four large ponds and excavated one new water reserver (with about 6,000 litres of water). The Egyptians supervised the project during implementation. The following benefits accrued from the reconstruction of the fish farm, as reported by the Farm Manager:

- In 2013, the farm produced 2 tons of Tilapia fish in each of the four ponds per month; the target is to increase production to 3 to 4 tons per pond by 2014.
- Sales shot up as the price of fish per kilogram rose from an average of Ug shs 4,500 in 2010 to Ug shs 6,500.
- Four stocked cages were installed in the water reservoir (cage farming) which would lead to increased production.
- Due to the existence of the water reservoir constructed with MAAIF funds, the farm used own resources to construct a water filtration or treatment system.
- The hatchery was expanded to produce enough fingerlings for the expanded ponds.

**Challenges**

The Buloba Farm Manager highlighted the following challenges that were negatively affecting the realization of the expected project outputs:

1) Poor quality of fish feeds on Uganda's market. The feeds were noted to nutritionally deficient leading to slow and uneven growth of fish. The farm had resorted to importing the expensive but highly nutritious feeds from Israel. For the egg to hatch and grow to a size of 10 cm, it takes 1.5 months using Israel feeds compared to 4 months using local feeds from Uganda. The Israel feeds were reported to contain high crude protein content (55%) compared to local feeds (30%).
2) High taxes charged on imported agricultural inputs, particularly the fish feeds.
3) Inadequate funding as the project is capital intensive.
4) Emerging diseases that affect fish resulting in peeling off of scales, bloating and death. Predators were also feeding on the fish.
5) Weather fluctuations – during the dry season, water was not sufficient in the ponds leading to fish losses.


**Water treatment system at Buloba Fish Farm**

**Recommendations**

The Buloba Farm Manager recommended that:

1) The MAAIF should strictly regulate and assure quality of feeds on the market.

2) The Government should support farmers by putting more of these programs since they are needed by them.

3) Taxes on critical agricultural inputs should be waived.

4) The NARO to research on fish diseases and disseminate information and technologies to control them.

### 5.5.3 Analysis

***Link between financial and physical performance***

A total of US$ 20.4 million was disbursed as a grant from the Egyptian Government to the UEAWCP during 2000 to 2011; since FY 2011/2012, the Government disbursed Ug shs 635,212,134 for the Support to Fisheries Mechanization and Weed Control project as counterpart funding to meet tax obligations for the UEAWCP, in addition to other activities.

The Egyptian grant, for which GoU is presently paying tax arrears, was well utilized to purchase heavy equipment that was used to construct 24 agricultural dams and several fish ponds, develop 6 landing sites, construct 300m of murram road at Kajjansi Fish Farm and routine removal of aquatic weeds from rivers and lakes. However, since the end of the third phase MoU between the GoU and Egyptian Government in 2011, mechanical weed control came to a standstill and many lakes and rivers became infested with aquatic weeds again. The heavy equipment was left unsecured at many landing sites and some would not be usable when the project resumes.

For the Support to Fisheries Mechanization and Weed Control project, detailed expenditure data was not availed to assess the proportion of disbursed funds that was earmarked to taxes under the UEAWCP and what remained to undertake other project activities. Several activities were undertaken during FY 2012/2013 and Q1 FY 2013/2014 under this project including establishment of weevil rearing centres for biological control at some of the landing sites, assessment and repair of mechanical control machines, training of communities and assessment of prevalence of the water hyacinth on lakes and rivers. However, the weevil rearing centres were still operating at a very low capacity with few weevils introduced in cages.

***Achievement of set targets***

Almost all the targets that were set under the UEAWCP for the the period 2007 up to 2011 were achieved. With the end of the UEAWCP MoU the level of achievement of set targets for the Support to Fisheries Mechanization and Weed Control project slowed down during FY 2012/2013 and FY 2013/2014 Q1. During FY 2012/2013, a total of 1200 tonnes of water hyacinth were harvested from River Kagera against a target of 25,000 tonnes. During Q1 FY 2013/2014, only one weevil rearing station was constructed in Bunjako at Kateebo landing site in Mpigi district. Most activities revolved around assessing the level of water hyacinth at hotspots. Other planned activities where partially implemented.

A key challenge noted was the fact that the UEAWCP was not in the MFPED PIP and yet many outputs that were recorded under the Support to Fisheries Mechanization and Weed Control project where generated by the former project. Information was not available to assess the proportion of funds under the Support to Fisheries Mechanization and Weed Control project that were earmarked for clearing tax arrears under the UEAWCP.

### 5.5.4 Conclusions

The UEAWCP/Support to Fisheries Mechanisation and Weed Control project was very effective during the first three phases that ended in 2010/2011. With the end of the MoU between GoU and Egyptian Government, project performance has slowed down and most of the outputs and targets that were set for Q1 FY 2013/2014 were not met. Some mechanical control equipment has not been fully serviced and remains unsecured at landing sites. Many people that volunteered to provide security for the equipment at the landing site had not been paid by the Mosahamet Company.

The biological control centres that were recently set up at some of the landing sites were not yet operational. It is likely that the impact of biological control methods will take long to happen given the low intensity of weevils introduced at the weevil rearing centres.

### 5.5.5 Recommendations

It is recommended that:

1) The MFPED should include the approved UEAWCP fourth phase in the Public Investment Plan to eliminate inaccurate accounting and reporting of activities under the Support to Fisheries Mechanization and Weed Control Project.

2) The MAAIF should ensure that all the heavy mechanical equipment is properly serviced and is operational. The machines should brought back to MAAIF Headquarters awaiting redeployment.

3) The MAAIF should commence mechanical weed control immediately to address the growing problem of aquatic weeds on lakes and rivers.

4) The MAAIF should scale up operations at the weevil rearing stations to hasten the biological weed control processes.

## 5.6 Support to Implementation of Quality Assurance for Fish Marketing

### 5.6.1 Background

The Government of Uganda (GoU) is implementing the five-year Support to Quality Assurance for Fish Marketing Project (QAFMP) since 2009 to reduce poverty among fishing communities through improved quality and safety of fish for the domestic, regional and export market as well as improving the livelihoods of fish dependent communities[25]. The project is implemented by the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) in collaboration with the Icelandic International Development Agency (ICEIDA). The project period is 01/04/2009 - 31/12/2013 and the project area includes the districts of Bundibugyo, Hoima, Bullisa, Nebbi, Apac, Amolator, Soroti, Kamuli and new districts that are formed from the above.

By project closure date of December 2013, the project is expected to generate the following key outputs cumulatively:

- 15 national fish inspectors and 20 district inspectors trained;
- 150 BMUs trained extensively in fisheries and quality assurance;
- 9 district fisheries offices constructed, refurbished and equipped;
- 7 fisheries service centers furnished including 1 motor cycle each;

25 GoU and ICEIDA, 2009

- establishment of selected clean water and sanitation and fish handling facilities in at least 20 fishing land sites;

- 60 lake districts inspectors and 180 community fish inspectors refreshed in quality assurance; and

- Quality assurance manual and codes of practice prepared.

### 5.6.2 Findings

#### i) Financial performance

***Estimated project cost***

The QAFMP was projected over a five year period to cost US$ 3,925,237 to be contributed by ICEIDA and GoU as shown in Table 5.16. The largest cost expenditures were planned to be human resources (35.32%), infrastructure (30.10%) and training (23.58%).

**Table 5.16: Estimated costs for the Support to Quality Assurance for Fish Marketing Project (2009-2013)**

| Budget Items | Total Cost (US$) | % of total cost |
|---|---|---|
| Human resources | 1,386,679 | 35.32 |
| Infrastructure and assets | 1,181,641 | 30.10 |
| Training | 925,385 | 23.58 |
| Operation costs | 244,615 | 6.23 |
| Other costs | 186,917 | 4.77 |
| **Total Costs** | **3,925,237** | **100** |
| o/w Amount funded by ICEIDA (87%) | 3,411,369 | |
| o/w Amount funded by GoU (13%) | 513,867 | |

***Source: GoU and ICEIDA, 2009***

***Funds disbursement and utilization***

**Donor funds:**

The actual disbursements from the donor increased by US$ 1,993,000 during the project period from the original cost estimates as given in Table 5.17. The additional allocation of funds by ICEIDA was attributed to three main reasons: i) the original cost figures for infrastructure development were underestimated in the approved MOU ii) additional infrastructure that were not in the original project design were built, mainly water and sanitation facilities for communities near fish handling sites ii) increased cost of construction materials.

**Table 5.17: Donor disbursements to the Support to Quality Assurance for Fish Marketing Project**

| Year | Original budget US$ | Disbursed budget US$ | Adjustment (+/-) US$ |
|---|---|---|---|
| 2008 | 162,454 | 162,454 | 0 |
| 2009 | 556,850 | 686,850 | 130,000 |
| 2010 | 639,504 | 639,504 | 0 |
| 2011 | 845,465 | 1,095,465 | 250,000 |
| 2012 | 660,288 | 960,288 | 300,000 |
| 2013 | 546,808 | 1,859,833 | 1,313,025 |
| **Total** | **3,411,369** | **5,404,394** | **1,993,025** |

***Source: MAAIF data base December 2013.***

The donor funds were primarily earmarked for infrastructure development and capacity building activities. Table 5.18 shows the cost of various infrastructures that were funded by ICEIDA over the five year project period. The donor funds that were disbursed and utilized during 2013 are presented in Table 5.19. Close to 76% of the donor funds that were disbursed in 2013 where utilized for infrastructure development.

**Table 5.18: Cost of Civil Works for infrastructure under the Support to Quality Assurance for Fish Marketing Project**

| Location of Infrastructure | Contractor | Completion Date | Contract amount (Ug shs) |
|---|---|---|---|
| Amolatar Bangladesh landing site | Rhade Construction | December 2012 | 183,921,540 |
| Amolator Bangladesh WATSAN | No information | No information | 271,519,930 |
| Apac Kayei landing site | Zion Logistics | January 2011 | 156,982,650 |
| Apac Kayei WATSAN | No information | No information | 267,539,608 |
| Bullisa DFO's office | Rhade Construction | July 2010 | 54,462,210 |
| Bullisa Wanseko landing site | Nirmal Construction | April 2012 | 257,440,590 |
| Buyende DFO's office | Rhade Construction | September 2010 | 55,563,960 |
| Buyende Iyingo landing site | Ibhacon Serices | 2012 | 63,900,000 |
| Buyende Iyingo landing site and fishing community | Nirmal Construction | April 2013 | 187,060,995 |
| Hoima DFO's office | Ibhacon Serices | July 2011 | 64,500,000 |
| Hoima Kaiso landing site and fishing community | Rhade Construction Nirmal Construction | May 2013 | 686,288,865 |
| Hoima Sebagolo fish handling and WATSAN | No information | No information | 675,198,725 |
| Nakasongola Kibuye fish handling and WATSAN | No information | No information | 680,115,500 |
| Nebbi Panyimur landing site/fish market | Nirmal Construction | June 2013 | 443,000,000 |
| Ntoroko landing site | Rhade Construction | December 2010 | 140,241,310 |
| Ntoroko DFO's office | Keystone construction | August 2013 | 83,000,000 |
| Serere Mugarama landing site | Lokika Enterprises | April 2012 | 228,099,905 |
| Serere DFO's office | Lokika Enterprises | August 2013 | 80,190,220 |
| Serere Mugarama WATSAN | No information | No information | 273,512,525 |
| **Total** | | | **4,852,538,533** |

***Source: MAAIF and ICEIDA, 2013.***

**Table 5.19: Financial performance of donor funds during 2013**

| | Outputs/Activities | Budget spent Ug shs | % of total budget |
|---|---|---|---|
| 1 | Training of BMUs (Fisher Groups) | 276,356,000 | 7.36 |
| 2 | Construction/equipping Ntoroko and Serere district offices | 212,000,000 | 5.64 |
| 3 | Refresher training for fisheries and community inspectors | 153,872,000 | 4.09 |
| 4 | Construction of fish handling facilities and installation of WATSAN facilities at 4 landing sites and fish market | 2,839,768,635 | 75.66 |
| 5 | Training courses on ICT & information for LG staff | 17,000,000 | 0.45 |
| 6 | Maintenance of fish inspection database and its roll out to districts | 24,000,000 | 0.64 |
| 7 | Preparation of Code of Practice (CoP) for fish farms printing | 6,000,000 | 0.16 |
| 8 | Preparation of CoP for artisanal fish processing printing | 5,000,000 | 0.13 |
| 9 | Project Management | 219,518,000 | 5.85 |
| | **Total** | **3,753,514,635** | **100** |

***Source: MAAIF project office, December 2013.***

**GoU Counterpart funds:**

The funds that were disbursed from the national treasury were mainly used for recurrent expenses of monitoring and supervising the project. Refer to Table 5.20 for financial performance:

**Table 5.20: GoU funding to the Support to Quality Assurance for Fish Marketing Project (FY 2011/2012 – FY 2013-2014)**

| Item | FY 2011/2012 | FY 2012/2013 | FY 2013/2014 Q1 |
|---|---|---|---|
| Approved budget | 499,999,292 | 499,999,292 | 281,660,000 |
| Revised Budget | 508,708,234 | 499,999,292 | 281,660,000 |
| Releases | 508,708,234 | 242,758,816 | 91,886,667 |
| Payments | 508,708,234 | 229,719,711 | 67,351,932 |
| Committed funds | 0 | 9,106,590 | |
| Unspent funds | 0 | 3,932,515 | |

***Source: IFMS data base.***

## ii) Physical performance

### a) Overall project performance

Table 5.21 summarizes the cumulative project performance against the set targets as of November 2013. The MAAIF achieved three out of the seven project targets fully; three of the targets were partially achieved while one activity was cancelled and therefore the target was not achieved. The delay in commencement of project implementation negatively affected delivery of outputs as unit costs had escalated beyond original estimates and some activities had to be scaled down to fit within the available resources.

**Table 5.21: Cumulative physical performance of the Support to Quality Assurance for Fish Marketing Project (2009 – 2013)**

| Target | Actual performance | Remarks |
|---|---|---|
| 15 national fish inspectors and 20 district inspectors trained;<br>60 lake districts inspectors and 180 community fish inspectors refreshed in quality assurance | • 8 national inspectors and 57 district inspectors were trained.<br>• 55 community fish inspectors at major landing sites and 25 local fish inspectors for constructed landing sites trained in 2012/2013; | Targets partially achieved. |
| 150 BMUs trained extensively in fisheries and quality assurance; | • 639 BMU facilitators trained<br>• 36 Training of Trainers (TOTs) trained to handle fish processing groups<br>• Various fish processing groups trained by TOTs in Apac, Kayunga, Buyende, Kaberamaido, Dokolo, Bullisa, Hoima, Kibale and Nakasongola | Targets achieved |
| 9 district fisheries offices constructed, refurbished and equipped; | • Constructed DFO offices and equipped them with solar systems and furniture in Buyende, Serere, Nebbi, Nakasongola, Hoima, Bullisa, Nebbi, Amolator and Serere.<br>• DFO's offices in Apac and Soroti renovated. | Targets achieved. |
| 7 fisheries service centers furnished including 1 motor cycle each; | • The activity was cancelled. | Target not achieved. |

| | | |
|---|---|---|
| Establishment of clean water and sanitation and fish handling facilities in at least 20 fishing land sites; | • Iyingo fish handling and Water and Sanitation (Watsan) facilities in Buyende; Mugarama fish handling facility and Watsan facility in Serere; Panyimur fish market in Nebbi; Kayei fish handling facility and Watsan facilities in Apac; Kibuye fish handling and Watsan facilities in Nakasongola.<br>• Kaiso fish handling and Watsan facility in Hoima; Sebagolo fish handling and watsan in Hoima; Ntoroko fish handling facility in Ntoroko. Fish and Watsan facilities in Amolator. Wanseko fish handling facility in Bullisa<br>• Fish stores provided for Kibuye, Kaiso and Sebagoro landing sites. | The target was partially achieved.<br><br>12 out of the planned 20 landing sites were reached. |
| Quality assurance manual and codes of practice prepared. | • Code of practice for fish farms and code of practice for artesian fish processing produced.<br>• Quality Assurance rules and manuals were prepared. | Target achieved. |

***Source: MAAIF and ICEIDA, July 2013; MAAIF Progress Report March 2013; f***

### b) Field findings

**Previous monitoring visit**

The Support to Quality Assurance for Fish Marketing Project was first monitored in Q3 FY 2012/2013, covering 6 out of the 9 implementing districts namely: Amolator, Apac, Bullisa, Buyende, Hoima and Serere. The monitoring team confirmed existence of fish handling facilities, new office blocks for the District Fisheries Office and capacity building programmes in the sampled districts. The main challenges noted then included the following[26]:

1) Insufficient capacity and functionally limited design of fish handling facilities to handle large volumes of fish in Amolator and Serere districts.

2) Lack of guidelines from MAAIF to how to operate and sustain the new facilities, particularly aspects of operations and maintenance of the modern infrastructures.

3) Limited supervision of project by district and sub-county officials due to lack of operational funds.

4) Low impact and outreach of the functional adult literacy (FAL) programmes for fishermen.

5) Lack of funds to meet maintenance costs of the facilities that are under-utilised such as in Bullisa district.

6) Low capacity of installed solar panels in Buyende and Apac districts.

7) High levels of illegal fishing due to limited capacity and resources among district and sub-county officials as well as Beach Management Units (BMUs) to follow up.

**Current monitoring visit**

The monitoring team visited the remaining sites in the 3 project implementing districts that were not monitored in the previous round namely: Hoima, Nakasongola and Nebbi. The findings are presented below.

26 Detailed findings in MFPED, 2013b

## HOIMA DISTRICT

New office block for Hoima DFO

**Physical performance**

The Production Department staff reported that the Support to Quality Assurance for Fish Marketing Project started in FY 2009/2010 with MAAIF undertaking a baseline survey to establish the status of fisheries activities in the district. District staff were trained for a month to become trainers of trainers (TOTs) for functional adult literacy (FAL) among Beach Management Units (BMUs). The district TOTs in turn offered FAL classes for three weeks to 3 people from each of the 24 BMUs in the district.

A new office block for the District Fisheries Office (DFO) was constructed and equipped with furniture and a motorcycle in 2010/2011. Construction of the fish handling facility at Kaiso landing site commenced in October 2012 and was completed by May 2013. The official handover of the facility from MAAIF to the district was done in November 2013. By the time of the monitoring visit in November 2013, the contractor was addressing final defects at the landing site within the liability period.

In May 2013, MAAIF commenced construction of a fish handling facility and a water and sanitation facility at Sebagolo landing site (90% of the facility was on Sebagolo landing site while 10% was on Nyawaigara landing site) in Hoima district. Construction of civil works of both facilities was noted by the monitoring team to be at 95% completion rate. Civil works at the fish handling facility included a slab, mukene store, office for the BMU, water borne toilets, 1 garbage skip, water system, 10 mukene drying racks.


Civil works near completion at Sebagolo fish handling facility Hoima district

For the water and sanitation component, 2 garbage skips, 2 pit latrines, 5 water taps and two tanks of 10,000 litres each were provided for the community living in Sebagolo landing site. The works that were to be completed at the site included: installing pipes to transfer water to the community taps; putting nets on some of the drying racks and leveling the front yard.

**Challenges**

The District Fisheries Officers and the Site Engineer for Sebagolo landing site noted the following challenges:

1) The fish handling facility at Kaiso landing site had serious defects immediately after technical commissioning. The water system could not serve the community due to a weak pump; some skips were not properly constructed and the solar system failed to work. Although the facility was completed in May 2013, it was commissioned in November 2013 after these defects had been rectified by the contractor.

2) Lack of operational funds to maintain and sustain the infrastructure, specifically replacing the solar batteries and paying security guards and the cleaners. The breakdown of the water system led to accumulation of arrears as user fees could not be levied to meet the operational expenses.

3) Absence of operating manuals from MAAIF for the modern infrastructure. For example, the users lacked information on the longevity of the solar panels and batteries; and how to maintain the water system.

4) The FAL classes and reading materials that were provided to BMUs by the project were considered by fishermen as irrelevant to improving quality of fish handling at the landing site.

5) Inadequate outreach by the project resulting in limited impact on improving fish quality and safety in the district. Hoima district covers ¾ of the Lake Albert shores, with 37 landing sites. Only 2 out of the 37 landing sites benefitted from improved fish handling facilities; implying 35 landing sites still practiced poor methods of handling fish.

6) Few fish inspectors were trained and were not equipped with necessary kits.

7) The 10 drying racks that were provided at the fish handling facility were insufficient to handle the large volumes of mukene at Sebagolo landing site. When the catch is good, all the racks would be used up by one fishing boat.

8) High cost of construction materials due to distances involved in transporting them from Hoima town centre, 80km away. Both sand and water on site were salty and could not be used for construction.

**Recommendations**

The District officials recommended that MAAIF should:

1) Ensure that all defects at Sebagolo landing site are addressed by the contractor before technical and official handover of the facility to the district.

2) Provide user manuals for the fish handling and watsan facilities.

3) Offer relevant training to the fishermen especially in the areas of fish handling, quality assurance and marketing.

4) Train fish inspectors for other landing sites and provide them with inspection kits (gloves, boots, and appropriate equipment).

5) Increase the mukene drying racks from 10 to at least 20 or 30.

6) Develop similar infrastructure in other landing sites on Lake Albert.

7) Gazette the upgraded landing sites (Kaiso and Sebagolo) and trained fish inspectors for handling fish for export.

## NAKASONGOLA DISTRICT

**Financial performance**

The Nakasongola DFO reported that the district received a total of Ug shs 17,420,200 for capacity building activities as outlined in Table 5.22.

**Table 5.22: MAAIF funds disbursed to Nakasongola District for the Support to Quality Assurance for Fish Marketing Project (2010 – 2013)**

| Activity undertaken | Amount received (Ug shs) |
|---|---|
| Mobilisation of Fisher folks for training. | 1,166, 500 |
| Roll out of training by TOTs | 2,591,000 |
| Roll out of training by TOTs | 2,625,000 |
| Roll out of training by TOTs | 2,125,000 |
| Supervision of training activities | 675,000 |
| Follow-up and supervision of BMUs after training. | 2,046,500 |
| Training of water user committee for the Kibuye Solar water supply | 1,703,000 |
| To facilitate the fish quality assurance supervision, monitoring and mentoring | 4,488,200 |
| **Total** | **17,420,200** |

***Source: Field findings***

**Physical performance**

The District Fisheries Officer (DFO) reported that implementation of the Support to Quality Assurance for Fish Marketing Project in Nakasongola district commenced in FY 2009/2010 with two focus areas: infrastructure development and capacity building.

**Infrastructure development**

In 2010, the project financed the construction of an office for the Fisheries Department and equipped it with furniture, computer, internet and motorcycle. Construction of a fish handling facility and water and sanitation facility at Kibuye landing site commenced in August 2013. Kibuye landing site is located in Kibuye village, Kikoiro Parish in Lwampanga Sub-county. By the time of the monitoring visit in November 2013, construction of civil works for these facilities was at 95% completion rate.

The ongoing civil works at the landing site included a fish handling slab, toilet, fish shade with store, drying racks, jetty, fencing, parking yard, rubbish skip, water supply and solar system. The water supply system consisted of 3 tanks, a water treatment house, and 6 water points in the community. The fishing village also benefitted from 2 garbage skips and 2 toilet facilities. The construction works that were yet to be completed included leveling the yard and connecting the solar system.

The DFO reported that a Management Committee of 10 persons, with representation from the BMU, opinion leaders, Fisheries Department, Sub-county and Local Council, was constituted to monitor the construction works. They also determined how the infrastructures were located at the landing site. The monitoring team held a focus group discussion (FGD) with the Management Committee to get their perspectives on the project and the findings are given below (Box 5.6).

**Box 5.6: FGD with Site Management Committee at Kibuye Landing Site**

The meeting, held at Kibuye landing site in Nakasongola district, involved 6 committee members. They had this to say: "Construction of the fish handling facility and water and sanitation system started in July-August 2013. We appreciate Government's effort to provide us with this facility on Lake Kyoga as most similar infrastructures have been located on Lake Victoria. We have 300 boats operating at this landing site. Given the size of the new infrastructure, we estimate that only 100 boats out of the existing fleet will be able to operate at this modern facility.

Many of the households in this fishing village lack toilets as the terrain is rocky and difficult to excavate. The 2 toilet facilities, 2 garbage skips and water taps that have been provided to the community by this project will certainly lead to an improvement in sanitation and hygiene and the living standards in our village. Our committee has received training from the district in better management of this facility including aspects of operations and maintenance and group dynamics. Our committee was set up to oversee the construction works which are close to completion. We shall select another committee that will monitor the use of the facility once it is completed".

The main constraining factors to the effective use of this facility presently and in the future were noted as: scarcity of fish due to illegal fishing; ineffective committee for operations and maintenance; lack of steady income sources to meet operational expenses at the facility; and lack of a food market in the area to complement the fish market. The meeting recommended that MAAIF should enforce legal fishing practices to enhance lake productivity; promote by laws fishing rotation, whereby some parts of the lake are rested during certain periods of the year to allow fish growth; and provide study tours for the management committee to other parts of where similar infrastructure has been under use for several years. The district should train the management committees in operations and maintenance of the new infrastructures.

***Source: Field findings***

**Capacity building**

The district officials reported that capacity building was mainly through training sessions that were undertaken at two levels: institutional based and the workshop mode.

- **Institutional based training**: Five District Fisheries staff and 10 fish processors from the community were offered two week training sessions at the Fisheries Training Institute during 2011; and 5 community data collectors were trained in 2013 at Mukono Zonal Agricultural Research and Development Institute (ZARDI).

- **Workshop mode**: Two district staff were trained in computer packages and functional adult literacy (FAL) during FY 2011/2012. These in turn trained other trainers of trainers at the district who later offered FAL classes at the landing sites. During FY 2012/2013, 11 out of 21 BMUs in Nakasongola district received training in fish quality assurance for the project.

The FAL training was noted to have a positive impact through raising the literacy levels in the community. The fishermen were able to read posters in English and local languages, understand the message and improve fish handling at the landing sites. Many opted to continue studying to become TOTs for other landing sites.

The DFO reported that the training in fish quality assurance in FY 2012/2013 led to an improvement in awareness for better fish handling in the 11 targeted BMUs from 40% in 2011 to 65% in 2013; within the same period, adoption of good practices rose from 40% to 70%. The good practices that were adopted included: using racks to dry mukene, cleaning boats after fishing, handling fish in baskets, putting in place annual work plans for the BMUs, and observing sanitation and hygiene at the landing site.

**Challenges**

The DFO noted the following challenges to the project:

1) Low outreach and adoption of good practices by fishermen as the project only covered 5 out of 13 districts that surround Lake Kyoga. Many fishermen resisted being trained as they did not see the project carrying out similar trainings among their peers.

2) Poor and inappropriate design of project interventions in terms of continuity of activities at Lake Kyoga and Lake Albert. When the project was intervening at one of the lakes, the activities at the other lake were suspended for about 3 4 months which led to fishermen abandoning the good practices.

3) The motorcycle that was provided by the project to the four staff in the Fisheries Department was dilapidated, with high maintenance costs.

4) District TOTs lacked demonstration kits and inputs to carry out training on fish quality assurance effectively.

5) Inadequate coordination by MAAIF of fisheries activities in districts surrounding Lake Kyoga as has been done for Lake Victoria. Individual districts were implementing revenue raising activities that were destroying the lake.

6) Environmental problems – associated with people settling on floating vegetation and polluting the lake due to lack of sanitation facilities. The Fisheries Offices found it difficult to deal with this problem as most districts generated revenue from the illegal settlers.

**Recommendations**

The District Officials recommended that MAAIF should:

1) Renew the project and extend it to other districts and landing sites on Lake Kyoga that did not benefit from the current project phase.

2) Improve project design to ensure that interventions are continuous in all project sites and are well schronised.

3) Provide new motorcycles to the District Fisheries Office.

4) Provide demonstration inputs to the District TOTs for use at the landing sites including: fish handling trays, weighing scales, fish sorters, data collection equipment and calculators.

5) Develop and implement a lake wide project for Lake Kyoga to protect and optimize the use of the water resource. The MAAIF should support the initiative that was initiated in 2006 by 10 districts to associate under the Lake Kyoga Integrated Management Organization (LAKIMO) to manage the lake sustainably.

6) Enforce bylaws that stop people settling illegally on floating vegetation in lakes.

# NEBBI DISTRICT

### Financial performance

The Nebbi district officials acknowledged receipt from MAAIF of Ug shs 21,064,300 cumulatively since FY 2010/2011 for the project. The funds were specifically earmarked and utilized for capacity building activities as indicated in Table 5.23.

**Table 5.23: MAAIF funds disbursed to Nebbi District for the Support to Quality Assurance for Fish Marketing Project (2010 – 2013)**

| Date | Amount received (Ug shs) | Activity undertaken |
|---|---|---|
| August 2010 | 1,519,000 | Sensitized BMUs and sub county leaders about training sessions |
| January 2011 | 1,031,000 | Offered support supervision to BMUs under FAL programme and distributed training materials |
| October 2011 | 4,362,300 | Trained BMUs |
| August 2012 | 7,609,000 | Translated training materials into local languages |
| July 2013 | 2,447,000 | Mobilised, sensitized and trained fisher groups on fish quality and safety |
| October 2013 | 4,096,000 | Trained fisher groups on fish quality assurance. |
| **Total** | **21,064,300** | |

***Source: Field findings***

**New DFO office block in Nebbi district**

### Physical performance

The Nebbi Assistant Chief Administrative Officer (ACAO) and DFO reported that implementation of the Support to Quality Assurance for Fish Marketing Project commenced in FY 2009/2010. The baseline survey undertaken in FY 2009/2010 on fisheries infrastructure identified a major constraint in the district of lack of an office for the Fisheries Department. The project focused on infrastructure development and capacity building as presented below.

### Infrastructure development

A new office block for Nebbi Fisheries Department was constructed for five months starting December 2009. It was equipped with furniture (desk, 3 chairs, desktop computer, printer, filing cabinet), solar system and one motorcycle for the DFO. The building and equipment were handed over to the district in April 2010.

The project also financed the upgrading of Panyimur fish market located in Singla village Ganda Parish Panyimur Sub County. The market had been operating in this area for over 30 years ago, managed by the sub county. The civil works for the reconstruction was contracted to M/s Nirmal Construction at a contract sum of Ug shs 443,000,000. It was reported by the district officials that the construction of the market began in November 2012 and it was completed in May 2013. The scope of works included 3 sheds (each with two slabs), toilets and bathroom, rubbish skips, fence, concrete front yard, water system and a solar system. The monitoring team found that the quality of construction in the market was good.

The technical handover of the upgraded market to the District Engineer was conducted in June 2013; the Engineer handed the facility to the community for immediate use with a provision that any defects noted would be addressed in the six months defect liability period. The market, however, was not immediately used due to a land ownership problem that arose as soon as the construction was completed. Some people claimed that the land on which the market was constructed belonged to their family and hence demanded. The sub county and market authorities closed the market for more than a month and the claimants were referred to Courts of law. The ruling by the Attorney General in July 2013 that the land belonged to Government enabled the local authorities to re-open the market in August 2013.

**Rehabilitated Panyimur fish market in Nebbi district**

The market attracted over 700 buyers and sellers from the neighboring districts of Nebbi, Hoima, and Bullisa on market days that were held on 3 consecutive days every week. It was tendered to M/s God's Will Company Ltd and was paying a total of Ug shs 5.3 million per month, of which 65% was for the sub county and 35% for the district.

The other challenges noted at the market by the district and sub-county officials and the facility attendants included:

1) Frequent breakdown of the solar powered generator hindering effective use of the water pump and the entire water system in the market.

2) The market size/space is inadequate to handle the number of fishermen/traders/transporters and the volume of fish at the landing site. It was noted by the monitoring team that many fishermen continued drying fish on the ground just outside the market. This problem contributed significantly to the poor quality of fish that was traded at the market.

**Mukene fish dried on ground next to Panyimur market**

3) The fencing around the market on the lake side was falling down due to the massive water waves.

4) The security guards and attendants lacked working equipment in the rehabilitated market.

They recommended that:

1) MAAIF should collaborate with the management committee at the market to replace the generator with one that is fuel powered. The market management committee should raise user fees for servicing and maintaining the generator.

2) MAAIF should extend the project period to allow for more stalls and drying racks to be constructed at the market.

3) The lower fencing should be strengthened with concrete poles by the contractor.

4) The market management committee should provide uniforms, gumboots, brushes, gloves and other relevant equipment to the security guards and attendants.

**Capacity building**

Several capacity building initiatives were supported and implemented under this project as indicated in Table….. These included:

- Training of TOTs in 2010 to facilitate BMU trainings. These included 3 officers from the District Fisheries Office and one community member from Akworo Sub County

- Functional Adult Literacy (FAL) classes in FY 2010/2011 for 25 BMUs covering issues of fish management and handling practices, financial management and leadership skills.

- Continuous technical backstopping to BMUs by MAAIF and District Fisheries staff.

- Refresher courses in 2013 for 2 Fisheries Officers in fish quality assurance, information communication technologies (ICTs) and data management.

- Capacity building in FY 2012/2013 and FY 2013/2014 for 9 fisher groups on fish quality assurance and hygiene.

The district and sub county officials reported an improvement in the way BMUs and fisher groups were handling fish, especially those that were trained. The traditional practice of keeping fish on the ground was gradually phasing out. They however reported the following challenges as slowing realization of project outcomes:

1) Large volumes of fish come to the market in processed form from neighboring districts that had not benefitted from capacity building in improved fish handling. Most of this fish is of very poor quality due to bad handling post harvest.

2) The booklets written in original Luo that were disseminated by MAAIF to the fisher folk at the beginning of the project could not be read or understood. New learning materials that were in local languages were prepared by the District Language Board and disseminated in the course of project implementation. These were well received and utilized.

3) The MAAIF training curricular during 2010 – 2012 was not relevant and focused on the key problems that were leading to poor fish quality. The specialized training on fish safety and quality assurance that was introduced in 2013 to fisher groups was more relevant for addressing the problems; but it was introduced when the project was closing down implying less impact on behavioural change among fisher folk.

The district and sub-county officials recommended that:

1) MAAIF and the District Fisheries Office should build the capacity of all fishermen, BMUs and traders in the neighboring districts in better fish handling practices. All communities that handle fish around the lakes while it is still fresh should be sensitized on safety and quality management.

2) MAAIF should ensure that all teaching aids are in relevant local languages.

3) MAAIF should continue providing specialized training to all BMUs and fisher groups on the new curriculum of fish safety and quality that was introduced in 2013.

### 1.1.3 Analysis

***Links between financial and physical performance***

Both ICEIDA and GoU disbursed funds as scheduled over the five year project period, with the donor providing an additional US$ 1,993,000 above the MoU figure (US$3,411,369) to cater for the escalated cost of infrastructure development. The bulk of donor funds were reported to have been utilized for infrastructure development and capacity building/training activities while the GoU counterpart funds were primary used for monitoring and supervision of the project by MAAIF.

An analysis of the expenditures indicated that the total funds spent on civil works of the various infrastructures (Ug shs 4,852,538,533 – see Table 5.18) accounted for 36% of the total disbursed donor funds (US$ 5,404,394 or Ug shs 13,510,985,000[27]). In the original MoU, it was planned that infrastructure and assets would attract 30.10% of total available funds (Donor and GoU) or 35% of the donor funds. During 2013, about 76% of the donor funds that were disbursed were spent on infrastructure development. Hence, the project exhibited proper allocative efficiency.

Field findings indicated that several infrastructures were built in the benefitting districts including fish handling facilities at landing sites; clean water and sanitation facilities at fishing sites and within communities and District Fisheries Offices that were fully equipped. Training was provided to 8 national, 57 district, 55 community and 25 local fish inspectors, 639 BMU facilitators, fisher groups and the district officials. The key constraints to physical performance of the project were:

- Insufficient capacity of the fish handling facilities

- Low impact and outreach of the capacity building program; the materials that were provided under the FAL program where considered to be irrelevant.

- Defects in the civil works of the fish handling facilities

- Absence of operating manuals for the modern infrastructures.

- Lack of operational funds to maintain and sustain the infrastructure associated with low readiness in the district and communities to manage the facilities.

***Achievement in terms of set targets***

The MAAIF achieved fully three of the seven performance targets of this project relating to training BMUs, constructing and equipping district fisheries offices and preparing manuals and codes; three of the targets were partially achieved relating to training of fish inspectors and establishing fish handling facilities and water and sanitation facilities; and the target on furnishing 7 fisheries service centres was not achieved as the activity was cancelled. Two reasons were advanced for the partial achievement of some of the targets:

27 Exchange rate 1 US$ = Ug shs 2,500.

- Under costing of infrastructure development in the original project estimates.

- Change of strategy in training of fish inspectors at various levels whereby it was found more effective to train more BMUs and TOTs than the former category.

***Comparative Analysis***

There were no significant variations in implementation approach and modalities across the districts as the project was centrally implemented by MAAIF, with support from District Fisheries Offices. All the District Fisheries Offices, Fish Handling facilities and water and sanitation facilities were of the same design irrespective of location. Only Nebbi district, however, benefitted from a fish market in the project. The training approach was the same for the BMUs and fish inspectors.

However, the level of adoption of good practices by fishermen varied between districts. The FAL training was noted to a positive impact on fish handling practices in Nakasongola district, unlike other districts where it was reported as irrelevant. Also the training in fish quality assurance led to increase in adoption of good practices from 40% of the targeted BMUs in 2011 to 70% in 2013 in Nakasongola district.

### 5.6.4 Conclusions

The Support to implementation of quality Assurance for Fish Marketing project was successful in establishing fish handling infrastructure and offices for DFOs and training fishing communities all resulting in improved fish quality and safety. The project established clean water and sanitation and fish handling facilities in 12 out of the targeted 20 landing sites. Nine District Fisheries offices were constructed, refurbished and equipped. About 639 BMU facilitators, 8 national inspectors and 57 district inspectors where trained.

The project fell short of its targets due to under costing of infrastructure in the original project proposal and ineffective training approaches. The project was noted to have low outreach and adoption of good practices by fishermen as few districts where covered compared to those surrounded lakes and rivers. The fish handling facilities were noted to have insufficient capacity and were functionally limited in terms of handling large volumes of fish in some districts.

### 5.6.5 Recommendations

It is recommended that:

1) The MAAIF to renew and expand the project to reach other districts near lakes and rivers with poor fish handling practices; and also complete the fish handling facilities at the 8 landing sites that were in the original project design but where not reached due to resource constraints.

2) The MAAIF should improve planning and costing of infrastructure development for the project.

3) The MAAIF should work with districts to develop and disseminate operational manuals/guidelines for the modern infrastructure and institute operations and maintenance committees and mechanisms at the landing sites.

4) The MAAIF should review the infrastructure designs to ensure that future facilities have adequate capacity and are functionally appropriate for the work to be conducted at the landing sites.

# CHAPTER 6: EDUCATION

## 6.1 Introduction

The mission of 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".***

The education sector's objectives which guide the medium term resource allocations are: Increasing and improving equitable access to quality education at all levels, improving the quality and relevance of education at all levels and improving effectiveness and efficiency in deliver of the education services.

For the first half of FY 2013/2014 (1st July 2013 t December 30$^{th}$ 2013,) MoES implemented a number of development projects under the approved work plan/performance contract. Progress reports on the planned activities were submitted to Ministry of Finance Planning and Economic Development (MFPED). The reports detailed the achieved outputs under the different projects/programmes for which funds were received. The Budget Monitoring and Accountability Unit (BMAU) sampled and tracked the reported achieved outputs under project 1092 ADB IV.

This report covers activities implemented by Vote 013 under the ADB IV project. The monitoring team visited 34 secondary schools and one Technical Institute. This report therefore gives the verified progress of implementation for this project as of November 2013 the time of the monitoring visit.

## 6.2 The ADB IV project

### 6.2.1 Background

The Government of Uganda received a loan from African Development Bank (ADB) to support the Universal Secondary Education (USE) and Universal Post Primary Education and Training (UPPET) policies and programs. The project 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:

- Rehabilitation of 42 senior secondary schools and 2 Technical Institutions and transform them into centers of excellence
- Expansion of 15 seed schools
- Construction of 12 new seed secondary schools in sub counties that do not have any.
- 2,500 Teachers and 600 school managers trained, of whom 40% will be female;
- Goods and services procured to improve learning conditions,
- Gender mainstreaming and the fight against HIV/AIDS.

The total number of benefitting institutions under this project was 71.The scope of works in these schools includes civil works (rehabilitation and new construction), supply and delivery of furniture, laboratory equipment and reagents, textbooks, computers and internet connectivity.

The total cost of the project was approximately USD 93.5 million. This loan was approved on 25th November 2008. Other project details are presented in Table 6.1.

**Table 6.1: 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 (8 October 2013) | UA 22,928,068.77 (44.2%) |
| Exchange rate to a dollar: 1 UA | 1.582 USD |

***Source: ADB IV Project Unit Coordination Documents.***

### 6.2.2 Financial Performance for the ADB IV project.

Findings show that as of 8th October 2013, the disbursement Rate for African Development Fund (ADF)[28] funds stood at UA 22,928,068.77 (44.2%). Therefore UA 29,071,931.23 (55%) remained undisbursed. On its part GoU had made available UA 3,005,600 (52%) as counterpart funding requirement of UA 5,780,000. The total commitments against project resources (ADF + GoU) in terms of signed contracts were at 94.5%. Table 6.2 shows the status of disbursement of the project funds.

**Table 6.2: Status of Disbursement of ADBIV project per Category as at 04.10.2013 in UA**

| Category | Allocated amount | Disbursed | %Disbursed | Undisbursed | Amount uncommitted |
|---|---|---|---|---|---|
| Goods | 7,294,468.00 | 5,007,378.63 | 68.65% | 2,287,089.37 | 1,866,695.71 |
| Civil Works | 40,607,059.00 | 15,451,552.38 | 38.05% | 25,155,506.62 | 107,038.47 |
| Services | 3,391,859.00 | 2,017,532.66 | 59.48% | 1,374,326.34 | 13,701.62 |
| Operating Cost | 66,615.00 | - | 0.00% | 66,615.00 | 66,615.00 |
| Miscellaneous (scholarships) | 639,999.00 | 451,605.10 | 70.56% | 188,393.90 | 97,760.03 |
| **Totals/ Aggregated percentages** | **52,000,000.00** | **22,928,068.77** | **44.09%** | **29,071,931.23** | **2,151,810.83** |

***Source: ADB IV Project Coordination Documents.***

28 ADB administers the African Development Fund (the "ADF"), which provides loan financing on concessionary terms to RMCs that are in the greatest need of such financing. The ADF is legally and financially separate from the Bank, and the Bank is not liable for any obligations of the ADF.

## 6.3 The Centres of Excellence

Eleven out of the 31 institutions being turned into centers of excellence were sampled to find out the physical progress of implementation. Civil works in all the eleven institutions visited were between roofing and finishing level. The completion date for majority of these schools was around December 2013. However, civil works in 8 institutions were behind schedule and contractors noted that they would require more time. In Mvara S.S., for instance, the contractor reported that he was behind by six months. Others contractors on the other hand reported that they would require at least two more months to complete the works. Contractors in 8 schools visited complained about the slow pace of processing interim certificates for payment by MoES. The quality of civil works in all institutions visited was however very good.

**a) Kabasanda Technical Institute.**

Kabasanda Technical Institute is located in Kabasanda LCI, Kabasanda parish, Kalamba Sub county Butambala District. The scope of civil works for this Technical Institute included construction of a new Library with an ICT centre, 12 new classrooms, 3 workshops, 4 staff houses and water and sanitation facilities. The contractor was supposed to do landscaping and fencing and provision of a transformer. In addition to this they were supposed to receive furniture, computers textbooks, laboratory equipment, small administration equipment, sports equipment and a tractor.

Findings show that MoES awarded the contract to Ms HL Construction Limited at a contract sum of USD 819,109.18. The site was handed over to them on March 3rd 2012 for a contract period of fifteen months. The supervising firm was Archtech Consults (U) limited. Civil works started shortly after and the completion date was December 2013.

As at the time of monitoring on 12th November 2013, the progress of civil works was as follows:

- The administration block that also housed the ICT laboratory and the Library was at finishes level. The pending works included painting, fitting glasses and completing the drainage works.
- The Motor Vehicle, electrical and multi purpose workshop block was also at finishes level.
- The storied classroom block was also at finishes level.
- Works on the water and electricity improvements had not started.

However due to lack of sufficient finds, the construction of staff houses, provision of solar facilities, and establishment of a sports ground were shelved. The institute was slated to receive a borehole but a suitable site for it had not been identified. So an alternative of rain water harvesting was being considered. The landscaping and generator acquisition had not yet been implemented at the time of monitoring.

On the side of goods, the Technical Institute received:

- A 100 single seater desks, with 100 chairs for the classrooms. These were delivered by Prospero Global limited.
- Text books for all courses including tailoring, electronics, carpentry, plumbing, motor vehicle and for building. The books were delivered by Ms Mallory International limited.
- 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 Ms Yan shan Xian Dongfong Sports equipment company limited.

- A tractor (Reg No. UG 2524E) with a trailer (Reg No. UG 2556 E) and a plough (serial number D5 0005351 Model FKMDP2).

The following goods were yet to be delivered: i) The workshop equipment ii) Equipment for students with special needs iii) Small administration office equipment (including typewriters, photocopiers and printers). It was also reported that the contractor might not complete the works within the contract period.

**b) St Josephs College Ombachi.**

St Josephs College Ombachi is located in Ombachi village, Ombokoro parish, Manibe Sub County, Ayivu County, Arua District. The scope of works for this school included construction of a semi detached 2 bed room house, an ICT laboratory, a storied 4 classroom block and storied block of dormitories.

TheMoES contracted the civil works to Ms Pancon Construction limited at a contract sum of USD 956,817.10 for a contract period of 15 months. These were supervised by Wanjohi consulting engineers together with TEK Consult Uganda. The site was handed over to the contractor in September 2012 and the project completion date was December 2013.

The progress of civil works as of 19th November 2013 was as follows:

- The semi detached 2 bed room staff house was completed. It was only left with connection to the electricity grid.

- The 128 seater library was at finishes level. It was left with completing the second coat of paint and fitting glasses.

- The ICT laboratory was also at finishes level. It was left with completing the electrical wiring.

- The storied 4 classroom block was at wall plate level.

- The storied dormitory block was at slab casting for level one.

**A storied dormitory block, the semi detached 2 bedroom house and the ICT laboratory**

**Challenge:** The civil works were however behind schedule. The contractor reported that an extension of two months would be sought because there were delays in approvals for the changes in scope of works coupled with delays in payments of certificates. Out of the two certificates submitted only one had been honored.

On the side of goods and services, the school received:

- A 100 single seater desks, with 100 chairs for the classrooms. These were delivered by Prospero Global limited.

- Text books for all courses including chemistry, geography, history, mathematics, physics, agriculture, technical drawing foods and nutrition, Christian living, commerce, Islamic studies, history, entrepreneurship, French, physical education and literature and English. The books were delivered by Ms Mallory International limited.

- 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 Ms Yan Shan Xian Dongfong Sports Equipment Company limited.

- An assortment of science equipment for biology, chemistry and physics.

- ADB in partnership with FAWE sponsored 10 students.

- A total of Ug shs 1,230,000 to support the HIV/AIDS club.

- Assorted items for setting up the guidance and counseling department that included a TV set, a DVD player, an adapter and a power stabilizer. The department also received stationery and a number of text books for guidance and counseling.

- A tractor with its plough and slasher.

**c) Mvara secondary school.**

The school is located in Mvara Cell, Mwara ward, Arua Hill Division, Arua Municipality, Arua District. The scope of works included renovation of the staffroom, construction of a new ICT laboratory, construction of a storied 8 classroom block, a new science block, rehabilitation of the dining/kitchen complex, construction of 2 semi detached houses, renovation works on the administration block and undertaking external works.

The MoES contracted the civil works for this school to Ms BVS Construction Limited at a contract sum of USD 1,373,597.47. These were supervised by Wanjohi consulting engineers in collaboration with TEK Consults. The contract period was 15 months, expiring on 15th December 2013. The site handover was conducted on the 14th September 2012.

As of 20th November 2013, progress of works was as follows:

- Renovation works on the staff room were going on. The roof was replaced with pre-painted green iron sheets, the old windows and doors were removed and replaced with new metallic ones; works were going on to separate the toilets for males from the females, the floor was also being replaced. Other renovation works were still going on.

- The new ICT block was at finishes level. The remaining works included painting, finishes works on the veranda and electrical wiring.

- The storied 8 classroom block was at roofing level. The block has 4 classrooms on the ground floor and another 4 classrooms on the first floor. The remaining works included completing the roofing, painting, electrical wiring, internal and external rendering, fitting the windows and doors, drainage works, splash apron and completing the veranda.

- The new science block was at finishes level. The remaining works included fitting glasses, floor works, all the plumbing works and installing the gas system, all the civil works on the work-tops, connection to the grid.

- Rehabilitation of the dining hall/kitchen complex was going on. All the asbestos sheets were removed and replaced, a new ramp was created, veranda works were going on, a new stage was created, extended the change rooms, an open place previously not roofed was roofed, the whole kitchen complex was extended and new stores created. Works were not complete but were going on.

- The two 2 bedroom houses were both at finishes level. The pending works on both houses was floor screeding, painting, finishes works on the audrops, fitting glasses, works on the ceiling, connecting the structures to the electricity grid, all the plumbing works, all the civil works on the verandas.
- The sceptic tank for all the houses is not yet completed.
- The renovation works on the administration block had not started.

**From the top left, a renovated staff room, ICT block and the 8 storied classroom block. From bottom left. the new science block, semi detached 2 bedroom house, and the dining hall/kitchen complex being rehabilitated at Mvara S.S.**

The school received the following goods and services:

- A 100 single seater desks, with 100 chairs for the classrooms. These were delivered by Prospero Global limited.
- Text books for all courses including chemistry, geography, history, mathematics, physics, agriculture, technical drawing foods and nutrition, Christian living, commerce, Islamic studies, history, entrepreneurship, French, physical education and literature and English. The books were delivered by Ms Mallory International limited.
- 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 Ms Yan Shan Xian Dongfong Sports Equipment Company limited.
- An assortment of science equipment for biology, chemistry and physics.
- ADB in partnership with FAWE sponsored 10 students.
- The school received Ug shs 1,230,000 to support the HIV/AIDS club
- Assorted items for setting up the guidance and counseling department that included a TV set,

a DVD player, an adapter and a power stabilizer. The department also received stationery and a number of text books for guidance and counseling.

- A tractor with its plough and slasher.

**Challenge**: The contractor reported that civil works were behind schedule by six months. This was attributed delays in approvals of the changes in scope of works and the subsequent delays in payments of submitted interim certificates by MOES**.**

**d) St Catherine Girls Senior Secondary - Lira**

St Catherine Girls Senior Secondary school is located in Boroboro East LCI, Boroboro parish, Adekokwok Sub County Lira District. The scope of works for this school was construction of a 300 seater library, an ICT laboratory, a storied block to accommodate 5 classrooms, an ICT and a 2 unit science laboratory and aqua privy toilets. A number of buildings were to be renovated/expanded and these included the administration block, dining/kitchen complex, 2 staff houses, an incinerator and provision of water.

The MoES contracted Ms HL Investments Limited at a contract sum of USD 960,565.29 for a contract period of 15 months. These were supervised by Wanjohi and Tek Consultants. Site handover was conducted in October 2012 and the completion date was 13th December 2013.

As of 20th November 2013, progress of work was as follows:

- Renovation and extension of the old administration block was going on. A roof was replaced, the building was extended to accommodate more offices for the bursar, a secretary and 2 deputy headmasters, a waiting room, the staffroom extended and created space for toilets. The walls were replastered internally and externally, new metallic doors and windows were fitted. Other renovation works included re-painting, putting a new ceiling and electrical wiring for the entire block.

- Renovation of the dining/kitchen complex was in progress. The renovations included putting a new roof, fitting new metallic doors and windows, extending the stage and creating new changing rooms. New toilets were created at the back of the stage. On the kitchen side, the kitchen was modified and extended creating new stores and a new serving area, new stoves were fixed, fitted a new plumbing system and put a new floor.

- The new 300 seater library was at finishes level. The remaining works included curing the floors, fitting the glasses, painting and completing the renovation works on the verandahs.

- A multi-purpose storied science block for biology, chemistry and physics with an ICT laboratory on the ground floor and 5 classrooms on the first floor was at roofing level.

- Two staff houses were renovated. The asbestos roofs were removed and replaced with pre painted iron sheets, all the wooden doors and windows removed and replaced with metallic ones, the old plumbing system replaced, all the electrical wiring replaced and the external and internal rendering for both houses replaced.

The school received:

- A 100 single seater desks, with 100 chairs for the classrooms. These were delivered by Prospero Global limited.

- Text books for all courses including chemistry, geography, history, mathematics, physics, agriculture, technical drawing foods and nutrition, Christian living, commerce, Islamic studies, history, entrepreneurship, French, physical education and literature and English. The books were delivered by Ms Mallory International Limited.



**From Left: Renovation and extension of the old administration block, the dining/kitchen block and the new 300 seater library at finishes level at St Catherine Girls S.S.**

- 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 Ms Yan Shan Xian Dongfong Sports Equipment Company limited.

- An assortment of science equipment for biology, chemistry and physics.

- ADB in partnership with FAWE sponsored 10 students.

- A total of Ug shs 1,230,000 to support the HIV/AIDS club

- Assorted items for setting up the guidance and counseling department that included a TV set, a DVD player, an adapter and a power stabilizer. The department also received stationery and a number of text books for guidance and counseling.

**Challenge:** The contractor was behind schedule and intended to ask for an extension of at least 2 months. He also complained about the untimely payments of certificates that affected the pace of civil works. He reported that 5 interim certificates were submitted and only 2 had been paid.

**e) Dr. Obote College, Boroboro**

Dr. Obote College Bororboro is located in Boroboro East LC I, Boroboro parish, Adekokwok Sub County, Erute south constituency, Lira District. The scope of works for this school includes construction of a 156 seater library, a storied block of six classrooms, an ICT laboratory and 3 blocks of aqua privy toilets. Among the renovation works included works on the dining hall and kitchen, renovation of the old library and external works. The site handover was conducted on 13th September 2012.

The MoES awarded the contract to Ms HL Investments and GDFC at a contract sum of USD 700,723.90 for a contract period of 15 months. The completion date was 13th December 2013. These were supervised by Ms Wanjohi consulting engineers and Tek.

As at the time of the monitoring visit on 20th November 2013, progress of work was follows:

- Renovation of the dining/kitchen was going on. The roof was replaced with new  pre painted iron sheets, the electrical wiring and plumbing systems replaced, new metallic windows and doors fitted, six new conservation stoves fitted, stores, washing area and the cooking areas renovated.

- The incinerator was renovated

- The new library was at finishes level.

- The storied 6 classroom block was at finishes level. The pending works included painting, veranda and splash apron works.

- The ICT block was at finishes level. The pending works included completing the ceiling, painting, fitting glasses, wiring and external works.

The school received the following goods:

- A 100 single seater desks, with 100 chairs for the classrooms. These were delivered by Prospero Global limited.

- Text books for all courses including chemistry, geography, history, mathematics, physics, agriculture, technical drawing foods and nutrition, Christian living, commerce, Islamic studies, history, entrepreneurship, French, physical education and literature and English. The books were delivered by Ms Mallory International limited.

- 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 Ms Yan Shan Xian Dongfong Sports Equipment Company limited.

- An assortment of science equipment for biology, chemistry and physics.

- ADB in partnership with FAWE sponsored 10 students.

- A total of Ug shs 1,230,000 to support the HIV/AIDS club.

- Assorted items for setting up the guidance and counseling department that included a TV set, a DVD player, an adapter and a power stabilizer. The department also received stationery and a number of text books for guidance and counseling.

**f) Lumino High School**

Lumino High is located in Lumino I village, Lumino parish, Lumino Sub County, Samia Bugwe County, Busia District. The scope of works for this school was construction of a storied six classroom block, an administration block, a library complex, a science laboratory, a 4 unit staff house, a 2 bedroom house, aqua privy toilets, renovation of the PTA building, a girls' dormitory, a new kitchen and fencing part of the school.

The MoES contracted Ms HL Investments Limited at a contract sum of USD 3,478,674.99[29] for a contract period of fifteen months. The contract start date was 5th August 2012 and completion date was 5th November 2013. The supervising firm was Ms Engineering systems limited.

As of 25th November 2013, the progress of civil work was follows:

- Construction of the kitchen was at window level.

- Construction of the 4 stance latrine for boys and the 4 stance for girls was at finishes level. The remaining civil works included internal and external rendering, painting, fitting the doors, plumbing works and completing the veranda works.

- The boys' dormitory was renovated. It was replastered, fitted with new metallic doors and windows and painted. The renovation works were at finishes level.

- Construction of the library was at finishes level. The remaining works included painting, electrical wiring, fitting doors and completing the veranda and splash aprons.

29 This contract sum covers construction of 3 schools (Lumino High, Tororo Girls and St. Peter's College Tororo) won by this firm.

- The laboratory complex was also at finishes level. The remaining works included floor screeding, internal rendering, works on the work-tops, all the plumbing works and painting.

- The semi detached house was finishes level. The pending civil works included painting, electrical wiring, fitting glasses and some internal shutters, completing works on the ceiling and all the plumbing works

- The storied six classroom block was at roofing level. The remaining works included works on the ramp and the stair case, internal and external rendering, fitting internal shutters and fitting the doors, works on the veranda, completing the pillars on the upper floor, electrical wiring, painting.

**From the top left: The renovated boy's dormitory, a library and the storied six classroom block at roofing level. From bottom left: The semi-detached house at finishes level, a girls' dormitory at roofing level and the administration block at finishes level at Lumino High School.**

- The girls dormitory was at roofing level pending all the finishes works.

- The administration block was at finishes level. The remaining civil works included painting, electrical wiring and completing the veranda and the splash aprons.

On the side of goods, the school received:

- A 100 single seater desks, with 100 chairs for the classrooms. These were delivered by Prospero Global limited.

- Text books for all courses including chemistry, geography, history, mathematics, physics, agriculture, technical drawing foods and nutrition, Christian living, commerce, Islamic studies, history, entrepreneurship, French, physical education and literature and English. The books were delivered by Ms Mallory International limited.

- 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 Ms Yan Shan Xian Dongfong Sports Equipment Company limited.

- An assortment of science equipment for biology, chemistry and physics.

- ADB in partnership with FAWE sponsored 2 girls in S.3.

- The school received Ug shs 1,230,000 to support the HIV/AIDS club

- Assorted items for setting up the guidance and counseling department that included a TV set, a DVD player, an adapter and a power stabilizer and a filing cabinet. The department also received stationery and a number of text books for guidance and counseling.

- Received at tractor with its accessories.

- Teachers were trained in better school management practices and they also attended gender empowerment workshops.

**Challenge:** School authorities complained about the slow pace of civil works yet the contract period had expired. The contractor attributed this to irregular payments from MoES.

**g) St Peters College Tororo.**

St Peter's College is located in Tororo college ward LCI, Nyangole parish, Eastern Division, Tororo Municiplality, Tororo District. The scope of works for this school was construction of a multi purpose academic block, 2 semi detached staff houses, renovation of the dining/kitchen, renovation of the chemistry laboratory, renovation a staff house, and external works.

The MoES contracted Ms HL investments to undertake the civil works at a contract sum of USD 921,577.40 for a contract period of 15 months. The contract start date was 5th September 2012 and the completion date 4th December 2013. This firm was supervised by Ms Engineering Systems.

As at the time of the monitoring visit on 26th November 2013, progress of work was follows

- The multi purpose block was at roofing level. This block was to accommodate the library, an ICT laboratory and three science laboratories. The remaining works included fitting internal shutters, electrical wiring, internal and external rendering, all the plumbing works, floor screeding, painting, veranda works and the splash apron.

- Renovation of the chemistry laboratory was going on. The remaining works included electrical wiring, all the plumbing works, internal and external rendering, completing the ceiling, floor screeding and renovation works on the work tops.

- Renovation of the dining hall was going on. The remaining works included works on the serving area, the plumbing works, works on the roof and the ceiling, electrical wiring, putting new stores.

- The 2 semi detached houses were both at finishes level. The remaining works included painting, fitting doors and glasses, completing the ceiling, completing the plumbing works and fitting the wardrobes.

- Renovation of the staff house was at finishes level.



**From left: The multi purpose block at roofing level, and 2 semi detached houses at finishes level at St Peter's College Tororo**

The school received the following items:

- A 100 single seater desks, with 100 chairs for the classrooms. These were delivered by Prospero Global limited.

- Text books for all courses including chemistry, geography, history, mathematics, physics, agriculture, technical drawing foods and nutrition, Christian living, commerce, Islamic studies, history, entrepreneurship, French, physical education and literature and English. The books were delivered by Ms Mallory International limited.

- 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 Ms Yan Shan Xian Dongfong Sports Equipment Company limited.

- An assortment of science equipment for biology, chemistry and physics.

- ADB in partnership with FAWE sponsored 3 girls in S.5 and 2 in "O" level.

- The school received Ug shs 1,230,000 to support the HIV/AIDS club.

- Assorted items for setting up the guidance and counseling department that included a TV set, a DVD player, an adapter and a power stabilizer and a filing cabinet. The department also received stationery and a number of text books for guidance and counseling.

- A tractor with its accessories (Reg. UG No. 2515 E).

- Teachers were trained in better school management and also attended gender empowerment workshops.

**Challenge:** Civil works were behind schedule. The contractor reported that works started late due to late approvals of the changes in scope. This together with delayed payments of submitted interim certificates affected the pace of civil works. As a result the firm would not complete the works within the contract period.

### h) Tororo Girls.

Tororo Girls' school is located in Tororo girls' LC1, Amagoro South ward, Eastern Division, Tororo Municipality, Tororo District. The scope of works for this school include construction of an administration block, a classroom block, a 709 seater multi purpose hall, a library, a storied girls' dormitory, a laboratory block, works on water and sanitation facilities construction of toilets.

The MoES contracted the civil works to HL Investments and Guadong Foreign Construction Company Limited at a contract sum of USD 1,727,058 for a contract period of 15 months. The site was handed to the firm at the beginning of September 2012. Works commenced on 5th September 2012 and contract completion date 5th December 2013.

At the time of the monitoring visit on 26th November 2013, progress of work was follows:

- The administration block was at roofing level.
- Construction of the multi purpose hall was going on. On one side the structure was on ring beam while on the other side steel works for the first floor were going on. The major pending works at that time were back filling, compaction on the stage, hard core packing and concrete works for floor in general, internal and external finishes, roofing works, electrical wiring, painting and fitting windows and doors.
- The library block was at finishes level. The pending works were concrete works on the floor, splash apron works, fitting the doors and glasses, painting and electrical wiring.
- Two blocks of aqua privy toilets were at finishes level. The remaining works were fitting door shutters, fitting the sistans and fascia boards.
- The storied 8 classroom block was at finishes level. The pending works were floor screeding on the first floor, external finishes on splash apron and the veranda, electrical wiring, painting of the entire block, fitting glasses and fascia boards.
- The science laboratory was at finishes level. The pending works included fitting glasses, electrical wiring, completing the plumbing system, fitting the sinks, gas system and fascia boards, painting and completing works on the work tops.
- Construction of the storied dormitory was at roofing level. The pending works included all the finishes works
- The external works had not started.

**From the top left, the administration block at roofing level, the multi purpose hall, and the library block at finishes level From bottom left: the storied 8 classroom block at finishes, the sciences laboratory block at finishes and the storied dormitory block at roofing level at Tororo Girls**

**Challenge**: The civil works were behind schedule. This was attributed to irregular payments by MOES.

i) **Bukedi College Kachonga.**

Bukedi College Kachonga is located in Bukedi College Kachonga LC1, Kachonga parish, Mazimaza Sub County, Bunyole East County, Butaleja District. The scope of works for this school included construction of an administration block, a main hall, a library block, a 3 unit science laboratory and a semi detached house.

MoES contracted Ms Prisma Company limited at a contract sum of USD 917,879.1 for a contract period of 15 months. The site was supervised by Ms Engineering systems. Civil works started on 4th October 2012 and completion date was 30th December 2013.

The progress of civil works as at the time of monitoring on 25th November 2013 was at the following stages:

- Construction of the administration block was almost compete. The only remaining work completing final coat of paint and connection to the reserve water tank.
- Construction of the 501 seater main hall was completed.
- Construction of the library block was completed. It was left with supply of the attendant furniture.
- Construction of the 3 unit science laboratory was at finishes level. The pending works included the final coat of paint both inside and outside, the splash aprons, connection to water tanks.
- All the aqua privy toilets were completed.
- The semi detached teachers' house was at finishes level. The remaining works included final coat of paint, tiling the work tops in the kitchens, installing the water basins and sinks, fitting the audrops and fixings the systems in the toilets.





**From the top left corner an administration block, a 501 seater main hall, a library block, a 3 unit science laboratory and a semi detached house all at completed at Bukedi College Kachonga.**

The school received the following goods:

- A 100 single seater desks, with 100 chairs for the classrooms. These were delivered by Prospero Global limited.

- Text books for all courses including chemistry, geography, history, mathematics, physics, agriculture, technical drawing foods and nutrition, Christian living, commerce, Islamic studies, history, entrepreneurship, French, physical education and literature and English. The books were delivered by Ms Mallory International limited.

- 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 Ms Yan Shan Xian Dongfong Sports Equipment Company limited.

- An assortment of science equipment for biology, chemistry and physics.

- ADB in partnership with FAWE sponsored 4 students.

- The school received Ug shs 1,330,000 to support the HIV/AIDS club.

**j) Mbale Secondary School.**

Mbale Secondary School is located in Somero Cell, Namatala ward, Industrial Division, Mbale Municipality. Scope of works in this school included construction of an administration block, a multi purpose hall, a science laboratory, a 4 unit staff house, 2 blocks of aqua privy toilets. It also involved renovations of an old administration block, renovation of an S.5 block and two senior 2 blocks.

The MoES contracted civil works in this school to Ms HL Investments and Guang dong Foreign Company at a contract sum of USD 1,295,071.29 for a contract period of 15 months. The project start date was 10$^{th}$ September 2012 while the completion date was 10$^{th}$ December 2013.

The progress of civil works as at the time of monitoring on 26th November 2013 was at the following stages:

- Construction of the administration block was at roofing level. The pending civil works included the plumbing works for the toilets, fitting the cistans, fitting the internal doors and windows, flooring, painting, electrical wiring and finishes works on the verandah and splash aprons.

- The 700 seater multipurpose hall was at roofing level. The remaining civil works included internal and external rendering, flooring, electrical wiring, painting, fitting the door and window shutters

- The science laboratory was at roofing level. The remaining civil works included works on all the work tops and all the plumbing works, electrical wiring, flooring, fitting all the window and door shutters, internal and external rendering, painting, works on the ramps and stair cases

- Construction of the 4 unit staff house was at roofing level. The remaining works were the same as above.

- Construction of the aqua privy toilets (the 4 stance with a shower for girls, the 4 stance with a urinal for boys) were all at roofing level. There were left with internal and external rendering, flooring, painting and fixing the doors.

- Most of the renovation works for the old administration block almost complete. Some portions of the block were broken down and rebuilt, all the walls were repaired, the ceiling, plumbing system as well as electrical wiring replaced, the internal and external rendering for the entire block done, repainted. The floor was also replaced.

- Renovation of the Arts room/S.5 block was 80% complete. The entire roof and the ceiling were replaced, all the doors and windows replaced, the floor replaced and all internal and external rendering and painting was complete.

- Renovation of 2 blocks for senior 2 was at about 20 % on both blocks. However all the asbestos roofs were replaced and the flooring completed. Works were going on.

On the side of goods, the school received:

- A 100 single seater desks, with 100 chairs for the classrooms. These were delivered by Prospero Global limited.

- Text books for all courses including chemistry, geography, history, mathematics, physics, agriculture, technical drawing foods and nutrition, Christian living, commerce, Islamic studies, history, entrepreneurship, French, physical education and literature and English. The books were delivered by Ms Mallory International limited.

- 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 Ms Yan Shan Xian Dongfong Sports Equipment Company limited.

- An assortment of science equipment for biology, chemistry and physics and stools for the laboratory.

- The staff received trainings in management, guidance and counseling. A TV set, DVD player and flip boards were provided to the AIDS club.

- ADB in partnership with FAWE sponsored some students.

- The school received Ug shs 1,330,000 to support the HIV/AIDS club.

**Challenge**: It was noted that the approval process for the changes in scope of works especially for the renovation works was very slow. It has affected the pace of the civil works. The contractor also complained about the slow payment process by MoES. Out of the five interim certificates submitted, three had not been paid over the previous four months. This led the contractor to slow down.

**k) Nabumali High School.**

Nabumali High School is located in Nabumali village, Nabumali parish, Nyondo Sub County, Bunkogho County, Mbale District. The scope of civil works included construction of a storied 6 classroom block, a science laboratory block, 2 semi detached staff houses, a girls' dormitory, rehabilitation of the old administration block and external works.

The MoES contracted Ms HL Investments Limited and Guangdong Foreign Company Limited at a contract sum of USD 794,155 for a contract period of 15 months. The contract end date was 10th December 2013. The supervising firm was Engineering Systems.

The progress of civil works as at the time of monitoring on 26th November 2013 was at the following stages:

- Construction of the administration block was at roofing level
- The 3 unit science laboratory block was at roofing level. The pending works included all the civil works on the work tops, all the plumbing works, floor works and finishes works on the veranda and splash aprons
- Construction of the storied 6 classroom block was at roofing level. The remaining works include all the concrete works on the floors in all the classes, internal and external rendering, works on the ramp and the stair case, electrical wiring, painting, fitting all the door and window shutters, painting, veranda and splash apron works.
- The 2 bedroom house was at finishes level. The pending works included floor sreeding, painting and completing the sceptic tank.
- The incinerator was completed.
- The dormitory block was at roofing level pending all the finishes works.
- The laboratory block was at finishes level and roofing complete. Internal plastering done, window shutters fitted and doors fixed. The worktops were also done. Pending works included electrical works, plumbing works, floor concreting and painting.

**From the top left corner an administration block at roofing level, a 3 unit science laboratory, a storied 6 classroom block at roofing level From bottom left: a dormitory block at finishes level and a semi detached staff house at finishes level at Nabumali High School.**

On the side of goods, the school received:

- A 100 single seater desks, with 100 chairs for the classrooms. These were delivered by Prospero Global limited.
- Text books for all courses including chemistry, geography, history, mathematics, physics, agriculture, technical drawing foods and nutrition, Christian living, commerce, Islamic studies, history, entrepreneurship, French, physical education and literature and English. The books were delivered by Ms Mallory International limited.
- 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 Ms Yan Shan Xian Dongfong Sports Equipment Company limited.
- An assortment of science equipment for biology, chemistry and physics and stools for the laboratory.
- The staff received trainings in management, guidance and counseling. A TV set, DVD player and flip boards were provided to the AIDS club.
- ADB in partnership with FAWE sponsored 24 students.
- The school received funds to support the HIV/AIDS club

**Challenge:** The contractor expressed concerns about the bureaucratic delays in processing payments. As a result this has civil works are lagging behind schedule.

## 6.4 Existing Seed Secondary Schools expanded under ADB IV

Four out the ten existing seed secondary schools for expansion were visited. Findings indicated that civil works for all structures in three schools were completed and all the structures were in use. However, civil works in Bulamu S.S. were abandoned incomplete by Ms Lamba Ltd.

a) **Naggulu Seed School**

Naggulu seed School is located in Naggulu LCI village, Kyannuuna parish, Namayumba Sub county, Wakiso District. This school was under Lot 8 cluster 1. The scope of works for this school included construction of a multi-purpose classroom block, a library, a four unit staff house and a 2 bed roomed staff house. There was also construction of aqua privy toilet A, B and C. Findings indicated that MoES awarded the contract for this school to Amugoli General Enterprises at a contract sum of USD 417,475.29 for a contract period of twelve months (9th November 2011 to 9th November 2012).

At the time of monitoring on 14th November 2013, the multi-purpose six classroom block was complete and in use. All furniture was supplied. The 4 unit staff house and the 2 bed roomed staff house for the head teacher were also completed and were occupied.

Findings further indicated that contractor had not addressed the list of identified defects on the structures although the defects liability period had expired.[30] These included the following:

- The 4 unit staff house was leaking
- The main gate was broken
- The girls' toilet was poorly done and urine floods in the corridors
- The water tank on the girls' toilets was leaking
- Electricity sockets for one staff unit were not properly connected.
- Electricity was not installed in the staff toilets.

b) **Bukanga Secondary School**

Bukanga secondary school is located in Bukanga village, Namukubembe parish, Bukanga Sub County, Luuka District. The scope of works for this school included construction of a library/computer laboratory, a storied 6 classroom block, a 4 unit staff house, a 2 bed room staff house with toilets.

The MoES contracted Ms Excell Construction Limited at a contract sum of USD 673,622.15 for a contract period of 12 months. The supervising firm was Ms K.K. Partnership Architects. The site was handed over to the contractor in November 2011. Contract completion date was 13th October 2013.

At the time of monitoring, all structures were completed and in use. The contractor rectified the identified defects before the expiry of the defects liability period. The beneficiaries were satisfied with the quality of civil works.

**A library/computer laboratory completed, a storied 6 classroom block completed and 2 bed room house completed at Bukanga S.S**

The school received the following goods:

- A 100 single seater desks, with 100 chairs for the classrooms. These were delivered by Prospero Global limited.

30 The defects liability period expired in November 2013.

- Text books for all courses including chemistry, geography, history, mathematics, physics, agriculture, technical drawing foods and nutrition, Christian living, commerce, Islamic studies, history, entrepreneurship, French, physical education and literature and English. The books were delivered by Ms Mallory International limited.

- 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 Ms Yan Shan Xian Dongfong Sports Equipment Company limited.

- An assortment of science equipment for biology, chemistry and physics.

- No students were sponsored by ADB in partnership with FAWE in this school.

- The school received Ug shs 1,230,000 to support the HIV/AIDS club.

- Assorted items for setting up the guidance and counseling department that included a TV set, a DVD player, an adapter and a power stabilizer. The department also received stationery and a number of text books for guidance and counseling.

**c) Buweswa Seed Secondary**

Buweswa Seed Secondary is located in Mufufu village, Buweswa parish, Buweswa Sub County, Bubulo County, Manafwa District. The scope of civil works for this school included construction of a storied 6 classroom block, a 2 bedroom house, a 4 unit staff house, and 2 VIP toilets. The MoES contracted Excel Construction Company Limited for a contract period of 12 moths. The site was handed over on 3rd November 2011. The completion date was in October 2012.

The progress of civil works as at the time of monitoring on 26th November 2013 was at the following stages:

- The storied 6 classroom block was completed and was in use.

- The head teacher's 2 bedroom house was completed and occupied.

- The 4 unit teachers' house was completed and occupied.

- The 2 blocks of VIP toilets (3 stance with a urinal for boys and the 4 stance with a bathroom for girls) were all completed and in use.

The defects liability period expired and the contractor attended to the list of identified defects. The structures were handed over to MoES on 3rd December 2013. The beneficiaries were satisfied with the quality of civil works.

The school received the following:

- 360 single seater desks, with 360 chairs for the classrooms. These were delivered by Prospero Global limited.

- Three 3 executive tables, 3 chairs, 4 capboards and secretary's desk.

- Text books for all courses including chemistry, geography, history, mathematics, physics, agriculture, technical drawing foods and nutrition, Christian living, commerce, Islamic studies, history, entrepreneurship, French, physical education and literature and English. The books were delivered by Ms Mallory International limited.

- 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 Ms Yan Shan Xian Dongfong Sports Equipment Company limited.

- An assortment of science equipment for biology, chemistry and physics under ADB III but did not receive these items under ADB IV

- The school received Ug shs 1,230,000 to support the HIV/AIDS club

- Assorted items for setting up the guidance and counseling department that included a TV set, a DVD player, an adapter and a power stabilizer. The department also received stationery and a number of text books for guidance and counseling.

**d) Bulamu Seed Secondary school:**

Bulamu Seed Secondary school is located in Bulamu village, Bulamu parish, Tiribogo parish, Mawokota county, Mpigi district. The quarter 3 consolidated progress report indicated that Construction of Bulamu S.S.S. under ADB IV progressed to 92% level of completion. Findings indicated that all civil works for the expansion of this school stalled. The contractor had abandoned the site and the contract period had expired. The expansion works of the school were not completed.

As on 9th August, the monitoring team found the structures at the following stages:

- The library block with a computer laboratory was at finishes level. The remaining civil works included fixing all the shutters for the doors, fixing the doors, second coat of paint, electrical wiring, fixing the glasses for the entire block, works on the ceiling, floor finishes works and finishes works on the verandah. There were no lightening conductors on the block.

- A multi purpose storied block housing an examination hall/conference hall on the ground floor with three classes on the first floor was at finishes level. The remaining civil works included completing the stair case, flooring the entire block, painting the entire block, fixing glasses in all the windows on the entire block, fixing the inside door shutters for the entire block as well as fitting the doors, civil works on the balcony/veranda on the first floor, as well as the finishes works on the veranda on the ground floor.

- A 3 stance lined VIP pit latrine for boys remained at slab level.

- A 5 stance lined VIP pit latrine for girls was at finishes level. The remaining civil works included fixing the door shutters and fitting the doors. Painting and completing the plastering.

- A 4 unit teachers' house was left at roofing level. The remaining civil works included putting the iron sheets, internal and external rendering, flooring, painting, fixing all the door and window shutters, fixing all the doors and the windows, electrical installation works and connection to the grid and fixing the lightening conductor.

- A 2-bedroomed head teacher's house was also at roofing level. The remaining works were the same as the 4 unit teachers' house.

- A 6 stance VIP pit latrine the teachers' house was at finishes level. It was only left with fixing the doors and painting.

- A 2 stance lined VIP pit latrine for the head teacher's houses was at finishes level. The remaining works included shuttering, fixing the doors, painting and flooring.

- The other pending civil works on site included working on the retaining wall, working on all the walk ways within the compound, fixing gutters on all the structures, fixing the accompanying water harvesting tanks on the structures and fixing the lightening conductors on the structures.

**From top left, A multi purpose storied block, library with computer laboratory and a 3 stance VIP abandoned at slab level From bottom left: A stalled 5 stance VIP pit latrine, a 4 unit teachers' house and a 2 bed roomed head teachers' house that stalled at Bulamu Seed S.S.**

## 6.5 New Seed Secondary Schools Constructed Under ADB IV

All the 7 new seed secondary schools being constructed under ADB IV were visited to assess progress in construction. Findings indicated that civil works for all structures in 2 sites did not take off and the contractor abandoned the sites (Bufunjo Seed School and Katungulu Seed School). Progress of civil works for all structures in 4 sites was at ring beam (Apo, Purongo, Ogoko and Patongo Secondary Schools) while works were at finishes at Kanara Seed Secondary School. Findings further indicated that civil works in 3 sites were behind schedule (Ogoko, Patongo and Kanara Seed Secondary Schools). At least 2 contractors under this category attributed this to the slow processing of interim certificates by MoES.

### a) Apo Seed Secondary school.

Apo seed school is located in Anguwira village, Yeta parish, Apo Sub County Yumbe District. Site handover was conducted on 14th April 2014 and civil works commenced on 27th May 2014. The MoES awarded this contract to Ms Prism Construction Ltd for a period of one year under the supervision of Ms 3MS Investments Limited. Scope of works for this school included construction of an administration block, a storied six classroom block, a science laboratory, a two bed roomed head teachers house, a 4 unit staff house, an underground tank, toilets, leveling of the football and netball pitches, fencing and landscaping.

As at the time of monitoring, civil works were at the following stages:

- The administration block was at ring beam
- The science laboratory was also at ring beam level
- The storied six classroom block was at classrooms was at first floor slab level. They were shuttering for the upper floor.

- The head teacher's house and four unit staff house were both at ring beam level pending roofing, painting, plumbing works, electrical works, fixing window shutters and glasses and door frames and doors.

- Three blocks of toilet stances (2 stances with a shower for staff, 4 stances with a shower for girls and 3 stances with a urinal for boys) were all at excavation level.

- The football and netball grounds were not yet graded.

- Civil works on all the external works had not started

**From left: The administration block and the 3 unit science block at ring beam level while the storied 6 classroom block they were beginning shuttering for the 1st floor slab at Apo Seed S.S. Other structures were at the same level.**

**Challenge:** Contractor claimed irregular flow of funds which impended efforts to implement the project. The contractor stated that three certificates had been submitted for payment but none of them had been honored.

### b) Purongo Seed School

Purongo seed school is located in Pawatomero East village, Pawatomero parish, Purongo Sub county Nwoya District. This is one of the 7 new seed secondary schools being constructed under ADB IV. This school started in 2011 and is currently housed in a nearby vocational school constructed by the Norwegian Refugee council pending completion of its facilities. The scope of works for this school included construction of an administration block, a science laboratory block, a storied six classroom block, a 2 bedroom house for the head teacher, a 4 unit staff house with toilets, an underground water tank and grading of the football pitch.

The MoES awarded this contract to Ms Sarjan Construction (U) Limited for a contract period of 12 months. They were supervised by Ms Encon Engineering Projects/3Ms Investments Limited. Site handover was conducted on 21st March 2013 and civil works commenced on 12th April 2013 and completion date is 21st April 2014.

As at the time of monitoring on 18th November 2013, civil works were at the following stages:

- Construction of the administration block was at ring beam level

- Construction of the science laboratory block for physics, chemistry and biology was also at ring beam level.

- Construction of the one storied six classrooms block was at first floor slab level. They were shuttering for the upper floor.

- Construction of the head master's 2 bed roomed house was also at ring beam level.

- Construction of the 4 unit staff house was also at ring beam level.

- One of the VIP latrines to be shared between the head master's and 4 unit teachers' house had not yet been excavated.

- Three blocks of toilet stances (2 stances for staff, 5 stances for girls and 5 stances for boys) were all at excavation level.

- Civil works on the underground water tank were at casting of the base level.

- The football pitch was not yet graded.

The school authorities reported that the school had not yet benefited from any other goods under ADB IV.

**From the top left, construction of the administration block at ring beam, the 3 unit science laboratory at ring beam, the storied 6 classroom block shuttering for 1st floor slab level, the 4 unit staff house and the 2 bedroom house at ring beam level at Purongo Seed S.S**

### c) Ogoko Seed School.

Ogoko seed school is located in Ojiba village, Ayiva parish, Ogoko Sub County, Madi County, Arua district. The scope of works for this school included construction of an administration block, construction of a storied multi purpose six classroom block, laboratory block, 2 bed room staff house, 3 blocks of aqua privy toilets type A,B and C and external works.

The MoES awarded the contract to Ms Prism Construction Company limited at a contract sum of USD 630,637.60 for a contract period of 12 months. These were supervised by 3MS Investments limited in association with ENCON. Site handover for civil works was conducted on 15th May 2013. The contact completion date was 5th April 2014.

The progress of civil works was as follows as of 20th November 2013:

- Construction of the administration block was at linto level going on to the ring beam level.

- Construction of the multi purpose six classroom block was at ground slab level.

- Construction of the science laboratory block was at linto level going on to the ring beam level.

- Construction of the 4 unit staff house was at ring beam level

- Construction of the 2 bed room house was also at ring beam level

- Construction of the aqua privy toilets type A for staff was not yet excavated, type B for girls was excavation level and type C for boys was also at excavation level.

- The underground water tank was not done. The beneficiaries preferred a bore hole instead and this change in scope of works was approved. However works on construction of the bore hole had not started.



**From left: The administration block was at ring beam level, 3 unit science block going on to ring beam and multi purpose storied 6 classroom block at ground slab level at Ogoko Seed S.S.**

**Challenge:** The contractor complained about slow payments from MoES. He reported that 10% of the advance payment as well as 2 interim certificates submitted had not been paid. He noted civil works were lagging behind by 42 days due to non payment and would cause works to go beyond the contract period.

**d) Patongo seed secondary school.**

Patongo seed school is located in Opyero village, Kali parish, Patongo Sub County, Agago District. The scope of works for this school included construction of an administration block, a multipurpose storied 6 classroom block, laboratory block, a 4 unit staff house, a 2 bedroom staff house, an underground water tank, 7 aqua privy toilets, external works and leveling of the sports ground.

MoES contracted Ms Sarjan Construction (U) limited at a contract sum of USD 596,400 for a contract period of 12 months. These were supervised by 3Ms Investments limited in association with ENCON Engineering. The project completion date was due on 2nd April 2014.

The progress of civil works was as follows as of 21th November 2013:

- Construction of the administration block was at ring bim level.

- Construction of the storied 6 classroom block had reached shuttering for the first floor slab level.

- The science laboratory block was at ring beam level.

- The 4 unit staff house and the 2 bed room house were also at ring beam level.

- The base for the underground tank was cast and part of the columns were done. Walling was in progress.

- The type A, B and C aqua Privy toilets were at excavation level.

- All the external works as well as leveling of the play ground had not started.

**From left: The administration block at ring beam level, the 3 unit science laboratory block at ring beam level and the storied 6 classroom block at shuttering for the first floor slab level at Patongo seed S.S.**

**Challenge:** The contractor lost three months due to land wrangles at the site of the school. In addition to that the 10% of the advance payment as well as 2 interim certificates submitted to MoES for payment had not been honored. This was affecting the pace of civil works. This is in addition to the bad roads and the wet seasons that pose challenges in delivering materials to the site.

### e) Bufunjo Seed School.

Bufunjo Seed School is located in Kihamya cell, Nyamanga parish, Bufonjo Sub County, Kyenjojo District. MoES awarded this contract to Ms Lamba Ltd at a contract sum of USD 1,862,002.05 for a contract period of 12 months. The contract was signed in August 2012 and expiring in August 2013. However, the contractor abandoned this site after excavating the foundations.

**From left: One of the foundations excavated and abandoned by Ms Lamba and the only existing old structures currently used by students at Bufunjo Seed School**

### f) Kanara Seed School

Kanara seed school is located in Kanara west cell, Kanara Town Council, Ntoroko District. The scope of civil works included construction of an administration block, an under ground water harvesting tank, a 2 unit science laboratory, a storied 6 classroom block, a 4 unit staff house, a 2 bedroom house, 4 blocks of VIP latrines, grading of the sports field and external works.

The MoES awarded the contract for the civil works to Ms Ishaka Muhereza workshop and building Construction Ltd. The supervising consultant was Ms MBW Consulting Ltd. The site handover was conducted in August 2012. The completion date was August 2013.

The progress of civil works was at the following stages as of 3rd December 2013:

- The administration block was at finishes level.
- The under ground water harvesting tank was at finishes level.

- The 2 unit science laboratory was at finishes level. The pending works included works on the work tops, painting, the plumbing works and installing the gas system
- The storied classroom block was at finishes level.
- The 4 unit staff house was at finishes level.
- The 2 bed room house was also at finishes level.
- The laboratory block was at finishes level as well. The pending works were plumbing works, fitting worktops, installing gas systems and painting.
- The four blocks of VIP latrines were all at finishes level
- Works for the external works such as making walkways had not commenced at the time of monitoring.

**From top left the administration block at finishes level, the under ground tank, a 2 unit science laboratory at finishes level, From bottom left: a storied 6 classroom block at finishes, a 4 unit staff house and a 2 bed room house at finishes level at Kanara Seed S.S The other structures were also at finishes level.**

**Challenge:** The contractor had been granted an extension of three months to complete the works. The deadline was 15TH November but even this had elapsed.

**g) Katungulu Seed School.**

Katungulu Seed School is to be located in Kigabo village, Katungulu parish, Katungulu Sub County, Rubirizi District. This was a new secondary school being constructed Katungulu Sub County. The MoES awarded this contract to Ms Lamba Ltd at a contract sum of USD 1,862,002.05 for a contract period of 12 months. The contract was signed in August 2012 and expiring in August 2013.

At the time of monitoring, the site had been abandoned. It was reported that the contractor only cleared the land and did not report back to the site.

## 6.6 Existing Seed Secondary Schools for Expansion

All the five existing seed schools being expanded under ADB IV were monitored. Findings indicated that civil works were completed in Buhanika seed secondary school, while civil works for the different structures were between wall plate and finishes in the rest of the 4 sites. The quality of civil works was good.

**a) Ramogi seed secondary school.**

Ramogi seed secondary school is located in Lokopio LCI, Yayari parish, Kocho Sub County, Yumbe district. The scope of works for this school included construction of a storied multipurpose 4 classroom block, a 4 unit staff house, a 2 bed roomed staff house, and 3 blocks of toilets. The MoES awarded this contract to Ms Prism Construction Company Limited supervised by Ms 3MS Investments Limited for a contract period of one year.

Progress of implementation as of 19th November 2013 was as follows:

- The storied 4 classroom block was at first floor slab level. This block will have 2 classrooms on the upper floor and another 2 on the ground floor.
- Construction of the 4 unit staff house was nearing wall plate level
- Construction of the 2 bed roomed house for the head teacher was at wall plate level
- Three blocks of toilets (2 stances with a shower for staff, 3 stances with a urinal for boys and 4 stances with a shower for girls) were not yet excavated.



**From left: The storied 4 classroom block going to first floor slab, a 4 unit teachers' house and the 2 bedroom house at wall plate level at Ramogi Seed S.S.**

On the side of goods, the school received:

- Text books for all courses including chemistry, geography, history, mathematics, physics, agriculture, technical drawing foods and nutrition, Christian living, commerce, Islamic studies, history, entrepreneurship, French, physical education and literature and English. The books were delivered by Ms Mallory International limited.

- 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 Ms Yan Shan Xian Dongfong Sports Equipment Company limited.

- An assortment of science equipment for biology, chemistry and physics.

- ADB in partnership with FAWE sponsored 10 students.

- The school received Ua shs 1,330,000 to support the HIV/AIDS club.

- The guidance and counseling department received a TV set, a DVD player, an adapter and a power stabilizer. The department also received stationery and a number of text books for guidance and counseling.

**Challenge:** The works were behind schedule. This was attributed to the non payment of certificates by MoES. Contractor claimed that only 90% of the advance payment had been honored and that 2 other interim certificates submitted had not been honored.

**b) Ayer Seed School**

Ayer seed school is located in Alemi village, Alemi parish, Ayer sub county, Kole District. The scope of civil works for this school included construction of a storied 4classroom block, a 160 seater library, a 2 bedroom staff house, a 4 unit staff house and 3 blocks of toilets. The MoES contracted Ms Sarjan Construction under the supervision of Ms 3 Ms Investments limited. The Site handover was conducted on the 26th June 2013 and contract completion date is in March 2014.

The progress of civil works as at the time of monitoring was as follows:

- Construction of the storied 4 classroom block was at walling for the upper floor. They were casting the first floor slab. The block has a multi purpose hall on the ground floor and 2 classrooms on the first floor.

- Construction of the 160 seater library was at ring beam level. This block has a computer room, a server room, a front desk and the main library hall.

- Construction of the 2 bedroom staff house for the head teacher and the 4 unit staff house were both at ring beam level.

- All the three VIP latrine blocks (one for girls, boys and teachers) were at plinth wall level.

**From left: The storied 4 classroom block at walling level for upper floor, the 160 seater library at ring beam level and the 2 bed room house at ring beam level a at Ayer Seed S.S.**

The school received the following items:

- A 100 single seater desks, with 100 chairs for the classrooms. These were delivered by Prospero Global limited.

- Text books for all courses including chemistry, geography, history, mathematics, physics, agriculture, technical drawing foods and nutrition, Christian living, commerce, Islamic studies, history, entrepreneurship, French, physical education and literature and English. The books were delivered by Ms Mallory International limited.

- 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 Ms Yan Shan Xian Dongfong Sports Equipment Company limited.

- An assortment of science equipment for biology, chemistry and physics.

- The school received Ug shs 1,330,000 to support the HIV/AIDS club.

- The guidance and counseling department received a TV set, a DVD player, an adapter and a power stabilizer. The department also received stationery and a number of text books for guidance and counseling.

**c) Buhanika seed school.**

Buhanika seed school is located in Buhanika cell, Nyakambugu ward, Mparo Division, Hoima Municipality, Hoima District. The scope of works for this school included construction of a library, a storied 4 classroom block, a 2 bedroom house, a 4 unit staff house and toilets. By the time of monitoring, all the structures were completed. However, they were not yet officially handed over.

**Some of the completed structures at Buhanika Seed School**

**d) Bubandi Seed School.**

Bubandi seed secondary school is located in Bundikahungu 'I' LCI, Njuule parish, Bubandi Sub county, Bwamba county, Bundibugyo district. The scope of works was construction of a library, a storied four unit classroom block, a 2 bedroom staff house, a 4 unit staff house and four toilets

The MoES contracted the civil works to Ishaka Muhereza and Building Construction Ltd. The consultant was MBW Consulting Ltd. The site handover was conducted in August 2012 and the civil works started in August 2012. Contract completion date was September 2013.

The construction of the library was at finishes level. Pending works were ceiling works, fixing doors and painting. The progress of civil works as at the time of monitoring was as follows:

- The library block was at finishes level.
- The storied 4 classroom block is at finishes level
- The 2 bed room house for the head teacher was at finishes level
- The 4 unit staff house was at finishes level
- Three blocks of toilets comprises of two blocks for male and female students and two at the staff houses. Works were at finishes level as well and the pending works were fitting facer boards, doors and floor works

**From the top left, a storied 4 classroom at finishes level, a library block at finishes, a 2 bedroom house and a 4 unit staff house all at finishes level at Bubandi Seed S.S.**

**Challenge**: The contractor was behind schedule. However, an extension of 89 days was granted to complete the works. The deadline for extension was 15th December 2013.

## 6.7 New Seed Secondary Schools Constructed To 100%

Four out of the 5 schools seed schools being constructed to 100% were monitored. Findings indicated that works were completed in Mella Seed while they were at finishes level in Bumayoka seed. However, the contractor for Kalisizo Seed School and Kamwenge Seed School, Ms Lamba Ltd abandoned the sites. Works were left incomplete at Kalisizo Seed while almost no work was done at Kamwenge Seed.

**a) Mella secondary school.**

Mella Secondary School is located in Omagoro 'A' Village, Amoni parish, Mella Sub County, Tororo county, Tororo District. The school was started in 2012 and had 302 as at the time of monitoring. The scope of works for this school were construction of an administration block, a multi purpose block, a 2 classroom block, a science laboratory, a 2 bedroom house, a 4 unit staff house and aqua privy toilets type 'A', 'B' and 'C'.

The MoES awarded this contract to Ms Hippo construction East Africa limited for a contract period of 12 months. The project end date was February 2013.

The progress of civil works as at the time of monitoring on 26th November 2013 was that all the structures were completed. Reports indicated that Ms Hippo construction East Africa Limited received 2 extensions of the contract. Works were completed in November 2013. The school was handed over to officials of MoES on 5th November 2013. However, there was a very long list of defects on the structures that the contractor had not rectified.

**Defects on the Administration block, multi purpose block and classroom blocks:**

- Leakage at the WC and the wash hand basin
- Pin board at the staff room was not in place
- The block had signs of painting without filling and sanding especially in the staff room
- Cabins were not in place particularly in the staffroom
- There were paint droppings all over the rooms
- There were leakages at some points of the ridge
- There were unfilled joints between the roof and the beam
- The walls lacked a final coat of paint
- The windows in the secretary's office were different from those specified
- There were unfilled truss ends
- There were cracks at different points
- The external pre cast channels lacked proper slops
- The anti sag rods were missing between most of the roof trusses
- The wooden doors were not vanished

**Defects on the science laboratory block:**

- The paint was peeling off
- There were cracks on the floor,
- un finished beam fill at the gables,
- there were leakages of sinks in the preparation rooms, there was a broken channel cover and some other covers were not fitted.

**Defects on the 4 unit staff houses and the 2 bed room house**

- some work tops in the kitchen were not done
- there were poorly finished joints between the chimneys and the walls
- there were unfitted lovers in some of the wooden frames
- some walls lacked a final coat of paint
- there were unclean sheets and cracks at the external beam

All the aqua privy toilets (one on the administration block, one for girls, one for staff, and four others) had the same defects which included cracks in the walls, water logs on the floors, lack of final paint, cracked fascia boards and un clean sheets. The play ground was not leveled and it was eroded with marrum fill and un picked stones. There also no goal posts. The parking yard had a weak marrum base and the gate was poorly fixed.

**From the top left, the administration block, classroom block, Multi purpose block, science laboratory, 4 unit staff house and the 2 bed room house all completed at Mella S.S.**

The school received

- A 100 single seater desks, with 100 chairs for the classrooms. These were delivered by Prospero Global limited.
- Received 170 laboratory stools, 20 laboratory tables, 4 glass cupboards, 4 metallic cabins, 3 executive

office tables, 3 visitors' chairs, a secretary and reception table and chairs.

- No text books were received.
- No sports equipment were received
- No HIV/AIDS kits were received.

**b) Bumayoka Seed School.**

Bumayoka seed school is located in Buhayengere village, Bunandulu parish, Bumayoka Sub County, Bududa District. The scope of civil works was construction of an administration block, a storied science laboratory block, a storied multipurpose block, a 4 unit staff house and a 2 bed room house.

The MoES contracted civil works for this school to Ms Hippo construction East Africa Limited for a contract period of one year. The supervising firm was K.K. Partnerships Limited. The progress of civil works as at the time of monitoring on 27th November 2013 was at the following stages:

- The administration block was at finishes level.
- The storied science laboratory block was progressing. They were shuttering for the first floor slab.
- The storied multi purpose block was at finishes level. The block has a hall on the ground floor and 2 classrooms on the first floor. The pending works included the concrete works for all the floors, fitting the window and door shutters, all the plumbing works, internal and external rendering, electrical wiring, painting
- The 4 unit staff house was at window level.
- The 2 bedroom house for the head master was roofing level.



**From left: The administration block at finishes level, the storied laboratory block at shuttering for the first floor slab and the storied multi purpose block at finishes level at Bumayoka seed school.**

**Challenges:** The contractor was behind schedule and this was attributed to land wrangles over the site of the school. In May 2012, the civil works were interrupted and resumed in August 2012 after the issues had been sorted. The contractor also had issues transporting materials to the site especially in the rainy season because of the nature of the terrain in Buduuda. An extension had been granted up to January 2014, but it was unlikely that the works would be completed by then.

**c) Kamwenge seed school.**

Kamwenge seed school is located in Ngagenda village, Ngagenda parish, Kamwenge Sub County, Kamwenge District. This school is also called Kamwenge College School. The scope of works were construction of a multipurpose laboratory, storied four classroom block, staff Quarters and toilets. The MoES awarded this contract to Ms Lamba Ltd at a contract sum of USD 1,862,002.05 for a contract period of 12 months. The contract was signed in August 2012 and expiring in August 2013.


**This is the abandoned construction site by Ms Lamba Limited at Kamwenge Seed School (Also known as Kamwenge College School).**

At the time of monitoring, contractor had abandoned the site. The only works were excavation of the foundation of the multipurpose hall and the classroom block.

**Kalisizo Senior Secondary School:**

Kalisizo Senior secondary school is found in Kalisizo Town Council, Rakai district. According to the quarter 3 MOES consolidated report, construction of Kalisizo S.S. progressed to 92%. Findings from monitoring work showed that the progress was not yet at 92% and the contractor Ms Lamba had abandoned the site. As of 26th August 2013, the structures were at the following stages:

- The administration block was partly roofed. The remaining works included completing roofing with iron sheets, fixing the internal door shutters, fitting the internal doors, fitting the window shutters and the glasses, floor screeding, finishes works on the veranda and the splash apron, electrical wiring, painting and fixing the lightening conductor.

- A 2 classroom block/multi purpose hall was at finishes level. It was left with finishes works such as floor screeding, fixing the internal door shutters, fitting the doors, fitting the glasses, painting, finishes works on the verandas and splash aprons and fixing the lightening conductor. The furniture for this block was supplied.

- Another 2 classroom block was at the same level as above.

- A 2 classroom block was at roofing level. The remaining works included installing the roof, internal and external rendering, fixing all the internal door shutters and fitting all the doors, fixing the window shutters and all the windows and fixing glasses, floor screeding, painting, finishes works on the veranda and splash apron, fixing the lightening conductor. The furniture for this block was not yet supplied.

- A science laboratory was at roofing level. The remaining works included installing the roof, internal and external rendering, fixing all the internal door shutters and fitting all the doors, fixing the window shutters and all the windows and fixing glasses, floor screeding, painting, civil works on the work tops and all the plumbing works, installing the water tank for the laboratory, installing the gas system, finishes works on the veranda and splash aprons, fixing the lightening conductor. The furniture for the science block was yet to be supplied.

- Two blocks of VIP pit latrines of 5 stances each, behind the science laboratory were abandoned at excavation level.

- Another block of VIP pit latrine was at finishes level. The remaining works were flooring and painting.

- A 4 unit teachers' house was at roofing level. The remaining works were installing the roof, internal and external rendering, floor screeding, fitting the all the door shutters and fixing the doors, fitting all the window shutters and fixing the windows and glasses, electrical wiring and connection to the grid, painting, veranda and splash apron finishes works, and fixing the lightening conductor.

- A 4 stance lined VIP pit latrine behind the 4 unit teachers' house was at ground slab level.
- Two housing blocks each with 2 bed rooms were at roofing level. The remaining works were installing the roof, internal and external rendering, floor screeding, fitting the all the door shutters and fixing the doors, fitting all the window shutters and fixing the windows and glasses, electrical wiring and connection to the grid, painting, veranda and splash apron finishes works, and fixing the lightening conductor.
- A 2 stance lined VIP pit latrine behind one of the 2 bed roomed house was at ground slab level

**From top left: An administration block, 2 blocks of 2 classrooms each left incomplete From bottom left: A science laboratory at roofing level, a pit latrine behind the laboratory abandoned at excavation level and another VIP latrine left finishes level at Kalisizo S.S.**

**From the top left, A 4 unit teachers' house, a 5 stance VIP abandoned at slab level and a 2 bed roomed house, 2 bedroom housed abandoned at roofing level and another block abandoned at roofing level at Kalisizo S.S.**

## 6.8 Additional centres of excellence for rehabilitation and expansion

Five schools out of the 13 additional centers of excellence for rehabilitation and expansion were monitored. The progress of civil works for the different structures in schools visited was between the plinth wall and casting the ground slab level. However, civil works St Peter S.S Nsambya had not started.

**a) Mityana Secondary School.**

Mityana Secondary School is found in Namukozi East LCI, Mityana west ward, Mityana Town council, Mityana District. This was one of the 13 additional centers of excellence for rehabilitation and expansion under ADB IV. The scope of works for this school was; construction of 2 storied buildings with six classrooms, construction of 2 semi detaches staff houses, construction of an ICT laboratory, an incinerator, water born toilets, paving of walk ways and electrical installation. On top of these the school was supposed to receive other goods.

Findings showed that the MoES awarded the contract to Ms Nicole Associates Limited at a contract sum of USD 869,590.47 for a contract period of 12 months. The site was handed over to them on 23rd September 2013.

As at the time of monitoring on 12th November 2013, the progress of civil works was as follows:

- Construction of 2 storied classroom building was at plinth wall level
- The ICT laboratory was also at plinth wall level
- The semi detached houses were at plinth wall level going to slab level.

The Technical Institute received the following items:

- 100 single seater desks, with 100 chairs for the classrooms. These were delivered by Prospero Global limited.
- Text books for all courses including tailoring, electronics, carpentry, plumbing, motor vehicle and for building. The books were delivered by Ms Mallory International limited.
- 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 Ms Yan shan Xian Dongfong Sports equipment company limited.
- Guidance and counseling materials that included a TV set and other materials were received.
- A tractor with a trailer, plough and slasher was also delivered.
- Teachers at the school were also provided with trainings in management, guidance and counseling.

**b) Makerere College School.**

Makerere College School is one of the 13 additional centres of excellence for rehabilitation and expansion. This school was under cluster 4 under schools for rehabilitation and expansion. The new site for Makerere College campus is located at Mulawa LCI, Kira Town Council, Wakiso District. This new campus accommodates "A" level students. This site was handed over to the contractor on 17th September 2013.

The scope of works for this school included construction of an administration block with offices, a multi purpose storied block with nine classroom with 2 multi purpose science laboratories, 2 storied dormitories (one for boys and one for girls) and external works including fencing and walkways. The MoES awarded the contract for these civil works to Ms Ambitious Construction Company limited for a contract sum of USD 1,471,784.72. They are supervised by Encon Engineering Projects/3Ms Investments limited. The contract period was for 12 months ending in September 2014.

The progress of civil works as at the time of monitoring on15th December 2013 was at the following stages:

- The administration block was at excavation for the foundation level
- The multipurpose storied classroom block was at excavation level.
- The storied girls' dormitory block was also at exaction level.
- The storied boys' dormitory block, they had leveled and they were setting out and preparing for excavations.
- It was also reported the multipurpose block was still being debated. However, the school needed it critically. This block had a kitchen where food would be served and the school would not be able to operate without it.

The school received the following items:

- A 100 single seater desks, with 100 chairs for the classrooms. These were delivered by Prospero Global limited.
- Text books for all courses including chemistry, geography, history, mathematics, physics, agriculture, technical drawing foods and nutrition, Christian living, commerce, Islamic studies, history, entrepreneurship, French, physical education and literature and English. The books were delivered by Ms Mallory International limited.
- 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 Ms Yan Shan Xian Dongfong Sports Equipment Company limited.
- An assortment of science equipment for biology, chemistry and physics.
- ADB in partnership with FAWE sponsored 10 students.
- A total of Ug shs 1,330,000 to support the HIV/AIDS club.
- The guidance and counseling department received a TV set, a DVD player, an adapter and a power stabilizer. The department also received stationery and a number of text books for guidance and counseling.
- A tractor with a trailer and a slasher

**c) Iganga Secondary School**

Iganga secondary school is located in Buwoya village, Iwawu parish, Bulamagi Sub County, Kigulu South County, Iganga District. The scope of works for this school included construction of an administration block, a library, a 4 unit staff house, an incinerator, a storied dormitory and a storied 4 classroom block.

The MoES contracted Ms Prisma construction limited for a contract sum of USD 1,274,286.32 for a contract period of 12 months. The site was handed on 16th September 2013 and the project completion date was 14th September 2014.

The progress of civil works as at the time of monitoring on 25th November 2013 was at the following stages:

- Construction of the administration block was at ground slab level.
- Construction of the storied dormitory block had progressed and they were shuttering for the first floor slab.
- Construction of the 4 unit staff house, the library block, storied 4 classroom block had not started. It was also reported that the school was negotiating with MoES to change the storied 4 classroom block to construction of the science laboratory.

**The administration block at ground slab level, while storied dormitory block under construction at Iganga S.S**

The school received the following items:

- A 100 single seater desks, with 100 chairs for the classrooms. These were delivered by Prospero Global limited.
- Text books for all courses including chemistry, geography, history, mathematics, physics, agriculture, technical drawing foods and nutrition, Christian living, commerce, Islamic studies, history, entrepreneurship, French, physical education and literature and English. The books were delivered by Ms Mallory International limited.
- 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 Ms Yan Shan Xian Dongfong Sports Equipment Company limited.
- An assortment of science equipment for biology, chemistry and physics.
- ADB in partnership with FAWE sponsored 22 students.
- Funds Ug shs 1,330,000 to support the HIV/AIDS club
- The guidance and counseling department received a TV set, a DVD player, an adapter and a power stabilizer. The department also received stationery and a number of text books for guidance and counseling.

**d) Kitara secondary secondary**

Kitara secondary Secondary is located in Ishaka Kijunju Vilage, Kahoora Division, Hoima Municipality, Hoima District. Site hand over was conducted on 19th September 2013. Civil works commenced on 15th October 2013 and completion is 19thSeptember 2014. The scope of works included construction of an ICT laboratory, a 2 unit science laboratory block, a storied eight classroom block, multi-purpose hall and renovation of an 'A' level block.

The MoES awarded the contract to Ms Ambitious Construction Ltd at a contract sum of USD 1,446,237.30. The supervising firm was Ms Infrastructure Design Forum.

As at the time of monitoring on 2nd December 2013

- The ICT laboratory block was at foundation level. They were ready to cast the ground slab.
- The multi purpose hall was at foundation level
- Rehabilitation works for the "A" level block had not started
- The 2 unit science laboratory was at plinth wall level.
- The storied 8 classroom block was at plinth wall level

**The ICT block, the multi purpose hall and the storied 8 classroom block at Kitara S.S.**

On the side of goods, the school received:

- A 100 single seater desks, with 100 chairs for the classrooms. These were delivered by Prospero Global limited.
- Text books for all courses including chemistry, geography, history, mathematics, physics, agriculture, technical drawing foods and nutrition, Christian living, commerce, Islamic studies, history, entrepreneurship, French, physical education and literature and English. The books were delivered by Ms Mallory International limited.
- 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 Ms Yan Shan Xian Dongfong Sports Equipment Company limited.
- An assortment of science equipment for biology, chemistry and physics.
- ADB in partnership with FAWE sponsored 9 students.
- Funds Ug shs 1,500,000 to support the HIV/AIDS club

- The guidance and counseling department received a TV set, a DVD player, an adapter and a power stabilizer. The department

**e) St Peters Secondary School-Nsambya.**

St Peter's Secondary School is located in Nsambya Institutional zone, Nsambya parish, Makindye Division, Kampala district. This school is one of the 13 additional centres of excellence under ADB IV project for rehabilitation and expansion.The scope of works included a storied block of six classrooms and another storied block to accommodate three science laboratories (physics, biology and chemistry) and an ICT laboratory.

The MoES awarded this contract to Ms PANCON Engineers Limited for a contract period of 12 months. They are supervised by MBW consulting limited. The site was handed over to them on 18th September 2013. The contract is scheduled to end in November 2014.

However, civil works delayed to take off due to land wrangles at the site. The site had squatters. By the time of the monitoring visit on 15th November 2013 construction had not started.

The school received the following items:

- A 100 single seater desks, with 100 chairs for the classrooms. These were delivered by Prospero Global limited.

- Text books for all courses including chemistry, geography, history, mathematics, physics, agriculture, technical drawing foods and nutrition, Christian living, commerce, Islamic studies, history, entrepreneurship, French, physical education and literature and English. The books were delivered by Ms Mallory International limited.

- 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 Ms Yan Shan Xian Dongfong Sports Equipment Company limited.

- An assortment of science equipment for biology, chemistry and physics.

- ADB in partnership with FAWE sponsored 10 students.

- Funds – Ug shs 1,230,000 to support the HIV/AIDS club.

- Assorted items for setting up the guidance and counseling department that included a TV set, a DVD player, an adapter and a power stabilizer. The department also received stationery and a number of text books for guidance and counseling.

**Conclusion:**

Based on 34 institutions monitored out of the 42, ADB IV project has contributed to the sector objective of contributing to expanding equitable access at Post Primary Education and Training level. The major outputs of the project will largely be achieved. Construction/rehabilitation in a number of schools was nearing completion and the quality of civil works was appreciated by beneficiaries. Teachers in schools visited have benefited from trainings to improve their school management skills. Under the soft component, schools received goods to improve the learning conditions.

**Recommendations:**

1) MoES should expedite the process of processing all submitted interim certificates to ensure that contractors do not experience delays in receiving payments for completed works.

2) MoES should ensure that civil works for expansion of Bulamu Seed and Kalisizo Seed schools are contracted out as soon as possible and completed before the expiry of the project.

3) MoES should ensure that causes of slow approvals of genuine variations are addressed. This will go along way in expediting and completing of all civil works before the expiry date of the project.

4) MoES should come up with alternative funding modalities for the terminated contract of the 3 schools (ie. Kamwenge S.S, Katungulu S.S and Bufunjo S.S.). These schools remain remote and needy and are in sub counties without any Government aided secondary schools.

5) MoES should ensure that all schools under ADB IV receive all items for which they were entitled under the soft component. (i.e. Furniture, books, sports equipment, laboratory equipment and sponsorship of the girl children).This will go a long way in ensuring that there is value for money.

6) MoES should Endeavour to fulfill all conditions for sending the remaining part of UA 29,071,931.23 (55%) undisbursed funds as the project is coming to the end. GoU should also fulfill their part of completing the counterpart funding to 100%.

7) MoES should also prevail on contractors to rectify the identified defects in schools before the expiry of the defects liability period (e.g. in the case of Mella S.S.)

# CHAPTER 7: ENERGY

## 7.1 Introduction

Starting FY 2013/2014, the energy sector comprises two votes which hold responsibility for different aspects of service delivery. The mandate of Vote 017: Ministry of Energy and Mineral Development (MEMD) is to "*Establish, promote the development, strategically manage and safe guard the rational and sustainable exploitation and utilization of energy and mineral resources for social and economic development*"[31]. The mission statement of Vote 123: Rural Electrification Agency (REA) is; *"to facilitate provision of electricity for socio-economic and rural transformation in an equitable and sustainable manner*[32]".

### 7.1.1 Energy Sector Priorities

The sector priority areas over the medium term 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[33].

### 7.1.2 Energy Sector Financial Performance

The approved budget for the energy sector (both Vote 017 and 123) for FY 2013/2014 was Ug shs 1,337.98 billion. This increased from a budget of Ug shs 1,268.3 billion in FY 2012/2013. Of the approved budget for FY 2012/2013, only 9.6% (Ug shs 121.71 billion) of the budget was released for the sector. This was attributed to the non release of funds for the construction of Karuma Hydropower Project which could not commence due to delays in the procurement process. During FY 2013/2014, budget allocation to the sector increased largely to take care of the development of Karuma Hydropower dam, refinery development, and the development of various transmission lines[34].

Of the approved budget for FY 2013/2014 (Ug shs 1,337.98 billion), only 74.351 billion (5.6% of approved budget) had been released by quarter 1.

Of the total budget for FY 2013/2014, approximately 97.3% is estimated for Vote 017 (MEMD) and 2.76% is estimated for Vote 123 (REA)

## 7.2 Scope of the Report

The report reviews progress achieved in energy sector development projects in Q1 and Q2 FY 2013/2014. It aimed to ascertain whether planned outputs as outlined in the performance contracts had been achieved; and whether expenditures in the energy sector were efficient and effective. Projects that were monitored to Q2 FY 2013/2014 by geographical location are summarized in Table 7.1 below.

31 MEMD *Ministerial Policy Statement* (Kampala, 2013)
32 Ibid
33 Ibid
34 MEMD Sector Performance Report FY 2012/2013 (Kampala, 2013)

**Table 7.1: Sample frame for monitoring activities in Q2 FY 20 13/14**

| Project | Locations |
|---|---|
| **Vote 017: Ministry of Energy and Mineral Development** | |
| **Vote Function 0301: Energy Planning, management and Infrastructural Development** | |
| 0325: Energy for Rural Transformation | Koboko, Yumbe, Zombo, Masindi, Hoima, Buliisa; Mubende, Kiruhura, Ibanda,Mukono, Buikwe |
| 1137: Mbarara-Nkenda/Tororo-Lira Transmission Lines | Mbarara, Sheema, Bushenyi, Kasese, Mbale, Bukedea, Kumi, Ngora, Soroti |
| **Vote Function 0303:Petroleum Exploration, Development and Production** | |
| 1184: Construction of Oil Refinery | Hoima |
| **Vote 123: Rural Electrification Agency** | |
| Vote Function 0351: Rural Electrification | |
| 1262: Rural Electrification Project | Kasese |

## 7.3 Methodology

The report aimed to verify whether planned outputs in the MEMD annual work plan for FY 2013/2014 had been achieved. Development projects within the energy sector were selected over the course of the financial year. The criteria of selecting projects to monitor included:

1. Projects that had large expenditure were given priority
2. Sector priorities for FY 2013/2014 as reported in the MEMD Sector performance report
3. Projects that had specific output achievements as highlighted in the Q1 FY 2013/2014 progress report were followed up for verification
4. Projects that had been monitored in FY 2012/2013 but having major implementation concerns were also re-visited.

Data collection was carried out through:

- Review of secondary data sources including: annual work plan from the energy sector Ministerial Policy Statement (MPS), MEMD quarterly progress reports, project reports, Public Investment Plans to obtain the physical status of different projects
- Review and analysis of data in the Integrated Financial Management System (IFMS) and Approved Estimates.
- Consultations and key informant interviews with project managers.
- Field visits and discussions with implementers.

## 7.4 Limitations

- Information on GoU and donor releases was not readily available for most of the projects in the energy sector.

- There was inadequate time and funding allocated to the monitoring exercise. This therefore limited the scope of monitoring work.

- Large amounts of expenditure in the energy sector are not visible in the IFMS accounting system because they are donor or privately funded. This makes analysis of planned against actual expenditure difficult.

## 7.5 Ministry of Energy and Mineral Development

### 7.5.1 Vote Function 0301 Energy Planning, Management and Infrastructure Development

**Background**

Projects monitored under this Vote Function included; i) Project 0325: Energy for Rural Transformation, and ii) Project 1137: Mbarara-Nkenda/Tororo-Lira Transmission Lines.

a) **Project 0325: Energy for Rural Transformation**

**Background**

Rural transformation is a priority in the Government of Uganda (GoU) National Development Plan (NDP). Rural areas face low access to modern energy services and Information Communication Technologies (ICTs) and hence are priority destinations for investments.[35]

In November 2001, the World Bank approved the Energy for Rural Transformation (ERT) program as a three phase Adaptable Program Loan (APL). The purpose of the ERT program is to develop Uganda's energy and ICT sectors, so that they make a significant contribution to the productivity of enterprises and the quality of life of households[36].

The ERT II is a multi-sectoral programme, implemented by MEMD as the lead agency and ten other implementing agencies. These are: the REA, Ministry of Education and Sports (MoES), Ministry of Water and Environment (MWE), Ministry of Health, Ministry of Local Government (MoLG), Ministry of Agriculture, Animal Industry and Fisheries (MAAIF), Ministry of Finance, Planning and Economic Development (MFPED), the Private Sector Foundation of Uganda (PSFU) and the Uganda Communications Commission (UCC) and the Uganda Energy Credit Capitalization Company (UECCC).

The objectives of the project are: to put in place a conducive environment and the necessary capacity for a commercially oriented service delivery of energy and ICT; small scale renewable power generation schemes; investment in rural electrification schemes and scaled up delivery of electricity. Expected outputs include: additional power generation from small renewable energy resources; independent grid systems for relatively concentrated isolated areas with potential for use of electricity by rural enterprises; and individual/institutional solar PV systems.

35
36 Word Bank ERT Project Appraisal Document (Kampala,2009)

**Financial performance**

The approved budget for project 0325 for FY 2013/2014 was Ug shs 2.337 billion (GOU budget). This budget for project 0325 represented 0.1% of all GoU budget in the energy sector during Q1 FY 3013/14. Of the approved budget, Ug shs 0.4 billion was released, representing release performance of 17%. Expenditure for the quarter was Ug shs 0.36 billion, which was 87% of funds released. This is illustrated in Figure 7.5.1.

**Figure 7.5.1:**

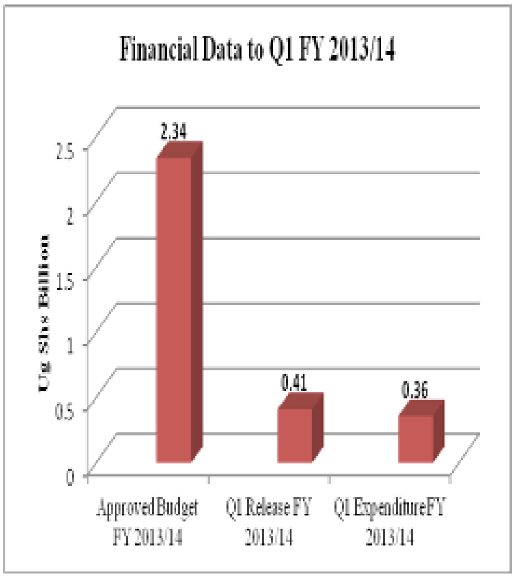
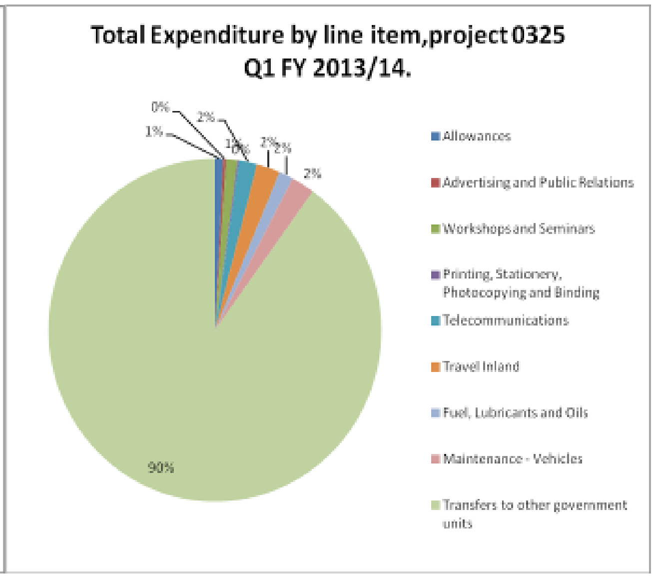



**Figure 7.5.2:**




***Source: IFMS Data 2013.***

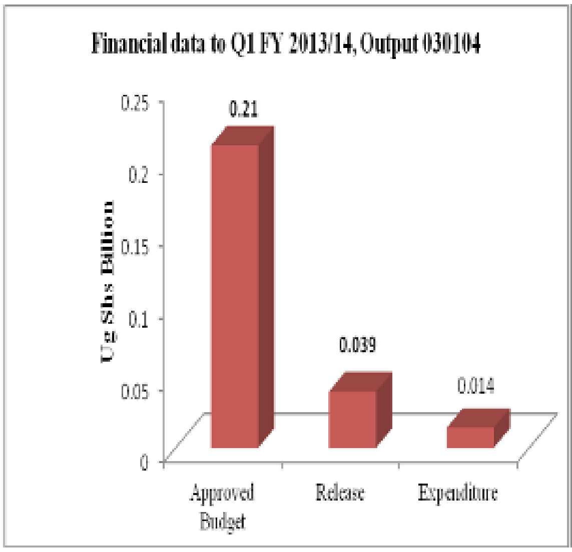
Figure 7.5.2 shows expenditure by line items for project 0325. Allocative efficiency for the project was excellent as the bulk of expenditures (90%) was spent on transfers to other government units. This includes funds from MEMD to ERT sector players like MoES, MWE, and MoH to finance the implementation of their ERT sub components.

During Q1 monitoring, two outputs under project 0325 where considered: i) 030104: Increased Rural Electrification ii) 030153: Cross Sector Transfers for ERT (Other Components)

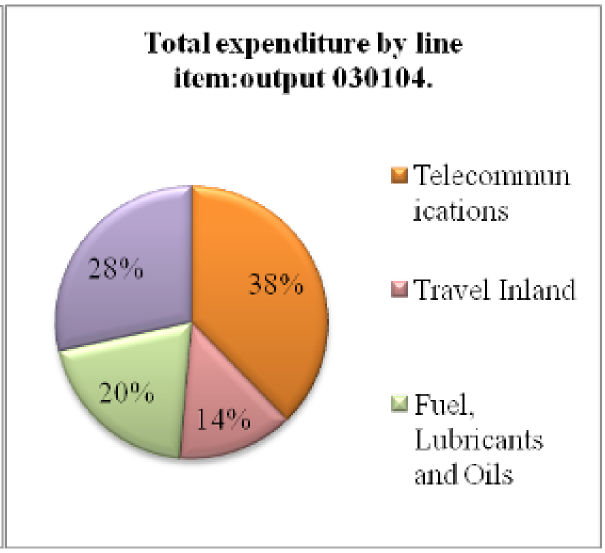
**i) 030104: Increased Rural Electrification**

Figure 7.5.3 shows that the approved budget for output 030104 in FY 2013/2014 was Ug shs 0.21 billion. By the end of Q1 FY 2013/2014, the GoU release was Ug shs 0.039 billion which represents 18% of approved budget for the financial year (See Figure 7.5.3). Of the released funds, Ug shs 0.014 billion (36% of release) was expended.

Fig 7.5.3




7.5.4




***Source: IFMS data***

Figure 7.5.4 shows composition of expenditure by line item for output 030104 for Q1 FY 2013/2014. The allocative efficiency was poor as most of the expenditures were made towards non capital items such as telecommunication, maintenance of vehicles, fuel lubricants and oils and travel inland.

**Physical Performance**

Under ERT 11, REA is responsible for implementing the major part of the Rural Energy Infrastructure component, particularly physical infrastructure development. The overaching objective for REA is increased access to electricity.

Progress on a sample of power lines was reviewed during Q2 monitoring. Lines visited were in the districts of Masindi, Hoima, Buliisa, Mukono, Mubende, Sembabule, Ibanda. Overall, performance was good. All lines were still under construction but they will not be completed on time. Physical performance is detailed in Table 7.5.1

**Table 7.5.1: Performance of selected powerlines under 030104 Increased Rural Electrification**

| Planned Outputs | Observed physical performance to Q2 FY 2013/2014 |
|---|---|
| **Masindi-Waki-Buliisa Powerline** | |
| 177km HV Powerline<br>20km LV powerline<br>(18x25) KVA transformers<br>(20x50) KVA transformers<br>(6x100) KVA transformers<br>(1x200) KVA transformers<br><br>Project Start date- October 2012<br>Expected Completion date- October 2013<br>Contractor- KEC International Limited | The line covers the district of Hoima and Buliisa. Works commenced in October 2012 and the initial anticipated completion date was October 2013. However, the contractor expects to complete in January 2014 (See challenges to project implementation).<br>Works are 70% complete. Almost all poles are erected, and line stringing has been done with the exception of those areas with way leave issues.<br>Land compensation is being undertaken by REA and works are monitored on a monthly basis.<br>There are schools, churches, health centres, trading centres on the line and so it is likely that there will be high demand for connection.<br>Challenges to project implemenation included:<br>Local people are continuously resisiting the contractor from accessing their land where the line is supposed to pass. From Katanga village to Bulyango in Hoima district, stringing of the line has not been done because the locals want to be compesated before works can commence. They realised that contractors are progressing with their work without compesating them. Near Kapipi tradingcentre on Hoima road, there is a stretch of about 10km where the local people refused contractors to erect poles. The contractor highlighted that REA only writes to high-level individuals such as the LC5 Chairpersons, the Chief Administrative Officer, and Members of Parliament about the intention to construct the line, but this information is not trickling down to local authorities such as LC 1, 2 and 3 chairpersons. Therefore it is the affected people persons that are reporting their complaints to the local authorities, who are then stopping contractors from commencing with the works.<br>Budongo forest, where the line is also supposed to pass, is not safe as there is dangerous wildlife such as snakes.<br>Poor roads, due to the rainy season, are affecting work |
| Ntenjeru-Bule-Mpenja Power line | |
| 75km HV power line<br>(15x25) KVA transformers<br>(14x50) KVA transformers<br>(2x100) KVA transformers<br>(1x315) KVA transformers<br>Project Start date- September 2012<br>Expected Completion date- September 2013<br>Contractor: National Contracting Company of India | The line covers the district of Mukono. Works commenced in September 2012 and the initial anticipated completion date was September 3013. The line is however not complete. The contractor hopes to complete by end of December 2013. See challenges to project implementation.<br>Works are about 80% complete. Line stringing and installation of some transformers has been completed. Some of the institutions where the line passes include schools and healthcentres.<br>Challenges to project implementation<br>Way leave issues. REA promised Project Affected people that they would compensate them as the project commenced but they have not fulfilled their promise. Therefore, some people have refused contractors to proceed with works. Others are threatening to sue REA in court. There is also a tea estate and the owner does not want the line to go though the estate.<br>Recommendation<br>There is a need for REA to set money aside and compensate project affected people when they promise that they are going to pay immediately. Otherwise, they should not commit themselves to paying if the money is not available |
| Nkoge-Kashozi | |
| 175km HV powerline<br>(20x25) KVA transformers<br>(20x50) KVA transformers<br>(2x100) KVA transformers<br><br>Project Start date: October 2012<br>Expected Completion date: October 2013<br>Contractor: KEC International | The project traverses the districts of Mubende, Sembabule, Kiruhura and Ibanda. Works commenced in October 2012 and the initial expected completion date was October 2013. The line is not yet complete. The contractor hopes to complete in December 2013.<br>Most of the works are complete. The percentage of remaining works is about 10%<br>Land compensation is being undertaken by REA and works are monitored on a monthly basis.<br>There are schools, churches, health centres, trading centres on the line and so it is likely that there will be high demand for connection.<br>No challenges were reported on the line. |

***Source: Field work findings December 2013***

**Left: Bush clearing to pave way for power line in Budongo Forest; Right: Stringing and installation of transformer on Masindi-Waki-Bilisa power line**

**Stringing works ongoing on the Nkoge-Kashozi line**

**Conclusion**

Efforts are being made by REA to increase access of electricity to rural areas. Construction is ongoing under the three sampled projects. However, progress was continuously hindered by way leave issues. Usually, REA requests that the locals fill in compensation forms and promises that they will be paid as soon as possible. However, as the project commenced without locals getting compensated, locals lost their patience and refused contractors from working on their land. Also, the sensitization that REA carries out is not intensive and does not trickle down to all local people.

**Recommendation**

- REA should fast track the compensation of local people.

- There is a need for REA to intensively sensitize the locals before the project starts.

### ii) Output 030153: Cross Sector Transfers for ERT-Education

**Background**

According to the ERT II Operations manual, the objective of the ERT Education component is to improve the quality of education in 40 districts by providing access to energy and ICT to post-primary education institutions. This is aimed at assisting MoES to reach the goals of expanding opportunities for and equitable access to quality post-primary education.

Planning and overall implementation of the education component is carried out by MoES. The scope of work includes:

- Supply, installation and maintenance of the procured energy systems. This involves supply and installation of energy systems in educational institutions, maintenance of the energy systems and providing after sales services, develop local capacity of technicians and engineers to install and maintain the supplied energy systems; carrying out training for users on operation, care, handling and management of supplied energy systems

- Ensuring that maintenance and management capacity is developed at the district level

- Providing tailor made user manuals for training the users of the solar PV systems in the institutions

- Training in professional solar systems design and installation; and carrying out maintenance contract management for MoES/District engineers

The project is covering 40 districts selected from all regions of the country, with 14 districts selected from Northern Uganda as part of the Post war Reconstruction and Development Programme (PRDP). The eligibility criteria for the post education institutions included: institutional size; distance to the existing grid; enrolment levels; complementarities to other ongoing projects especially the ICT program regional balance and equitable distribution of benefiting institutions

**Financial Performance**

Table 7.5.2 summarizes the financial data for output 030153, "Cross Sector Transfers for ERT". The approved budget for output 030153 was Ug shs 2 billion. Of the approved funds, only Ug shs 0.33 billion was released. Absorptive capacity of the received funds was excellent, as 97.7% was expended.

**Table 7.5.2: Financial Performance for Output 030153 (Ug shs billion)**

| | Approved Budget | Release | Expenditure |
|---|---|---|---|
| GoU development | 2.00 | 0.33 | 0.32 |
| Percentage (%) | - | 0.17 | 97.7 |

***Source: IFMS data 2013***

**Physical Performance**

Table 7.5.3 outlines the planned outputs for the ERT- Education component as outlined in the MEMD annual work plan. The physical performance that was observed during quarter 2 monitoring is summarized against the planned outputs.

**Table 7.5.3: Summary of Physical Performance for ERT-Education Component**

| Annual planned outputs | Field findings as at Q2 FY 2013/2014 |
|---|---|
| Solar energy packages installed in 560 post primary education institutions in 80 districts | Installation of solar energy package has been done in 400 institutions. |

***Source: MEMD Annual Work plan FY 2013/2014; Discussions with ERT-Education Coordinator***

Installation of solar photovoltaics (Solar PVs) under the education component was monitored during Q2 FY 2013/2014. Eleven schools where installation was done were visited in the districts of Yumbe, Zombo, and Koboko. These included; Pakadha Seed Secondary School, Jangokoro Seed School, Ora Technical Institution, Warr Girls School (Zombo district); Koboko Secondary School; Nyarilo Secondary School, St. Charles Lwanga Koboko; Nyai Secondary School (Koboko district); Kuru Secondary School, Yumbe Secondary School; Aringa Secondary School (Yumbe District). Installation was done between October and December 2012. The key findings and value for money analysis are summarized in Table 7.5.4.

**Table 7.5.4: Detailed physical performance of ERT-Education Component**

| Component | Score | Comment |
|---|---|---|
| Project Planning | Fair | In meeting the objective, "to improve the quality of education in 40 districts by providing access to energy and ICT to post Primary institutions, the scheme was planned fairly well.<br><br>Northern Uganda was the main focus to contribute towards post war recovery efforts. All institutions visited were in the northern part of Uganda<br><br>Beneficiary institutions were relatively far away from the grid.<br><br>However, the timing between the needs assessment which was carried out in 2010 and the actual installation of the solar system was long. Therefore, some important infrastructure such as classroom blocks, labs, and staffrooms that were constructed after the needs assessment were not connected to solar power (Jongokoro, Nyarilo Secondary School, Warr Girls, St. Charles Lwanga Koboko). The affected schools therefore indicate that the solar installation has not relieved them much. |
| Beneficiary Satisfaction | Below average | The benefits reported by beneficiaries included; Communication has improved as members can charge their phone and some schools are able to use their computers; students are able to stay around and read; security of the school property has improved.<br><br>Solar is mainly used for lighting classrooms and dormitories, and for computers and charging phones as reported by the institutions visited. 27% of the schools visited are using the installation for running some computers[2].<br><br>**However, 82% of beneficiary institutions were not satisfied with the installation** as it is too weak. Some of the challenges highlighted with the solar installation included;<br><br>Inability of solar panels to light for long hours in Ora Technical institute, Koboko Secondary School and Aringa Secondary School.<br><br>In Jangokoro Seed School all sockets installed were not functional except one and this has been the case since installation was done.<br><br>In Ora Technical Institution, Koboko Secondary School, Warr Girls School, Yumbe S.S, the installation was not properly earthed. Therefore most of the solar panels do not work.<br><br>In Nyarilo Secondary School and Nyai Secondary School, breakdowns of the solar installation are common.<br><br>Inverters in Koboko Secondary School, Warr Girls School, St. Charles Lwanga Koboko are weak, and are not working properly. Installation was done only on the lower classroom block and boys dormitory. In Ora Technical Institution, the number of solar installation done was 23. Of these, 9 are functional<br><br>Other technical challenges that were highlighted in Koboko Secondary School included; the matching of the panels to the batteries was not appropriate and therefore the battery takes long to get charged; the school has 54 computers but with the available energy supply it can only run 4 computers; the reflectors provided are not good as they concentrate the light in a small area; the bulbs installed are more than what the batteries can accommodate and therefore the lighting lasts for a shorter time and goes off (this issue was also highlighted in St. Charles Lwanga Koboko); |

| | | |
|---|---|---|
| | | In Nyai Secondary School, it was highlighted that the interpersonal communication between the beneficiaries and implementers is not very good. At times the beneficiaries ask questions regarding the functionality of the installations but do not get satisfactory responses. There is a need for improved communication between the implementers and beneficiaries<br><br>Some of the recommendations suggested included;<br><br>The quality of the inverters should be good.<br><br>The earthing of the materials should be good. |
| Equity Issues | Fair | All schools visited were in remote areas that are not accessing the grid yet. Therefore the scheme has done a good job in targeting people in hard to reach areas. All schools visited were over 45km away from the nearest grid.<br><br>This good intervention is however frustrated by the fact that beneficiaries are not happy with the intervention due to the weak installation. |
| Management and operation | Below average | 72% indicate that only basic training was provided on operation. No training was provided on management/ maintenance of the equipment, however a number for the contractors was provided to call in case of breakdown.<br><br>It should be noted however that there were several instances of breakdowns of the solar installation and failure of solar panels to operate. Also, all schools highlighted a default with the system that could have been corrected had training of some staff or local technician in operation and maintenance been taken seriously. |

***Source: Field work finding: December, 2013***

**Installation of solar panels at Jangokoro Seed Secondary School and Ora Technical Institute Zombo district**

**Solar Panel installation at Nyarilo Secondary School and St. Charles Lwanga Koboko**

**Left: Installation of solar panels at Yumbe Secondary School and Right solar installation at Aringa Secondary School.**

### Conclusion

The ERT- Education component has made some progress in improving the quality of education through access to solar energy. Some benefits received from the installation were highlighted by institutions such as ability to read at night, improved communication as users were are able to charge their phones and improvement in the security of schools through improved lighting at night. However, the project was not entirely popular among beneficiary institutions as all schools visited reported that they were not satisfied with the installation. Beneficiaries indicated that the installation is not reliable. This was due to installation of weak solar systems and as such the solar installations were not working properly, also several buildings were not installed with the solar system.

**Recommendations**

- The key recommendation from schools visited was that there is a great need to fast-track grid extension in the West Nile region as the solar energy provided is not reliable and should only be used as a backup.
- There is a need to provide stronger panels to operate stronger systems. Otherwise most beneficiary institutions are using solar for only charging and lighting.
- There is a need to reduce the timing between needs assessment and project implementation
- There is a need for training on how to handle emergencies and minor repairs of the solar installations.

**b) Project 1137: Mbarara-Nkenda/Tororo-Lira Transmission Lines**

**Background**

Government of Uganda received funding from African Development Bank (ADB) towards the implementation of the Mbarara-Nkenda and Tororo-Lira Transmission lines project. The implementing agency is Uganda Electricity Transmission Company Limited (UETCL). The project is aimed at expanding and strengthening the national transmission grid. Through this project, the GOU hopes to realize power efficiency, reliability and stability. 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 access to electricity, reliability, and quality of supply to customers in the country[37].

The objective of component 1 is to provide a high voltage backbone between Mbarara and the mid western towns. The objective of component 2 is to replace the wooden poles that are prone to fires and other natural hazards with steel tower structures[38].

The project started on 22nd May 2011 and the target completion date was 31st December 2013; however the estimated completion date has slipped to 31st December 2015. Outputs for the project include; Acquisition of Right of Way 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.

**Financial Performance**

The approved GOU budget for the project was Ug shs 5.4 billion for FY 2013/2014. By the end of Q1 FY 2013/2014, Ug shs 1.01billion was released, representing 19% of the approved budget. All the released funds were expended as shown in Figure 7.5.5 below.

Figure 7.5.6 illustrates the prioritization of expenditure by line item. Allocative efficiency for project 1137 was good as the bulk of expenditures (54%) was spent on engineering and design studies and plans for capital works. Such expenditures have a direct contribution to the achievement of project outputs. The other 46% was spent on monitoring, supervision and appraisal for capital works.

37 UETCL *Mbarara-Nkenda and Tororo-Lira Project (Kampala, 2013)*
38 MEMD *2012/2013 Ministerial policy Statement* (Kampala,2012)

**Figure 7.5.5**

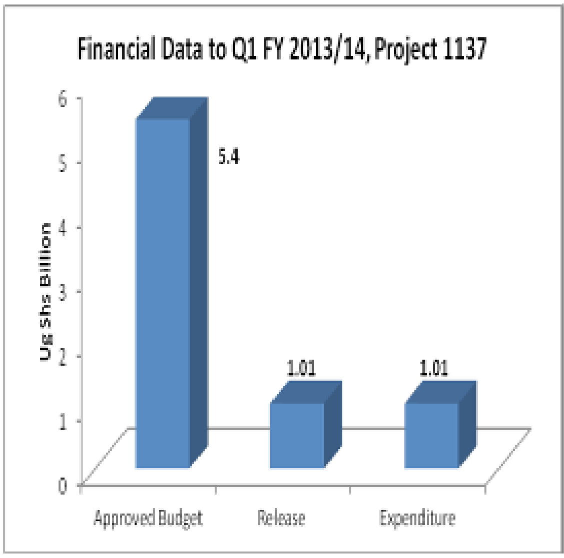
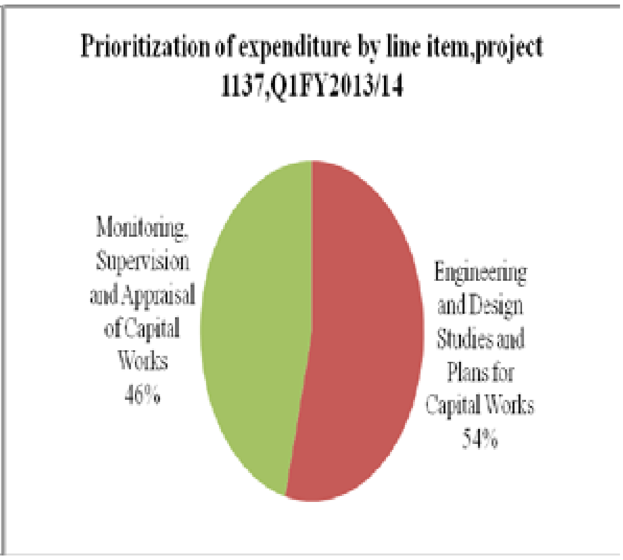



**Figure 7.5.6**




***Source: IFMS data 2013***

## Physical performance

Table 7.5.5 outlines the planned outputs for project 1137 for FY 2013/2014 as outlined in the MEMD quarterly work plan. The field findings from monitoring work in Q2 FY 2013/2014 are summarized against the planned activities. Overall, the project was behind schedule as the targets for the financial year were not met (see Challenges to Project Implementation).

**Table 7.5.5: Performance of project 1137**

| FY 2013/2014 planned outputs | Physical Performance from field monitoring in Q2 FY 2013/2014 |
|---|---|
| Implementation of RAP for the Tororo-Lira; Mbarara-Nkenda Lines | RAP implementation has not been completed. Progress is ongoing and overall clearance is 69% on the Mbarara-Nkenda line and 31% on the Tororo-Lira line. |
| Construction of resettlement houses | Construction of resettlement houses is still ongoing. For the Mbarara-Nkenda project, 2 out of 50 houses are complete. The contractor (Lamba Investments) abandoned site. UETCL is procuring another contractor to continue with the works.<br>For the Tororo-Lira project, 47 houses have been completed out of 50. Construction of the 3 houses has not yet started as the PAPs have no alternative land where UETCL can construct for them houses. The company is in the process of identifying land for them. |
| Procurement of EPC Contractor | EPC Contractors on site for both lines. |
| Construction works for Mbarara-Nkenda 132kV (160km) and Tororo-Opuyo-Lira 132kV (260km) transmission line | Construction works for the towers spots have commenced on both lines and are at foundation level. |

***Source: Discussions with project coordinators November 2013; Project reports September 2013; Field Findings December 2013***

Both the Mbarara-Nkenda and Tororo-Lira transmission line projects were monitored. The projects were in the districts of Mbarara, Sheema, Bushenyi, Rubirizi and Kasese for the Mbarara-Nkenda line; and Tororo, Mbale, Palisa, Bukedea, Kumi, Ngora, Soroti, Kaberamaido, Dokolo, and Lira for the Tororo-Lira line. Both projects are behind schedule.

**Table 7.5.6 Physical Performance for Project Components**

| Planned Outputs | Observed Physical Performance |
|---|---|
| **Mbarara-Nkenda transmission line project** | |
| Route length- 160km<br><br>Scope of works includes<br>-Construction of 132KV transmission line from Mbarara to Nkenda<br>- Construction of new substation in Fort Portal<br>-Modification of substation in Mbarara and Nkenda<br><br>Contractor- Kalpataru Power Transmission Ltd | Construction works commenced on 9th of April 2013 and the expected completion date is 10th September 2014.<br><br>Progress of works include;<br>-Survey works- 95%<br>-Soil investigation- 95%<br>-Foundation works- 50 foundations have been cast out of 444<br>-22km access road has been completed.<br><br>The Fort Portal substation – 28%<br>Challenges affecting project implementation include:<br>Landowners with large pieces of land are not allowing UETCL to compensate them using the set government rates. For instance the tea estate, minister's land, mayor's land, and a farm land where 6 towers will have to be constructed.<br>Recommendation<br>There is a need for MEMD, MFPED, together with Ministry of Lands to expedite the release of land to projects and ensure compensation of PAPs, so that the project can progress. |
| Tororo-Opuyo-Lira transmission line project | |
| Kalpataru Power Transmission Ltd | Construction of the tower spots started in September 2013<br>The components that have been covered on the line include: creating access truck paths; tower spot excavations, tower spot setting and foundation laying; casting and backfilling.<br>The challenges affecting project implementation include;<br>Unresolved land disputes as the affected people are being mis-informed that they are not going to be compensated;<br>Low valuation of land<br>Recommendations suggested included<br>The need to involve stakeholders in coming up with land rates<br>Intensification of sensitization though brochures (and translating them in local languages) |

***Source: Discussion with UETCL Project managers; Field Findings; December 2012***

The procurement process has continued to delay project implementation. Firstly, there are a number of stages involved in the procurement cycle. Additionally, queries have been made regarding the lack of transparency by bidders, and a report going back and forth to the contracts committee has increased the length of the process.

**Foundation works for tower installation on the Tororo-Lira Opuyo transmission line**

**Left to right; resettlement house and cracked floor of resettlement houses constructed by Lamba investments that abandoned site on the Mbarara-Nkenda transmission line**

### Conclusion

The project aims to transmit electricity from upcoming power plants and to improve access to electricity, reliability, and quality of supply to customers in the country. Overall, the project is behind schedule as the targets for the financial year were not met. Low valuation of land slows down the project. In addition, some people with large pieces of land such as those owning tea estates and farm lands are not agreeing to surrender their land for project development.

### Recommendation

- There is a need for MFPED to create a budget line to facilitate the district land boards to review land rates on a regular basis.

**Project 1184 Construction of Oil Refinery**

**Background**

The key objectives of the project are 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 the 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 and operation of refineries and related infrastructure; v) promote regional and international cooperation in the development of refineries and related infrastructure.[39]

The project start date was July 2011 and expected completion date is June 2016. The project is funded through a Public Private Partnership.

**Financial Performance**

Figure 7.5.7 shows that GoU approved budget for project 1184 FY 2013/2014 was Ug shs 34.98 billion. By Q1, Ug shs 7.95 billion was released (23% of approved budget). Almost 100% of released funds were absorbed, indicating good absorption capacity.

**Figure 7.5.7**

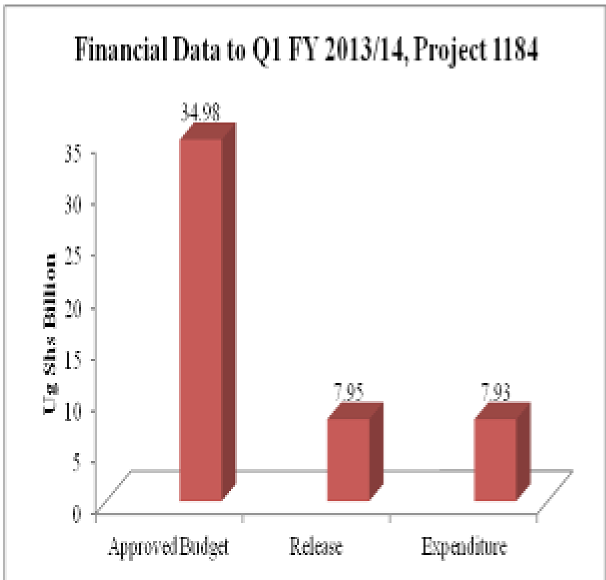
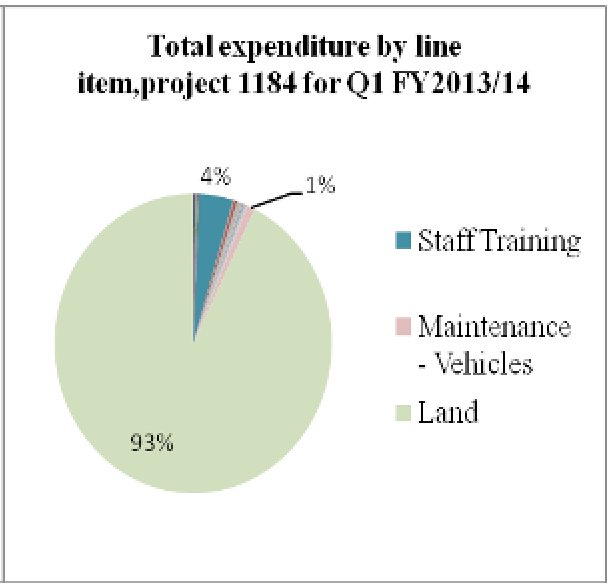



**Figure 7.5.8**




***Source: IFMS 2013***

Figure 7.5.8 illustrates that the allocative efficiency was excellent at 93% of the funds expended were on land, while the remaining 7% was spent on other line items. The remaining 7% was spent on staff training, vehicle maintenance, gratuity, computer supplies, subscriptions, and telecommunications.

**Physical Performance**

Quarter 2 monitoring focused on following up the RAP implementation under project 1184: Construction of Oil Refinery.

39 MEMD *Ministerial Policy Statement* (Kampala,2013)

**Findings**

A feasibility study was conducted which assessed six potential sites; Kabaale Parish, Buseruka sub-county was found to be the most suitable. The land covers 29 square kilometers, approximately 13 villages. It will accommodate the refinery, an aerodrome, waste management facilities, future associated industries such as petrochemical industries, and staff quarters. Land acquisition is progressing; sensitization of the local residents is ongoing; the RAP study was conducted in 2012 and the report has been approved by the Chief Government Valuer (CGV).

Land for the oil refinery is governed by national laws and international standards such as: The 1995 Constitution, as amended; the Land Act Cap 227, as amended; the Land Acquisition Act, Cap 226; the Petroleum Exploration and Development Act, 2013; The National Oil and Gas Policy; and The National Land Policy, 2013. The RAP is also governed by national laws and international standards such as the UN Basic Principles and Guidelines on Development; The FAO guidelines on Compulsory Acquisition of Land and Compensation; The World Bank Operations Manual (OP 4.12).

A consultant was procured to undertake a RAP study. This included designing a framework that would guide government on how to compensate/relocate affected persons. The RAP involved a series of sensitization meetings for the Project Affected Persons (PAPs). All meetings were attended by local leaders including area councilors at both sub county and district levels. Village RAP committees were formed, which composed of five people who worked with the RAP consultants.

The RAP study had the following components: socio-economic baseline study to understand the livelihood status of affected persons and other social issues; a survey of individual parcels of land; valuation of property to determine replacement value of affected property. Valuation was conducted in June 2012 using Hoima district rates of 2011/2012 approved by the CGV. The PAPs participated in the exercise through their Village RAP committees while others provided labour to the consultant. After field activities of the study, preliminary reports were shared with affected people. Strip maps of peoples' land and names were displayed in every village at the sub county and the district from August to September 2012. The purpose of the display was to receive complaints from affected people and any other stakeholder in order to address them.

In October 2012, the consultant released a draft report and it was disseminated to the district council, sub county leaders, religious leaders, and PAPs. Meetings were also held to update PAPs when RAP implementation would commence.

The RAP implementation started in June. The RAP implementation is guided by: participation of PAPs; choice of resettlement or compensation options; options which quickly restore livelihoods of PAPs; gender sensitivity; minimizing negative impacts from the RAP; restoration of livelihoods; Monitoring and Evaluation; and mitigating the effect of negative behaviors of PAPs on host community.

The valuation process identified the presence of land owners and licensees/ tenants within the project area. To date, the disclosure of compensation packages has ended. Training on livelihood restoration was also concluded; it included basic financial management, improved agriculture, and small and medium scale business enterprises.

The ongoing activities on site included;

- Registration of complaints, grievance verification and resolutions
- Bank account verification
- Identification of land for resettlement. The search for land has been restricted to within Buseruka where livelihoods of the PAPs will be quickly restored. Therefore it is not anticipated that issues of integration will be a problem.

- The first batch of PAPs was submitted to MEMD by the consultant for payment of their resettlement package..

**Left: Verification of bank accounts. Right: Registration of complaints, grievance verification and resolutions in Kabale Parish, Hoima district**

**Challenges**

The key challenge affecting project implementation that was raised was that the money provided for the RAP implementation was inadequate. Therefore payment of the PAPs has delayed. These PAPs have tried to be calm but are losing patience. Some government officials have informed them that the money will come soon and some PAPs have stopped cultivating crops. By the time of the monitoring visit, most of the PAPs were expecting the money in a week or two. On the other hand, the period for RAP implementation is supposed to be 8 months. The lead investor also has to be on board by April 2015 therefore land should be in the hands of government. Other issues affecting project implementation include:

- Managing expectations from people was difficult, particularly as most PAPs thought that they would value their land on an individual basis and a number were not happy with compensation levels.

- Some PAPs wanted a lot of compensation because they were hoping that construction of the refinery was going to take place and would bring significant benefits. They therefore argued that they should be better compensated.

- Owners of the land wanted to negotiate with the Government as they were not consulted on whether they wanted to sell their land.

- Influence from the Civil Society Organizations (CSOs) was sabotaging RAP efforts. There are also some countries and oil companies that are against the construction of a refinery. Some of these include: African Institute for Energy Governance (AFIEGO); Navigators for Development Association (NAVODA); Global Rights Alert (GRA); National Association of Professional Environmentalists (NAPE).

- High illiteracy rates. At times the use of interpreters was necessary, but sometimes the message could be distorted in the process.

**Conclusion**

The RAP implementation is ongoing in order to secure land for the development of the refinery and related infrastructure such as, pipelines, storage facilities and related midstream infrastructure. Ongoing activities at the proposed refinery site included; registration of complaints, grievance verification and resolutions, bank account verification, identification of land for resettlement. However, GoU funds that were released for the RAP implementation were inadequate. Therefore payment of the PAPs has delayed. By the time of the monitoring visit, most of the PAPs were expecting the money in a week or two. On the other hand, the period for RAP implementation is supposed to be 8 months. The lead investor also has to be on board by April 2015 therefore land should be in the hands of government.

**Recommendations**

- There is a need for MFPED to release Ug shs 7 billion to expedite the RAP implementation.

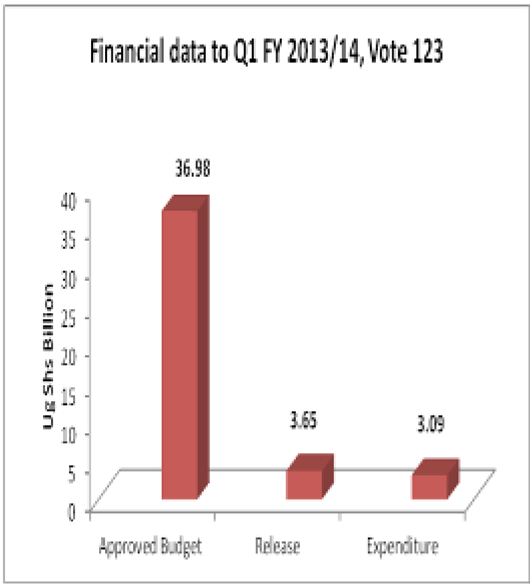
## 7.6 Rural Electrification Agency (REA)

The vote was created this Financial Year 2013/2014 and is independent of Vote 017. The vote's mission statement is to; facilitate provision of electricity for socio-economic and rural transformation in an equitable and sustainable manner[40]. Over the medium term, the goal of REA is to achieve 22% rural electrification by 2022. REA is trying to achieve this through carrying out a number of rural electrification projects.

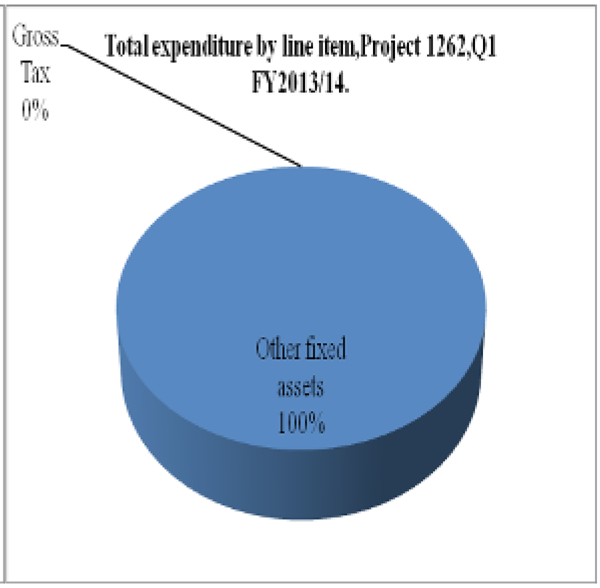
**Financial Performance**

Figure 7.6.1 indicates that the total approved budget for Rural Electrification Agency (REA) was Ug shs 36.98 billion. Of the approved budget, Ug shs 3.651 billion (9.8% of approved budget) was released for the sector. Expenditure was Ug shs 3.09 billion (85% of released funds). As shown in in Figure 7.6.2, allocative efficiency was excellent as 100% of the funds received had been spent on other fixed assets.

**7.6.1**




**7.6.2**




*Source: IFMS data*

40 MEMD *Ministerial Policy Statement* (Kampala, 2013)

The Community Schemes project implemented by REA was monitored during Q2 FY 2013/2014. The scheme involves beneficiaries contributing some money for construction of a power line and the rest is subsidized by REA. Construction of lines was at different levels of completion. Physical performance is detailed in Table 7.4.1.

**Table 7.4.1: Physical performance of REA power line construction**

| Approved Cost of works | Planned Outputs | Observed physical performance |
|---|---|---|
| Ug shs 4,453,988,466 | 30.28km HV power line<br>20km LV power line<br>Project start date was 12th April 2013 and expected completion date is 12th April 2014. | The project involves the construction of 33KV medium voltage lines and associated low voltage networks in Kasese district. The project has seven schemes: Kamasasa, Nyakiyumbu, Munkunyu-Kanyampala-Kacungiro-Mailo Kumi, Kiburara-Kagando-Kisinga-Kajwenge, Kyanya-Maliba, Kitswamba and Kyabarungira. Overall performance is good and 95% of work is complete. |

***Source: Field Findings***


**Community Schemes in Kasese District**

## Challenges to project implementation

The contractor identified the following challenges:

- Not all customers have paid in full.
- The project is an expensive venture on the part of the contractor and REA, as many people who were not in the original plan have since claimed that they are part of the project. Others gave themselves similar names.

## Conclusion

Efforts have been made to increase rural electrification through construction of various power lines across the country. Construction of the power lines and tee-offs is 95% complete. Under the community schemes project, individuals that would like to have electricity express their interest to REA and upon REA consenting, they are required to contribute 30% for project implementation. However, not all customers have fulfilled their obligation of paying their contribution for the power majorly because they cannot afford. The project has therefore turned out expensive on the part of REA and delayed project implementation.

# CHAPTER 8: HEALTH

## 8.1 Introduction

The health sector comprises a number of different spending agencies (votes) which hold responsibility for different aspects of service delivery in the sector. The Ministry of Health (vote 014) is the central agency in charge of policy analysis and formulation, strategic planning, provision of nationally coordinated services such as emergency preparedness, health research and monitoring and evaluation of the overall health sector performance[41]. Various 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 semi autonomous institutions include: Uganda Cancer Institute (vote 114); Uganda Heart Institute (vote 115); Uganda Blood Transfusion Service (vote 151); Uganda Aids Commission (vote 107); and human resource management under the Health Service Commission (vote 134).

Local governments (districts and municipal councils) take primary responsibility for delivery of frontline healthcare services. This is through the 'Primary Health Care' grant system which transfers funds 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, management of General Hospitals and management of Health Centre's (levels II, III and IV)[42].

In addition to the General Hospitals which are managed at the district level, there are 13 Regional Referral Hospitals (votes 163 – 175) which offer specialized clinical services, higher level medical and surgical services and clinical support services. The two National Referral Hospitals (votes 161 and 162) provide comprehensive specialist services, health research as well as providing all of the services of General and Regional Referral Hospitals[43].

The total budget estimates for the health sector (inclusive of donor funding, after tax and arrears adjustments) for FY 2013/2014 is Ug shs 1.127 trillion. This represents a 6.64% increase to the budget of FY 2012/2013.

Of the total budget estimates for FY 2013/2014, approximately 26.6% is estimated for local authorities, 19.5% for National Medical Stores, 41% for the Ministry of Health; 10.4% for National and Regional Referral Hospitals and approximately 2.5% for all other spending agencies[44].

**Scope of the report**

This section reviews progress achieved in health sector development projects as at the end of Q2 FY 2013/2014. The aim of this section is to ascertain whether planned outputs as outlined in the performance contracts have been achieved. Projects that were monitored during Q1 FY 2013/2014 and Q2 FY 2013/2014 are summarized in Table 8.1 below.

41 See *Health Sector Strategic and Investment Plan 2010/11-2014/15;* page 3
42 Ibid
43 Ibid
44 All figures are calculated after tax and arrears adjustments

**Table 8.1: Sample frame for Health monitoring activities in FY 2012/2013 & Q1 FY 2013/2014**

| Vote | Project | Locations |
|---|---|---|
| Q1 FY 2013/2014 | | |
| 163-175: Regional Referral Hospitals | Project 1004: Rehabilitation Of Regional Referral Hospitals | Mbale, Lira, Mbarara |
| 501-778: Local governments | O422: Primary Health Care Development | Budaka Butaleja, Dokolo, Ibanda, Kayunga Kiruhura, Kole, Lira Luwero, Mbale Mbarara, Mpigi, Mukono, Nakasongola Oyam Palisa, Isingiro |
| Q2 FY2013/2014 | | |
| 163-175: Regional Referral Hospitals | Project 1004: Rehabilitation Of Regional Referral Hospitals | Fort Portal, Gulu Jinja, Kabale, |
| 501-850: Local governments | O422: Primary Health Care Development | Bugiri, Buyende, Fort Portal Municipality, Gulu, Gulu Municipality, Iganga, Jinja, Kabale, Kabarole, Kanungu, Kasese, Kitgum, Mityana, Mubende, Ntungamo and Pader |

**Methodology**

In line with the output based budget structure, this section aims to verify the progress of planned outputs in the health sector for FY 2013/2014. This report considers financial and physical performance for development projects for FY 2013/2014. Financial performance includes the release performance of funds to Regional Referral Hospitals (RRH) and local governments and their absorptive capacity. Financial data was sourced from MFPED release data, and from field findings for local government and hospital expenditure.

Physical performance was monitored by examining the extent to which planned activities for FY 2013/2014 and those rolled forward from FY 2012/2013 had progressed. To verify physical performance, information was collected during fieldwork visits via interviews with officials on site; local government officers; beneficiaries; and by taking photographs.

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

The monitoring work was conducted during the period 19th November to 10th December 2013.

**Limitations**

- Time and financial constraints implied that not all outputs in the health sector could be monitored during the quarterly monitoring visit.
- On some occasions district officials failed to keep appointments made with the monitoring team. In these instances, the team interviewed deputy staff in order to obtain the required information, which may compromise the reliability of data.

## 8.2 Votes 163 – 175: Regional Referral Hospitals

**Background**

The total approved budget for Regional Referral Hospitals (votes 163 – 175) for FY 2013/2014 was around Ug shs 70.35 billion, which is approximately 4% of the total estimated health sector budget. The mission of these votes is to provide specialized and high quality health services, conduct tertiary medical health training and research and contribute to national health policy.

This section considers progress on outputs at Regional Referral Hospital's (RRH) under project 1004 Rehabilitation of Regional Referral Hospitals. The project relates to activities such as rehabilitation of facilities and capital works.

The objectives of the project are to: (i) rehabilitate old and broken infrastructure (ii) undertake construction of vital infrastructure including accommodation of staff (iii) adequately equip the hospital in terms of medical and office equipment and furniture (iv) improve on infrastructural security of the hospital (v) provide appropriate transport for the performance of hospital activities (vi) improve on internal and external communication and (vii) provide alternative/backup power and water sources[45].

**Financial Performance**

For FY 2013/2014, Ug shs 16.52 bn was allocated under the project 1004 for the Rehabilitation of Regional Referral Hospitals including those monitored during this quarter. Capital Development funds released to the Regional Referral Hospitals was more than 50% of the approved budget. Jinja RRH had received 100% of its budget, Gulu had received 92% of the budget, Fort Portal had received 90% of its budget, and Kabale had received 62% of the budget. The monitoring team visited Fort Portal RRH, Jinja RRH Kabale RRH and Gulu RRHs in Q2 FY 2013/2014. For each RRH visited, the the monitoring team assessed the release performance of the GoU; the expenditure performance of the RRHs; physical performance of planned outputs; and the challenges faced by the RRHs.

**(a) Vote 164 Fort Portal Regional Referral Hospital,**

**Background**

In FY 2013/2014 Fort Portal RRH planned to carry out several new activities: a) construction of a three level staff accommodation block; b) procurement of an ultrasound machine; c) procurement of a UPS for the ultrasound machine; d) procurement of furniture and a fridge for the private ward; and d) procurement of assorted equipment for the private wing.

**Financial performance**

The allocated budget for Fort Portal RRH in FY 2013/2014 is Ug shs 736,000,000 for capital development under the Rehabilitation of Regional Referral Hospitals project 1004. There was an unspent balance from FY2012/2013 of Ug shs 273,773,864, which was carried over to FY 2013/2014. At the time of the monitoring visit, the hospital had received Ug shs 665,493,286 for capital development, representing a release performance to the hospital of 90.2%. The total available funds for capital development were Ug shs 939,367,150. Details of funds released are given in table 8.2.1.

**Table 8.2.1: Capital development funds received by Fort Portal RRH in FY 2013/2014**

| Period | Date of release | Amount released (Ug shs) | Cumulative release (Ug shs) |
|---|---|---|---|
| Q1 | 13/8/2013 | 236,465,451 | - |
| Q2 | 28/10/2013 | 429,027,835 | 665,493,286 |

***Source: Field findings***

Of the Ug shs 939,367,150 that was available to the hospital this financial year, Ug shs 163,733,424 was spent on capital development activities by the time of the budget monitoring visit. This represents an absorptive capacity of around 17.4% of available funds. The hospital spent out of the funds carried forward from last financial year. At the time of monitoring, the hospital still had Ug shs 110,040,440 carried forward from FY 2012/2013. The reason for under performance was that the contracts for the new projects for FY 2013/2014 had not been signed. The hospital was still awaiting clearance from the solicitor general.

45 Objectives sourced from MoH Ministerial Policy Statement FY 2012/2013.

**Table 8.2.2: Capital development payments by Fort Portal RRH in FY 2013/2014**

| Output Description | Contractor | Contract Sum(Ug shs) | Payments in FY 2013/2014 (Ug shs) | Payments to date (Ug shs) |
|---|---|---|---|---|
| Completion of private ward and administrative offices | Armpass Technical Services | 4,625,703,215 | 114,796,710 | 4,591,949,257 |
| Completion of staff house for Interns and Doctors | Kenvin Construction Company (U) Limited | 1,362,605,519 | 48,936,714 | 1,340,670,153 |
| Supplying security lighting to mental health building | West Savannah | 6,393,712 | 6,393,712 | - |
| Supplying building materials for hospital kitchen | Bagh General Enterprises | 19,778,000 | 19,778,000 | - |
| Allowance paid to contracts committee | To the contracts committee | NA | 9,770,000 | NA |

***Source: Field findings***

### Physical performance

The field findings from monitoring performance at Fort Portal Regional Referral Hospital are presented in Table 8.2.3. By 5th December 2013, the private ward was complete and operational. The building however was lacking key equipment and furniture for patient rooms. It was noted that staffing levels were particularly low in the private ward.

**Table 8.2.3: Physical performance of outputs monitored at Fort Portal Regional Referral Hospital**

| Output monitored | Annual work plan planned outputs | Financial performance (% of contract amount paid) | Physical performance Q2 FY 2013/2014 |
|---|---|---|---|
| 085677: Purchase of specialised machinery and equipment | Procurement of assorted specialised equipment, procurement of Ultrasound machine with 3 probes, and a UPS | 0% | Contracts to supply have been awarded but not signed. |
| 085681: Staff houses construction and rehabilitation | Construction of a 3 storey staff accommodation<br>Pay retention money for the interns hostel and staff houses after the liability period ends | 0%<br>100% | The contract was awarded to Frematex services (U) limited but construction works have not started because the contract has not been approved by the solicitor general.<br>Projects completed |
| Other projects | Procurement of assorted furniture and Fridge | 0% | Contracts have been awarded but waiting approval from the solicitor general. |

***Source: Regional Referral Hospitals Annual Work Plans FY 2013/2014 and field findings.***

The 3-level accommodation block for interns and doctors was complete and was in use. The building accommodates 16 interns and 10 doctors. No problems with the new building were reported.

*Left to right: Completed private wing and Interns and doctors house Fort Portal RRH*

**Challenges:**

- **Staff shortages** – there was an acute shortage of doctors, a problem caused in part by low salaries and limited accommodation for staff. For the private ward to be fully functional, the hospital needs to recruit more staff.

- **Inadequate accommodation**: Despite the new staff accommodation block, there was still an acute shortage of accommodation. Given that the costs of private rentals in the area were high, staff leave the hospital to work in other health facilities or districts where they can find cheap accommodation facilities.

- **Variation in the allocated budget**: It was noted that there was significant variability in the allocated annual budget for capital development which makes long term planning particularly difficult for the hospital. In addition, the recurrent budget was inadequate for maintenance of new buildings and other running costs of the hospital.

**Recommendations**

- The hospital would benefit significantly in terms of long term planning of capital development projects from having a more stable budget allocation over the years. In particular it is recommended that the capital development allocation to the hospital should follow the MTEF as is the case with other votes.

- The hospital should embark on construction of more accommodation facilities to attract and increase retention of medical staff. This can only happen if the capital development allocation to the hospital is increased.

**(b) Vote 165 Gulu Regional Referral Hospital**

**Background**

During FY 2013/2014 the hospital planned to carry out the following activities: (a) completion of administration block; (b) construction of staff block; (c) procurement of a mortuary fridge; (d) purchase of cardiac echo machine and monitor; e) rehabilitation of the stores and sterilization room and laundry; and f) construction of walkways to the maternity ward.

**Financial performance**

The allocated budget for Gulu RRH in FY 2013/2014 is Ug shs 1,151,000,000 for capital development under the RRH's Project 1004. By 29th/11/2012, the hospital had received Ug shs 1,055,073,392 for capital development, representing a release performance to the hospital of about 92%. Details of funds released are given in Table 8.2.4.

**Table 8.2.4: Capital development funds received by Gulu RRH in FY 2013/2014**

| Period | Date of Release | Amount Released (Ug shs) | Cumulative Release (Ug shs) |
|---|---|---|---|
| Q1 | 13/8/2013 | 383,333,333 | - |
| Q2 | 28/10/2013 | 671,740,059 | 1,055,073,392 |

***Source: Field findings***

Of Ug shs 1,055,073,392 that was received, the hospital spent Ug shs 954,094,148 on capital development activities. This represents an absorptive capacity of around 90.4 % of funds released (Table 8.2.5).

**Table 8.2.5: Capital development payments by Gulu RRH in FY 2013/2014**

| Output Description | Contractor | Contract Sum (Ug shs) | Payments in FY 2013/2014 | Payments to Date (Ug shs) |
|---|---|---|---|---|
| Construction of staff house | Mabo Enterprises Limited. | 1,156,000,000 | 552,274,148 | 1,532,274,148 |
| Completion of office administration block | Block Technical Services | 1,285,000,000 | 401,820,000 | 1,211,820,000 |

***Source: field findings***

**Physical Performance**

Construction of staff quarters was ongoing and remaining work included painting, tiling, shuttering, electrical works, plumbing, fencing of the staff block and paving the compound. Construction of the administration block was nearly complete with over 90% of the work completed. Remaining work included fitting curtain blinds and work on the stair case for fire escape. It was reported that the projects would be complete by the end of March 2014. The completed works were of a good standard. The hospital was still waiting for delivery of the mortuary fridge and the other planned projects were still in the procurement process.

***Left to right: Nearly completed administration block and staff quarters under construction Gulu RR hospital***

**Challenges faced by the hospital.**

- **Inadequate recurrent budget**: There was a shortage of funds for recurrent costs in the hospital. By 29th/11/2013, the hospital had arrears in water bills amounting to Ug shs 300 million. In addition the hospital had a debt with joint medical stores of Ug shs 33 million. The allocated funds are not enough to pay for maintenance of the buildings in the hospital and other running costs.

- **Inadequate budget for equipment maintenance.** The budget received by the hospital was not sufficient to maintain the hospital equipment and those of other units in the region. The hospital was allocated Ug shs 95 million per FY to maintain equipment and those of other units. Gulu hospital alone needed Ug shs 44 million this FY to buy X-ray spares, leaving little for the other health units in the region.

- **Staff shortages**: there were staff shortages in the hospital, particularly in the critical cadres of specialists and medical officers. There were also shortages in administrative staff; for example there was no senior procurement officer and no accounts assistants. This adversely impacted on service delivery.

- **Inadequate staff accommodation**: The hospital lacked staff accommodation. Only 53 of the 340 staff in the hospital were accommodated. This led to some staff leaving the hospital and moving to other areas. It was reported that in the last 3 years, 35 staff had left the hospital because of this problem.

- **Inadequate medicines**: the budget for medicines and other medical supplies was too little to sustain the hospital operations. It was reported by the hospital management that there has been an increase in patient turn up as a result of improved service delivery, which has led to increased consumption of medical supplies.

**Recommendations**

- All the above outlined challenges would be solved with increased budget allocation in the highlighted areas and increased efficiency by the hospital in the proper use of the allocated funds.

- The hospitals need to construct more staff accommodation facilities to attract and retain the critical staff. At the same time the wage bill for the hospital also needs to be budgeted for. Government should further consider providing some top up allowances to staff not accommodated by the hospital.

**(c) Vote 167 Jinja Regional Referral Hospital**

**Background**

In FY 2013/2014, Jinja RRH planned to carry out several activities: a) the completion of a Private Patients building; b) re-roofing of the Intern and Doctors house; c) renovation of the maternity ward; d) overhauling the water system in the hospital; e) procuring medical equipment for the private ward; f) renovation of the Children's Ward and the construction of toilet for the administrative block.

**Financial performance**

The allocated budget for Jinja RRH in FY 2013/2014 is Ug shs 1.2 billion for capital development under the Rehabilitation of Regional Referral Hospitals project 1004. At the time of the monitoring visit in mid December 2013, the hospital had received all of the funds for capital development for this financial year; details of funds released are given in table 8.2.6.

**Table 8.2.6: Capital development funds received by Jinja RRH in FY 2013/2014**

| Period | Date of release | Amount released (Ug shs) | Cumulative release (Ug shs) |
|---|---|---|---|
| Q1 | 02/08/2012 | 285,000,000 | - |
| Q2 | 16/11/2012 | 915,000,000 | 1,200,000,000 |

***Source: Field findings***

Of the Ug shs 1.2 billion received, Ug shs 104,538,000 was spent on capital development activities. This represents an absorptive capacity of around 9% of funds released.

**Table 8.2.7: Capital development payments by Jinja RRH in FY 2013/2014**

| Output Description | Contractor | Contract Sum (Ug shs) | Payments in FY 2013/2014 (Ug shs) | Payments to date (Ug shs) |
|---|---|---|---|---|
| Construction of Private Patients building | Lamba Enterprises | 2,800,000,000 | 36,000,000 | 2,382,767,447 |
| Repairing mortuary fridge | Jenhuka Limited. | 15,908,492 | 15,908,492 | 15,908,492 |
| Completion of a Dental Ward | Victoria Nyange Investments | 48,654,000 | 9,685,000 | 48,654,000 |
| Landscaping around incinerator | Bipingu Limited. | 12,945,000 | 12,945,000 | 12,945,000 |
| Procurement of a consultant to supervise the civil works to be done in the hospital | FUSION consult | 30,000,000 | 30,000,000 | 30,000,000 |

***Source: Field findings***

**Physical performance**

The hospital was in the process of preparing bids for the following new works: re roofing of the intern's doctor's mess, renovation of the maternity ward, overhauling of the water and sewerage system renovations of the children's ward and construction of toilets for the administration block. It was reported that these works would be advertised by the end of December 2013. The detailed physical performance of Jinja RRH is presented in Table 8.2.8.

**Table 8.2.8: Physical performance of outputs monitored at Jinja Regional Referral Hospital**

| Output monitored | Annual work plan planned outputs | Financial performance (% of contract amount paid) | Physical performance Q2 FY 2013/2014 |
|---|---|---|---|
| 085673 roads, streets and highways | Landscaping around incinerator | 100% | This is complete. However the hospital needs to have a functional incinerator as it will not be able to keep digging waste pits everywhere. |
| 085677: Purchase of Specialized Machinery & Equipment | Repair of the mortuary fridges | 100% | The fridges were repaired and were working well. |
| 085683: OPD and other ward construction and rehabilitation | Complete the construction of the private patients ward<br>Payment of retention for the dental unit | 85%<br>100% | 85% of the works completed. Pending works included; Fixing of sanitary facilities, completion of tiling, fixing of doors and windows and electrical fittings. The team observed poor tiling particularly on first floor.<br>The building was completed<br>The unit was completed early in FY 2012/2013 |
| Consultancy services | Supervision of civil works in the hospital | 100% | Although 100% payments have been made, the consultant was just in the preliminary stages of developing the bills of quantities. |

***Source: Regional Referral Hospitals Annual Work Plans FY 2013/2014; field findings***

***Left to right: Private wing under construction and repaired Mortuary fridges at Jinja RR Hospital***

**Challenges faced in health care delivery in the hospital.**

- There were delays to the completion of and payment for work on the private wing due to budget shortfalls arising from the non-release of funds for Q4 FY 2012/2013.

- The budget for capital development was not adequate for completion of key priority projects. The inadequacy of funds meant that projects were often rolled over to the next financial year, making projects more expensive than they otherwise would have been.

**Recommendations**

- The Government should endeavor to release all funds approved in a given financial year to allow proper implementation of planned projects and avoid cost overruns that arise from rolling over projects.

- The budget allocation to the hospital should be consistent and be in line with the MTEF projections. This would allow long term planning of capital development projects from having a more stable budget allocation over the years.

**(d) Vote 168 Kabale Regional Referral Hospital**

**Background**

During the FY 2013/2014, the hospital planned the following activities: (a) internet connection for the private wing; (b) telephone and intercom installation; (c) procurement of specialized machinery and equipment; and (d) purchase of furniture and fittings for the private wing.

**Financial Performance**

The allocated budget for Kabale RRH in FY 2013/2014 is Ug shs 1,050,000,000 for capital development under rehabilitation of RRH's project 1004. By 21/11/2013, the hospital had received Ug shs 648,500,000 for capital development, representing a release performance of 62% to the hospital. Details of the funds received are shown in Table 8.2.9. No funds had been spent on capital development activities by the time of the monitoring visit in December 2013.

**Table 8.2.9: Capital development funds received by Kabale RRH in FY 2013/2014**

| Period | Date of release | Amount released (Ug shs) | Cumulative release (Ug shs) |
|---|---|---|---|
| Q1 | 13/08/2013 | 312,000,000 | - |
| Q 2 | 28/09/2013 | 336,500,000 | 648,500,000 |

***Source: Field findings***

**Physical Performance**

The planned projects for FY 2013/2014 at Kabale hospital were in procurement stages and construction had not yet started. Some of the planned activities of FY 2012/2013 such as the completion of the private wing were close to completion. In the private wing it was observed that the contractors were in the process of installing doors and other fixtures and tiling of the floors. 15 patient rooms had been completed.

**Challenges**

- **Poor status of infrastructure**: The infrastructure at the hospital was dilapidated; this was shown by the cracks on areas of the verandah of the Ear Nose and Throat section, which had partly sunk, as well as the verandah where the main store for supply of medicines. Minor repairs need to be made to some of the buildings which have noticeable defects.

- **Late releases**: The hospital administration expressed concerns about the delays to the release of funds. In addition to these late releases there were internal delays in the crediting of hospital accounts, causing problems for the proper running of hospital administration.

**Recommendations:**

- The hospital needs to renovate existing dilapidated infrastructure after focusing expenditure only on big projects such as the Nurses' hostel and the private wing over the past few years.

**Conclusions and Recommendations**

In all the hospitals monitored, implementation of the new projects planned for this financial year had not started. Those with roll over projects were mainly progressing well, with the exception of Jinja RRH where work on the private wing was behind schedule. Good construction works were noted at Gulu Regional Referral Hospital. Across the four hospitals monitored, variations in the development budget, inadequate staff accommodation, staff shortages and inadequate non wage recurrent budget were the key challenges that were affecting the health care delivery in these hospitals.

The monitoring team recommends that:

- The Regional Referral Hospitals would benefit significantly in terms of long term planning of capital development projects from having a more stable budget allocation over the years. In particular it is recommended that the capital development allocation to the hospitals should follow the medium term expenditure frame work (MTEF) as is the case with other votes.

- The budget for the non wage recurrent expenditure needs to be increased to enable the hospitals to meet the increasing costs of service provisions.

- The hospitals need to construct more staff accommodation facilities to attract and retain the much needed critical staff.

## 8.3 Votes 501-850 Primary Health Care Development Grant (Project 0422)

**Background:**

Frontline health service delivery is primarily managed by local governments through the primary health care grant system. Local governments have responsibility for the management of human resources for district health services and management of general hospitals health centres (level II, III, and IV).

The mission of votes 501-850 is to facilitate the attainment of a good standard of health by all people of Uganda in order to promote a healthy and productive life. The total annual estimated budget for health sector transfers to the districts and municipal councils for FY 2013/2014 is Ug shs 274.6 billion representing approximately 24.4% of the health sector budget. Of this Ug shs 30.8 billion is allocated to Primary Health Care Development grant (project 0422).

The objective of primary health care (PHC) development grants is to improve the quality and quantity of health infrastructure such as operating theatres, medical wards, staff houses and sanitary facilities at health centres levels II, III and IV and general hospitals. All districts visited recorded the same amount of funds received during the two quarters as those recorded at the centre.

During Q2 FY 2013/2014, progress was monitored on program 0422 in the following districts: Bugiri, Buyende, Fort Portal Municipality, Gulu, Gulu Municipality, Iganga, Jinja, Kabale, Kabarole, Kanungu, Kasese, Kitgum, Mityana, Mubende, Ntungamo and Pader. All the districts had received funds up to the end of the second quarter. The approved budgets for PHC development in the local governments monitored ranged from Ug shs 98 million in Buyende district to Ug shs 486million in Kitgum district. The districts in the north receive additional funding under the PRDP arrangements, which is why their budgets are bigger than the rest.

### a) Bugiri District Local Government

**Background**

In FY 2013/2014, Bugiri District planned to carry out several activities: a) completion of an outpatient department at Muterere HCIII; b) completion of an outpatient department at Nankoma HCIV; c) completion of a staff house at Maziriga HCII; d) phased construction of a type 2 staff house at Budhaya HCIII; and e) procurement of solar panels for Maternity Ward at all the ten HCIIIs.

The progress of the completion of the outpatient department at Muterere HCIII and construction of a staff house at Maziriga HCII was monitored during fieldwork.

**Financial performance**

In FY 2013/2014, Bugiri District had an approved PHC development budget of Ug shs 165,578,000. By $10^{th}$/12/2013, the district had received Ug shs 82,954,000 in FY 2013/2014. The release performance accounted for around 50% of the total approved budget for FY 2013/2014.

**Table 8.3.1: Capital development funds received by Bugiri Local District in FY 2013/2014**

| Period | Date of release | Amount released (Ug shs) | Cumulative release (Ug shs) |
|---|---|---|---|
| Q1 | 22/8/2012 | 41,477,000 | - |
| Q2 | 06/11/2012 | 41,477,000 | 82,954,000 |

***Source: Field findings***

Ug shs 39,920,300 had been spent on capital development in FY 2013/2014. This represents an absorptive capacity of 48% of funds received in FY 2013/2014. No funds had been carried forward from PHC development from FY 2012/2013.

**Table 8.3.2: Capital development payments by Bugiri District in FY 2013/2014**

| Output Description | Contractor | Contract Sum (Ug shs) | Payments in FY 2013/2014 (Ug shs) | Payments to date (Ug shs) |
|---|---|---|---|---|
| Completion of an outpatient department at Muterere HCIII | Abako Generals Contractors | 105266,426, | 24,960,300 | 83,527,694 |
| Completion of a staff house at Maziriga HCII | Emorani Investment limited | 74,800,000 | 14,960,000 | 40,336,875 |

***Source: Field findings***

**Physical performance**

By 10th/12/2013, the new works had just been advertised while contracts for works from the previous financial year were yet to be re-signed for the current financial year. The team visited Muterere HCIII and Maziriga HCII to ascertain the physical progress of the works paid for.

Construction of the outpatient department at Muterere HCIII was complete, but there were a number of faults with the new structure. In particular there were a number of cracks in the floors and walls and guttering on the roof was incomplete. In addition, the water tank that was constructed next to the building collapsed after only 2 months of use. It was reported that the contractor is being brought back to reconstruct the water tank and fix the gutter.

The construction of the staff house at Maziriga HCII had reached the roofing stage. However, the monitoring team observed poor civil works, in particular a cracked veranda and bent timber being used for roofing. It was reported that the district had agreed with the contractor to remove the defective timber in the roof.

***Left to right: nearly completed OPD at Muterere HCIII and Staff house construction at Maziriga HCII***

**Challenges**

- **Inadequate infrastructure**: District healthcare facilities were struggling to cope with patient demand. In particular, Muterere HCIII lacked a proper maternity ward and therefore had to provide healthcare in a small and inadequately resourced facility.

- **Inadequate and static budget allocation**: The budget allocation for PHC development had remained static for a number of years, and was inadequate for completion of priority projects. In addition, the budget for recurrent expenditure was inadequate, meaning that health centres were not sufficiently funded to carry out key functions.

**Recommendations**

- The static budget allocation needs to be reviewed on the basis of rising resource costs and increasing demands for healthcare provision within the districts. The budget for both capital development and recurrent expenditure needs to increase to meet the demands on the healthcare system in the district.

**b) Buyende District Local Government**

**Background**

In FY 2013/2014 Buyende District planned to carry the following activities; a) construction of incinerator at Kidera HCIV; b) construction of a semi-detached staff house at Namusikizi HCII; c) renovation of maternity ward at Kidera HCIV; d) construction of OPD at Ikanda HCII and Mpude HCII; e) construction of walk ways connecting to the theatre and maternity ward at Kidera HCIV.

**Financial performance**

In FY 2013/2014 Buyende District has an approved PHC development grant of Ug shs 98,944,000. By 9th/12/2013, the district had received Ug shs 49,472,000 in FY 2013/2014. The release performance accounted for around 50% of the total approved budget for FY 2013/2014.

**Table 8.3.3: Capital development funds received by Buyende Local District in FY 2013/2014**

| Period | Date of release | Amount released (Ug shs) | Cumulative release (Ug shs) |
|---|---|---|---|
| Q1 | 22/08/2013 | 24,736,000 | |
| Q2 | 07/10/2013 | 24,736,000 | 49,472,000 |

***Source: Field findings***

The district had not yet spent out of the funds received for PHC development the FY 2013/2014 representing the poorest absorptive capacity. The reason for this lack of expenditure was that the district had not implemented any of it development projects this financial year. No funds had been carried forward from PHC development from last financial year 2012/2013 and there were no rollover projects.

**Physical performance**

The district was in the process of preparing bids for the planned projects for the FY 2013/2014.

**Challenges**

- **Inadequate transport**: There was no vehicle for the DHO's office to carry out essential support, supervision and monitoring. At the lower health facilities there were no motorcycles to undertake outreach work and immunization. The lack of adequate transport inhibited effective health care delivery in the district.

- **Inadequate infrastructure**: The DHO did not have an office, but was operating out of a dilapidated health facility. The allocated budget was not sufficient to carry out urgent repair work on these dilapidated facilities.

**Recommendations:**

- The Ministry of Health should assist the district in acquiring a vehicle that can be used for support supervision and other activities at the DHO's office.

- The budget allocation to the district should be increased so that it is able to carry out urgent repair work on existing infrastructure and also construct new buildings in order to improve health care delivery in the district**.**

**c) Fort Portal Municipality**

**Background**

In FY 2013/2014, Fort Portal Municipality planned to carry out one activity, which was rolled over from previous financial years. This project was the construction of a 3 level staff house at Kataraka HCIII. The project was started in FY 2010/11, but work stalled in 2011/12 when the contractor stopped work and the unspent funds in that FY were returned to MFPED. The project was restarted with a new contractor in the FY 2012/2013.

**Financial performance**

In FY 2013/2014 Fort Portal Municipality has an approved PHC development grant of Ug shs 100,274,000. By $5^{th}$/12/2013, the district had received Ug shs 50,136,000 in FY 2013/2014 (Table 8.3.4). The release performance accounted for around 50% of the total approved budget for FY 2013/2014.

**Table 8.3.4: Capital development funds received by Fort Portal Municipality in FY 2013/2014**

| Period | Date of release | Amount released (Ug shs) | Cumulative release (Ug shs) |
|---|---|---|---|
| Q1 | 16/8/2012 | 25,068,000 | - |
| Q2 | 29/10/2012 | 25,068,000 | 50,136,000 |

***Source: Field findings***

During the budget monitoring visit, Ug shs 17,832,450 had been spent on capital development in FY 2013/2014 (Table 8.3.5). This represents an absorptive capacity of 36% of funds received in FY 2013/2014. No funds had been carried forward for PHC development from last financial year 2012/2013.

**Table 8.3.5: Capital development payments by Fort Portal Municipality in FY 2013/2014**

| Output Description | Contractor | Contract Sum (Ug shs) | Payments in FY 2013/2014 (Ug shs) | Payments to date (Ug shs) |
|---|---|---|---|---|
| Construction of a staff house a Kataraka HCII. | Cornerstone (U) Limited. | 268,320,250 | 17,832,450 | Information on previous payments missing |

***Source: Field findings***

***Construction of the staff house at Kataraka HCIII Fortportal Municipality*.**

**Physical performance**

Construction was ongoing at Kataraka HCIII; however due to the long period over which the construction has occurred there are a number of problems. The exterior ground level of the building was damp and had areas of moss and plant growth. The size of the contract sum as well as the inadequate current budget means that the completion of the project will likely take a long period of time.

**Challenges**

- **Inadequate staff:** Thee Municipality lacked a principal medical officer; the role is combined with that of District Health Officer for the Kabarole District, with both functions performed by one individual. This affected service delivery at both levels.

- **Lack of staff accommodation:** There was no staff accommodation at four of the health facilities in the municipality; the only facility in the municipality with accommodation was Kataraka HCIII which has a Doctor's house.

- **Single capital project:** Over the past 4 financial years there had only been one ongoing capital development project, the staff house at Kataraka HCIII. Over this period the project had consumed almost all PHC development funds, leaving no funds for other activities. This situation is likely to continue for some years, with much of the contract sum still to be paid.

- **Lack of an ambulance:** The Municipality lacked an ambulance and transport for staff; this had led to problems in service delivery, particularly in the cases of emergencies and outreach programmes.

- **Inadequate budget**: The cost of the current project was too high compared to the budget allocated to the municipality each year. This meant that the construction of the project was likely to take several years before it was completed. During this period, other infrastructure in the municipality would be left unattended and could potentially deteriorate.

**Recommendations**

- It is recommended that in the future funds should be apportioned more equally across the key priorities in the municipality. In addition the budget allocation to the municipality for PHC development should be increased in order for it to complete the huge project at Kataraka HCIII.

- In the future, the municipality should refrain from starting huge projects with high costs when the source of funding cannot fully finance it.

- The Ministry of Health should help the municipality in acquiring an ambulance for the referral services. The municipality should quickly embark on the acquisition of land titles for its facilities but also acquire land for future expansion.

#### d) Gulu Municipal Local Government

**Background**

In FY 2013/2014, Gulu Municipality planned to carry out the following activities: a) installation of sanitary facility at Aywee HC III; b) construction of 4 stance drainable latrines at Bardege HC III; c) procurement of 4 desktop computers for 4 health facilities Laroo, Bardege, Pece, Layib techno; d) procurement of 1 laptop for the inspectorate; e) procurement of 10 patient beds, 4 mattresses, 3 delivery beds and assorted medical equipment for Tegwana HCII; and f) construction of I block of staff houses at Aywee HC III.

The following projects were rolled over from FY 2012/2013: a) completion of maternity ward at Aywee HC III; b) slabbing of staff house at Laroo HC III; c) construction of a 4 unit staff house block at Aywee HCIII.

**Financial Performance**

In FY 2013/2014 Gulu Municipality had a budget of Ug shs 150,507,000 for Primary Health Care development including PRDP. By 28th/11/2013, the district had received Ug shs 75,256,000 in FY 2013/2014. The release performance accounted for 50% of the total approved budget for the FY 2013/2014.

**Table 8.3.6: PHC Capital development funds received by Gulu Municipality in FY 2013/2014**

| Period | Date of release | Amount released (Ug shs) | Cumulative release (Ug shs) |
|---|---|---|---|
| Q 1 | 9/9/2013 | 37,628,000 | - |
| Q 2 | 27/11/2013 | 37,628,000 | 75,256,000 |

***Source: field findings***

Ug shs 27,678,450 had been spent on capital development in FY 2013/2014 (Table 8.3.7). This represents an absorptive capacity of 36.8% of funds received in FY 2013/2014.

**Table 8.3.7 Gulu Municipality Capital Development payments**

| Output Description | Contractor | Contract Sum (Ug shs) | Payments in FY 2013/2014 | Payments to date ( Ug shs) |
|---|---|---|---|---|
| Construction of maternity ward at Aywee HC III | Gamaf Limited | 86,630,763 | 15,350,500 | 51,431,900 |
| Construction of 1 block of 4 unit staff houses at Aywee | Jipola engineering Co. Limited | 69,975,580 | 12,327,950 | 36,589,450 |

***Source: Field findings***

**Physical performance**

The construction of the staff house block at Aywee HC had been completed to a good standard. At the time of the monitoring visit it was observed that the staff houses lacked toilets and bathroom facilities. The construction of the maternity ward was still ongoing, walling was complete and the building had been roofed. Major pending works on the maternity ward included plastering, electrical installation, shuttering, painting, flooring, ceiling and verandah construction. The pictures below show the physical performance of the monitored projects.

***Construction of maternity ongoing and nearly completed staff house at Aywee HCIII***

**Challenges**:

- **Delays in procurement process**: It was reported that there were frequent delays in the procurement of service providers. It was reported that awards were normally made in the third quarter leading to rolling over projects in other financial years.

- **Untimely releases:** Releases for a quarter were usually sent at the end of the second month of the quarter which delays implementation of the planned activities as contractors halt construction works until the funds are available.

- **Budget cuts:** The Municipality often experienced budget cuts which affected the planned projects and the overall planning process in the district.

**Recommendations**

- The municipality should start the procurement process earlier in the financial year. The process should go up to the awarding stage and then contracts should be signed only after the funds for the projects have been received.

- The Ministry of Finance should try as much as possible to ensure that all approved funds to the municipality are released and should do so in a timely manner.

**e) Gulu District Local Government**

**Background**

In FY 2013/2014, the district planned to carry out the following activities: a) completion of renovation of a doctor's staff house at Awach HCIV; b) completion of staff at Lalenber HCII; c) construction of staff house at Ongako HCIII; d) payment of retention for construction of staff house at Paibona HCII; e) completion of a general ward at Pabwo HCIII; f) construction of a general ward at Labworomor HCIII; g) completion of OPD Angany HCII; h) completion of OPD at Lujorongole HCII; i) payment of retention for the 4 stance latrines at Omel HCII and Bobi HCIII; J) construction of 4 stance pit latrine at Lukwir HCII; k) procurement of furniture for 42 health facilities; l) payment of retention for construction of the DHO administration block; m) construction of staff house at Lalogi HCIV; n) renovation of general ward at Awach HCIV; o) procurement of ambulance tyres for DHO's office.

The monitoring team monitored the completion of OPD at Lujorongole HCII; construction of Labworomor HCII; and construction of latrine Lukwir HCII.

**Financial Performance**

In FY 2013/2014 Gulu district has a budget of Ug shs 468,999,000 for Primary Health Care development including PRDP. By 25th/11/2013, the district had received Ug shs 234,499,680 in FY 2013/2014. The release performance accounts for about 50% of the total approved budget for the FY 2013/2014.

**Table 8.3.8: Capital Development funds received by Gulu Local District in FY 2013/2014**

| Period | Date of release | Amount released (Ug shs) | Cumulative release (Ug shs) |
|---|---|---|---|
| Q 1 | 20/8/2013 | 117,249,840 | - |
| Q 2 | 20/11/2013 | 117, 249,840 | 234,499,680 |

***Source: Field findings***

During the monitoring visit, Ug shs 63,299,090 had been spent on capital development in FY 2013/2014. This represents an absorptive capacity of 27% of funds received in FY 2013/2014.

**Table 8.3.9: Gulu District Local Government Capital Development payments**

| Output Description | Contractor | Contract Sum (Ug shs) | Payments in FY 2013/2014 | Payments to date ( Ug shs) |
|---|---|---|---|---|
| Latrine construction at Lukwir HC II | Adyero construction Limited | 13,268,840 | 13,268,840 | 13,268,840 |
| Completion of OPD at Lujorongole HC II | Kaloyik Enterprises (U) Limited | 25,295,000 | 24,030,250 | 24, 030,250 |
| Construction of General ward at Labworomor HCIII | Pukwany General Services Limited | 216,351,000 | 26,000,000 | 216,351,000 |

***Source: Field findings***

*From left: Completed general ward at Labworomor HCIII, completed OPD Lujorongole HCIII, and completed latrine at Lukwir HCII*

**Physical performance:**

The general ward at labworomor HCIII, the OPD at Lujorongole HCII and latrine at Lukwir HCII had all been completed. The other planned projects had not started.

**Challenges**

- **Inadequate infrastructure**. The district had inadequate health infrastructure, particularly staff accommodation at health centres and wards (maternity/general), as well as intermittent water and electricity supplies, which makes service delivery very difficult. In addition, poor roads in the district made referrals very difficult to the extent that at times patients died because they could not reach the nearest referral facility.

- **Insecurity**: There were problems of insecurity particularly in remote areas where health centres are located. There were many cases of burglary, such as theft of solar panels, water pipes, and lightning arresters which hindered service delivery in the district.

- **Limited human resources**: The human resources for health were inadequate which affects service delivery in the district. The most critical cadres that were missing were the senior medical officers and midwives. The staffing in the district was about 72% of the staffing norm. At the same time there was high staff attrition in the district as many staff leave in search of better working conditions.

- **Inadequate logistics**: The district had got inadequate logistics, particularly medical equipment, furniture and other general supplies, which hinders efficient provision of health services in the district.

- **Budget cuts**: Budget cuts to capital projects affects planning and implementation of such projects and undermines the budget process, as many planned projects were not implemented due to budget cuts.

- **Slow progress of contractors:** It was reported that contractors in the district were particularly slow. This is because they had limited capacity to simultenously undertake many projects that they are awarded – the result of a shortage of high capacity contractors in the region. This often led to roll over of projects that should have been completed within the given financial year.

**Recommendations:**

- The district should prioritise construction of more staff accommodation, latrine bath shelters and wards. The construction of staff houses should increase staff retention in the district.

- The district should consider fencing all its facilities and recruiting security guards to ensure that equipment and facilities are not subject to theft and vandalism.

- The approved budget to local government should be released in full so as not to undermine the budget process. If committed funds are returned to the MFPED, it is recommended that they be returned to the district for the completion of the projects in question.

- The district should recruit more staff to replace those who have left and then, if the wage bill allows, new staff, particularly the much needed midwives and medical officers.

- Contractors in the district should be given a time limit within which to complete the projects and they should not demand any money after the project period has ended.

### f) Iganga District Local Government

**Background**

In FY 2013/2014 Iganga District planned to carry out several activities; a) completion of an outpatient department at Ituba HCII; b) completion of a staff house at Bubenge HCII; and c) partial completion of a general ward at Namungalwe HCIII. The monitoring team observed progress of the completion of the staff house at Bubenge HCII during fieldwork.

**Financial performance**

In FY 2013/2014 Iganga District has an approved PHC development grant of Ug shs 154,000,000. ABy $10^{th}$/12/2013, the district had received Ug shs 77,470,000 in FY 2013/2014. The release performance accounts for 50% of the total approved budget for FY 2013/2014 (Table 8.3.10).

**Table 8.3.10: Capital development funds received by Iganga Local District in FY 2013/2014**

| Period | Date of release | Amount released (Ug shs) | Cumulative release (Ug shs) |
|---|---|---|---|
| Q1 | 09/09/2013 | 38,735,000 | - |
| Q2 | 16/11/2013 | 38,735,000 | 77,470,000 |

***Source: Field findings***

A total of Ug shs 19,481,186 had been spent on capital development in FY 2013/2014 (Table 8.3.11). This represents an absorptive capacity of 25% of funds received in FY 2013/2014. No funds had been carried forward for PHC development from last financial year 2012/2013.

**Table 8.3.11: Capital development payments by Iganga District in FY 2013/2014**

| Output Description | Contractor | Contract Sum (Ug shs) | Payments in FY 2013/2014 (Ug shs) | Payments to date (Ug shs) |
|---|---|---|---|---|
| Completion of a staff house at Bubenge HCII | Sem Business Enterprises | 60,927,000 | 19,481,186 | 39,481,186 |

***Source: Field findings***

### Physical performance

Construction was near completion at the staff house at Bubenge HCII; the contractor was finishing with painting and works were completed to a good standard. The contractor expected to complete the building before the end of December 2013.

***Completed staff at Bubenge HCII in Iganga district***

### Challenges

- **Inadequate fund allocation**: The budget allocation for PHC development has remained static for at least the past four years, and it was stated that it was inadequate for completion of priority projects. The inadequacy of funds meant that projects are often rolled over to the next financial year, making projects more expensive than they otherwise would have been. Relatedly the static allocation of PHC non wage does not account for inflation, in particular the rising costs of water, fuel and lubricant, and electricity, as well as the increasing demand for healthcare services from the population.

- **Procurement delays:** The procurement process was particularly slow, with awards sometimes being made in the third quarter. This caused significant delays in the implementation of new projects and leads to the rolling over of projects into subsequent financial years. This is due to a number of reasons, but particular blame was attributed to the procurement office, in part due to under-staffing.

- **Changing Output Budgeting Tool:** It was also noted that the OBT often changed format during the financial year, meaning additional work for staff inputting information into the system.

### Recommendations

- The static budget allocation needs to be reviewed on the basis of rising resource costs and increasing demands for healthcare provision within the districts.

- The capacity of the procurement office in the district needs to be strengthened to ensure that contracts are awarded in a timely manner and that projects are implemented earlier in the financial year. This would reduce the likelihood of projects rolling over into the subsequent financial year(s) and the additional costs associated with this.

- Changes in the OBT should be made once in a financial year and during the budgeting process, no changes should subsequently be made during the course of the financial year as this complicates reporting.

### g) Jinja District Local Government

**Background**

In FY 2013/2014, Jinja District planned to carry out several activities; a) the completion of a maternity ward at Lukolo HCIII; b) the renovation of Budima HCIII. The monitoring team visited Lukolo HCIII to ascertain the progress of the construction of the maternity ward

**Financial performance**

In FY 2013/2014, Jinja District had an approved PHC development grant of Ug shs 160,000,000. By 9th/12/2013, the district had received Ug shs 81,196,000 in FY 2013/2014 (Table 8.3.12). The release performance accounted for around 50% of the total approved budget for FY 2013/2014.

**Table 8.3.12: Capital development funds received by Jinja Local District in FY 2013/2014**

| Period | Date of release | Amount released (Ug shs) | Cumulative release (Ug shs) |
|---|---|---|---|
| Q1 | 06/08/2012 | 40,598,000 | - |
| Q2 | 04/11/2012 | 40,598,000 | 81,196,000 |

*Source: Field findings*

A total of Ug shs 43,475,859 had been spent on capital development in FY 2013/2014 (Table 8.3.13). This represents an absorptive capacity of 54% of funds received in FY 2013/2014. No funds had been carried forward for PHC development from last financial year 2012/2013.

**Table 8.3.13: Capital development payments by Jinja District in FY 2013/2014**

| Output Description | Contractor | Contract Sum (Ug shs) | Payments in FY 2013/2014 (Ug shs) | Payments to date (Ug shs) |
|---|---|---|---|---|
| Construction of a of a maternity ward at Lukolo HCIII (Phase 2 and 3) | Wakanira Investments | 162,000,000 | 38,926,095 | 111,890,095 |
| Payment of retention for the construction of an outpatient department at Butagaya HCIII | Kimanto Traders and Construction | 34,949,764 | 4,549,764 | 34,949,764 |

***Source: field findings.***

**Physical performance**

Construction was near completion at Lukolo HCIII; while most of the completed work was of high quality, there were a few minor faults. In particular, doors were not fitted properly to frames. Contractors anticipated completing the work before the end of December 2013.

*Nearly completed maternity ward at Lukolo HCIII and adjacent pitlatrines*

**Challenges**

- **Inadequate budget allocation**: The budget allocation for PHC development has remained static for a number of years, and it was stated that it was inadequate for completion of priority projects. The static allocation does not account for inflation, in particular the rising costs of construction materials, water and electricity, as well as the increasing demand for healthcare services from the population. The inadequacy of funds meant that projects were often rolled over to the subsequent financial years, making projects more expensive than they otherwise would have been.

- **IFMS issues**: It was noted that the health office was not able to access the IFMS system due to a server being down. This problem had persisted for 8 months and the District Health Office had not been assisted by the technical support team from Ministry of Finance, Planning and Economic Development and Ministry of Local Government.

- **Hard to reach**: Jinja is not classified as hard to reach in terms of its budget allowance. However, it was noted that the district has some health facilities on islands in Lake Victoria which were particularly difficult to visit and to work on.

**Recommendations**

- The formula for budget allocation needs to be reviewed on the basis of rising resource costs and increasing demands for healthcare provision within the districts. In particular, the distribution of funds between districts needs to be reviewed in order to ensure that allocations meet the differing needs and circumstances of the districts.

- The health facilities on Islands should be considered to benefit from the hard to reach allowance. This will enable the district to attract and retain staff in these islands and improve service delivery in such areas.

**h) Kabale District Local Government**

**Background**

The district planned to complete activities that were carried over from the previous financial year 2012/2013 and these include a) completion of construction of maternity ward at Bwama HCIII; b) construction of an OPD at Shebeya HCII; c) renovation of Kyogo HCIII in Kamwezi Sub County; d) renovation of district health office and medical stores in Kabale district.

## Financial Performance

In FY 2013/2014, Kabale District received an approved Primary Health Care capital development grant of Ug shs 197,781,000. By 21st/11/2013, the district had received Ug shs 98,890,700 (Table 8.3.14). The release performance accounts for 49% of the total approved budget for FY 2013/2014.

**Table 8.3.14 Capital Development funds received by Kabale Local District in FY 2013/2014**

| Period | Date of Release | Amount Released (Ug shs) | Cumulative Release (Ug shs) |
|---|---|---|---|
| Q 1 | 24/8/2013 | 49,445,350 | - |
| Q 2 | 15/11/2013 | 49,445,350 | 98,890,700 |

***Source: Field findings***

A total of Ug shs 66,826,394 had been spent on capital development in FY 2013/2014 (Table 8.3.15). This represents an absorptive capacity of 68% of the funds received in FY 2013/2014.

**Table 8.3.15 Capital Development payments by Kabale District in FY 2013/2014**

| Project | Contractor | Contract Sum Ug shs | Payments in FY 2013/2014 (Ug shs) | Cumulative Payments to date Ug shs |
|---|---|---|---|---|
| Completion of maternity ward at Bwama HCIII | Gesis (U) Limited | 67,111,320 | 22,130,000 | 58,346,634 |
| Completion of OPD at Shebeya HCII | Hen Hopex Enterprises | 93,282,540 | 44,696,394 | 70,712,569 |

***Source: field work findings***

## Physical Performance

By 21st/11/2013, the maternity ward at Bwama HC III was nearly completed. Remaining work included installation of solar panels, fixing of shelves in the drug store, and fixing of electric sockets. The completed works appeared good except that the floor was cracked because the wrong type of sand was used. The OPD in Shebeya HCII had been completed to a good standard.

***Maternity ward at Bwama HCIII and completed OPD Shebeya HCII***

**Challenges**

- **Inadequate funds:** The Primary Health Care capital development funds were not sufficient to complete a single project in a given financial year. As a result, the district was phasing its construction over many years, which involves additional costs.

- **Inadequate accommodation:** The district lacked staff accommodation, with only about 30% of the staff accommodated. In Bwama HC III due to lack of accommodation the staff were using part of the health facility as accommodation.

- **Budget shortfalls:** Budget shortfalls greatly affected projects in subsequent years. In FY 2012/2013, the shortfall was Ug shs 49,000,000, and as a result a number of projects in FY 13/14 had to be dropped in order to repay debts from the previous FY 2012/2013.

- **Lack of critical cadres:** The district has failed to attract and retain medical officers. Additionally there is no doctor in the seven health sub districts, which negatively affects service delivery at this level.

**Recommendations:**

- The district needs to increase the quantity of its health infrastructure particularly staff accommodation facilities in the rural areas to attract and retain staff in the district.

- Top up allowances should be given to the medical officers recruited in the district as a way of attracting them to the area. The district council could use their internally generated revenue for this purpose as it has been done in other districts.

- The MFPED should send all allocated funds in full to the district; this will improve planning and budgeting in the district**.**

**i) Kabarole District Local Government**

**Background**

In FY 2013/2014 Kabarole District planned to carry out several new activities: a) the co-funding of the construction of a general ward/maternity complex at Kibiito HCIV; b) the construction of an outpatient department at Kiboota HCIII; c) the construction of a staff house at Kabende HCIII; d) the construction of an outpatient department at Kasesenge HCIII.

In addition, a number of projects were rolled over from the previous financial year(s), these were: a) the completion of a staff house at Kasenda HCIII; b) the completion of an outpatient department at Nyamiseke HCII; c) the completion of an outpatient department at Nyakitokoli HCII; and d) the completion of a general ward at Kisomoro.

The following capital development projects were monitored: a) the construction of a general ward/maternity complex at Kibiito HCIV; b) the completion of an outpatient department at Nyamiseke HCII; and c) the completion of a general ward at Kisomoro HCIII.

**Financial performance**

In FY 2013/2014 Kabarole District has an approved PHC development grant of Ug shs 179,000,000. By $4^{th}$/12/2013, the district had received Ug shs 89,970,000 in FY 2013/2014 (Table 8.3.16). The release performance accounts for 50.3% of the total approved budget for FY 2013/2014.

**Table 8.3.16: Capital development funds received by Kabarole Local District in FY 2013/2014**

| Period | Date of release | Amount released (Ug shs) | Cumulative release (Ug shs) |
|---|---|---|---|
| Q1 | 22/8/2012 | 44,985,000 | |
| Q2 | 7/11/2013 | 44,985,000 | 89,970,000 |

***Source: Field findings***

By 4th/12/2013, Ug shs 63,951,633 had been spent on capital development in FY 2013/2014 (Table 8.3.17). This represents an absorptive capacity of 71% of funds received in FY 2013/2014.

**Table 8.3.17: Capital development payments by Kabarole District in FY 2013/2014**

| Output Description | Contractor | Contract Sum (Ug shs) | Payments in FY 2013/2014 (Ug shs) | Payments to date (Ug shs) |
|---|---|---|---|---|
| co funding of the construction of a general/ ward maternity complex at Kibiito HCIV | Mabeko Construction Co. Limited. | N.A | 40,000,000 | 40,000,000 |
| Completion of a staff house at Kasenda HCIII | S.M.B Procurement Limited. | 21,813,000 | 3,728,598 | 21,813,000 |
| Completion of an outpatient department at Nyamiseke HCII | Busaakya (U) Limited. | 30,816,000 | 10,661,216 | 23,835,377 |
| Completion of an outpatient department at Nyakitokoli HCII | Abakatunguta limited | 31,860,000 | 9,561,819 | 24,695,604 |
| Completion of a general ward at Kisomoro. | B & C Merchants Transports Limited. | 77,445,475 | 0 | 69,082,000 |

***Source: Field findings***

***Top left to right: Maternity ward at Kibito HCIV and Completed OPD at Nyamiseke HCII***
***Bottom: General ward at Kisomolo HCIII and Plaster that has give way on the general ward Kisomolo HCIII***

**Physical performance**

Construction of the general ward maternity complex at Kibiito had begun in the middle of October 2013 and by the time of monitoring (first week of December) the ground floor of the construction was nearing completion and walling for the first level and form work for the columns was ongoing. The contractor anticipated completion of the project by March 2014. The outpatient department at Nyamiseke HCII was completed, but a number of faults were noticed, primarily floors and walls were cracked and were not level. Work on the general ward at Kisomoro was still ongoing, but to a poor standard and a number of faults were identified, notably the falling off of plaster from the walls, poorly fitted doors, and peeling of the paint inside the building.

**Challenges**

- **Inadequate funds**: The budget allocation for PHC development has remained static for a number of years, and it was stated that it was inadequate for completion of priority projects. In addition, it was noted that the current allocation of funds to districts did not take account of a number of important factors; primarily, that construction costs vary significantly depending on the soil quality and the topography of the district. Likewise the additional costs of building in hard to reach places should be taken into account in budget allocation.

- **Late releases**: Releases to the district were unpredictable, and it was recommended that releases for PHC development could be made earlier and concurrent with PHC wage releases.

- **Infrastructure designs**: It was reported that current Ministry of Health designs for infrastructure were inadequate in the face of growing demand for healthcare services and a growing population.

**Recommendations**

- The sequencing of budget releases throughout the year, so that releases are fully utilized in each financial quarter with no unspent balances, would lead to better utilization of capital development funds.

- Infrastructure designs for new constructions should be reviewed in a consultative process with stakeholders to ensure that facilities are able to cope with the demand for healthcare services in the future.

- More should be done to ensure the capacity and capability of contractors, including the blacklisting of those who have failed to deliver in the past.

**j) Kanungu District Local Government**

**Background**

In FY 2013/2014, Kanungu district planned to carry out the following activities: a) renovation of waiting shelter for pregnant mothers at Kihihi HC IV; b) fencing and repair of general ward at Kanungu HC IV; c) fencing of Mpungu HC III; d) renovation of staff houses at Katete HC III; e) construction of staff houses at Kinaba HC II; and f) Furnishing of DHO's office and boardroom.

**Financial performance**

In FY 2013/2014 Kanungu District has an approved annual PHC development budget of Ug shs 168,087,000. By 20th/11/2013, the district had received a total of Ug shs 84,049,562 in FY 2013/2014 (Table 8.3.18). This represents a release performance of 50% of the annual budget. See table for details of the released funds.

**Table 8.3.18: Capital Development funds received by Kanungu Local District in FY 2013/2014**

| Period | Date of Release | Amount Released (Ug shs) | Cumulative Release (Ug shs) |
|---|---|---|---|
| Q 1 | 22/8/2013 | 42,025,000 | - |
| Q 2 | 29/9/2013 | 42,024,562 | 84,049,562 |

***Source: field work findings***

During the first half of FY 2013/2014, funds amounting to Ug shs 28,517,935 had been spent on capital development projects (8.3.19). This represents an absorptive capacity of 33.9% of funds received in FY 2013/2014.

**Table 8.3.19: Capital Development payments by Kanungu District in FY 2013/2014**

| Project | Contractor | Contract sum (Ug shs) | Payment in FY 13/14 (Ug shs) | Payments to date (Ug shs) |
|---|---|---|---|---|
| Fencing of Kihihi HC IV | Gesis Uganda limited | 44,270,100 | 2,213,505 | 44,270,597 |
| Fencing of Kanungu HC IV | Gesis Uganda limited | 54,614,700 | 26,304,430 | 54,614,430 |

***Source: field work findings***

## Physical Performance

***Left: fencing of Kihihi HCIv and Right Fencing of Kanungu HCIV in Kanungu district***

The planned projects for this FY 2013/2014 are yet to begin. By 20th/11/2013, the district had awarded but not signed contracts for the following projects: (i) renovation of staff house at Katete HCIII, (ii) fencing of Mpungu HCIII, and (iii) renovation of general ward at Kanungu HCIV. The roll over projects of fencing Kihihi and Kanungu HCIVs had been completed. It was observed by the monitoring team that the contractor used weak fencing materials at Kanungu HCIV; this could mean that the fence does not last long, leading to wasted investment.

## Challenges

- **Delayed procurement process**: The procurement process in the district was particularly slow, caused in part by understaffing in the procurement and disposal. It was reported that, as a result of these delays, projects were normally implemented in the third and fourth quarters of the financial year.

- **Changes in workplan**: The district council in FY 2012/2013 changed the workplan of activities that had been approved by the Ministry of Health. The change was replacing the activity of constructing a staff house with that of fencing at Kanungu and Kihihi HCIVs. This delayed the implementation of the planned activities.

- **Pay roll problems:** It was reported that a number of staff were missing from the payroll since February 2013. In addition, those who re-appeared on the payroll did not get their arrears. This de-motivates staff as they have to look for alternative ways to survive. As such it increases their absenteeism from the health facilities. It was also stated that staff at facilities which are hard to reach, such as Mpungwe HCIII at the border with Democratic Republic of Congo, are not getting the hard to reach allowance.

- **Shortage of accommodation for staff:** The district lacked sufficient accommodation facilities for staff; only around 30% of health workers in the district were accommodated; there were no places for renting in the areas where the facilities are located. The longer distance that staff had to travel to work reduced the availability of health workers at health facilities and hindered efficient service delivery.

- **Inadequate budget for recurrent activities:** The cost of operating a health facility had increased over the past few years yet the recurrent budget has remained the same. Fuel prices had increased, as well as cleaning and maintenance costs, but the budget allocated for these services was inadequate and had not increased in line with rising costs. For example a HCII in Kanaungu district receives 180,000 per quarter while a HCIII receives Ug shs 4.5 million, which is insufficient given that a number of the HCIIIs require the use of generators.

- **Lack of Transport:** There was no vehicle for the DHO's office to carry out monitoring and supervision in the district. At the health facilities, there were no motorcycles to carry out important outreach work in the communities. Kanungu HCIV has no vehicle in good conditions. The vehicles that the district had were not in good condition and suitable for the terrain of the district.

**Recommendations:**

- More personnel should be recruited into the procurement office in order to share the work load and strengthen the capacity of the office. This will quicken the procurement process and the acquisition of suppliers for new projects.

- The Ministry of Public service should rectify the problems accompanied the migration to Integrated Personnel and Payroll System (IPPS) and ensure that those who have missed salaries are promptly paid their arrears, as this money has been budgeted for and released by the MFPED

- Changes in workplans should be avoided once the budget for the financial year has been approved and soliciting of contractors has started. This should reduce the delay in the implementation of planned projects.

- The MoH should procure vehicles for the district health office in order to enable them to carry out supervision and monitoring work. The district should look to procure motorcycles for health facilities in order to facilitate important outreach work in communities.

**k) Kasese District Local Government**

**Background**

In FY 2013/2014, Kasese District planned to carry out several activities: a) the construction of a staff house at Kahokya HCII; b) the construction of an outpatient department at Nyakimosa HCII; and c) the completion of an outpatient department at Nyakatozi HCII. The monitoring team monitored the progress of the completion of an outpatient department at Nyakatozi HCII.

### Financial performance

In FY 2013/2014, Kasese District has an approved budget for PHC development grant of Ug shs 183,902,000. By 3rd/12/2013, the district had received Ug shs 91,948,000 in FY 2013/2014 (Table 8.3.20). The release performance accounted for around 50% of the total approved budget for FY 2013/2014.

**Table 8.3.20: Capital development funds received by Kasese Local District in FY 2013/2014**

| Period | Date of release | Amount released (Ug shs) | Cumulative release (Ug shs) |
|---|---|---|---|
| Q1 | 20/8/2012 | 45,974,000 | - |
| Q2 | 1/11/2012 | 45,974,000 | 91,948,000 |

***Source: Field findings***

A total of Ug shs 46,098,308 had been spent on capital development in FY 2013/2014 (Table 8.3.21). This represents an absorptive capacity of around 50% of funds received in FY 2013/2014. No funds had been carried forward for PHC development from last financial year 2012/2013.

**Table 8.3.21: Capital development payments by Kasese District in FY 2013/2014**

| Output Description | Contractor | Contract Sum (Ug shs) | Payments in FY 2013/2014 (Ug shs) | Payments to date (Ug shs) |
|---|---|---|---|---|
| Completion of an outpatient department at Nyakatozi HCII. | Mwimu Engineering works | 107,348,850 | 46,098,308 | 87,433,108 |

***Source: Field findings***

### Physical performance

Construction of the outpatient department at Nyakantonzi HCII was ongoing, walling of the superstructure up to roofing had been completed. At the time of the monitoring visit, the ceiling had been casted and plastering of the OPD ongoing. The remaining works included painting and flooring. The team observed good quality works.

***Left: Construction of an OPD at Nyakantonzi HCII Kasese district***

### Challenges

- **Staffing and recruitment**: There was a shortage of staff in the district, with staffing levels currently at only 52%. It was also reported that recruitment was difficult; in particular, it was difficult to attract critical cadres such as midwives. This constrains service delivery at health facilities where maternity services are provided. The desire to recruit more health workers was limited by the wage ceiling.

- **Shortage of staff Accommodation:** There was lack of staff accommodation in the district, meaning that many staff have to travel long distances to work. This has resulted in absenteeism amongst staff in some cases and compromises service delivery

- **Inadequate Transport**: The district lacked adequate numbers of well maintained vehicles, which are necessary for outreach programmes as well as monitoring and evaluation of construction and other projects under the capital development budget. This leads to the potential of poor quality going unnoticed.

**Recommendations**

- The district needs to put funds towards the construction of staff accommodation in the district. This will help with recruitment and retention of staff and could lead to improvements in service delivery.

- Capital development funds should also be directed to the maintenance of existing vehicles and the procurement of new vehicles and motorcycles for the district, to ensure that outreach programmes are fully implemented and that ongoing capital projects are monitored throughout.

- Government should increase the wage for the district to allow it recruit much needed health workers; payment of hard to reach allowances should be given to health workers in the rural areas as a way of increasing attraction and retention of staff in the district.

### l) Kitgum district Local Government

**Background**

In FY 2013/2014, Kitgum district planned to carry out the following activities: a) construction of OPD at Tumangu HCII; b) completion of OPD at Locom HCII; c) construction of children's ward at Omiya Anyima HC III; d) construction of 2 block of drainage pit latrine at Tumangu HC II; and e) construction of staff houses at Locomo.

The following projects were rolled over from FY 2012/2013 to FY 2013/2014: a) completion of staff house at Lalekan HC II; b) completion of drainable latrine at Pawidi HC II; c) completion of maternity ward at Kitgum Town Council HC III; d) completion of two drainable pit latrine at Pawidi HCII; e) payment of retention for the staff house at Okidi HCIII; f) completion of staff house at Akuna Laber HCIII.

**Financial performance**

In FY 2013/2014 Kitgum district has an approved Primary Health Care Development fund budget of Ug shs 486,708,700. By 26th/11/2013, the district had received Ug shs 121,673,630 in FY 2013/2014. The release performance accounts for around 25% of the total approved budget for FY 2013/2014**.**

**Table 8.3.22; Capital Development funds received by Kitgum Local District in FY 2013/2014**

| Period | Date of Release | Amount Released (Ug shs) | Cumulative Release (Ug shs) |
|---|---|---|---|
| Q 1 | 5/8/2013 | 121,673,630 | 121,673,630 |

***Source: field work findings***

During the monitoring visit no payments had been made from funds for FY 2013/2014 (Table 8.3.23). There were no unspent balances from FY 2012/2013.

**Table 8.3.23 Capital Development payments by Kitgum District Local Government**

| **Output description** | **Contractor** | **Contract sum (Ug shs)** | **Payments in FY 2013/2014 (Ug shs)** | **Payments to date (Ug shs)** |
|---|---|---|---|---|
| Latrine construction at Pawidi HC II | Perfect Trust Co. Limited | 28,671,710 | 0 | 25,804,539 |
| Completion of maternity ward at Kitgum town council | Aber Mekel construction Co. Limited | 170,000,000 | 0 | 127,120,500 |
| Completion of staff house at Lalekan HC II | Beda Abeda Pe Kicamo | 60,000,000 | 0 | 30,391,373 |
| Construction of staff house at Okidi HC II | Kicca Pa rwot Enterprises | 54,710,000 | 0 | 27,036,000 |

***Source: Field findings***

**Physical Performance**

*Construction of maternity ward Kitgum TC HCIII and stalled staff house at Lalekan HCII*

At the time of the monitoring visit, most of the planned activities were still in the procurement process. The procurement process had reached the awarding stage and was waiting for the approval of the Solicitor General before contracts are signed. The team visited the construction of maternity ward at Kitgum town council HCIII and the construction of staff house at Lalekan HCII. The team observed good quality works ongoing at the maternity ward Kitgum town council, while at Lalekan works had stalled.

**Challenges**

- **Delayed procurement:** There was a delay in the procurement process which was caused by the interdiction of the procurement officer. This delayed the start of planned projects.

- **Inadequate capacity of contractors**: The contractors in the district have insufficient human, financial and technical capacity necessary to complete planned projects.

- **Budget cuts:** The district experienced budget shortfalls in FY 2012/2013 when fourth quarter funds were not received. This halted new planned activities and led to rollover of projects from the previous FY 2012/2013. This had affected the planning process and service delivery in the district.

- **Inadequate funding**: The funding for PHC recurrent activities is inadequate. A HCII in Kitgum district gets Ug shs 200,000 a quarter; a HCIII gets Ug shs 390,000 where as the HCIV gets Ug shs 3m. This is inadequate for facilities to carry out key activities such as clearing of the compound, sterilization, outreaches and payment of the health unit management committees.

- **Lack of staffing:** The district is in need of health workers, midwives medical officers in particular. The two medical officers that were recruited for the HCIV last FY 2012/2013 were taken to the district general hospital leaving no medical officer at the HCIVs.

- **IFMS system breakdown**: The IFMS system broke down, affecting payment of service providers in the district for a long period of time.

**Recommendations:**

- Government, through the Ministry of Works and Transport, should build the capacity of civil contractors through the private public partnership. Also, the district should avoid overloading contractors with more projects than they are capable of handling. Contractors which have consistently failed to deliver should not be awarded any future projects.

- Capital development funds should be released in full to the district. This would allow for improved planning and timely payment of contractors when work is certified, hence avoiding legal battles with contractors and subsequent cost overruns.

- The non wage recurrent budget for the district must be increased to enable the district to carry out vital work such as the delivery of outreach programmes, cleaning services and payment of utilities**.**

### m) Mityana District Local Government

**Background**

In FY 2013/2014 Mityana District planned to carry out several activities: a) construction of staff houses at Kitongo HCIII; b) construction of staff houses at Kikandwa HCIII; c) Renovation of Lasaarila HC II; d) completion of staff house at Nama HCIII; e) completion of staff house at Kasikombe HCIII; (f) completion of theatre at Sekanyonyi HCIV.

Of the above sites, the following projects were monitored: a) completion of theatre at Sekanyonyi HCIV, and b) completion of staff house at Kasikombe HCII.

**Financial performance**

In FY 2013/2014, Mityana District has an approved budget for PHC development grant of Ug shs 186,701,675. By 2nd/10/2013, the district had received Ug shs 93,177,801 in FY 2013/2014 (Table 8.3.24). The release performance accounted for around 50% of the total approved budget for FY 2013/2014.

**Table 8.3.24: Capital development funds received by Mityana Local District in FY 2013/2014**

| Period | Date of release | Amount released (Ug shs) | Cumulative release (Ug shs) |
|---|---|---|---|
| Q1 | 21/8/2012 | 46,589,000 | - |
| Q2 | 31/10/2012 | 46,588,801 | 93,177,801 |

***Source: Field findings***

A total of Ug shs 32,487,719 had been spent on capital development in FY 2013/2014 (Table 8.3.25). This represents an absorptive capacity of 35% of funds received in FY 2013/2014. No funds had been carried forward from PHC development from last financial year 2012/2013.

**Table 8.3.25: Capital development payments by Mityana District in FY 2013/2014**

| Output Description | Contractor | Contract Sum (Ug shs) | Payments in FY 2013/2014 (Ug shs) | Payments to date (Ug shs) |
|---|---|---|---|---|
| Completion of theatre at Sekanyonyi HCIV | Bana Enterprises | 54,658,740 | 22,987,719 | 37,741,409 |
| Completion of staff house at Kasikombe HCII. | Chribbson Uganda Limited. | 156,822,400 | 9,500,000 | 144,983,986 |

***Source: Field findings***

**Physical performance**

The staff house at Kasikombe HCII was completed to a high standard, and no key faults were identified in the work. The theatre at Sekanyonyi HCIV was however of poor quality; there were cracks in the floors and walls, interior surfaces were not level, and doors and handles were not fitted correctly.

***Construction of operating theatre at sekanyonyi HCIV and construction of a staff house at Kasikombe HCII Mityana district***

**Challenges**

The key challenges faced in Mityana district were:

- **Procurement**: The procurement process was particularly slow, often taking in excess of 5 months. This was due to a number of reasons, both on the side of the procurement office as well as due to delays from contractors.

- **Insufficient funds**: Funds remained inadequate compared to what is required for healthcare infrastructure development. Projects must therefore be implemented on a phased basis, as and when funds become available; this lengthens the process and delays final completion of projects.

- **Staff accommodation and compensation**: While overall staffing levels were good, at approximately 70%, accommodation was lacking, with only around 30% of staff accommodated. In addition, it was noted that the migration to the new payment system led to salary payment problems for staff.

- **Cost Inflation:** Fluctuations in prices of construction materials have led to cost escalations and has in turn affected the implementation of projects.

- **Inadequate capacity of the contractors**: The contractors in the district had inadequate capacity to complete the awarded projects in time leading to roll over of projects. At times they required advances from the district before they can start a project. This delayed the start and completion of projects.

- **Inadequate transport**: The district did not have sufficient transport for the field officers particularly the health inspectors, vector control officers and for carrying health outreaches in the community.

**Recommendations**

- The capacity of the procurement office in the district needs to be strengthened to ensure that contracts are awarded in a timely manner and that projects are implemented earlier in the financial year.

- The static budget allocation needs to be reviewed on the basis of rising resource costs and increasing demands for healthcare provision within the district. The current phasing of projects over multiple financial years induces delays and additional costs.

- Contractors which are shown to be incompetent or incapable should be blacklisted, and in the future there should be sanctions by the district on contractors who cannot finish projects in time.

- The Ministry of Health should find alternative funding to provide transport facilities to the district health office. At the same time the district should sequentially acquire motorcycles out their development budget for the lower health facilities.

### n) Mubende District Local Government

**Background**

In FY 2013/2014 Mubende District planned to construct a general ward at Kibalinga HCIII. The district rolled over the following projects from the previous financial year: a) construction of doctor's house at Kasambya HCIII; b) construction of general ward at Myanzi HCIII; c) construction of staff house at Kabalungi HCII; and d) payment of retention for the construction of maternity ward at Mawujjo HCIII.

The following ongoing projects were monitored: a) Construction of a Doctor's House at Kasambya HCIII; b) Construction of a general ward at Myanzi HCII; and c) Completion of a staff house a Kabalungi HCII.

**Financial performance**

In FY 2013/2014 Mubende District has an approved budget for PHC development grant of Ug shs 145,341,000. By 2nd/12/2013, the district had received Ug shs 72,670,580 in FY 2013/2014 (Table 8.3.26). The release performance accounts for around 50% of the total approved budget for FY 2013/2014.

**Table 8.3.26: Capital development funds received by Mubende Local District in FY 2013/2014**

| Period | Date of release | Amount released (Ug shs) | Cumulative release (Ug shs) |
|---|---|---|---|
| Q1 | 13/8/2012 | 36,335,290 | - |
| Q2 | 29/10/2012 | 36,335,290 | 72,670,580 |

***Source: Field findings***

A total of Ug shs 24,269,325 had been spent on capital development in FY 2013/2014 (Table 8.3.27). This represents an absorptive capacity of 33% of funds received in FY 2013/2014. No funds had been carried forward from PHC development from last financial year 2012/2013.

**Table 8.3.27: Capital development payments by Mubende District in FY 2013/2014**

| Output Description | Contractor | Contract Sum (Ug shs) | Payments in FY 2013/2014 (Ug shs) | Payments to date (Ug shs) |
|---|---|---|---|---|
| Construction of a Doctor's House at Kasambya HCIII | Kamwebi Finance Investments. | 75,079,500 | 19,269,325 | 56,429,750 |
| Construction of a general ward at Myanzi HCII | Kamwebi Finance Investments. | 70,366,000 | 5,000,000 | 65,000,000 |
| Completion of a staff house at Kabalungi HCII. | Kamwaka Agencies | 49,460,000 | 0 | 46,986,950 |

***Source: Field findings***

**Physical performance**

The Doctor's house at Kasambya HCIII was nearly complete; the remaining works included painting, flooring, electrical installation and fitting of window and door panes. The monitoring team observed good quality civil works and no key faults were identified in the work. The general ward at Myanzi HCII was completed to a poor standard; floors and walls were cracked and windows were not correctly fitted. The staff house at Kabalungi HCII was complete and had been occupied for approximately two months; however some faults were noted at the site, namely that 2 windows were missing from the rear of the building and fitted doors were short compared to the size of the door frame. This makes habitation of the building risky to the health workers as it is easy for snakes and other small animals to enter their houses.




***Top L-R: Construction of the doctor's house at Kasambya HCIII & staff house at Kabalungi HCII; Bottom: Genaral ward and some of its defects at Myanzi HCII Mubende district***

**Challenges**

- **Funds were not received in the fourth quarter** of the previous FY 2012/2013, equating to a budget shortfall of approximately UShs 53 million. In addition it was noted that the current PHC development budget did not provide funds for monitoring of construction works. The result is that it is difficult to monitor sites in the district leading to the potential for delays in construction and sub-standard works.

- **Procurement delays**: The decision to wait for receipt of all development funds for the financial year delayed the start of the procurement process. The procurement of contractors normally begins in the third quarter of financial year. This leads to late start of the projects and eventually rolling them to the subsequent financial years.

- **Lack of competent contractors**: Lack of competent contractors in the district was noted to be a key challenge facing the district. The local contractors do not have the capacity to carry out good civil works; it was reported that most contractors in the district are business men with no technical expertise as far as construction activities are concerned.

**Recommendations**

- The PHC development budget needs to provide funds for the monitoring of ongoing and completed capital projects. The allocation of funds to monitoring activity would reduce the likelihood of delays in construction or sub-standard works.

- More should be done to ensure the capacity and capability of contractors, including the blacklisting of those who have persistently failed to deliver in the past.

- The district should start the procurement process earlier in the year; awards should be finalised earlier on and then contracts only signed after funds have been received. This would lead to early start and completion of projects.

### o) Ntungamo District Local Government

**Background**

In FY 2013/2014, Ntungamo district planned to carry out several activities; a) completion of OPD Iterero HC II; b) construction of 3 stance latrine with a urinal at Bwongyera HC111; c) construction of 3 stance latrine with a urinal at Nyabushenyi HCII; d) renovation of district medical stores; e) construction of walkway for Rubaare maternity HC IV. The monitoring team monitored the construction of OPD at Iterero HC II.

**Financial performance**

In FY 2013/2014 the district received Primary Health Care capital development of Ug 200,539,000. By 22nd/11/2013, the district had received Ug shs 100,269,310 in FY 2013/2014 (Table 8.3.28). The release performance accounts for 50% of the approved total budget for the FY 2013/2014. The district carried forward funds from FY 2012/2013 amounting to Ug shs 6,462,501 making total available funds amout to Ug shs 106,731,811.

**Table 8.3.28 Capital Development funds received by Ntungamo Local District in FY 2013/2014**

| Period | Date of Release | Amount Released (Ug shs) | Cumulative Releases (Ug shs) |
|---|---|---|---|
| Q 1 | 19/8/2013 | 50,134,655 | - |
| Q 2 | 12/11/2013 | 50,134,655 | 100,269,310 |

***Source: Field findings***

A total of Ug shs 2,933,204 had been spent as retention for the construction of a staff house at Ngomba HCII. This represents an absorption rate of 2.7 % of funds available this financial year.

**Physical performance**

By 22/11/2013, the following contracts had been awarded but not yet signed: a) completion of OPD at Iterero HCII; b) construction of 3-stance lined VIP latrine with a urinal at Bwongyera HCIII; and c) construction of 3 stance lined VIP latrine and urinal at Nyabushenyi HCII.

The construction of the OPD at Iterero had stalled, awaiting the signing of the new contract. The superstructure of the ward had been completed and roofed. Remaining works include some painting, fitting of windows, and wiring. The work carried out by the time of the monitoring visit appeared to be of good standard.

***Left OPD construction at Iterero HCII Ntungamo district***

**Challenges**

- **Understaffing.** The district faced problems of understaffing. The most affected cadres were the senior medical officer, principal medical officer, medical officers and midwives. Most of the HCIVs were being managed by clinical officers. This greatly affects service delivery as specialized medical services and surgery cannot be carried out in the hospital and the various HCIVs.

- **Inadequate funding:** The recurrent non wage budget was insufficient to meet running costs of health care delivery in the district. In particular it makes supervision activities and referral services from the lower health facilities a very big challenge.

- **Drug shortages:** Essential commodities were lacking, particularly for HC II and HC IIIs. The consignments delivered to the districts do not match the items indicated in the kit. For example in Rubare HCIV they did not deliver gloves making it difficult for health workers to work without protection.

- **Insecurity:** There were thefts of solar panels, mosquito nets and other medical supplies. The security guards hired for the health centers had no access to ammunition making them vulnerable to thieves who want to get access to medical supplies. Many mosquito nets were stolen because there is a lack of storage space for the nets which are delivered to the districts. Currently, the district uses the council chambers as stores for the mosquito nets that were delivered recently by Ministry of Health making them easily accessed by thieves.

- **Lack of Transport:** The district health office did not have transport to carry out routine supervision, while 12 health facilities did not have transport to carry out outreach work. The vehicles available at other health facilities are in poor condition making maintenance costs high.

- **Inadequate infrastructure**: The district had got limited infrastructure, particularly staff houses, OPDs. Some units did not have recommended outpatient departments. At the district head quarters, there was no medical store which sometimes causes loss for medical supplies.

**Recommendations**:

- The district should use their locally generated resources to give top up allowances to the medical officers as a way of attracting them to the district. MoH should devise means of attracting medical officers to remote areas that are not hard to reach but are difficult to stay in. Meanwhile the wage bill for the district should be revised to enable it recruit more health workers.

- The Government needs to find means of increasing the recurrent non wage budget for districts and hospitals so that they can meet the increasing costs of providing medical services.

- The district budget for development expenditure needs to be increased to enable the construction of key health infrastructure such as staff accommodation ward and a district store.

**p) Pader District Local Government**

**Introduction**

In FY 2013/2014 Pader District planned to carry out the following activities: a) construction of staff houses at; Atanga HCII, Achoribur HCIII, Angagura HCIII, Awere HCIII, Puranga HCIII, Ogonyo HCIII, Alim HCII, Ogago HCII and Porogali HCIII; b) completion of maternity ward at Kilak HCIII; c) construction of a latrine at Atanga HCIII; d) completion of staff house at Ocwida HCII; e) completion of staff house at Lapul HCIII; and f) extension of electric power to Pader HCIV.

The monitoring team monitored the construction of Lapul HCIII staff house.

**Financial performance**

In FY 2013/2014 Pader District has an approved Primary Health Care development grant including PRDP component of Ug shs 462,264,000. By 27th/11/2013, the district had received Ug shs 231,132,000 in FY 2013/2014 (Table 8.3.29). The release performance accounts for around 50% of the total budget for FY 2013/2014.

**Table 8.3.29: Capital Development funds received by Pader Local District in FY 2013/2014**

| Period | Date of release | Amount released (Ug shs) | Cumulative release (Ug shs) |
|---|---|---|---|
| Q 1 | 29/8/2013 | 115,566,000 | |
| Q 2 | 19/11/2013 | 115,566,000 | 231,132,000 |

***Source: field findings***

**Table 8.3.30: Pader Local District Capital Development payments**

| Output Description | Contractor | Contract sum (Ug shs) | Payments in 2013/4(Ug shs) | Payments to Date (Ug shs) |
|---|---|---|---|---|
| Construction of staffhouse at Lapul HCIII | Lingwelo Lutwa Company Limited. | 71,788,200 | 10,914,638 | 63,702,875 |
| Construction of pit latrine at Atanga HCIII | UTECH Construction Company | 10,3793,000 | 2,581,828 | 9,938,450 |
| Construction of staff house at Lapul Ocwida HCII | Losha Agro and Company Limited. | 80,721,600 | 18,196,650 | 64,503,400 |

***Source: field findings***

**Physical Performance**

By 27th/11/2013, the district had finished with evaluations of the projects for this financial year and they were at the point of awarding contracts.

***Construction of a staff house at Lapul HCIII Pader district***

**Challenges:**

- **High bidding prices**: The recommended unit costs were lower than the bidding prices in the area. The high construction costs are caused by the bad terrain of the roads in the area. The district authorities normally spend a lot of time negotiating with contractors to lower their quotations before contracts are finally signed which delays implementation of the projects.

- **Lack of required human resources**: The district lacked critical staff such as the anesthetists, and medical officers which makes surgical operations difficult. The current staffing levels were at 55% of the staffing norm which creates a huge work load for existing staff. The district had further failed to attract health workers in the area simply because most of the facilities are located in places with no accommodation facilities and places to rent.

- **Bad roads**: The roads in district, particularly those maintained by UNRA, were in a very bad state. This affects supervision and monitoring. In addition it was reported that the bad roads have caused a number of deaths in the district during referrals of emergency cases.

- **Post traumatic effects and syndrome**: The health workers, born in the region, were still affected by the war after effects. The staff were mainly resentful, stressed and reserved, with very poor coping abilities.

- **Delayed extension letters**: Extension letters to contractors did not come up promptly after the end of the financial year which caused delays of works and payments of roll over projects.

- **Drug stock outs:** Although the cycles of drug supplies have improved, there continues to be challenges of drug stock outs in the district. NMS supplies smaller quantities to the district, particularly testing kits for HIV/AIDs. Sometimes the district has to borrow medical supplies from the military facility in order to deliver medical services to the population.

**Recommendations:**

- UNRA should work on its network of the road infrastructure in the district to ease movement of construction material in the district. This should help lower the price of bids for construction work from contractors in the district.

- The district needs to construct staff accommodation at the health facilities such that the recruited staff are able to stay at the facilities. This will increase retention of health workers in the district and attract others as well.

- The national medical stores should increase the quantity of drug deliveries sent to the district. At the same the drug budget to the district should take into consideration the increased population as a result of peace returning to the area. It should be noted here that population is a key variable in the allocation of resources; however at the time of the last census the district was experiencing the LRA insurgency, and hence most people had fled, but now many have returned and the demand for social services is greater.

- Post traumatic effects can be solved by continuous counseling and guidance of the health staff. But this will be a gradual process. Counseling facilities/centres should therefore be set up in the district.

**Conclusions and Recommendations**

i. **All PHC receiving districts reported having a static development budget for many years despite significant cost inflation. This has affected the levels of infrastructure improvements made by these local governments.**

Government should review the budget allocation for the development grant with a view to increasing it to account of cost and price increases as well as increasing demand for health services from the general population. This would further help districts to address problems of inadequate staff accommodation, dilapidated infrastructure and allow them to acquire much needed medical equipment.

ii. **Most local governments received shortfalls in the capital development grants resulting into rolling of over projects.**

Capital development funds should be sent in full to local governments. This would allow for improved planning and the timely payment of contractors when work is certified, hence aiding the completion of projects**.**

iii. **Dilapidated and inadequate health infrastructure: the majority of infrastructure at local government level is dilapidated and inadequate.**

Local governments should concentrate on improving existing infrastructure before they start construction of new ones. In addition districts with small budgets should not start big projects which exceed their budgets and which will take several years to complete; focusing on a single costly project comes at the expense of leaving other priorities unattended to and can lead to multi-year project overruns and unanticipated additional costs.

iv. **Half of the local governments monitored had a challenge of inadequate transport capabilities.**

The Ministry of Health should help these local governments in acquiring the necessary vehicles. Local governments should procure motorcycles for the health facilities to help them carry out the outreaches.

v. **Most districts reported procurement delays which delayed the start of projects.**

Local governments should start their procurement process and procure their service providers at the beginning of the financial year. The process should be carried out up to the point of award, but contracts should only be signed once funds have been received.

vi. **Lack of accommodation: across all the districts monitored staff accommodation facilities were inadequate.**

Local governments should construct more staff accommodation at their facilities in order to attract and retain staff. It would also reduce absenteeism and improve the availability of health workers at facilities.

**Key policy Issues and Recommendations**

i. **Budget shortfall resulting from the lack of Q4 release in the previous financial year 2012/2013.**

PHC development funds were not received in most districts in the fourth quarter of the previous financial year 2012/2013. This led to significant budget shortfalls, and in turn, a lack of funds to pay contractors for completed work. As a result a number of capital projects have stalled or were rolled over into the current financial year. In Kabale district it was reported that contractors were reluctant to undertake works as their requests for payment in the previous financial year were not honoured. The variability of capital development releases was also highlighted as a problem by both Jinja and Fort Portal Regional Referral Hospitals. In particular, it was reported that releases were unpredictable and made long term planning particularly difficult.

**Recommendation:** Capital development funds should be paid in full to Regional Referral Hospitals and Local Districts. This would allow proper long term planning of capital development projects as well as timely payment of contractors for completed work. If Central Government experiences a shortage of funds then timely notification of this shortfall should be relayed to districts and hospitals. Likewise RRHs would benefit from having a more stable budget allocation over the years.

ii. **Static and inadequate budget for PHC development**

The budget allocation for PHC development has remained static for a number of years, and is inadequate for the completion of priority projects. The static allocation does not account for inflation, in particular the rising costs of water, construction material and electricity, as well as the increasing demand for healthcare services from the population. In addition, the current allocation of funds to districts does not take account of a number of important factors; primarily, that construction costs vary significantly between sites depending on the soil quality and the topography of the district. The inadequacy of funds means that projects are often implemented on a phased basis, over multiple financial years; the current phasing of projects induces delays and leads to additional costs.

**Recommendation:** The static budget allocation needs to be reviewed on the basis of rising resource costs, increasing demands for healthcare provision within the district, and the additional costs associated with roll-over in project implementation. In addition, the distribution of funds between districts needs to be reviewed in order to ensure that allocations meet the differing needs and circumstances of different districts.

### iii. Staff shortages and lack of staff accommodation

Most districts and hospitals reported a shortage of staff of key cadres, and doctors in particular. This problem was due in part to the lack of funds for recruitment and the low salaries offered to staff. For instance, Kasese District reported that staffing levels were only at 52% and that recent recruitment attempts failed to attract sufficient staff.

A lack of staff accommodation is a further problem which makes recruitment and retention of staff difficult. Many districts reported that only a minority of staff are accommodated. For instance in Mityana district only 30% of staff are accommodated, while in Fort Portal Municipality only 1 of the 5 health facilities there has some accommodation for staff. This has resulted in staffing having to travel long distances to work, leading to absenteeism in some cases and compromises in service delivery.

**Recommendation:** Districts need to receive greater funds for the construction of staff accommodation. This will help with recruitment and retention of staff and could lead to improvements in service delivery. In addition greater funds need to be made available for the payment of staff in order to attract and retain adequate levels of staff.

### iv. The non wage recurrent budget is inadequate to cover key service provision

Funds are inadequate for key activities such as cleaning and maintenance of health facilities, vehicle maintenance, and district outreach and project monitoring work. For instance, Gulu RRH is in arrears for the payment of utility bills of 333 million and there is a lack of money for fuel for referrals to other hospitals.

**Recommendation:** The non wage recurrent budget must increase in order to cover the costs of maintenance as well as other key services. In addition the budget needs to provide funds for the monitoring of ongoing and completed capital projects. The allocation of funds to monitoring activity would reduce the likelihood of delays in construction or sub-standard works.

# CHAPTER 9: INFORMATION AND COMMUNICATION TECHNOLOGY

## 9.1 Introduction

Information and Communications Technology (ICT) and ICT enabled services industry has enormous opportunities that Uganda can exploit to transform the economy and people's lives through job creation, accelerated economic growth and significantly increased productivity. ICT provides an opportunity to improve national productivity by making Government and business enterprises more efficient, effective and globally competitive[46].

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 ICT 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"*[47]

The vision of the ministry is *"a knowledge based Uganda where national development and good governance are sustainably enhanced and accelerated by timely and secure access to information and efficient application of ICT"*[48]

### 9.1.1 Scope

The report reviews progress in Q1 FY2013/2014 of selected projects implemented by the National Information Technology Authority and one project implemented by the Uganda Communications Commission (UCC). Specifically the report aims at ascertaining whether; planned outputs as outlined in the selected Departments and Agencies annual work and quarterly plans for FY 2013/2014 had been achieved and establish whether financial expenditure was commensurate with physical progress. The report gives an update of the projects implemented during the Q1FY2013/2014.

### 9.1.2 Methodology

Potential outputs for monitoring were identified using the Ministerial Policy Statement (MPS), quarterly work plans and performance reports from institutions such as Uganda Communications Commission and National Information technology Authority (NITA). Priority was given to monitoring outputs that were physically verifiable and had a key effect on the attainment of objectives of the sector.

Physical performance measures the extent to which quarterly planned activities have been achieved on ground, while financial performance measures the level of absorption rates, efficiency in resource allocation and release performance. Financial data is sourced from the Integrated Financial Management System (IFMS), Approved estimates of revenue and expenditure documents, and implementing agencies.

Information was collected through key informant interviews with stakeholders in the Ministry, Departments, Agencies as well as project implementers and beneficiaries. Photos were taken and used in this report for visual enhancement of physical progress.

### 9.1.3 Limitations

- **Inadequate information:** This was true in cases where the respondents were new in the offices and could not trace the documents. There were also cases where Agencies could not readily provide the information.

46 Uganda vision 2040 April 2003
47 MICT, 2013; Ministerial Policy Statement
48 Ibid

## 9.2 National Information Technology Authority (NITA- U)

**Introduction**

The agency's mission statement is: To coordinate, promote and monitor the development of Information Technology (IT) in the context of social and economic development of Uganda.

**Financial performance of the vote**

The approved budget for the vote, excluding taxes, arrears, appropriations in aid (AIA) for FY 2013/2014 is Ug shs 10.469 billion of which Ug shs 2.749 (26%) was released in the first quarter of the year. Ug shs 0.943 billion (34%) was spent by the end of the Q1FY2013/2014 (Table 9.1). The very low absorption of funds particularly under nonwage (13%) and development (4%) was attributed to the fact that NITA-U had just obtained a Vote Status and was still transitioning during the quarter, specifically, the transition/migration to the IFMS system delayed funds utilization.

Further still, there were delays in creation of suppliers onto the IFMS system. Further analysis in relation to the physical performance also indicated that some activities had been completed in Q1FY2013/2014. This was because some of the activities were to be implemented using the rolled over funds of the vote as seen in table 9.2.

**Table: 9.1 NITA-U Approved Budget, Release and Expenditure as of Q1 FY2013/2014; Vote 126**

| Vote: 126 | Approved Budget (billions) | Release (billions) | Expenditure (billions) | Release performance (Percentages) | Expenditure performance (percentages) |
|---|---|---|---|---|---|
| Wage | 5.129 | 1.246 | 0.781 | 24% | 63% |
| Nonwage | 3.508 | 1.08 | 0.145 | 31% | 13% |
| Development | 1.831 | 0.423 | 0.017 | 23% | 4% |
| Total | 10.469 | 2.749 | 0.943 | 26% | 34% |

***Source: IFMS Data***

**Resource distribution efficiency**: Table 9.1 shows that 49% of NITA-U funds constitute the wage component, 33.5% is non wage re-current while 17.5% is development.

**Table 9.2: Rolled over Funds by Project and Activity FY2012/2013**

| Program/Project | Activity | Amount |
|---|---|---|
| BPO | Internet bandwidth for BPO Centre | 40,780,800 |
| | Electricity bills for BPO Centre at statistics house | 40,061,350 |
| NBI | Maintenance of temporary relocation of optical fibre | 9,548,206 |
| | Electricity bills for NBI | 2,680,132 |
| Program 1 | Gratuity for NITA-U Staff | 674,553,398 |
| | NSSF contributions | 42,637,091 |
| | Allowances | 7,700,000 |
| Program 7 | Cleaning services | 13,640,000 |
| | Guard services | 6,544,280 |
| | Electricity for NITA-U Offices Palm Courts | 29,358,075 |
| | Allowances | 9,240,000 |
| **Total** | | **869,043,332** |

***Source: NITA-U***

**Physical and financial performance of the vote functions under NITA-U.**

Under the vote, three vote functions were monitored, namely: 0551 Development of secure national information technology infrastructure; 0552 establishment of enabling environment for development and regulation; and 0553 strengthening and aligning NITA-U to deliver its mandate.

**9.2.1 VF: 0551 Development of secure National Information Technology infrastructure**

Under this vote function two projects (1014 National Transmission Backbone and 1055: Business Process Outsourcing) and three programmes (02: Technical Services; 03: Information security; 04 e-government :) were reviewed in Q1FY2013/2014.

**9.2.1.1 National Transmission Backbone Infrastructure (NBI): Project 1014**

**Background**

The National Data Transmission Backbone Infrastructure and e-Government Infrastructure Project (NBI/EGI) is being implemented by the National Information Technology Authority-Uganda (NITA-U). It is aimed at connecting Ministries and Government Departments onto the e-Government Network. This is done to create an efficient government aimed at 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; district information centres established to improve communication, improved service delivery by government ministries, reduced cost of communications, and increased economic development and poverty reduction in the long run.

The project was divided into three phases and implementation was to take 27 months. It was funded by a concession loan from Exim Bank of China with counter 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 contract sum of USD 106,590,305. **Note**: Previous BMAU reports contain progress on implementation of this project.

**Annual Planned Outputs FY 2013/2014**

(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

In Q1FY2013/2014, NITA-U planned to carry out the following activities:

(i) Surveys on the fibre routes for Phase III conducted

(ii) Equipment for Phase III cleared

(iii) Implementation of Phase III supervised

(iv) Bulk procurement of internet bandwidth

(v) Bulk procurement of licences

(vi) Engage firm to undertake remediation of information security gaps on the NBI vulnerabilities

(vii) National Information Security Framework developed

(viii) Information Security Awareness created

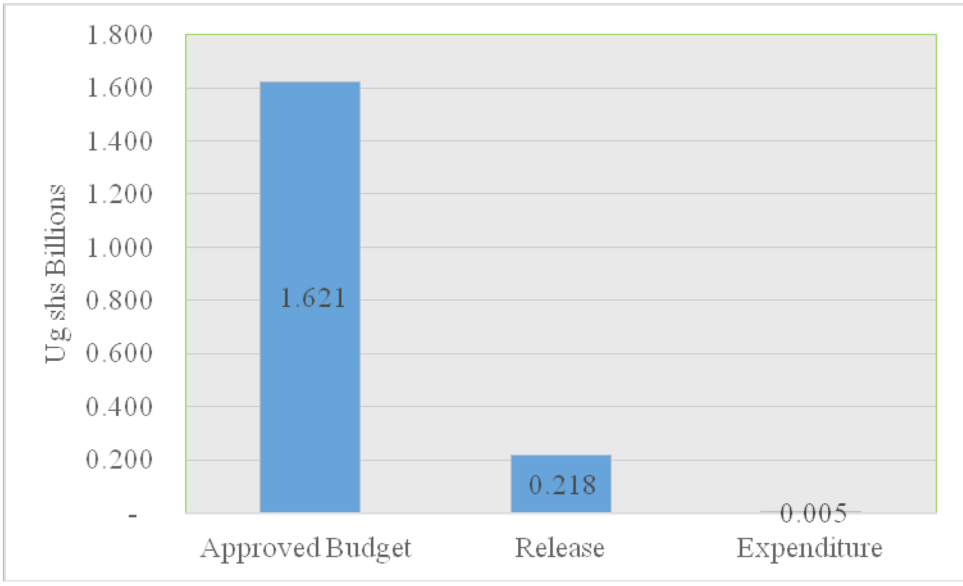
**Findings**

This section presents financial progress, physical progress and linkages between financial and physical performance of the project**.**

**Financial performance**

The approved (GoU) budget for FY2013/2014 for project 1014 is Ug shs 1.621 billion of which, Ug shs 0.218 (13%) was released (see Figure 9.1). Expenditures for the project were very low at only 2% in favour of staff allowances. This expenditure trend is not good for development of the project as the consumptive expenditure overshadowed the development activities expenditure. Whereas the unspent funds were reportedly committed, further analysis indicates that the aggregate commitments were lower than the release (52% of the released funds). The committed funds were distributed as follows: consultancy short term (64%), Computer supplies and IT services (34%), fuel, lubricants and oils (2%) of the committed Ug shs 108,379,000.

**Figure: 9.1 Financial Data to Q1 FY2013/2014; Project: 1014**




***Source: MFPED- Approved Estimates 2013/2014 and NITA-U***

**Physical performance**

By the end of Q1FY2013/2014, most of the reported achievements were preparatory activities to outputs that required more funds. This could further explain in part the low financial absorptions in the Q1. The details of the achievement are here under:

**Implementation of Phase III of the NBI completed:** The contract for Phase III was approved by the Solicitor General. At the time of monitoring, some amendments to the designs with the contractor (Ms. Huawei) were being finalized before signing them off. The supervisor for Phase III had also been procured.

**Bulk procurement of band width**: the activity was successfully completed. The procedures and guidelines for bulk internet were also discussed and approved by the steering committee.

For the bulk procurement of licenses, the following were achieved:

- An Enterprise Direct Advisor (EDA) was procured for Microsoft licenses. An Inception report was approved.
- Data collection on Microsoft licenses from Ministries Departments and Agencies (MDAs) commenced.
- A workshop to sensitize MDAs on bulk licensing was organized by oracle.
- Compilation of the status of Oracle licenses was on-going using software for gathering license information.

To counter the security gaps from the vulnerabilities that had been identified, an expression of interest was issued for the firm to undertake the remediation of Information security Gaps. Under the development of national information security framework, a contract was awarded and the inception report presented and approved; consultations with key stakeholders were also undertaken.

**Conclusion**
Good progress was registered in preparation for phase III of the NBI project during the quarter; however, implementation of the project is years behind schedule. The plan to have MDAs supplied with internet services is likely to be achieved in the FY. Milestones towards service delivery were registered albeit being precursor actions to achievement of planned outputs. By and large, activities undertaken during Q1 relate to key processes on the critical path of the project which explains the low absorption rate.

**Recommendation**

NITA-U should fast track the implementation of NBI project for the set objectives to be achieved.

### 9.2.1.2 Business Process Outsourcing (BPO): Project 1055

**Background**

Uganda embraced the integration of Information and Communication Technologies (ICTs) into the National Development Framework and identified ICT as an enabler for development of the country that will substantially spur growth, create employment, and increase incomes.[49]

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. BPO is typically 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).

Many firms and organizations in the world today are choosing to externally source the execution and management of facilities to cut operational costs using ICTs. The approach presupposes the availability of low cost Internet bandwidth.

49 Public Investments Plan FY2009/10-2011/12

Government of Uganda decided to strategically position itself to support the private sector to invest in the outsourcing of business. 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.[50] This project was transferred from the MICT to NITA-U with effect from FY 2010/11. Several activities have already been undertaken to create an appropriate environment for BPO operations to thrive. The project is fully funded by Government of Uganda.

The Annual planned outputs for the project are:

(i) Support provided towards the maintenance and sustainability of the BPO Incubation Centre (internet bandwidth and utilities)

(ii) BPO Capacity built through regular training

(iii) BPO incentives guidelines operationalized

(iv) BPO standards disseminated

During Q1, FY 2013/2014, NITA-U planned to implement the following activities:

i. Continuous operation and maintenance of the BPO Incubation Centre

ii. BPO training undertaken

iii. Support to the BPO Association

iv. BPO standards disseminated

**Findings**

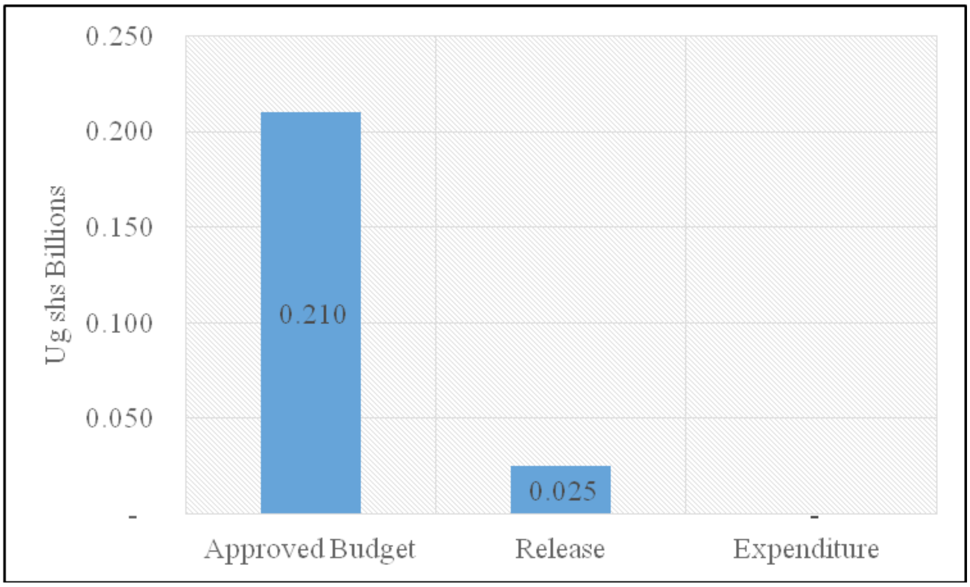
This section presents financial progress, physical progress and linkages between financial and physical performance of the project**.**

**Financial performance**

The approved budget for the project excluding appropriations in aid for FY2013/2014 is Ug shs 0.210 billion of which, Ug shs0.025 billion (12%) was released. No expenditures were made of the released funds. Only Ug shs 4,252,000 had been committed to information and communications technology line item.

50 Business Process Outsourcing Strategy

**Figure 9.2: BPO approved Budget, release and expenditure for Q1 FY2013/2014; Project: 1055**




***Source: NITA-U***

**Physical performance**

***Techno Brain BPO executives at work on the fourth floor of the BPO Centre at Statistics House***

By the end of Q1, the BPO centre was officially launched and maintenance activities ongoing. As part of the continuous operation of the BPO, two new operators that is; Dial-a -Service and Cameo TECH Edge were procured to occupy the third floor of Statistics House. These have commenced service provision that include: Help desk, Customer service, Technical support, Directory services, Tele-marketing, Tele-surveys among others.

TechnoBrain who are operating on the fourth floor are engaged in voice processes where they are involved in market research for telecommunications companies, customer care, counseling services, and video transcription. They are also involved in content moderation under knowledge processes. The centre is employing over 300 people most of whom are youth.

Under the capacity building component, the planned training was postponed because of the political situation in Egypt. The cabinet memo on BPO incentives was prepared and the BPO strategy and standards approved by the Executive Committee.  Under support to the BPO association, a regional conference was organized in   2013. The BPO standards were also disseminated to the association members.

**Challenges**

- **Limited local market:-**The operators are yet to tap into the local market due to ignorance about the potential of BPO services in Uganda.

- **Internet connectivity breakdowns:** It was reported that the BPO centre occasionally experiences internet down time resulting from several conditions including breakdown of the fibre optic cable which greatly affect the BPO services especially when dealing with international clients with strict deadlines.

**Conclusion**

Financial performance for Q1was poor given the zero expenditure on released funds. A number of outputs were however registered towards implementation of the BPO activities. This was attributed to the rolled over funds from the previous financial year. The old and new operators are providing services especially to the international market with very limited local clients. BPO services are sometimes affected by internet downtime which affects the reliability and credibility of the operators.

**Recommendation**

- NITA-U should fast track the implementation of the BPO planned activities especially sensitization of the public on availability of BPO services. Government should participate in using these services as the operators have trained and experienced manpower with the discipline to deliver on time.

- NITA-U should engage her Internet service providers to improve on the response time whenever there is any outage to avoid any penalties to the operators arising from delayed delivery of BPO services. The alternative connection to the undersea fiber optic cable should be fast tracked to create redundancy.

**9.2.1.3 Performance of NITA-U Programmes**

**9.2.1.3.1 PROGRAMME 02. TECHNICAL SERVICES**

The objectives of the programme are: To support development and maintenance of an integrated IT infrastructure in the country to ensure it's rationalized usage by government and other target user groups primarily for delivery of e-government services.

The expected outputs for the programme are:

- First level technical support and advice for critical government information technology systems.
- Establishment of the national backbone infrastructure(NBI)
- Supervising the implementation of the national broad band strategy
- Establishment of an infrastructure for information sharing by government and related stakeholders and integration of national data bases/creation of the national data bank.

**The planned outputs for FY2013/2014:**

- Last mile connectivity to priority MDAs, LGs and target user completed
- Missing links in the NBI completed
- Maintenance of three institutions hosted at the Data centre

In line with the annual planned outputs, the following were planned for Q1FY2013/2014.

- Procure firm to develop last mile delivery strategy
- Consultancy services for blue print for completing the missing links onto the NBI
- Procurement of licences

**Findings**

This section presents financial progress, physical progress and linkages between financial and physical performance of the programme**.**

**Financial performance**

The approved budget for programme 2 was Ug shs 800 million under the appropriation in aid arrangement. As of Q1 FY2013/2014, these funds had not been realized by the entity.

**Physical performance**

By end of Q1FY2013/2014, the following were achieved in line with the planned outputs:

**Procurement of a firm for last mile connectivity:** Terms of Reference (ToR) and Request for Proposal (RFP) for feasibility study on Last mile connectivity were developed and submitted to the World Bank for clearance under Rural Communications Infrastructure Program (RCIP).

**Consultancy services for blue print to complete the missing links on to the NBI:** ToR and RFP for a feasibility study for missing links was developed and submitted to The World Bank under the Rural Communications Infrastructure Program (RCIP).

**Procurement of Licences:** The unified messaging system hosted at the data centre was maintained and was operational - Software upgrades and security updates were all undertaken in addition to provisioning of payments for licenses.

**Conclusion:**

Limited physical outputs were registered by the end of Q1. This is because the planned activities were all under the procurement processes. Non tax revenue that was planned to be used in implementation of the activities had not yet been realized.

**Recommendations**

Arrangements to realize the NTR and its timely appropriation should be made to ensure smooth implementation.

**9.2.1.3.2 PROGRAMME 03. INFORMATION SECURITY**

The key objectives of the programme is to support development and delivery of a comprehensive national information security and privacy system in particular to ensure that information created, acquired or maintained is used in accordance with its intended purpose.

The key outputs are: support initiatives for safe guarding national information against accidental or unauthorized modification, destruction or disclosure; to coordinate efforts to remediate security alerts and respond to information security related incidents and threats; To implement Computer Emergency Response Teams (CERT) and Public Key Infrastructure (PKI).

The annual planned outputs for FY2013/2014 include:

- National Information Security Framework (NISF) implemented.
- Information Security sentization and awareness creation undertaken.
- Information Security Monitoring and assurance undertaken.
- Feasibility study for Public Key Infrastructure (PKI) completed.
- National Computer Emergency Response (CERT) established.

In Q1FY2013/2014, the programme planned to achieve the following:

- National Information Security framework developed.
- Stakeholder sensitization workshops conducted.
- Information Security guidelines and standards issued.
- Consultant for undertaking feasibility study engaged.
- CERT institutional and governance structure operationalized.

**Findings**

This section presents financial progress, physical progress and linkages between financial and physical performance of the programme.

**Financial performance**

The approved budget for information security was under the category of appropriation in aid for FY 2013/2014 is Ug shs 3.39 billion. These funds had not been realized for appropriation as of Q1.

**Physical performance**

**National Information Security framework (NISF) developed:** The contract for the consultancy to develop a National Information Security Framework was awarded. The inception report of NISF was presented and approved by Executive Committee of NITA -U.

**Stakeholder sensitization workshops conducted:** Five MDAs (Judiciary, MFPED, Uganda National Council for Science and Technology (UNCST), Ministry of Energy and Mineral Development (MEMD) and Bank of Uganda (BoU) were sensitized on information Security.

**Information Security guidelines and standards issued:** The Information Security Guidelines are being developed as part of the National Information Security Framework.

**Feasibility study on Public key infrastructure:** Technical assistance was obtained from the Republic of South Korea to undertake feasibility study on Public Key Infrastructure (PKI) and the study commenced. Sensitization of public and private sector on PKI was also conducted.

**National Computer Emergency Response (CERT) institutional and governance structure operationalized:** The National CERT Maturity Roadmap has been developed.

**Conclusion**

Commendable progress was registered under the different planned outputs albeit the challenges of securing funds under aid in appropriation. The achieved progress is in line with the objectives of the programme.

### 9.2.1.3.3 PROGRAMME: 04: E-GOVERNMENT

The objectives of the programme are to support the development and promotion of e-government and e-commerce in the country with the ultimate aim of improving effectiveness and efficiency of public service delivery.[51] The key outputs of the programme are:

- Support the development of e-government related strategies, policies, standards, and guideline; Support the development of a secure, integrated e-government portal;
- Promote the development of interoperable e-government applications;
- Promotion of awareness creation and development of capacity for e-government applications and services; and promotion of local content development.

**Annual planned outputs**

- National Data Bank developed.
- Technical guidance for the establishment of e-Government, e-Commerce provided.
- Feasibility study for development of IT parks conducted.
- E-Government Master Plan implemented.

During Q1, FY2013/2014, the following were planned:

- Feasibility study for Integration of National Databases conducted
- Response to requests by MDAs for technical support from MDAs promptly undertaken
- Procurement of consultant to undertake feasibility study for IT Parks finalized
- Dissemination of the e- Government Master Plan
- Operationalization of e- Government web portal
- Operationalization of e- Government helpdesk
- Maintenance and Support for EGI Equipment at MDA sites

**Findings**

This section presents financial progress, physical progress and linkages between financial and physical performance of the programme**.**

51 MICT, 2013; Ministerial Policy Statement

**Financial performance**

The approved budget under the category of aid in appropriation for the FY2013/2014 is Ug shs 800 million which was yet to be realized and received as of Q1.

**Physical performance**

**Feasibility study for Integration of National Databases:** The procurement of a firm to conduct a feasibility study on integration of national databases was initiated under the World Bank Regional Communication Infrastructure Project- Concept paper. The Terms of Reference (TORs) were developed and approved, and the RFP issued.

**Response to requests by MDAs for technical support from MDAs promptly undertaken:** Technical support was provided to the following; Ministry of Internal Affairs, on the National Security Information System (NSIS) project, the Uganda Registration Services Bureau on the e-registry system, the Uganda Investment Authority on the establishment of One Stop Shop for Investors, Ministry of Health on e-health, Public procurement and Disposal of Public Assets Authority (PPDA) on e-procurement, the Ministry of Finance (MFPED) on Computerized Education Management and Accounting System (CEMAS ) and the e-Cabinet concept note was presented to cabinet secretariat.

**Procurement of Consultant to undertake feasibility study for IT Parks finalized:** The procurement process for the firm to undertake a feasibility study for IT parks was initiated and evaluations for the Expression of Interest (EoI) commenced.

**Dissemination of the e- Government Master Plan:** The e-Government master plan was presented to Government Chief Information Officers (CIOs) and other stakeholders -and also at the Uganda Local Government Association meeting. The cabinet memo for e-Government master plan was developed and approved by Executive Committee. The Executive training on foundations of Government Information Leadership for MDA IT personnel was conducted in collaboration with Uganda Technology and Management University (UTAMU).

**Operationalization of e- Government web portal:** The e-Government web portal was developed with basic content and was handed over to the Ministry of Information and National Guidance.

**Operationalization of e- Government helpdesk:** By the end of Q1, FY2013/2014, the procurement of a contractor to manage the e-government help desk was completed. The contract was pending signing due to lack of funding.

**Maintenance and Support for E-Government Infrastructure (EGI) equipment at MDA sites:** Technical staffs in three MDAs were trained in video conferencing who were expected to be champions in their organizations. Maintenance repairs were also completed for the EGI equipment in six MDAs. By the end of the Q1FY2013/2014, Fourteen MDAs had functional equipment. These included but not limited to: Judiciary, MFPED, Ministry of Energy and Mineral Development (MEMD) and Ministry of ICT.

**Conclusion**

Progress was at 57% of the planned activities under implementation while 43% were still under the procurement processes. The planned activities for implementation were all in tandem with the development of e-government and e-commerce in the country. Procurement processes were responsible for the slow pace in implementation of the other planned activities.

### 9.2.2 VF: 0552 Establishment of Enabling Environment for Development and Regulation

The vote function aims at ensuring a well-planned, harmonized and coordinated IT development and governance. It entails IT planning, research and capacity building as well as operationalizing the legal and regulatory environment for ICT development. The key responsibility centres include: Directorate of regulation and legal services and Directorate of planning research and development.[52]

In Q1 FY2013/2014 monitoring, two programmes (Programme 05: Regulatory and Legal services and Programme 06: Planning, Research and development) under the Vote function were monitored.

**PROGRAMME 05: REGULATORY AND LEGAL SERVICES**

The key objectives of the programme are: To develop regulations, standards and procedures for operationalizing national IT laws, policies and ensure compliance, as well as ensuring that international operational manuals are in place and operational[53].

The expected outputs are: To regulate the cyber laws and other related legislation, Ensuring compliance to IT regulations, Establishment of internal operations procedures and litigations.

**Annual planned outputs**

- Regulations for cyber laws and related legislations operationalized
- Regulations for Cyber Laws and related legislations developed and enforced
- Contribution made to the development of the Data protection and privacy Law

During Q1FY2013/2014, NITA-U planned to implement the following activities.

- Awareness for Cyber laws and other related legislations created
- Obtain approval of the Regulations for e-transactions Act and e-Signatures Act by the Minister
- Development of e-Government regulations
- Development of the National Databank Regulations
- Participate in drafting and consultations of the data protection and privacy law.

**Findings**

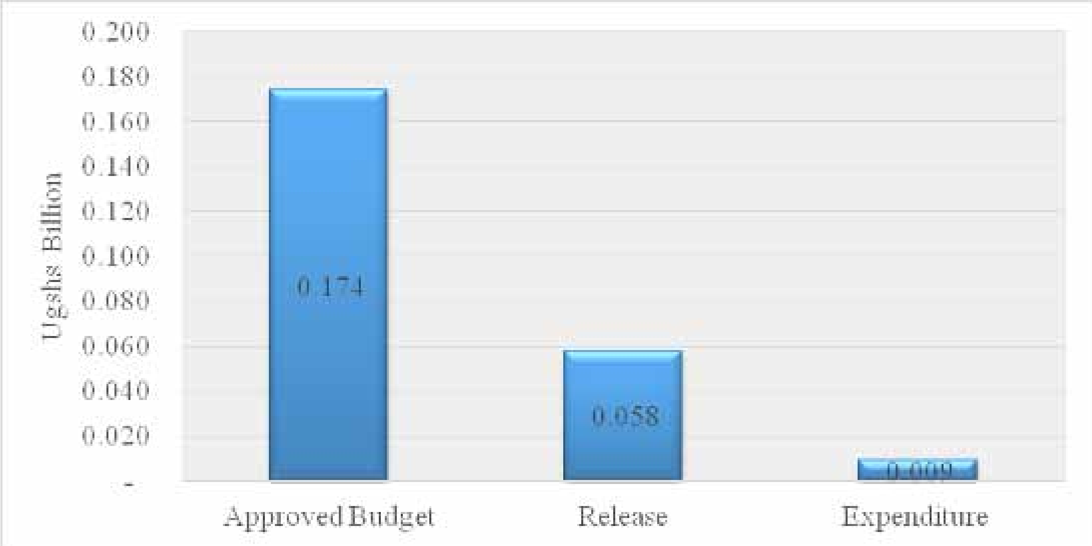
This section presents financial progress, physical progress and linkages between financial and physical performance of the programme**.**

**Financial performance**

The approved budget for the programme excluding appropriations in aid (AIA) in FY2013/2014 is Ug shs 0.174 billion. By end of Q1FY2013/2014, Ug shs 0.058billion (33%) was released. Expenditure performance was at 16% of the released funds. The expended funds were distributed between only two line items of workshops and seminars (15%) and allowances (85%). No expenditures were made on travel inland and lubricants and oils.

52 MICT, 2013; Ministerial Policy Statement
53 MICT, 2013; Ministerial Policy Statement

**Figure 9.3: Approved budget, release and Q1 expenditure for programme 05**




***Source: NITA- U***

**Physical performance**

**Awareness for Cyber laws and other related legislations created:** By the end of Q1, FY2013/2014, four MDAs were sensitized in cyber laws (Electricity Regulatory Authority, MFPED, Ministry of Energy and Mineral Development and Bank of Uganda)

**Obtain approval of the Regulations for e-Transactions Act and e-Signatures Act by the Minister:** Regulations for e-transactions Act and e-signatures Act for cyber laws were signed by the Minister and have been gazetted.

**Development of e-Government regulations**: The first draft of the e-government regulations was produced.

**Development of the National Databank Regulations:** Technical evaluation of the Bids for a consultant to develop National Databank regulations was completed.

**Participate in drafting and consultations of the data protection and privacy Law:** Principles for the Data Protection and Privacy Law have been tabled before the Minister for consideration

**Conclusion**

Some progress was registered by the end of the Q1 which were in line with the programme objectives. Expenditure patterns were more inclined to workshops, seminars and allowances in part due to the nature of the Q1 planned activities that were highly recurrent.

### 9.2.2.2 PROGRAMME 06: PLANNING, RESEARCH AND DEVELOPMENT

The objectives of the programme are: To oversee and ensure well planned, researched, harmonized and coordinated IT strategies and initiatives and coordinated capacity building and efficient monitoring and evaluation for development results.[54]

54 MICT, 2013; Ministerial Policy Statement

The expected outputs of the programme are: To coordinate strategic planning, policy management and monitoring and evaluation activities of the authority. Spearhead IT research, innovation and development, IT standards, quality assurance and compliance, effective IT project management, capacity building and strengthening of IT professions and institutions.

**Annual Planned outputs:**

- Impact assessment of key IT initiatives undertaken
- A monitoring, evaluation and reporting system developed
- National Research and innovation research master plan developed
- A National IT Project Management methodology implemented
- IT standards developed and issued
- Certification and accreditation framework for IT products and services and IT training developed
- Support provided towards capacity building of IT institutions and professionals

During Q1FY2013/2014, the following were planned:

- ❖ Framework for the impact assessment designed
- ❖ Concept paper and ToRs for Monitoring and Evaluation (M&E) framework developed.
- ❖ Formulation of a task force team to develop a national IT research and innovation master plan including a data collection and dissemination system and research fund.
- ❖ Conduct IT surveys to inform development.
- ❖ Awareness creation and dissemination of the IT project management methodology to selected MDAs undertaken.
- ❖ Drafting of standards through the task force.
- ❖ Formulation of a task force team to develop accreditation framework for IT products and services
- ❖ Technical support provided to the ICT association
- ❖ Participate in development and review of national IT curriculum

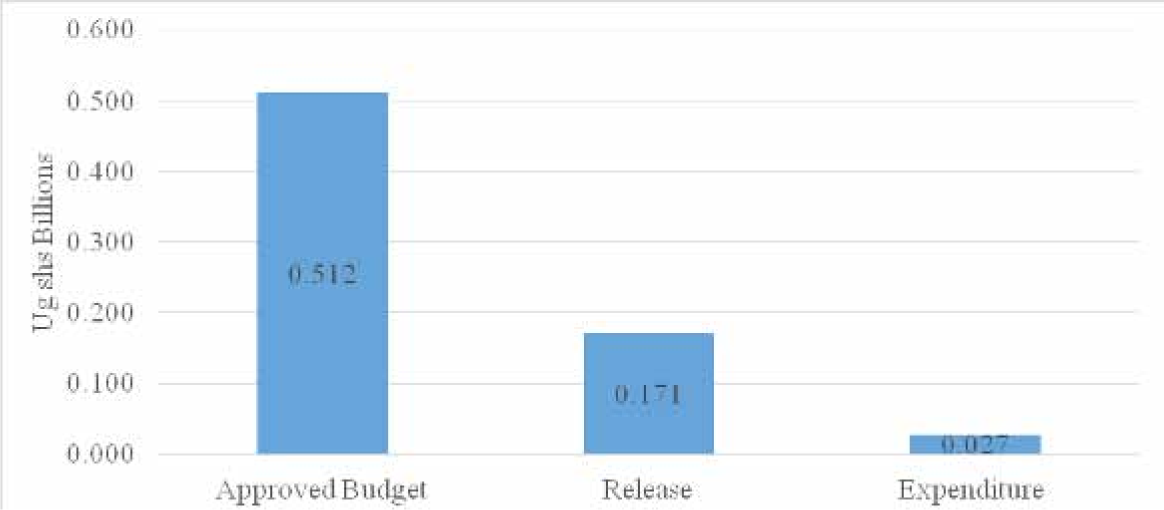
**Findings**

This section presents financial and physical implementation progress, and linkages between financial and physical performance of the programme**.**

**Financial performance**

From figure.9.4, the approved budget for the programme for FY2013/2014 excluding AIA is Ug shs0.512 billion of which Ug shs0.171 billion (33%) was released by end of Q1. Of the released funds, only Ug shs 27 million (16%) was expended on; allowances (45%), Travel abroad (34%), and workshops and seminars (21%). Further analysis indicated that some funds totaling to Ug shs 38,773,000/= was already committed to the following line items: Workshops and seminars, consultancy services- short term, travel abroad; fuel, lubricants and oils by the end of Q1.

**Figure: 9.4: Financial Data to Q1FY2013/2014; Programme 06*:* Planning, Research and Development**




*Source: NITA-U and Approved Estimates of Revenue and Expenditure; Vol I*

**Physical performance**

**Framework for the impact assessment designed:** A kick off meeting was held with the consultant undertaking the assessment of the impact of ban on used computers. The Project Implementation Plan was also presented.

**Concept paper and Terms of Reference (ToR) for M&E framework developed:** The Concept paper and ToRs were successfully developed. The project was halted due to lack of funds. The budget was re-allocated towards rent.

**Formulation of a task force team to develop a National IT Research and Innovation Master Plan including a data collection and dissemination system and research fund:** By the end of Q1FY2013/2014, an internal task force had been formulated, key stakeholders identified and situation analysis conducted.

**Conduct IT surveys to inform development:** Two surveys on integration of National IT Systems and Integration of Data centres, Disaster recovery and Shared services were initiated. The survey designs for both surveys and data collection instruments were prepared. A high-level plan for coming up with a database of ICT companies in the country was developed.

**Awareness creation and dissemination of the IT Project Management methodology to selected MDAs undertaken:** A draft National IT project Management Methodology was finalized.

**Drafting of Standards through the Task force:** By the end of Q1 FY20113/14, 3 standards were reviewed by the sub Committee for standards. The Social Media guidelines presented to NITA-U executive and comments incorporated while the guidelines for disposal of hardware and software were presented and approved by NITA-U executive.

**Formulation of a task force team to develop accreditation framework for IT products and services:** An internal task force was formulated and the draft certification and accreditation framework approved by NITA-U Executive Committee.

**Technical support provided to the ICT Association:** a) Advocacy for the establishment of an ICT Association of Uganda covering registration, participation in sector activities by nominating one of the members to participate on the taskforce for development of the Certification and Accreditation framework and membership registration were undertaken.

**Participate in development and review of National IT Curriculum:** no physical progress was registered on this front.

**Conclusion:**

Planned outputs in line with the objectives of the programme were fairly achieved by the end of the Q1.expenditure performance was not satisfactory. It was skewed to other activities with No expenditures on tangible research activities.

### 9.2.3 VF: 0553 Strengthening and aligning NITA-U to deliver its mandate.

The vote function aims at further operationalization of NITA-U Act and enhancement of the institutional capacity of NITA-U to champion IT development in the country. This includes adequate staffing and resourcing of the authority, staff training, capacity development and establishment of NITA-U home.

In Q1FY2013/2014; monitoring focused on the two programmes of: 01 Headquarters and 07 Finance and administration.

#### 1.1.1.1 PROGRAMME 01: HEADQUARTERS

The objectives of the programme is to: Support full operationalization of NITA-U Act and institutional strengthening of the authority to ably deliver on her constitutional mandate and champion IT revolution in the country.

The key expected outputs are: Operationalizing NITA-U Act, strategic plan development and review, Establishment of NITA-U home, Payment of Director emoluments and staff remunerations and salaries, Public relations and communications.

**Annual planned outputs:**

- Support to NITA-U Governance provided
- NITA-U Act fully operationalized
- Conducive working environment provided
- Public relations for NITA-U promoted

In Q1FY2013/2014, the following were planned under programme 01.

- ➢ Support to NITA-U Governance provided
- ➢ NITA-U staff wages, rent, gratuity and medical insurance paid
- ➢ Staff recruitment undertaken
- ➢ Public Relations for NITA-U promoted

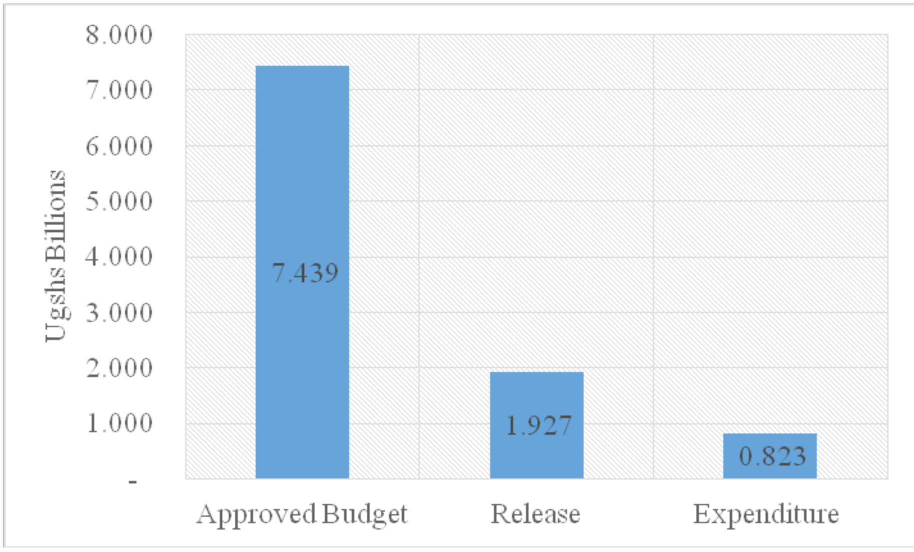
**Findings**

This section presents financial progress, physical progress and linkages between financial and physical performance of the programme.

**Financial performance**

From Figure 9.5, the approved budget for the programme in FY2013/2014 excluding AIA is Ug shs 7.439billion. By the end of Q1, a total of Ug shs 1.927billion (26%) was released. Expenditure performance was low as Ug shs 0.823 billion (43%) was expended. Expenditures were made on general staff salaries and gratuity expenses. Further analysis show other reported activities with no corresponding expenditures on the Q1 released funds. This was due to the rolled over funds from FY2012/2013 on the allowances line item under the programme totaling Ug shs7, 700,000/-

**Figure9.5: Approved Budget, Q1 Release and Expenditure for Programme01: Headquarters-NITA-U**




***Source: NITA-U***

**Physical performance**

NITA-U Board and staff meetings were facilitated; Board and staff emoluments and other logistics were also provided. A supplementary budget on staff salaries for June FY2012/2013 was secured. The Staff salary and other remunerations for Q1 (July, August and September) were also paid. Three (3) staff were recruited i.e. one Network Administrator Data communication and two management Trainees in Information Security and Research & Innovation. Five (5) key priority positions were also advertised. These included: -Information Security - Compliance Manager - Computer Forensics and Incident Management Manager - National CERT Administrator - CERT Analyst -Finance Officer

**Conclusion**

Expenditure performance during the quarter was below average and this affected the programme objectives. Some level of physical performance was achieved using some of the rolled over funds from FY.

### 1.1.1.2 PROGRAMME 07: FINANCE AND ADMINISTRATION

The programme mission is to support administration and operations of the authority including provision of a conducive working environment for staff. The expected outputs include: Facilitate the establishment of efficient and effective financial management systems, coordinate and maintain the procurement processes, to support human resource management and organizational development services.

**During Q1FY2013/2014, the programme planned to implement the following:**

- Operational manuals (HR, Finance and procurement) implemented
- Assessment for NITA-U readiness for installation of IFMS and IPPS conducted
- Staff training conducted
- Staff mentoring and team building
- Payment of Utilities

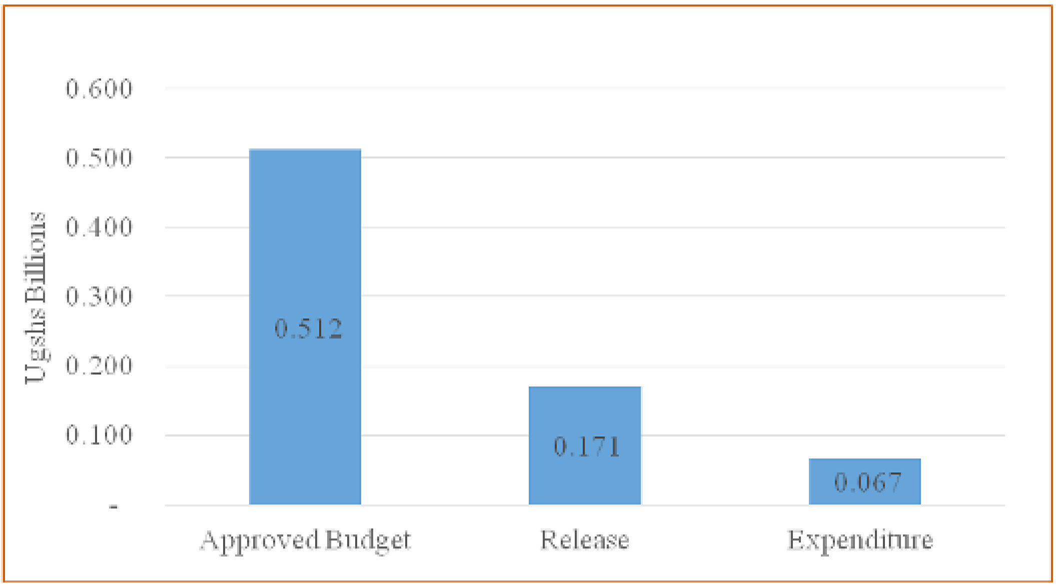
**Findings**

This section presents financial progress, physical progress and linkages between financial and physical performance of the programme.

**Financial performance**

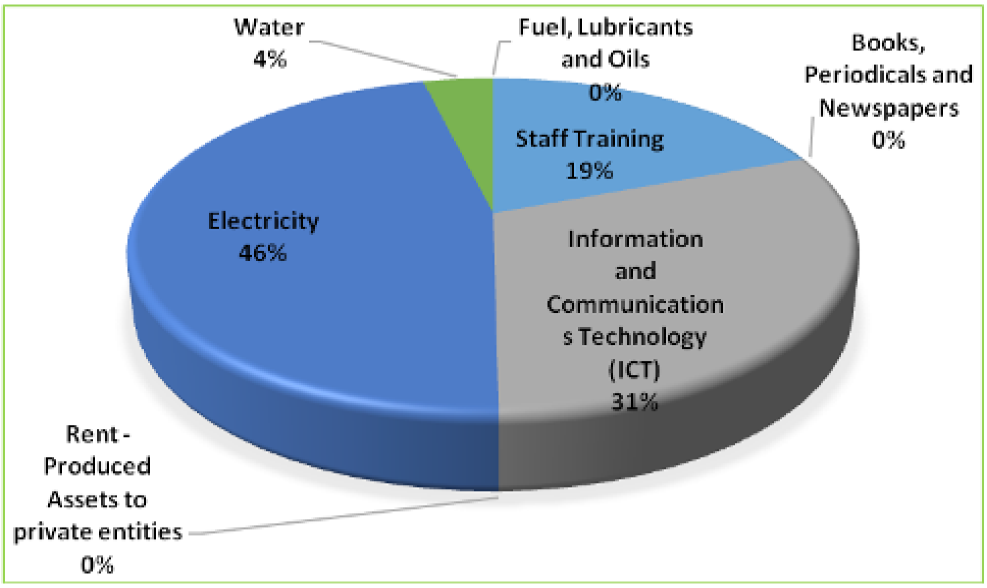
From Figure 9.6, the approved budget for the programme for FY2013/2014 excluding AIA is Ug shs 0.512 billion of which Ug shs0.171billion (33%) was released. Ug shs 67 million (39%) was expended by the end of Q1FY2013/2014. Expenditures were distributed as in Figure 9.7 below.

**Figure 9.6: Financial Data to Q1FY2013/2014; Programme 07: Finance and Administration**




***Source: NITA-U***

**Figure: 9.7: Expenditure distribution by item to Q1FY2013/2014; Programme 07:**




*Source: NITA-U*

**Physical performance**

**Operational manuals (Human Resource, Finance and procurement) implemented:** Training on Procurement Manual Planned. The Financial Management Manual was also updated. The Terms of Reference (TOR) for the Enterprise Resource Planning (ERP) was reviewed and approved by Management.

**Assessment for NITA-U readiness for installation of Integrated Financial Management System (IFMS) and Integrated Personnel and Payroll System (IPPS) conducted:** An Assessment for NITA-U readiness was successfully completed. The IFMS was successfully installed at NITA-U Headquarters.

**Staff training conducted:** IFMS training for Accounting officer, Finance and Procurement staff, was undertaken. (ii) Training on Cyber Laws for NITA-U staff was also undertaken. (iii) Training in Information Security for NITA-U staff undertaken.

**Challenges**

**Insufficient funding:** According to NITA-U, the programme is affected by inadequate funding to successfully implement the planned activities.

**Conclusion**

Commendable progress was registered by the end of the Q1 FY2013/2014 albeit the below average funds absorption. Low absorption was attributed to utilization of some of the rolled over funds from the Previous FY (2012/2013) and migration to IFMS system. Despite the low absorption, the programme suffers from financial constraints.

**Recommendations**

MFPED should provide additional funding to the programme to enable timely implementation of activities. Additional funding could be attained through timely realization of the Non Tax Revenue and appropriation.

# 9.3 Uganda Communications Commission (UCC)

**Introduction**

Uganda Communications Commission (UCC) established under the Uganda Communications Act 2013 is charged with overseeing the development of a modern communications sector comprising of telecommunications, broadcasting, postal services, data communication and infrastructure[55].

The Commission's mission is to effectively regulate the communications sector in order to facilitate growth of communications services for sustainable development.

### 9.3.1 Establishment of ICT facilities in selected government institutions

**Background**

In 2007, Uganda Communications Commission (UCC) took a decision to support the establishment of ICT facilities in selected government secondary schools, tertiary institutions, district health facilities/centres, and other vanguard institutions with funding from the Rural Communications Development Fund (RCDF).

The RCDF program seeks to provide sustainable access to ICT services to people in rural areas. The projects are strategically located in more populated centers with relatively more commercial activity to ensure that the projects are self-sustaining.

In line with the RCDF policy provisions, RCDF projects in districts of Uganda have been implemented under the following program areas; Internet Points of Presence (POP), Public payphones, Research projects, Postal support projects, Multipurpose Community Tele - centers (MCT's), School ICT facilities, Health Care ICT facilities, and Call Centers.

ICT projects are established as key partnerships between UCC and a private or public partner. UCC provides technical support and initial funding. The ICT facilities are wholly owned by the partner who is obliged to ensure that the facility is available to UCC at all times for a given period of time (one to five years). By the end of this period, it is expected that the facilities would have developed capacity for self-sustainability and other people are able to replicate them within the area in order to satisfy a bigger demand.

During Q1 FY2013/2014, establishment of ICT laboratories in schools and support to health centres for telemedicine were monitored. In this report, scores are assigned to the different components of the project in terms of planning, service delivery/beneficiary satisfaction and operation and maintenance to ascertain the effectiveness of the project.

**1. School ICT laboratories**

This program is providing support to the Ministry of Education and Sports to increase access and usage of ICT in schools. Priority is given to government aided secondary schools, Primary Teachers' Colleges (PTCs), National Teachers' Colleges (NTCs) and Technical, Business and Vocational Training Institutes. The programme is comprised of three main components.

i) A project for establishment of ICT laboratories in schools

ii) A project for providing connectivity

iii) A project for supporting content delivery

55 MICT, 2013; Ministerial Policy Statement

This programme is intended to enable schools to undertake the following among others:

i. Teach computer studies as a curriculum subject at Ordinary Level

ii. Teach general purpose computer applications such as Microsoft Office packages aimed at providing computer literacy

iii. Access local learning resources such as UNEB past papers on web portals like www.uderb.org

iv. Access use of computer based learning aides such as ENCARTA programme to support the teaching and learning of conventional curriculum subjects, and

v. Access to other Internet based e-learning resources.

The Ministry of Education and Sports has an oversight role for the school ICT laboratories and all other activities.

**Findings**

This section presents physical progress and a value for money analysis under the establishment of ICT facilities in selected education institutions. Performance is scored as very good, good, fair or poor using the assessment guide in Table 9.3.

**Table 9.3: Assessment guide**

| SCORE | COMMENT |
|---|---|
| Very good | At least 80% of the objectives can be achieved by the intervention in current project state. |
| Good | 70% of the objectives can be achieved by the intervention in current project state |
| Fair | 50% of the objectives can be achieved by the intervention in current project state |
| Poor | Less than 50% of the objectives can be achieved by the intervention in current project state. |

***Source: Authors***

**Physical performance**

During Q1FY 2013/2014 monitoring conducted in November and December 2013, establishment of ICT laboratories were monitored in Mbulire Secondary School (SS) and St Victor's SS Kitaasa in Bukomansimbi District; Hasahya SS, Butaleja SS and Busolwe SS in Butaleja District; Isingiro SS, Aisha Girls SS and St John Rustya SS in Insingiro District; Nyakasura School and Kahinju SS in Kabalore District; Mutanywana SS in Kasese district; Nkoma SS in Mbale district; Mbarara High School and Mbarara Secondary School in Mbarara district and Kakoma SS, Matale Church of Uganda(CU) SS and Katereero SS in Rakai district. Table 9.4 shows the status of implementation in each of the monitored schools.

***Computer lab at Busolwe SS and an Internet dish at Butaleja SS***

It was noted that 100% of the sampled institutions received the ICT equipment for establishment of the computer laboratories. Internet delivery was however only made in 24% of the schools visited that is; Mbarara High School, Mbarara Secondary School, Butaleja Secondary School and Kahinju Secondary School. Delayed delivery of internet was affecting the content delivery and the planned access to local learning resources such as UNEB past papers on web portals like www.uderb.org. It should be noted that some schools whose Internet subscription had expired were unable to make payments for renewal on grounds that, it was expensive and lack of budget provision.

Absence of trained ICT teachers was noted among all the monitored institutions. Those who were teaching ICT were either retooled teachers of other subjects or instructors with ICT knowledge. The following section shows, the value for money analysis for the school ICT laboratory component.

**Left: S6 students in a computer laboratory at Aisha Girls SS and delivered and installed computers at Isingiro SS**

**L-R: UCC furnished computer laboratories at Mbarara High School and Mbarara Secondary School**

**Monitors used as overhead projectors at Mbulire SS- Bukomansimbi and a computer lab doubling as a store at Matale CU SS in Rakai district**

**Table 9.4: ICT laboratories performance at sampled Secondary Schools**

| School/Location | School Population | | | Student computer ratio per class stream | Design | Date of delivery and installation | Number of Equipment delivered | | | | Remarks/Challenges |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | M | F | T | | | | Monitors | Key boards | Mice | CPUs | |
| Mbulire Secondary School(Bukomansimbi District) | 371 | 345 | 716 | 9:1 | Grid powered | 2008 and 2013 | 10 | 10 | 10 | 10 | Deliveries were made in installments. All the computers are functional.<br>Maintenance of the equipment is carried out by the school.<br>Internet connectivity pending but received the equipment like satellite dish and accessories.<br>The school has no government ICT teacher.<br>The ICT equipment is not engraved. |
| St. Victor's Secondary School Kitaasa (Bukomansimbi District) | 240 | 460 | 700 | 9:1 | Solar powered (4 panels, 2 batteries and 1 inverter) | July,2010 | 10 | 10 | 10 | 10 | Two computers are faulty and UCC was informed but did not respond. The computers are engraved.<br>The school has no government ICT teacher.<br>Internet connectivity is pending although necessary equipment were delivered. |
| Hasahya Secondary School.(Butaleja District) | 325 | 290 | 615 | 7:1 | Solar powered (3 panels, 2 batteries and 1 inverter) | 2010 | 11 | 11 | 11 | 11 | Internet connections not delivered but equipment delivered.<br>Lacks government ICT teacher. The school is privately employing two ICT instructors. Lacks government ICT teacher. The school is privately employing two teachers to teach ICT.<br>One computer was faulty. The school had not yet rectified the fault due to financial constraints. The school is constrained to privately pay the ICT teachers and to carry out maintenance of the computers.<br>The received equipment is not engraved.<br>The school had the first S4 and S6 ICT candidates in 2013.<br>The installed programs had improved content delivery to the students. |

| School/Location | School Population | | | Student computer ratio per class stream | Design | Date of delivery and installation | Number of Equipment delivered | | | | Remarks/Challenges |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | M | F | T | | | | Monitors | Key boards | Mice | CPUs | |
| Butaleja Secondary School. (Butaleja District) | 578 | 438 | 1126 | 8:1 | Solar powered (3 panels, 2 batteries and 1 inverter) | September 2008 | 11 | 11 | 11 | 11 | The school received internet connectivity which eased communication and enhanced students learning.<br>The community had been trained especially primary school teachers.<br>The school lacked government ICT teachers and depended on private instructors who were said to be expensive to maintain. The equipment was not engraved. |
| Busolwe Secondary School, (Butaleja District) | 504 | 257 | 761 | 9:1 | Solar powered (2 panels, 2 batteries and 1 inverter) | 2010. | 11 | 11 | 11 | 11 | All PCs are functional. The whole school is taught computer studies. The school had the first batch of S4 and S6 candidates in 2013.<br>No government ICT teacher on pay roll.<br>Equipment not engraved<br>PCs lack DVD drives making saving of the practical work for UNEB challenging.<br>Internet equipment was installed but not connected.<br>Encarta and Cyber schools installed.<br>Some community members had received ICT training at the facility. |
| Isingiro Secondary School (Insingiro District) | 549 | 314 | 863 | 6:1 | Solar powered(4 solar panels,2 batteries and 1 invertor) | April,2009 | 11 | 11 | 11 | 11 | All the received equipment was engraved.<br>Internet connectivity pending delivered.<br>The school had one of the two ICT teachers on the government pay roll.<br>The school lacks a fully-fledged laboratory room. |

| School/Location | School Population | | | Student computer ratio per class stream | Design | Date of delivery and installation | Number of Equipment delivered | | | | Remarks/Challenges |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | M | F | T | | | | Monitors | Key boards | Mice | CPUs | |
| | | | | | | | | | | | The CPU of one of the computers was faulty.<br><br>The school had S4 candidates in 2013. |
| St John Rustya Secondary School (Insingiro District) | | | 443 | 10:1 | Solar powered | 2010 | 11 | 11 | 11 | 11 | Currently all computers are functional after replacement of the 5 key boards that had become faulty. The received computers were not engraved. Internet was not yet delivered to the school. The computers have no CD drives making saving of work difficult. The school purchased the external CD drives but these could not be fully powered by the solar system. The school has only one privately employed ICT teacher. |
| Aisha Girls S.S (Isingiro District) | | 460 | 460 | 5:1 | Grid powered | 2008 | 10 | 10 | 10 | 10 | The received computers are not yet engraved. The hard disk and memory card of one computer was vandalized.<br><br>The school lacks trained ICT teacher but privately hires two instructors. The re-tooled teacher was transferred. This affects delivery of content and other required activities like lesson planning.<br><br>Internet connectivity is pending delivery thus affecting comprehensive learning. |
| Nyakasura School. (Kabarole District) | 860 | 340 | 1200 | 7:1 | 4 solar panels, 2 batteries and 1 inverter,2 power controller) | November 2010. | 11 | 11 | 11 | 11 | One hard disk and five key boards were faulty and accordingly reported to UCC in 2011, for replacement but no response was received.<br><br>Received equipment is engraved. The school lacks a government ICT teacher. Currently privately hires two instructors for ICT.<br><br>Generally all classes are given computer training.<br><br>Internet was not delivered. Computers are used in data management, exam preparation, and preparation of reports.<br><br>The school was facing problems of getting spare parts for the solar powered computers since they are rare and unique.<br><br>The solar panels are sometimes affected by the weather changes. |

| School/Location | School Population | | | Student computer ratio per class stream | Design | Date of delivery and installation | Number of Equipment delivered | | | | Remarks/Challenges |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | M | F | T | | | | Monitors | Key boards | Mice | CPUs | |
| Kahinju Secondary School (Kabarole District) | 667 | 517 | 1184 | 11:1 | Grid powered | February,2008 | 10 | 10 | 10 | 10 | All the 10 PCS are working and equipment engraved. The school received internet connection for only one computer: The Staff and students can now access the lab and use internet.<br><br>A level has successfully studied and sat for UNEB exams.<br><br>School is a beneficiary of the cyber schools which had enhanced students learning using the virtual lab.<br><br>Two community members were trained in 2012.<br><br>Teachers can now use the computers to generate reports.<br><br>Maintenance and servicing is carried out twice a term using the school capitation grant. |
| Mutanywana Secondary School. (Kasese District) | 360 | 283 | 643 | 4:1 | 4 solar panels, 2 batteries and 1 inverter. | 2011. | 11 | 11 | 11 | 11 | Two computers are not functional and the equipment was not engraved.<br><br>The school has one computer instructor who is not on the payroll.<br><br>All students study ICT. Students have acquired computer skills and Teachers can type their exams and reports using the computers. The community was yet to be trained.<br><br>Internet devices delivered but not connected. Servicing is done whenever the computers breakdown or before exams |
| Nkoma Secondary School<br><br>(Mbale District) | 1393 | 1076 | 2469 | 1:1 | Received in 2011 | Grid powered; using on N-Computing | 41 | 41 | 41 | 5 | The received equipment is engraved and functional. One ICT teacher on payroll and two instructors privately hired.<br><br>*Computer studies* as a subject is compulsory for S.1, S. 2, and S. 5. Internet connectivity was pending delivery. Servicing of computers is carried out privately every two months.<br><br>Encarta and cyber schools have made teaching easy and more practical especially with the virtual laboratory under the cyber school. |

| School/Location | School Population | | | Student computer ratio per class stream | Design | Date of delivery and installation | Number of Equipment delivered | | | | Remarks/Challenges |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | M | F | T | | | | Monitors | Key boards | Mice | CPUs | |
| Mbarara High School(Mbarara District) | | | 1700 | 2:1 | Grid powered (N computing ) | July, 2010 | 41 | 41 | 41 | 5 | Two monitors were faulty. One year Internet subscription expired and the school did not renew the subscription.<br><br>One of the received central processing units only connects five monitors instead of ten. The school lacks ICT teachers on payroll and privately hires three instructors. The school highlighted the challenge of sharing practical work during exams as the drive is shared by 10 students. |
| Mbarara Secondary School | 562 | 429 | 991 | 2:1 | Grid powered(N computing ) | July,2010 and May,2013 | 41 | 36 | 36 | 5 | The received equipment is engraved.<br><br>The school privately hires two ICT instructors as it has no government ICT teacher.<br><br>The internet connectivity was delivered. This was used and expired and the school currently purchases.<br><br>The school had candidates in both S4 and S6 in 2013.<br><br>The school was recently relocated and has no full-fledged laboratory.<br><br>Maintenance of the equipment is carried out by the systems administrator. |
| Kakoma SS (Rakai District) | | | 450 | 10:1 | Grid powered | Febraury,2008 | 10 | 10 | 10 | 10 | The received computers were engraved.<br><br>Internet was not yet delivered.<br><br>The school lacks a government ICT teacher. Five UPSs were vandalized while the other five and one keyboard were faulty. The school did not have a printer. Maintenance of the computers is carried out privately using the meager school capitation grants. |
| Katereero Secondary School (Rakai district) | | | 400 | 3:1 | Solar powered | April,2009 | 11 | 11 | 11 | 11 | One computer was stolen and another vandalized. The received solar panels were stolen. Internet was not yet delivered |

| School/Location | School Population | | | Student computer ratio per class stream | Design | Date of delivery and installation | Number of Equipment delivered | | | | Remarks/Challenges |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | M | F | T | | | | Monitors | Key boards | Mice | CPUs | |
| Matale Church of Uganda (CU) Secondary School. | 464 | 605 | 1069 | 10:1 | Solar powered (4 solar panels,2 batteries,1 inverter, ) | Febraury,2011 | 11 | 11 | 11 | 11 | Internet was yet to be delivered. The school privately employees three ICT instructors as it does not have a government ICT teacher.<br><br>The received equipment is not engraved. |

***Source: Field findings***

**Analysis of component effectiveness under establishment of ICT School laboratories**

Using Table 9.3, an assessment of performance is made in this section.

### Component : Project planning

### Score: Fair

The project planning component establishes whether the intervention was well designed to meet objectives.

**Design:** There are two types of designs for different locations, that is; solar and grid powered ICT systems. Solar systems are given to schools with no access to grid power.

**Unit costs:** Grid (40 computer monitors, five processing units with UPS, local area network cabling and one year internet subscription) and solar systems include (10 computers, four solar panels, batteries, inverter, wiring, wireless router and internet subscription for one year) each of these systems on average cost a total of USD 25,000 per school.

**Selection Criteria:** In conjunction with various project stakeholders, UCC/RCDF/MoES determines a specific location for each project.

The component of support to school ICT laboratories is aimed at enabling schools among other things: a) Teach computer studies as a curriculum subject at O and A-levels. b) Teach general purpose computer applications such as MS Office packages aimed at providing computer literacy. c) Access local learning resources such as UNEB past papers on web portals like www.uderb.org d) Access the Internet and use of e-mail services e) Use of computer based learning aides such as ENCARTA program to support the teaching and learning of conventional curriculum subjects and f) Access to other internet based e-learning resources.

From the Q1FY2013/2014 monitoring, 100% of the visited institutions received the ICT equipment and were in use. General purpose computer applications such as MS office were reportedly provided. Lack of a trained ICT teacher was noted across the education institutions. This affects delivery of content to the students. Absence of teachers to effectively deliver the content points to poor planning.

About 76% of the monitored schools had not yet received internet connectivity. Some sampled institutions like Mbulire Secondary schools which received the initial installations in 2008 had not yet received internet connection nearly six years later.

In terms of adequacy of the support provided, it was noted that the institutions that are far away from the grid, received solar (10) powered computers which were visibly too few given the very high enrollment numbers especially in schools running the Universal Secondary Education programme. Most schools with grid power received 40 monitors running N-Computing software (shared resources for each ten monitors) which relaxed the student to computer ratio.

**Training to community members:** Whereas UCC planned to have the community benefit from the received ICT equipment, extension of such services has not been holistically implemented. Training to the community has only been carried out at Butaleja SS where majorly primary teachers were trained. In Busolwe SS over 50 community members were also trained. The Limited sensitization of the beneficiary institutions in part explains the limited occasions where the communities are allowed to use the received equipment.

**Component : Beneficiary Satisfaction/Service**

**Score: Good**

The received equipment was under use for learning. The teachers, and in some instances the community had also benefited from the received equipment. This was noted in Butaleja, Busolwe and Kahinju Secondary Schools.

All the monitored institutions reported that the package received was inadequate as it lacked some equipment required in ICT learning such as printers, projectors and in some cases CD writing drives. It should be noted that a comprehensive package is key in students learning now that ICT is an option at both ordinary and advanced levels of secondary education.

Majority of the visited institutions had not received internet connectivity. Absence of the internet connectivity reduces the beneficiary satisfaction as it negatively affects effective and comprehensive learning for the skills that require internet connection.

**Benefits highlighted by the beneficiary institutions**

**Enhanced students learning:** The students were reported to have acquired ICT skills. Using the installed programmes such as Encarta and Cyber School, learning has been improved in the areas of vocabulary; general knowledge and usage of virtual laboratory (science experiments) respectively. With the introduction of computers studies as an option at both O' and A' levels, the received computers were reported to be of a great help to offer the desired training.

**Acquisition of ICT skills among teachers:** With the received computers, it was reported that school staff members were able to enhance their ICT skills; especially typesetting exams, preparation of reports, and general data management. In some schools like Mutanywana SS, it was further noted that the teachers privately secured Internet modems for research and communication.

**Reliability of solar powered computers and low power costs:** Most of the institutions that received solar powered computers appreciated the reliability of the equipment, since they are not affected by load shading on top of the nearly cost free usage.

**Increase in student's enrollment:** In St Victor's SS Kitaasa, there were reports of increased enrolment after receipt of computers. Parents were reportedly happy to have their children acquire ICT skills and the student dropout rates were reportedly decreasing.

**Challenges faced by the beneficiary institutions**

**Lack of ICT teachers and Text books:** All the schools visited did not have trained ICT teachers. Most ICT instructors were not on the government pay roll. This affects students learning. Schools also reported lack of ICT text books and a clear curriculum as an impediment to learning.

**High student to computer ratio:** Majority of the education institutions had a high number of students per stream compared to the received computers. This affects students learning. In Kahinju Secondary School, Kabarole district, for instance, the school had to run three shifts for the practical ICT UNEB examinations 2013.

**Partial deliveries:** A number of institutions had only received computers without internet equipment; while others had received computers, internet equipment without the connectivity. The partial deliveries were affecting content delivery to the students. Even institutions which had received initial installations as early as 2008 had not received internet as of December 2013.

Store converted into computer lab at Kahinju SS

**Lack of external CD drives particularly on solar powered computers:** This makes delivery of exams to UNEB difficult. Schools like St John Rustya SS in Isingiro district, in an effort to purchase external drives to aid UNEB practical work for ICT, ended up overloading the solar power system. The school therefore has to use 50% of the received computers if they have to use the external CD writing drives.

**Lack of a fully-fledged computer laboratory:** All the monitored schools did not have specially built computer laboratories and associated accessories. They had turned class rooms into computer laboratories with very poor power and computer network cabling designs and management.

**Lack of adequate funds for maintenance of the equipment:** The absence of the budget line for repairs and maintenance among education institutions makes repairs and maintenance challenging given the small capitation funds for administrative work.

### Component : Operation and Maintenance

### Score: Fair

This section examines whether the project was designed with proper operation and maintenance arrangement to ensure sustainability.

All visited institutions reported to have received basic training on how to use the delivered equipment despite the high level of reliance on the one or two ICT instructors in schools who aid in the operations activities.

All educational institutions monitored did not have a budget for operations and maintenance of the equipment. Except in instances where the installations were still under the warranty period. The lack of proper mechanism for maintenance reduces the number of equipment available further affecting the ratio of student to computer. Overall maintenance of the equipment is carried out using the government funding under the capitation grants which were not only inadequate but untimely.

#### Conclusion

The component support to establishment of ICT laboratory under UCC has registered commendable progress in extending ICT services in secondary schools and skilling students. This is consistent with the sector mandate of harnessing and utilization of ICT in all spheres of life. Recognizable support has been noted especially among the rural institutions where there were no computers and electricity access. Education institutions can now provide training to the students, the teachers and in some cases the neighboring communities. The programme has however been affected by partial deliveries, lack of ICT trained teachers, high students to computer ratio and limited funds for maintenance of the equipment.

#### Recommendations:

- The MoES should recruit ICT trained teachers to facilitate students learning. In the interim the MoES can transform the instructors currently administering ICT training into government teachers through in-service programs to relieve the financial pressures from the schools as they acquire pedagogical skills.

- To further enhance learning, the MoES should provide ICT text books and a clear syllabus from the National Curriculum Development Centre for knowledge and skills to be imparted in an orderly manner.

- UCC in partnership with the MoES should review the design in order to provide more computers to aid effective learning. This should urgently be handled since ICT is currently compulsory for all *Advanced Level* students who do not opt for economics. This will solve the high students to computer ratio and improve the learning environment.

- UCC should deliver a complete package of equipment and services to schools as reflected in the memorandum of understanding with the schools to ensure value for money and effectiveness of deliveries.

- The MoES and UCC should improve on the ICT package: This could include provision of external DVD writers for the institutions that received solar powered computers, a white board, a projector and printers to enhance learning.

- MoES should construct the ICT laboratories in schools. Majority of the visited schools had turned class rooms into ICT laboratories. These usually have different specifications from an ICT laboratory and this affects maintenance of the computers.

- Maintenance support: The MoES should create a budget line to facilitate regular maintenance of the equipment. This could be sent together with the capitation grant. This is because the MoU between UCC and the MoES/Schools required the ministry to maintain the received equipment as part of the project sustainability upon expiry of the warranty period.

**2. Support to Health ICT Facilities (Telemedicine)**

This programme provides support to Ministry of Health (MoH) to enhance usage of ICT in health service delivery in the country. Through this programme, ICT facilities have been installed in selected government health facilities countrywide. This programme enables health facilities and health practitioners to among other things access the health related ICT services: specifically the programme targeted telemedicine services among the health institutions.

Telemedicine is the use of medical information exchanged from one site to another via electronic communications to improve a patient's clinical health status. Telemedicine includes a growing variety of applications and services using two-way video, email, smart phones, wireless tools and other forms of telecommunications technology.

**Findings**

This section presents physical progress and a value for money analysis under the Establishment of ICT facilities in selected health institutions. Scores to the project are assigned for the effectiveness component in the areas of planning, beneficiary satisfaction, operation and maintenance (*Refer to scores in Table 9.3)*

**Physical performance**

During Q1FY2013/2014, monitoring focused on the UCC support to health centres for telemedicine in: Kakuuto HCIV and Rakai hospital in Rakai district, Busolwe hospital in Butaleja district; and Bukuuku HC IV in Kabarole District.

**Telemedicine PCs stored in boxes at Busolwe hospital, Building formerly housing some of the telemedicine equipment in Kakuto which was gutted by fire and three PCs used for data entry at Bukuku HCIV**

It was noted that 100% of the visited institutions had received ICT equipment for telemedicine however; the equipment was being used for other basic activities such as data entry, document processing and data management or safely stored. None of the visited health institutions was using the equipment for telemedicine and this was due to lack of internet connectivity and lack of comprehensive training on the use of the equipment in administering telemedicine. Only Busolwe and Rakai hospitals reported to having received Internet modems for trial runs of telemedicine. Note that the single modem received could not be sufficient to serve the different computers in each of these hospitals.

**Table 9.5: Items delivered and remarks at the sampled health centres**

| Health facility | Item | Number of items | Implementation challenges/Remarks |
|---|---|---|---|
| Kakuuto HCIV(Rakai Districts) | Computers and accessories<br>Scanner<br>Battery<br>Solar panels<br>Modem<br>Invertor<br>Webcams<br>Digital camera | 5<br>1<br>2<br>4<br>1<br>1<br>5<br>1 | The health centre received 5 computers in 2010. These were located in the In charge's office, Records office, Maternity ward and the theatre. Currently only those in the records office and the maternity are still functional.<br>Three of the received computers are not functional. The damage resulted from a fire that gutted the building where the equipment was housed. The current hospital management could not account for the rest of the equipment as it was said to have been lost in the fire.<br>The health centre had not yet received internet connectivity.<br>The received equipment was not engraved. |
| Rakai Hospital (Rakai District) | Computers and accessories<br>Scanner<br>Solar Battery<br>Solar panels<br>Modem<br>Invertor<br>Webcams<br>Digital camera | 6<br>1<br>4<br>4<br>1<br>1<br>5<br>1 | The hospital received 6 computers in 2009. The received ICT equipment were located in Administrator's office, Pharmacy, Superintendent's office, Maternity ward, Theatre and Records office. The received computers are not engraved.<br>Internet connectivity equipment was provided and the hospital procured bandwidth which was being used. The hospital received modems from other organizations like sure Uganda, i@mak<br>The computers are used for records management.<br>Six members of staff were inducted in basic computing however; telemedicine was simply mentioned as there was no Internet during training. |

| Health facility | Item | Number of items | Implementation challenges/Remarks |
|---|---|---|---|
| Busolwe Hospital (Butaleja District) | Computers and accessories<br>Scanner<br>Battery<br>Solar panels<br>Modem<br>Invertor<br>Webcams<br>Digital camera | 5<br>1<br>4<br>4<br>1<br>1<br>5<br>1 | The hospital received equipment in 2010 and had it installed in the: records office (3), maternity ward and senior nursing officer's office.<br>The received equipment was not engraved.<br>The solar system could not support lighting for long hours.<br>The key users were not trained on the use of ICT equipment and telemedicine.<br>A one hour training on the basic use of ICT equipment was provided to the administrator and records assistant instead of the medical personnel who are the key users of telemedicine.<br>The equipment was not being used for telemedicine as expected. |
| Bukuuku HC IV (Kabarole District) | Computers and accessories<br>Scanner<br>Battery<br>Solar panels<br>Modem<br>Invertor<br>Webcams<br>Digital camera | 5<br>1<br>2<br>4<br>1<br>1<br>5<br>1 | The equipment was received in 2010. It was located in: Maternity ward, Data room (3), and in the Antiretroviral Therapy Clinic (ART).<br>One computer (ART clinic) was stolen in 2012; and the police and UCC informed.<br>Two of the four remaining computers were reportedly faulty. The key board buttons were not functioning properly<br>The received equipment was not engraved.<br>Internet connectivity had not yet been delivered.<br>The equipment was not under use for the intended telemedicine purpose rather used for records management and document processing. |

***Source: Field Findings***

**Analysis of tele-medicine component effectiveness**

The project planning component establishes whether the intervention was well designed to meet objectives.

## Component : Operation and Maintenance

### Score: Fair

**Unit cost**: All health centres were allocated solar powered equipment estimated at USD 20,000 each, the support to health institutions is to enable health facilities and health practitioners to among other things access the following health related ICT services:

i) Interlinking of all District Health Offices, government hospitals, 50 major health center IV and facilitate the Ministry of Health web portals www.health.go.ug;

ii) E-continued medical education.

iii) Access to online medical journals;

iv) Access to selected e-libraries; v)Support to e-consultation at national and international level;

v) Support to e-health management information systems (HMIS).

The design would be very useful in improving access to medical care especially among the rural populace but its implementation is poor. 50% of the monitored health institutions had not received internet connectivity to carry out the planned services. To effectively utilize the intended telemedicine, the implementer ought to have put emphasis on training of the key personnel and ensuring that internet data points are activated prior to provision of ICT equipment among the different health institutions.

In some health institutions visited for example, Kakuuto HC IV, it was noted that the programme was not fully consultative. It was noted that equipment was just received without any prior communication and after delivery no training conducted.

### Component : Service delivery /beneficiary satisfaction

### Score: Poor

In line with the telemedicine program objectives, very little has been achieved. Even among health institutions like Rakai and Busolwe hospitals which received some dismal internet connectivity support, telemedicine could not be utilized due to lack of training to the medical personnel and lack of linkage between lower health centres and hospitals.  A two hours training on basic use of ICT instead of telemedicine was offered in Busolwe hospital to the administrator and records personnel who are not key users.

The received equipment is however used for other activities such as records and data management in the health institutions.

The low level of satisfaction among the beneficiaries' further raises questions of value for money. A number of beneficiaries suggested that the funds used in this project would have been best used to improve hospital infrastructure or furnishing hospitals with beds, drugs and other medical supplies than idle ICT equipment.

**Key challenges**

- **Inadequate and total lack of internet:** In some health centres like Kakuuto HCIV, internet had not yet been delivered while in others, it was inadequate. In Busolwe hospital for instance only a single modem was provided with air time worth Ug shs3,000 as opposed to one year broadband internet subscription.

- **No comprehensive training on the use of ICT equipment and telemedicine** to the medical staff. In institutions like Busolwe Hospital basic training on use of ICT was provided to non medical personnel.

### Component : Operation and Maintenance

### Score: Fair

Basic training on the operation of the equipment was reportedly offered to all the institutions monitored. In some institutions like Busolwe hospital, the trained individuals were not responsible for core medical services (hospital administrator). The detailed training on ICT and telemedicine was not offered in all the monitored institutions.

All the monitored institutions did not have a formal mechanism (service level agreements) for maintenance of the equipment, except in Rakai hospital where UCC reportedly maintained the equipment in 2013 as part of the warranty.  The lack of service level agreements, left maintenance of delivered equipment to chance, for example, Bukuuku HC IV in Kabarole which had experienced equipment break down had not taken any step to have them repaired.

The equipment had not yet been engraved, years after delivery and in some cases lost through theft as the case was in Bukuku HCIV, thus causing a security risk to the equipment.

**Conclusion**

Minimal progress has been made under the support to health institutions for telemedicine. Much as the intervention is good and consistent with the sector vision, implementation has been characterized by poor delivery of associated services like internet bandwidth and end user training as well as lack of service level agreements for maintenance of equipment.

**Recommendations**

- Provision of internet connectivity and subscription: UCC should expeditiously provide the the internet connectivity to the health centres to aid meaningful use of the equipment for telemedicine.

- The Uganda Communications Commission should urgently train the medical personnel in health centres where equipment was delivered to ensure that the project objectives are achieved.

- The ministry of health and health centre should budget for servicing and maintenance of ICT equipment for sustainability and continuity of the project.

# CHAPTER 10: INDUSTRIALISATION

## 10.1 Introduction

Experience from developed and emerging economies clearly shows that except for a few oil-exporting countries, there is a strong positive correlation between industrialization and development. The 2008 global financial crisis publicized the need to have a strong industrial base to cushion the economy from external shocks[56]. A strong and competitive industrial base is therefore, important to create employment and a resilient economy. Analysis of the experiences from East Asian countries, such as China, Indonesia, Japan, Korea, Malaysia, Singapore, and Vietnam among many others provides good lessons of more successful industrializing paths that Uganda can take given its enormous potential. As in many of these countries, government had to directly establish and sustain key strategic/ lifeline industries.[57]

Sector objectives:

- 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 the productivity of the informal manufacturing sub-sector, e.g. *Jua Kali* artisans, through training and skills building.
- Strengthen research and technology developments in industrial application.

### 10.1.1 Scope

The report reviews progress of selected development projects under the: Ministry of Finance, Planning and Economic Development (MFPED); Uganda Investment Authority (UIA); Ministry of Trade, Industry and Cooperatives (MTIC); and Uganda Industrial Research Institute (UIRI) for the FY2013/2014. Specifically, the report aims at ascertaining whether; planned outputs as outlined in the selected Ministries, Departments, and Agencies (MDAs) quarter one work plans for FY 2013/2014 had been achieved and establish whether financial expenditure was commensurate with physical progress. The report gives an update of the development projects under implementation in the Central, Eastern and Western regions of Uganda.

Under the MFPED, focus was on the Presidential Initiative on Banana for Industrial Development (PIBID) and Development of Industrial Parks in Soroti, and Kasese.

Under the MTIC, monitoring covered One Village One Product (OVOP) and the District Commercial Services Support Project (DICOSS); Under Uganda Industrial Research Institute, establishment of the Mbarara grapes winery and some activities relating to essential oils development were monitored. This report therefore gives an update on physical and financial performance as at end of Q1 FY2013/2014. The report further highlights the implementation challenges, and key policy recommendations.

### 10.1.2 Methodology

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

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56 Uganda Vision 2040. April 2013
57 Ibid

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 outputs, monitoring focused on value for money and beneficiary satisfaction.

Financial data was sourced from spending entities, the Integrated Financial Management System (IFMS), progress reports and bank statements from implementing agencies where applicable. Prior to the field visit, literature was reviewed on the reported progress on projects and outputs with reference to previous monitoring reports. In addition, data was collected by interviewing key informants, observation and use of photographs as well as triangulation for validation of data.

#### 10.1.3 Limitations

- There were cases of inadequate information on expenditures as the IFMS system was undergoing an upgrade during the time of monitoring
- The IFMS release transfers from the votes to the subventions are captured as payments under the subventions; this may be misleading in the analysis of absorption rates of the subventions.
- Information on donor releases was not readily available for a comprehensive assessment of performance.

## 10.2 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) To mobilize local and external financial resources for public expenditure:

c) To regulate financial management and ensure efficiency in public expenditure

d) To oversee national planning and strategic development initiatives for economic growth.

Under the fourth mandate the ministry of finance, planning and economic development is supporting a key project of value addition in bananas and the development of industrial banks in the country. These were reviewed in Q1FY2013/2014.

#### 10.2.1: Presidential Initiative on Banana Industrial Development (PIBID)

**Background**

The Presidential Initiative on Banana Industrial Development (PIBID) is a pilot project of the Government of Uganda premised on the theory 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.

**Project objectives:**

- 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 PIBID is executing two major infrastructure contracts, including: construction of the main processing plant; renovation of office buildings, laboratory block, mechanical maintenance workshop, internal road works; fencing and security lighting; and construction of a conference and resource centre at Nyaruzinga (Bushenyi) on one hand, and construction of an irrigation scheme, water reservoir and fertigation system on the other hand.

The contract for Tooke Processing Plant was awarded to M/s Dott Services Limited in September 2009 at a contract price of Ushs 23.3 billion, while the implementation of the irrigation scheme which was initially awarded to M/s Vambeco Limited at a contract price of Ushs 2.5 billion was revoked and awarded to M/s Dott Services Limited in March 2013. The main construction of the processing plant that was originally phased into two was merged and undertaken concurrently with a revised completion date of October 2014.

**The expected outputs are:**

- Construction of a state of the art rural based banana processing industry at Nyaruzinga (Bushenyi district) and Sanga (Kiruhura district) based on technology business incubator framework;
- 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.
- The plant is expected to process about 40 metric tons of raw *Matooke* per day and will run three shifts daily at optimum capacity.

**Findings**

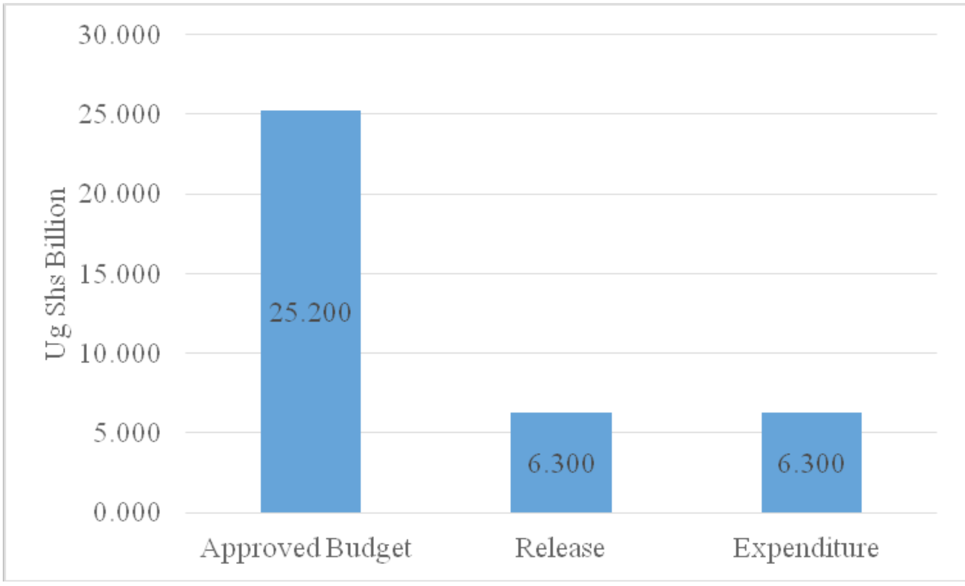
This section presents financial progress, physical progress and linkages between financial and physical performance of the project.

**Financial performance**

From Figure 10.1, the approved budget for FY2013/2014 is Ug shs25.200 billion of which Ug shs 6.300 billion (25%) was released. Expenditure performance was excellent as all the released funds were absorbed. Allocative efficiency was commendable as in Figure 10.2. Majority of expenditure (90%) was made on the construction works (factory, research laboratory building and water works).

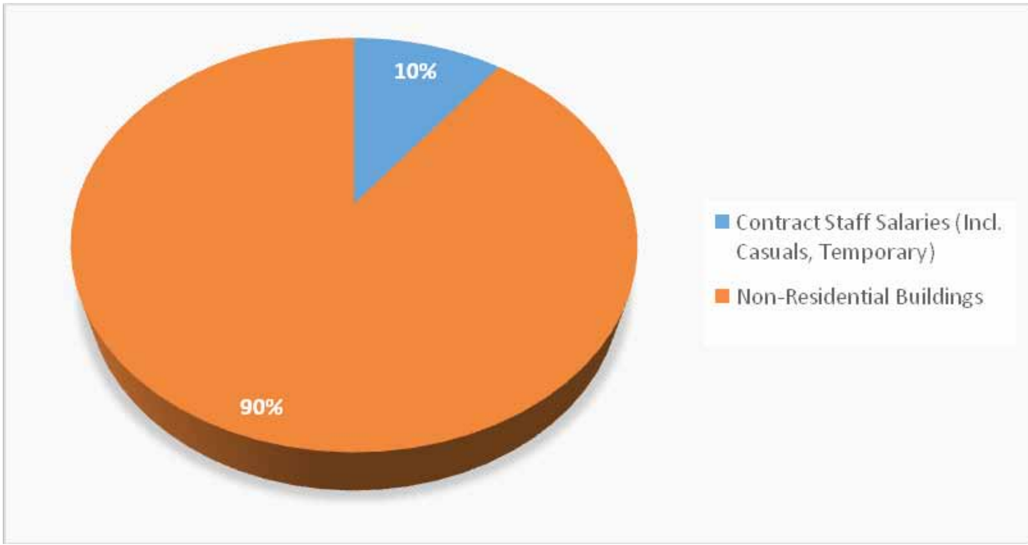
The commendable allocative efficiency in Q1 explains the visible ongoing construction activities on all the fronts of the project.

**Figure: 10.1: Financial Data to Q1 FY2013/2014; Project: 0978: PIBID**




***Source: Q1 FY2013/2014; MFPED Performance report***

**Figure: 10.2: Distribution of Expenditure by Line item to Q1 FY2013/2014; Project 0978**




***Source: IFMS Data***

### Physical performance

During Q1 FY2013/2014 monitoring, it was noted that implementation of activities related to the different objectives and outputs were ongoing as detailed below.

**i) Land ownership:** The land title for Nyaruzinga projects was secured and is in the names of PIBID. Plans to transfer the title in favor of Uganda Land Commission (ULC) were underway. The government valuer was to ascertain the actual investment on ground during the course of the financial year before carrying out the transfer.

**ii) Sanga Technology Industrial Park:** The plan to promote entrepreneurship in the private sector and training at public institutions through establishment of a Technology Industrial Park near Lake Mburo in Sanga was halted due to multiple land allocation. PIBID Board decided to refocus her efforts on completion of the Nyaruzinga factory.

**iii) Business plan and strategy:** Drafting of the business plan detailing the proposed project structure, operational plans, marketing plans, and financial projections had been completed. The draft had been submitted to the MFPED for further guidance and/or approval. Drafting of the strategic plan was expected to commence during the financial year. As a marketing strategy, PIBID intends to have stock shops in selected airports as well as undertake school visits to market the products locally among others.

**iv) Establishment of community processing units**: The PIBID secretariat had identified a community processing unit at Kyangyeni, in Shema district. This unit is planned to act as a collection centre for the bananas before they are received at the factory. It is planned that in future, a mini processing plant will be set up at this unit. Farmers in Shema district had undergone training in quality control ranging from the variety of *matooke* to be planted, through the supply chain. PIBID plans to use the community processing unit as a spring board for scaling up the activities in quality management of the bananas.

Other objectives such as linking farmers to financial institutions were reportedly pending.

**v) Construction of Tooke processing plant**

As of 20th November, 2013, construction works were ongoing as planned for most of the civil and electrical fronts. Ongoing activities were observed at the quality assurance and research laboratories, the administrative (office, library and conference Centre) building, and construction of lagoons. The outstanding works (electrical and plumbing) in the main processing plant remained pending. Specific progress details are outlined in table 10.1.

**Table 10.1: Physical progress and remarks at PIBID as of 20th November, 2013**

| Planned Activities | Physical Progress | Remarks |
|---|---|---|
| Main processing plant | 80% | Electrical works had been completed. These included adding more power sockets. Additional plumbing works remained pending. Two dryers were pending installation and the pneumatic conveyor belt was yet to be delivered and installed. |
| Mechanical workshop (Facility will be used to train farmers to operate plant equipment). | 65% | All door frames and some doors had been installed. Preliminary electrical installations (Wiring) had been completed awaiting final electrical fittings. Preliminary plumbing (piping) works had been completed awaiting final fittings |
| Conference Centre; library and office building. | 70% | Roofing had been completed and ceiling construction was ongoing. All window frames had been installed. Major electrical wiring had been completed. Preliminary plumbing (piping) works had been completed awaiting final fittings. Face brick finishes were ongoing. |
| Construction of Quality Assurance laboratories. | 60% | Civil works were ongoing. Slab casting to set up the third level had commenced. Construction of a retainer wall/embankments and wall fence for the labs had started. Guard rail installations had also commenced.<br>To ensure control of waste water to the environment, interceptors had been constructed. The outstanding works included manhole covers, roofing and final finishes. |
| Raw and instant flour equipment (Drying Chambers) installed | 100% | Completed and test run |
| Completion of survey mapping and master plan of Industrial Technology Park (ITP) and Technology Business Incubator (TBI) | 100% | Completed (Further activities related to the ITP in Sanga were halted) |
| Installation of two 250 ton silos | 100% | The two silos had been installed pending testing and installation of the pulley/conveyor system which will be used. |
| Installation and test running of hammer mill | 5% | Installation is pending delivery of a stand frame and a pneumatic pump. |

| | | |
|---|---|---|
| Delivery and installation of Extruder | 100% | Installation and test running completed. |
| Drum drier (able to make tooke powder, tooke flakes among others) | 100% | Delivered, installed and test run. |
| Installation of the biscuit line equipment | 99% | Complete and test run, missing diesel energy system and chimney installation. |
| Installation of confectionery equipment | 100% | Completed |
| Water tank | 100% | Water tank was connected to National Water system for test running the equipment. |
| Construction of lagoons | 80% | Most of the civil works had been completed on the three lagoons including the embankments which had initially failed. The fourth lagoon was under construction. The outstanding works include: installation of gate valves: external landscaping: and final connection of the lagoons to the main waste water line from the processing plant.<br><br>Other outstanding works include: establishment of a live pond (with fish) to pre-test safety of waste water before it is discharged to the environment. |
| Bakery | 65% | Roofing of the bakery had been completed. Wall tiling and floor finishes had been completed. Plumbing works and electrical works were ongoing. The outstanding works include: installation of windows and doors. |
| Factory administrative block and marketing centre | 90% | Roofing and installation of guard rails had been completed. The preliminary water and electrical works (wiring) had been completed. Final fittings for water and electricity were outstanding. |
| Powerhouse construction | 100% | The power house construction was completed awaiting construction of barricades on the house. The metering unit is still pending. |
| External works (roads and parking) | 30% | Activities on this front had not resumed. |
| Banana plantation maintenance | | 24 acres maintained |

***Source: PIBID and Field Findings***

**Left-ongoing final finishes at conference/office block with soil retainer wall, Centre- laying of second floor slab at Research laboratory block, and Right-completed waste water lagoons**

### vi) Construction of an irrigation scheme

The second contract for construction of an irrigation scheme originally awarded to M/s Vambeco was revoked, re-tendered and awarded to M/s Dott Services Limited. Works resumed in July, 2013 and were being supervised by M/s BEC engineers. Key outputs include: construction of a 2,000$M^3$ reservoirs, completion of works at Kyamugambira, clearance of water channels, construction of fertigation house, pipe works for inlets and outlets to the fertigation house, water treatment facility and an elevated 40$m^3$ steel tank and a water transmission line to the factory.

During the Q1FY2013/2014 monitoring, it was observed that the structures that had been constructed under M/s Vambeco had been tested by M/s Dott Services Limited. The structures were reportedly satisfactory save for some leakages at the washout, clarifier chamber and Sand filter outlet which the new contractor was rectifying.

**Table 10.2: Progress report on construction of the water system (irrigation scheme)**

| Planned construction activities | Physical Progress | Remarks |
|---|---|---|
| **Main reservoir** | 80% | Excavation works for the pipes had been completed. The outstanding works included: installation of the outlet pipes some of which had already been assembled. |
| **Mini treatment shade** | 60% | Roofing of the shade was ongoing before commencement of internal finishes. |
| **Generator house** | 60% | Roofing works were ongoing awaiting internal finishes. |
| **Eco-san toilet** | 70% | Roofing works had been concluded while internal and outer finishes were ongoing. |
| **Guard house** | 70% | Roofing was completed and internal finishes were ongoing |
| **Overflow reservoir tank** | 60% | Excavation works had been completed. This reservoir tank is to be used to collect water overflow from the main reservoir. |
| **Pump house** | 80% | Most of the key civil works were completed and 3 water pumps of 143.9L$^3$/hour capacity were installed (40% completed of the planned work against the 33% of the time). Test running has not yet been completed. The pump house had a few cracks which were to be captured in the snag list for rectification before final hand over. |
| **Fertigation house** | 50% | Construction was past the ring beam level. Pending plumbing and finishing works |
| **Trenching and pipe work** | 50% | Excavations for laying of the pipes was 90% complete with some pipes joined before they are laid. |
| **Repairs on existing structure** | 15% | Repair works on clarifier, sand filter and washout leakages had started |

***Source: Field findings, PIBID***

**Fertigation house pending roofing, lined water reservoir both at Nyaruzinga, and clarifier chamber under construction at Bumbaire**

It was noted that works were ongoing as planned on the different components of the irrigation scheme. Significant progress was observed at the main reservoir and related infrastructure. The fertigation house was at roofing level. Steel works for the fabrication of the suspended tanks were on going. The construction of the sub-structure for the reservoir tanks had also commenced. About 90% of trenching works had been completed and most of the pipes joined. The contractor expected to complete the works by the end of December, 2013.

### Challenges

**Break down of the pipe joinery equipment:** This slowed down the processes of joining the pipes that were required at the irrigation scheme.

### Conclusion

Commendable progress was registered by the end of Q1FY2012/2013 especially on the civil and electrical works. This was attributed to substantive resumption of the construction works on most of the fronts, award of water works contract to a new contractor and timely release of funds during the quarter. Strategies to implement activities relating to most of the objectives had been laid and implementation started. The only hiccup was the breakdown of the equipment for pipe joinery. The finalization and implementation of the business plan will provide the necessary direction for PIBID's future self-sufficiency.

**Recommendations**

The contractor should provide a mechanism for timely rectification of any equipment breakdown. This will ensure timely completion of the activities under implementation.

### 10.2.2 Development of Industrial Parks (Vote 008, Project Code 0994)

**Background**

The Government of Uganda committed itself to a 10-year national industrial parks development program to set up 22 industrial parks in the different regions of Uganda with effect from FY2008/09 to FY 2017/18[58]. The process started with setting up of the Kampala based industrial parks at Namanve, Bweyogerere and Luzira, spreading to up country towns in strategic locations. It was anticipated that the Kampala parks would be operational by FY 2010/11.

**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 would 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 for FY 2013/2014**

- Bweyogerere, Kasese and Soroti parks operationalised.
- Master- planning for Jinja park completed.
- Compensation of squatters in Mbale
- Secure land titles for Mubende, Arua, Moroto, Kabarole and Masaka industrial parks.
- Secure Luzira park road extension, and electricity way leaves
- Securing industrial parks with boarder markers and security (*police accommodation)*

In Q1FY2013/2014, two industrial parks of Soroti and Kasese were monitored;

**Findings**

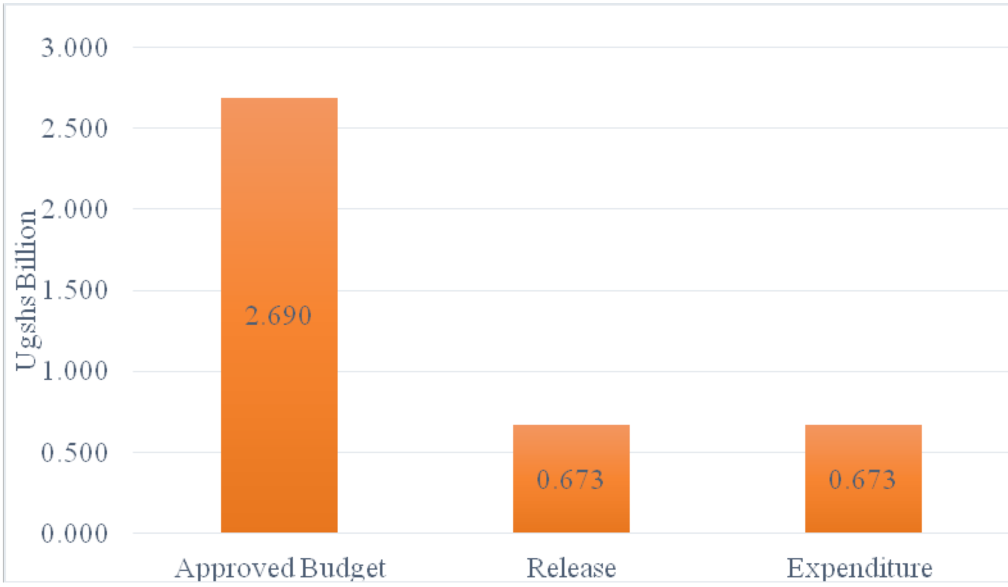
This section presents financial progress, physical progress and implementation challenges.

**Financial performance**

The approved budget for FY2013/2014 is Ug shs 2.690 billion of which Ug shs 0.673 billion (25%) was released. Expenditure performance was excellent as Ug shs 0.673 billion (100%) was absorbed by the end of Q1. All expenditures were made on various activities of servicing of the parks country wide. Whereas expenditure was excellent, limited outputs were achieved across the many industrial and business parks. This was due in part to inadequate budget to the project, amidst the very many competing needs in servicing of the parks. Some of the works completed were: maintenance of the roads in Luzira industrial park, extension of water services to Soroti Industrial and Business Park, 2.2 Km of gravel roads for Kampala Industrial and Business Park was opened using the Road re- sealing unit of Ministry of Works and Transport.

58 UIA project profile – Development of Industrial Parks.

**Figure 10.3: Q1 2013/2014 Budget performance for Project: 0994: Development of Industrial Parks**




***Source: IFMS Data/MFPED Q1 progress report 2013/2014***

**Physical performance**

**1. Soroti Industrial Park (219 acres)**

The 219 acre park is 350 km north-east of Kampala. The master-plan and cadastral survey of the plots were completed in November 2011. Subdivision of plots had been completed with a total of 153 plots in the park, of which 23 acres had been allocated to 10 prospective investors. An alternative plot for Soroti Fruit Factory as requested for by KOICA was identified, approved and handed over to UDC in 2012.

During the course of the FY2012/2013, engineering designs for roads, plot survey, installation of boarder markers and road pegging had been completed. The contract document for construction of approximately 2km roads (1.7km Temele road, 150 meters Palm close and 150 meters Pineapple road) in the park was approved on 14th February 2013 by the Solicitor General.

The six months contract for road works amounting to Ushs 1.85 billion was awarded to M/s MG Engineers limited and works commenced on the 27th May 2013. The scope of works include: earthworks; drainage works; surface dressing; auxiliary works like signage and road marking and works on the shoulders. In August 2013, M/s Prome consultants was contracted to supervise works at a cost of Ushs215 million. It should be noted that all road works are funded by Soroti Fruit Factory project under Uganda Development Corporation.

During the end of FY2012/2013 monitoring, the contractor had opened a total of 1.3km (14meters wide) of roads with bush clearing, removal of soft soils, and improvement of sub grade layer with gravel. Physical progress was estimated at 20% against a financial progress of 25% (advance payment) and time progress of 40%. The contractor reported that the final designs of the road had not been issued and the consultant was yet to report for duty which was delaying issuance of instructions and implementation.

The land for waste management had been identified pending commencement of the procurement process. It was also noted that UIA had installed the park signage and *uniports* for improving security in the park. It was observed that only one investor, Soroti fruit factory, had ongoing activities on the allocated plot.

***Mobilised equipment currently idle and parked at the campsite and deteriorating earthworks along Temele road, Soroti***

As of 28th November 2013, it was noted that all the works relating to servicing of the park had stalled due to failure by the consultant to provide the revised drawings and issue instructions to the contractor. It was established that the contractor had demobilized most of the employees while some of the equipment was on site attracting interest (idle time).

**2. Kasese Industrial Park (217 acres)**

The park is located 430km south-west of Kampala near the border with the Democratic Republic of Congo. M/s Savimax Ltd was contracted to undertake an Environment Impact Assessment (EIA) and master plan for this park at a contract price of Ushs 88 million. By 30th August 2012, the final master plan had been completed and approved. Sub-division of plots was still pending. Installation of border markers was completed. Engineering designs for road works were in advanced stages. UIA reported that although some investors had expressed interest in this park (without solicitation), plots were yet to be allocated as land surveys were incomplete due to inadequate funds. Encroachment was reportedly under control after erection of the *uniports* and deployment of police.

***Installed boarder markers and cotton grown by encroachers on Kasese industrial park land***

During Q1FY2013/2014 monitoring, it was observed that some individuals (cotton growers) were still encroaching on the land. This could partly be explained by the absence of security personnel at site. Servicing of this park has delayed and prospective investors were reportedly losing interest and preferring other lands within the district.

**3. Mbarara SME Park**

The 12-acre facility was procured in FY 2008/09 from M/s Gatsby Trust to cater for small-scale enterprises. It is adjacent to Mbarara Municipality 280 Kms southwest of Kampala. It is comprised of five buildings housing 45 workspaces of approximately 60m$^2$ each.

During the annual monitoring for FY2012/2013, (28th, August, 2013), It was established that the total registered tenants had increased to thirty from nineteen in December 2012. Five spaces were empty while others were occupied by former Gatsby members who had not registered. Registered members include: four SMEs involved in paint manufacturing, One metal fabricator; One briquette making facility; toilet paper making; two motor vehicle garages; others include: Fresh Vacuum Sealed Matooke (FREVASEMA); Garments Embroidery and tailoring. It was reported that M/s UMEME had installed individual meters for each unit and connected them all to the bulk metering system. The park was also facing challenges of intermittent supply of water and inadequate sanitation facilities for group employees.

***Overgrown bush within the park and bottled matooke wine from FREVASEMA distilled and packed in Mbarara SME industrial park***

UIA reported that a consultant was engaged to carry out feasibility study for re-development of the SME Park. The draft report had been reviewed by UIA board. The park land was regularly maintained with quarterly bush clearing.

By 22 November 2013, it was observed that no major changes had taken place apart from bush clearing in some sections of the park with other sections overgrown. Inhabitants of the park reported that quarterly bush clearing was inadequate especially during rain seasons. They further noted that overgrown bushes were both a health and security risk to the workers.

**Conclusion**

Activities related to development of the selected industrial parks were poor during the quarter as no significant improvement since the previous visit had been registered. The sluggish implementation strategy negatively impacts on the objectives of the industrialization sector.

**Recommendation:**

**UIA should fast track implementation of the park activities**: the delay in servicing of the parks further affects the commencement of industrial development in the selected districts.

## 10.3 Ministry of Trade, Industry, and Cooperatives (MTIC)

The mandate of the MTIC as derived from the constitution of the Republic of Uganda 1995(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[59].

59 Ibid

In executing this mandate, the Ministry supervises six agencies, namely: Uganda Development Corporation, Uganda National Bureau of Standards, Uganda Industrial Research Institute, Uganda Export Promotions Board, Uganda Commodity Exchange and Management Training and Advisory Centre.

In Q1 FY2013/2014, monitoring focused on two vote functions under MTIC. a) Industrial and Technological Development b) Trade development

**10.3.1: 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[60].

In Q1 FY2013/2014, one project – 1164 One Village One Product under the vote function was sampled for monitoring.

**10.3.1.1 Project 1164 One Village One Product**

**Background**

One village One Product (OVOP) movement began in Oita, one of the 47districts of Japan in 1970's as a community based business activity, aimed to activate the local economy in the rural areas. The movement started from village people and local government strongly supported to revitalize the rural communities sustainably. Under the OVOP movement, each locality is encouraged to produce at least one product or service which can be showcased across the country and the world.

The Government of Uganda is currently implementing the One Village One Product program that started from July 2009 to June 2014. The 5 year program is a community centered and demand driven local economic development approach for rural transformation, wealth creation and sustainable development, through efficient utilization of local resources. The program was launched nationally in August 2009.

The selection criterion for the beneficiary institutions (Associations or Cooperatives) are consultative and largely cater for the proposals from the local governments specifically with the guidance from the Chief Administrative Officer (CAO) and the District Commercial Officer (DCO).

Broadly, the selection criterion considers the operations status of the institutions (Operational premises, financial management practices and other best practices in the management of cooperatives or associations). Notable among the selection criteria was:

- Existence and type of economic activities that the institution is engaged in: The type of the economic activity is expected to be one which utilizes the raw materials from within the community.
- Existence of market potential for the products
- Level of value addition of the existing products in the organization.

**Major 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;

60 MTIC.(2013) Ministerial Policy Statement

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.

In Q1 FY2013/2014, MTIC under the One Village One Product project planned to:

a) Procurement and delivery of a honey extractor and langstroth Bee Hives for Alemifal group in Adjuman district.

b) Procurement and delivery of a Maize Mill and Huller for Tukolerewamu Cooperative Society in Mpigi Town Council, Mpigi district.

c) Procurement and delivery of a Poultry Feeds Mill for Side View Poultry Farmers Group in Mbale District

d) Procurement and delivery of a Honey Press, Harvesting Gear and Bottle Packaging for Trauma Apiculture Project in Bududa District.

e) Installation of a coffee huller in Mpigi; a Cassava Gratter in Lira district and a juice extractor in Wakiso district, and training of equipment operators.

f) Procurement of the OVOP Secretariat Equipment

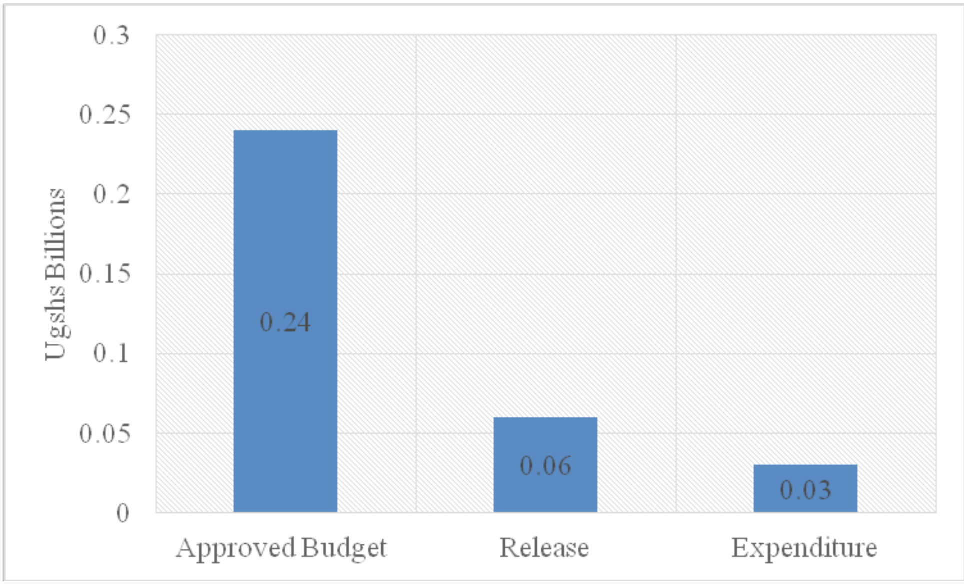
**Findings**

This section presents financial progress, physical progress and links between financial and physical performance of the project.

**Financial performance**

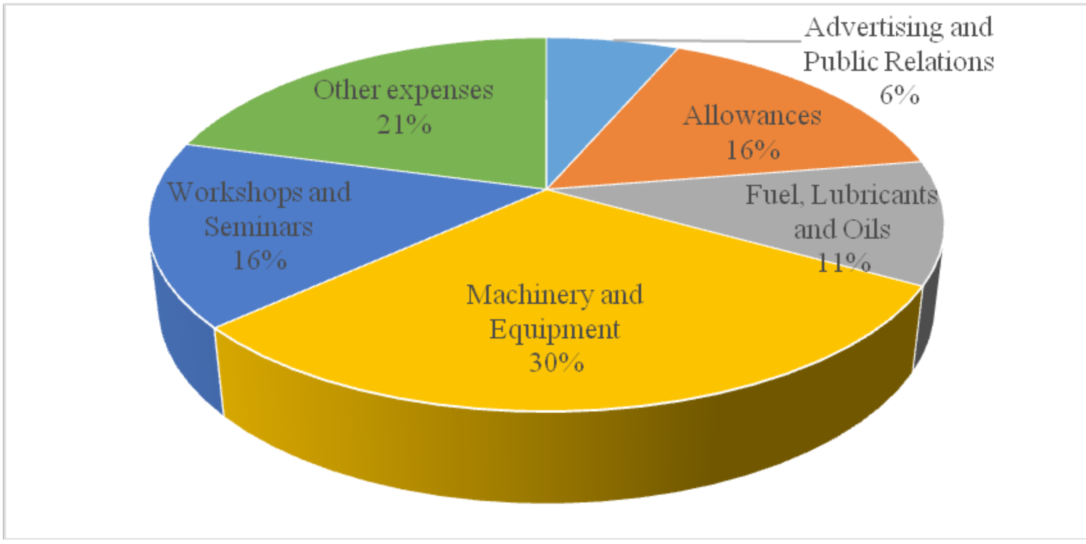
The approved budget for the project in FY2013/2014, is Ug shs 240 million of which Ug shs 60 million (25%) was released (Figure 10.4). Expenditure performance was 50%. Distribution of the expenditure by line item is shown in Figure10.5. Whereas allocative efficiency was good as most of the expenditures related to machinery and equipment, absorption levels were low. Fabrication of the equipment was ongoing and full payments are only made on delivery of fabricated machinery, this partly explains the low absorption. Generally, in spite of the average financial performance, the MTIC asserted that failure to meet the planned outputs in time during the quarter under review was due to inadequate funding.

**Figure 10.4: Financial Data to Q1 FY2013/2014; Project: 1164: One Village One Product Products**




***Source: Q1 MTIC Performance report***

**Figure.10.5: Expenditure distribution to Q1FY2013/2014: Project: 1164: OVOP**




***Source: IFMS Data***

## Physical performance

It was noted that most of the planned activities for Q1 FY2013/2014 were at procurement stage and physical outputs had not yet been registered. The sampled enterprises for monitoring that were reported to have been completed during Q1 had been planned for FY2012/2013and rolled over to FY2013/2014. These were in the districts of Mpigi, Mubende, Kamwenge, Iganga, and Bushenyi as presented below:

### a. Kololo Progressive Enterprise Group Association (KPEGA)

KPEGA is an association of coffee and dairy farmers in Kiringente Sub-County, Mpigi district. The association was registered and commenced in 2003 with 11members and has since grown to 35 members (2013) of whom 18 are female. According to the group's chairperson, each member on average produces one ton of unprocessed coffee per season and 20 liters of milk per day.

Through Mpigi District Commercial Office, members of this association submitted a proposal to the OVOP secretariat for a milk cooler and fresh coffee huller. A dry coffee huller and a diesel engine were provided to the enterprise under the OVOP support albeit the preferred non dry (fresh) coffee huller, for pulping of the coffee beans. The equipment was delivered and handed over to the association in September, 2013. The coffee huller has a processing capacity of 420kg (six 70 kg bags) per hour.

**Clockwise: Diesel engine, parts of the coffee huller machinery stored at the Chairperson's residence and construction materials on site**

As of 15th November 2013, the received equipment was not yet in use. This was due to the absence of a structure to house the processing unit. All parts of this equipment are stored at the chairperson's residence. It was reported that about five million shillings was required to construct the structure and some of the required materials including bricks, cement and some roofing materials had been delivered at the project site. The association had reportedly mobilized Ug shs1,000,000 for construction against the required Ug shs 5,000,000.

It was further reported that members were not willing to borrow from financial institutions to have the structure constructed. It was not clear whether the processing plant would be operational soon, in any case before the end of the financial year as the Chairperson reported that members were financially constrained. The proposed site for the factory is located on the Chairperson's land; however, there was no memorandum of understanding between the members and the land owner.

**Challenge:**

- **Poor planning**: Although members submitted a proposal for a coffee huller, the OVOP secretariat did not evaluate the capacity of the group in setting up the attendant structure to house the factory. The delivered equipment is currently stored instead of processing coffee to improve the member's household incomes through value addition. According to the group leader, there was no timeframe within which to have the structure constructed.

- **Inadequate skills in business management and resource mobilization**: Members of this group lack skills in business and mobilizing of resources to enable them construct the processing plant. Although they had heard about the Agriculture Credit Facility (ACF) under Bank of Uganda, they argued that the 12% interest rate was high.

- **Land ownership**: Although materials for construction of the plant had been delivered at the chairpersons' land, there was no memorandum of understanding between the members and the land owner. This poised a risk to the member's investment in setting up the structure.

**Conclusion**

Members of this farmers' group have potential to improve on production and productivity through agro-processing, however, the support received ought to have been conditioned to completion of the attendant structures to house the coffee huller. Currently, it can be asserted that the expenditures on the equipment delivered to the unprepared farmer's group are nugatory and there is no value for money.

**Recommendation**

- The OVOP secretariat under MTIC should condition delivery of equipment to availability of attendant structures to house them to avoid wasteful expenditures.

- Farmers should be adequately prepared with skills in business management and resource mobilization to ensure that what is given to them is used for the purpose for which it is meant.

- Farmers groups selected to benefit from OVOP support should be linked to financial institutions for possible support. Information and contacts about the Agricultural Credit Facility should be availed to farmers and farmers' groups participating in OVOP for possible funding and expansion.

- The Ministry of Trade should further support the idea of venture capitalism to allow groups that are not ready to borrow from financial institution to cooperate with interested individuals who have funds for investing in worthwhile agro-processing enterprises with good feasibility and high returns.

- Members of the group should sign a memorandum of understanding with the land owner to mitigate any risks related to constructing a factory on the land of an individual.

- Government should conmsider revitalizing the cooperative bank or an agricultural bank to support farmers in the agricultural value addition sector.

**b. Bushenyi Farmers and Bee Keepers Cooperative Society Limited**

This is a registered cooperative located in Kyamuhunga Sub-county, Igara County, Bushenyi district. The cooperative has 77 registered members, 40 of whom are female.

In August 2013, the group received a package of 20 langstroth beehives from the OVOP secretariat and one of the members was trained in making the hives. Once fully colonized, the received hives allow up to four times of harvesting per season as the honey combs are protected during harvesting, thereby increasing honey production efficiency.

**(Left) Incomplete office block for Kyamuhunga Bee keepers where all the delivered beehives (right) are still kept**

As of November 2013, the society had only given out two beehives to the farmers. The rest of the hives were stored in the society's honey collecting centre (which is under construction supported by the District Local Government at a cost of Ug shs60, 000,000/=) awaiting the end of the rain season for proper sighting.

According to the group's coordinator, they collected 3.7 metric tonnes of honey the previous season and had received about five metric tonnes of unprocessed honey during the current season (ongoing during monitoring-November 2013). The group packages and brands her honey as Kyamuhunga honey and was in the final stages of securing a barcode, and a standard mark from UNBS for her products.

Marketing: Branded honey is sold in selected outlets in Bushenyi and Shoprite supermarkets in Kampala. A Kilogram (Kg) of branded honey is sold at Ug shs12,000 while 0.5Kg of honey is sold at Ug shs7,000.

**Challenges**

**Limited capital:** This affects the operations of the society. The society is unable to make cash and or timely payments to the farmers which demotivate them to deliver more honey to the society. The limited capital also extends to the inability to purchase the protective gear and secure transport facility required in collecting honey from farmers in the participating villages.

**Inadequate beehives compared to the farmers:** The demand for the beehives among the farmers is higher than the deliveries. Whereas one of the society members was trained to make beehives, the society does not have the requisite carpentry equipment.

**Drought**: This was reportedly affecting the flowering of the plants thus delaying colonization of hives and reduces honey outturn.

**Deforestation**: the uncontrolled destruction of forests is reducing the habitants for apiary enterprise in the area.

**Conclusion**

A total of 20 langstroth beehives from the OVOP secretariat were delivered to the group; however, only two hives had been issued to members. The trained person in making more hives was inadequately facilitated with equipment to multiply the hives in order to increase honey production in the area.

**Recommendations:**

- **The OVOP secretariat should budget for necessary carpentry equipment:** This will enable the trained person to undertake multiplication of bee hives and put the acquired skills to use.

- The Ministry of Trade should **link the supported groups to financial institutions** including the microfinance support centre for capitalization. This will improve the cash flow of the group and allow for acquisition of key facilities such as motorized transport, marketing and branding of products, protective gear among others.

- In conjunction with the National Forest Authority and the District Local Government, members of the cooperative and the community should be encouraged to **plant trees** as part of the afforestation and reforestation campaigns to compliment the apiary enterprise.

**c) Namungalwe Area Cooperative Enterprise (NACE)**

It is a registered cooperative in Namungalwe Sub-County, Iganga district. It consists of 6 rural producer organizations of: Namungalwe, Bulumwaki, Bufulula, Nawansega, Bunanza and Namunkanaga Akanabala. All composed of 590members of which 288 are women, 170 youth and 26 are people with disabilities.

The cooperative deals in crops like, maize, groundnuts, coffee and sorghum. The total ground nuts production per season range between 23- 35 metric tonnes (MT). The area cooperative enterprise core activities include; provision of good quality seeds to the farmers/members, offer extension services on agronomic practices, post-harvest handling and value addition, and provide market information services, collective marketing and bulking among others.

The cooperative is currently funded by her members (shares, annual subscription and commission on bulk marketing) as well as contributions from a civil society organization called Vredeseilanden (VECO) East Africa, whose funding was reportedly ending in December 2013.

The area cooperative enterprise currently trade in unprocessed or unshelled ground nuts. This is because they lacked equipment for value addition. At the rural producer organizations, farmers are assisted with cleaning, sorting, and measuring for moisture content and control of aflatoxins.

The area cooperatives enterprise had also organized its members into a savings and credit cooperative (SACCO) as a way of increasing production synergies.

**NACE member attending to peanut garden, drying of unshelled nuts and premises to house the milling equipment in Namungalwe**

In terms of support from the OVOP secretariat, the cooperative enterprise had not yet received the reported groundnuts milling machine. The enterprise manager confirmed that MTIC had evaluated their proposal and accepted to support NACE with equipment which was yet to be delivered.

It was reported that the OVOP secretariat had not secured transport to deliver the equipment to the enterprise and there were proposals that the beneficiaries could privately arrange to collect the equipment from the secretariat.

It was further reported that NACE had requested for land at the sub county to set up a demonstration garden, training facility and a modern warehouse.

**Challenges**

**Lack of modern storage facilities:** the enterprise is sometimes overwhelmed with the grains from farmers yet storage space is inadequate.

**Inadequate funding to execute the mandate:** this was expected to worsen with the end of VECO funding. The area cooperative enterprise lacks sufficient capital to purchase land for more activities among other requirements.

**Conclusion**

Progress has been registered by the Area Cooperative Enterprise through the NACE management initiatives, the zeal of the farmers, and support from other organizations. The enterprise performance is hampered by the lack of value addition equipment and inadequate capital.

**Recommendations:**

- MTIC should deliver the reported equipment to the cooperative.

- The area cooperative should be supported to secure the land at the sub-county to set up a demonstration garden, training facility and warehouse. All the three will help the farmers/members to improve on the quality of the commodities and fetch high returns.

**d) Kamwenge Beekeepers Savings and Credit Society Limited (KABECOS)**

Located in Kamwenge Town Council, Kamwenge district, KABECOS was officially registered in February 2005 as a cooperative covering the whole district. It has a total of 728 members, of which 280 are female. KABECOS trains farmers in agronomic practices, value addition and inculcate a culture of saving among the members. It also promotes tree and coffee planting to provide foliage for bees and to conserve the environment. Administratively, KABECOS has a board at the top, and management is comprised of three full time staff members including an Executive Director and three field workers dealing with marketing and sales on a commission basis.

The main activity of KABECOS is bee keeping where they encourage the use of three types of bee hives namely; 1) Local hives, 2) Top bar hives and 3) Langstroth.

KABECOS created five apiary learning centres in five sub counties and eight collection centres with one at the head office in Kamwenge Town. On average, each farmer produces a total of 40kg per year. A kilogram of unprocessed honey is sold at Ug shs 5,000. According to the society's strategic plan, each farmer must have a minimum of 20 bee hives each producing between 5-12kg of honey per season. This will create an average production of 100-240 kg of honey per farmer per season.

**Samples of bee hives, honey warmer and packaged honey products branded as Rwenzori honey**

**OVOP Support**

Following a needs assessment conducted in 2011, KABECOS was supported with a honey warmer and 30 langstroth bee hives, 34 groups were trained in sorting honey. One member was trained in making bee hives and the Executive Director taken to Japan and Thailand for OVOP training. Apart from the trip to Japan, all the items were delivered between May and July 2013.

During the field monitoring, it was reported that 29 langstroth beehives were distributed to the farmers and one hive kept at the society's head quarter for demonstration purposes. Given that some members of the society neighbor with Kibale National Park, the Ministry of Tourism provided KABECOS with 72 top bar beehives with a duo-purpose of honey production, alongside keeping the wildlife inside the park especially elephants.

**Benefits**

- Processing and warming of honey is now possible. A total of eight buckets of 25Kg each can be warmed at once.

- The training given has helped farmers improve their business planning skills and market surveys for their products.

- Participating in the OVOP activities had strengthened the linkage between KABECOS and the Ministry of Trade, Industry and Cooperatives. The Ministry was helping the society in the process of securing a standard mark from Uganda National Bureau of Standards (UNBS) for the branded honey.

- Working with the OVOP secretariat had increased the Society's visibility within the district and the country.

**Challenges**

- **Inadequate funds:** This has made it difficult to actualize the lessons learnt from the exchange visits in Japan and Thailand. Because of inadequate funds, farmers cannot have hands on exhibitions from the different centres as a way of promoting the activities of the society. The inadequate funds have also made it difficult for KABECOS to purchase equipment for instance a motorized hacksaw for wood works and foundation sheets machine required in the making of langstroth bee hives.

- **Lack of transport:** this has made collection of the honey from the different honey centres and marketing not only difficult but expensive.

- **Inadequate equipment**: These include the air tight buckets, and the settling tanks. The settling tank had been promised under the OVOP funding but this had not yet materialized.

- **Delays in certification:** the certification process to secure quality and standard marks was reportedly tedious, expensive and had taken more time than expected. Groups are not properly oriented in the certification process leading to loss of time and committing avoidable mistakes.

**Conclusions**

KABECOs have potential to benefit from the value addition activities relating to apiary. Its strength hinges on the commitment of the members, good leadership with initiatives. The organization has however been affected by inadequate equipment, transport, and the delays in certification of their products.

**Recommendations**

- The OVOP secretariat should provide adequate support to the cooperative (KABECOS) to enable implementation of the knowledge and skills obtained from the study trips and to enhance the capacity of the farmers. The increased support could also be in form of equipment for making the beehives, airtight buckets, settling tanks among others. Government should provision for adequate funding for the OVOP project proper implementation of supported enterprises.

- Members of the cooperative should source for alternative financing to secure critical equipment in the business and supply chain such as motorized transport among others.

- The MTIC together with UNBS should support small scale enterprises with clear orientation on product certification and quicken the process such that Ugandan made quality products can favorably compete on both domestic and international markets.

**e) Bee Masters Cooperative Society.**

The SACCO is located in Kikandwa parish, Kasanda Sub-county, Mubende district. It was started in 2009 with the help of a private company (New Forests Company) as part of their corporate social responsibility. The New Forest Company majorly establishes plantation forests. The company mobilized bee farmers and provided them with land to start the enterprise.

The SACCO has 480 members of which 102 are bee keepers. The New Forest Company outsourced a private company (AGREMMA Uganda Limited located in Mpererwe-Kampala) for processing and marketing of the farmers' honey. A Memorandum of Understanding (MoU) was signed between the SACCO members and AGREMMA Uganda Limited to purchase the unprocessed honey from the farmers. During the ongoing season, a kilogram of unprocessed honey cost Ug shs 5000. The farmers are paid through the SACCO. The average production per farmer is 20kgs per season; a total of 2,000kg were produced by 96 farmers during the previous season (June 2013).

**Support from OVOP.** The support received from the OVOP secretariat included; i) Training on how to raise Queen Bees in 2012. ii) 28 langstroth bee hives in 2013. iii) A set of protective gear (overall jacket, gloves, and gumboots). A total of 26 langstroth bee hives were distributed to eight farmers (with one farmer getting 10 beehives). As of December 2013, all the distributed bee hives had been sited and some had been colonized.

**Benefits**

- The farmers were using the skills to raise and rear queen bees to improve on the quality and honey output.

**Challenges**

- **Absence of a standard processing center**. The current processing centre in Mpererwe was lacking floor tiles and stainless steel tables. This was reportedly affecting the quality of the honey. According to UNBS guidelines, these requirements are critical in the process of securing a standard and quality mark for food products.

- **Limited skills**: majority of the SACCO members lack the basic knowledge of financial management and bee hives making. The trained member in beehives making terminated his association with the society.

- **Colonization of bees takes a long time**. After siting the beehives, sometimes it takes between three and six months before the hives are occupied yet it should ordinarily take one month. This demoralizes some farmers.

- **Lack of national apiary policy** to guide and regulate the industry in Uganda

**Recommendation**

- **Resource Mobilisation:** The cooperative should mobilize resources from members and possible funders to set up a standard honey processing center within the district for higher levels of profitability from the enterprise.

- **Provision of training:** In order to bridge the skills gap, the OVOP secretariat should consider re-tooling members of the cooperative with skills in leadership, financial management, accounting, auditing, resource mobilisation, proposal writing and beehives carpentry and joinery skills among others.

**Overall Conclusion**

The OVOP project faces delays in implementation of its activities. These are in part due to the lengthy procurement processes, inadequate budget allocation and late work plan approvals by the line Ministry. The low budget allocation affects even basic activities like delivery of procured equipment to the beneficiaries due to lack of fuel/transport as the case was with Namungalwe Area Cooperative. There are also some cases of poor planning under implementation of the project as some beneficiaries received the equipment before they were ready, as the case was for Kololo Farmers Group in Mawokota North, Mpigi district. Facilitating unprepared groups left questions of value for money as the equipment is not used whilst the warrant expiring.

Late work plan approval, inadequate allocations, haphazard delivery of equipment only serve to reinforce failure to achieve the objectives of value addition. Some commendable progress was however registered in spite of the low funding allocations to the project. All the visited enterprises had received the reported equipment. Beekeepers across the cooperatives visited identified the lack of a national policy and regulations as an impediment to increased productivity.

**Recommendations:**

- MTIC together with MFPED should provide adequate budget allocation to the OVOP project for increased coverage and timely implementation of planned activities. The secretariat should adequately allocate funds for executing last mile activities of the project such as delivery of equipment to selected beneficiaries.

- MTIC should review the relevance of quarterly approval of work plans that are already approved by parliament through the national budget process. This approval requirement has only served as a bottleneck to timely implementation of planned activities during the financial year.

- In order to promote Uganda's honey and hives products, Government of Uganda should enact a national apiary policy and related regulations to enable Ugandan honey and hive products meet national, regional and international standards and increase their acceptability in those markets. The policy will further support the farmers' productivity as the country is said to have a potential of 500,000 metric tonnes and only realizing 14,000 metric tonnes due to lack of a sector policy and regulations.

**10.3.2 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. Its main functions are to;

- Initiate and formulate policies, legislations and strategies for domestic and external trade development.

- Coordinate the design of policy interventions that promote the competitiveness of Ugandan products and services domestically and internationally

- Collaborate with other ministries, departments and Agencies (MDAs), Development Partners, the Private sector, Civil Society and Academia in the design and implementation of programmes and interventions to promote domestic, regional and international trade.

- Facilitate export trade diversification and promotion of non-traditional exports.

- Facilitate smooth flow of trade through provision of trade and market information.

- Support capacity building and participate in trade negotiations to secure and expand markets for Ugandan products and services.

- Manage and coordinate multilateral (WTO), bilateral and regional trade and integration within COMESA, EAC and other regional economic communities.
- Undertake and evaluate trade research, manage and disseminate trade information that promotes domestic and external trade.
- Facilitate trade diversification and smooth flow of trade.
- Initiate and negotiate bilateral/multilateral trade agreements arrangements in order to secure favorable terms for Uganda's external trade.
- Monitor trade practices and policies; evaluate trade research; and
- Collaborate with private Sector associations and Government Institutions in regulating Trade[61].

Monitoring in Q1 FY2013/2014 focused on project 1246; District Commercial Services Support (DICOSS) under the vote function:

#### 10.3.2.1District Commercial Services Support Project

**Background**

In 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) (www.enhancedif.org). 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 terms. One constraint cited is the weak link between the Ministry of Trade, Industry and Cooperatives (MTIC) at the centre and the District Commercial Offices (DCOs) at the grassroots (Local Government). This weak link adversely affects the ease with which MTIC can deliver on its mandate at the grassroots including delivery of trade and business services. 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) that 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 at the grassroots level 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

61 MTIC.(2013) Ministerial Policy Statement

DICOSS project focuses on trade, tourism, industry, investment and cooperatives sectors and the ability of both the GOU and the Local Governments to deliver these services at the grassroots level. In Uganda's decentralized administrative system, the DCO is central in the delivery of the 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 Local Governments 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:**

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 EPA TAPSS-The Economic Partnership Agreement Related Trade and Private Sector Support
  - Regional representation

During Q1 FY2013/2014, six districts, that is, Iganga, Isingiro, Kaliro, Kyenjojo, Mubende and Soroti, were sampled to ascertain the progress of implementation. Specifically, monitoring focused on the components of: (i) renovation of office space (ii) Training and (iii) equipment delivery.

**Findings**

This section presents financial progress, physical progress and linkages between financial and physical performance of the project**.**

**Financial performance**

The approved budget for FY2013/2014 for project including GoU and External financing is Ug shs1, 941,776,000. The external financing component accounts for Ug shs 1,916,726,000 of which US$873,538.5 has been released for project implementation. US$658,046 has been expended for the various activities of equipment purchases for the pilot districts, training of the districts commercial services, renovation of the district commercial offices and other related activities. There is allocative efficiency and commendable achievement of outputs. (Most of the Equipment was delivered, training offered,). The resultant outputs after delivery of equipment has not been registered as the funding to facilitate such activities had not yet been released.

Table 10.2 summarizes the financing from GoU. From the table only Ug shs 11,550 was released. No expenditures were made off the negligible release. Implementation of the DICOSS project activities was externally financed.

**Table: 10.2: Government of Uganda Financial Contribution to DICOSS project**

| Approved Budget Ug shs | Releases Ug shs | Expenditure Ug shs |
|---|---|---|
| 25,050,000 | **11,550** | - |

***Source: IFMS Data***

## Physical performance

In this section, an overall assessment of physical performance of DICOSS project up to Q1FY2013/2014 is discussed focusing on deliverables and sustainability strategies post project implementation. Under overall assessment, areas of project planning, beneficiary satisfaction and sustainability strategy are presented.

**Project planning:** The project was reported to have been well designed to meet its objectives as; the needs assessment was undertaken in a consultative manner. Training was based on the assessment. To enhance the performance of DCOs, a facelift of offices and key equipment was provided (the outstanding was yet to be delivered). In addition, networking seminars organized by the DICOSS secretariat were planned and implemented to ensure knowledge sharing and exposure to different challenges and approaches of problem solving.

**Support received:** The project provided software (two trainings) and hardware (equipment) support (detailed in each district report). The training received included: Interpretation and implementation of the national policies, mandate of DCOs, Crosscutting issues (Gender, HIV and environment), psychosocial issues, management functions, business development and management, cooperate operations and management, marketing and market analysis, project planning implementation and monitoring, tourism principles and practices, ICT, accounting, finance and audit, and data collection and analysis. These training sessions were held in Masaka between the 30$^{th}$ day of September 2013 and 5$^{th}$ day of October.2013on one hand, and in Tororo/ Soroti (concurrent) from the 14$^{th}$ to 25$^{th}$ October 2013.

**Beneficiary satisfaction:** The monitored local governments were all satisfied with the two trainings organized. These were reported to have improved the knowledge and skills of commercial officers in executing their duties. The beneficiaries were also satisfied with the received equipment.

**The key benefits relating to the equipment and training delivered included:**

- Enhanced the delivery of services through the provision of office equipment.
- Improved networking relations with the key institutions that are pertinent to the works of commercial services. Such institutions include: Uganda Industrial Research Institute, Management Training and Advisory Centre, Uganda Investment Authority, Uganda registration Services Bureau, Uganda revenue Authority and Uganda National Bureau of Standards among others.
- The beneficiaries are able to market the produce and share market information with farmers through the use of the received notice boards.
- With the expected funding of the generated work plans, the district commercial offices will be able to implement key activities which have not been the case before, as commercial services did not have a specific grant and relied on the unreliable local revenue.
- Through the provision of computers, printers, Internet and photocopiers; the project has contributed to the improvement in computer skills and facilitated knowledge sharing amongst commercial officers and stakeholders. Some districts, such as Soroti, plan to establish a business centre where they can offer ICT training to interested users especially individuals in the commercial sector.

**Specific physical performance by district**

A. **Iganga**

**Renovated commercial office and some of the items delivered to Iganga**

The local government provided office space and two staff as a contribution to the project. The provided office space building was renovated at a cost of Ug shs 19,000,000/=. The scope of works included re-roofing, fixing of doors with burglar proofing, and painting.

In terms of equipment, the district received three desktop computers, one laptop, three uninterruptible power supply units (UPS), one scanner, one safe, one conference table and eight chairs, three office desks and chairs and twelve notice boards.

**Sustainability strategy:** It was reported that the district was expected to continue funding the commercial office activities as per the memorandum of understanding signed.

B. **Insigiro District Local Government**

The local government provided office space (two rooms of 6x8 $M^2$ and 3x2.5$M^2$) and 3 staff as contribution to the project. The provided office was renovated, partitioned and refurbished under project support at a cost of Ug shs 13,750,000.

**The equipment received:**

The district received three desktop computers, one laptop, three uninterruptible power supply units (UPS), one scanner, one printer, one photocopier, one safe, two filing cabinets, one meeting (round) table and eight chairs, three office desks and chairs, two book shelves and twelve notice boards.

**Renovated office and delivered equipment to Isingiro DCO**

**Sustainability strategy**: The local government has an existing local economic development Forum which is to be used as a vehicle for financial resource mobilization through contributions from its members. The local government also intends to promote Public Private Partnership to ensure co-ownership and continuity of the project. The commercial office reported the intentions to form local business associations in markets with an aim of ensuring that contributions can be made for financial sustainability.

### C. Kaliro District

The local government provided support to the project through provision of an office building. The provided building was renovated at a cost of Ug shs 19,000,000. The works included: painting, replacement of iron sheets, wiring of the office block and installation of doors. From the observed works there was no value for money. The contract was mismanaged as even the basic works of painting were poorly done.

**Renovated office block at Kaliro DCO**

**Equipment received:**

The district received three desktop computers, one laptop, three uninterruptible power supply units (UPS), one scanner, one printer, one photocopier, one safe, two filing cabinets, one meeting (round) table and eight chairs, three office desks and chairs and two book shelves.

The district commercial officer was satisfied with the received equipment. The notice boards and photocopier had not been installed while internet and motorcycles had not been delivered. It was observed that the renovation works done left a lot desired.

The equipment was not yet engraved making it susceptible to theft or misplacement.

**Sustainability strategy:** The anticipated continuity of the DICOSS services hinge on the district commitment to provide more funds to commercial services from the unconditional grant and identifying new revenue sources from the activities conducted by commercial officers.

### Kyenjojo

The local government provided office space and two staff for the implementation of DICOSS project activities. The office space was not listed for renovation as it was found to be in good condition.

**Equipment received:**

The district received three desktop computers, one laptop, three uninterruptible power supply units (UPS), one scanner, one printer, one photocopier, one safe, two filing cabinets, one meeting (round) table and eight chairs, three office desks and chairs, two book shelves and 12 notice boards.

**Delivered equipment at Kyenjojo**

The commercial officer was satisfied with the equipment received save for a faulty UPS. The received photocopying machine had not been installed. Two notice boards had already been distributed to Kyenjojo and Butunduzi town councils. The commercial office uses the notice boards to display market information (commodity prices) on a quarterly basis. Given the volatility of commodity prices, the information was found wanting, however, the commercial officer explained that the available funds could only allow quarterly updates and this would be improved with additional funding for market surveys.

**Sustainability strategy:** According to the District Commercial Officer, the local government hopes to continue using the received equipment to render the commercial services support to the community. The commercial office intends to continue preparation of proposals for submission to the local government for continued funding. It is hoped that with the support from the DICOSS secretariat, the office is likely to have more tangible results which will justify increased funding from the district unconditional grant.

### D. Mubende

The local government provided the office space and two staff (the commercial officer and the NAADs Coordinator). The provided office space was renovated at cost of Ug shs2, 400,000/=. The scope of works include: partitioning of the office, painting, electrical wiring and installation of burglar proofing.

**Equipment received:**

According to the district commercial officer, three desktop computers, one laptop, three uninterruptible power supply units (UPS), one scanner, one printer, one photocopier, one safe, two filing cabinets, one meeting (round) table and eight chairs, three office desks and chairs, and two book shelves were received. Internet connectivity, motor cycles and notice boards had not been delivered as well as the funds for implementing the developed work plan.

**Office door enhanced with burglar proofing and some delivered equipment**

The two officers underwent training and networking sessions. It was reported that they were using the skills acquired, to offer better services to the clients.

**Sustainability strategy:**

Mobilization campaigns to create synergies with the private sector and sensitization on roles, responsibilities and expectations of the public from the commercial office were planned. Some services shall be offered on cost recovery basis for sustainability purposes. It is also expected that the district will continue funding the commercial office since there was a memorandum of understanding signed between the ministry and the district.

### E. Soroti

The local government was among those selected in the pilot DICOSS project. The district provided office space and the two staff for the implementation of the project activities. The provided office space was renovated at a cost of Ug shs7, 000,000/=. The scope of works included: Painting, Burglar proofing, electrical repairs, construction of a ramp for the People with Disabilities, and replacement of broken glasses.

**Equipment received:**

Three desktop computers, one laptop, three uninterruptible power supply units (ups), one scanner, one printer, one photocopier, one safe, two filing cabinets, one meeting (round) table and eight chairs, three office desks and chairs, and two book shelves were received. Internet connectivity, motor cycles and notice boards had not been delivered as well as the funds for implementing the developed work plan.

**Renovated Soroti office with furniture and computers**

The local government was satisfied with the received equipment save for the photocopier which had a missing component and had never been installed. Using the received equipment the district commercial office hopes to increase visibility of the sector and the Ministry of Trade as a whole. The commercial office plans to collect, analyse and disseminate trade and market information through radio programmes. The unique challenge highlighted by the district commercial office was the limited mainstreaming of trade issues in the sub-county development plans.

**Sustainability strategy:**

According to the District Commercial Officer, the planned activities scheduled for funding under DICOSS are expected to justify additional and regular funding from the district local government. It should be noted however that the funding from the district is usually meager for proper execution of commercial services for example during the past two financial years, the sector received less than 20% of the allocated budget of Ug shs12, 485,000. The local government also plans to build networks with the private sector for harmonious coexistence and cost sharing in service delivery. The district has proposed to use the equipment received in setting up a business centre for public use at a cost.

**Implementation challenges:**

- **Poor contract management under the local governments:** The contracts for renovation and face-lifting the commercial offices was managed by the respective local governments. This was however evidently poorly managed in some districts like Kaliro where there was no value for the allocated Ug shs 19,000,000/= as the certified works such as the office roof, window burglar proofing and painting were unsatisfactory. In most districts however, there was satisfactory works.

- **Delays in the release of funds:** the project is expected to release US$10000 per annum (for two years) to aid implementation of the generated work plans. This had not yet been realized even after submission of the work plans and six months into the course of the second project year. This is likely to affect implementation of the project activities since its time bound.

- **Delays in final delivery of outstanding equipment**: Some equipment like Motor cycles, Smart phones, Internet among others had not been received by the beneficiaries.

- **Inadequate funding**: The commercial services component is under the production department in the local governments and is usually allocated the least resources from the department budget. This affects implementation of the commercial services work plan. The inadequate allocation was partly attributed to the low prioritization of the commercial sector and overall meagre funding by the district to the production department. *(See table 10.3).* With this limited budget, it will be difficult to consolidate the achievements of the project once it expires.

**Table 10.3: Budget allocation to commercial sector from the unconditional grant and local revenue**

| District | Annual allocation for FY2013/2014 | Actual release Q1 and Q2 | % Release |
|---|---|---|---|
| Iganga | 4,000,000 | 1,000,000 | 25 |
| Isingiro | 1,650,000 | 450,000 | 27.2 |
| Kaliro | 4,000,000 | 300,000 | 7.5 |
| Kyenjojo | 5,000,000 | 3,000,000 | 60 |
| Mubende | 8,000,000 | 3,000,000 | 37.5 |
| Soroti | 12,485,000 | 2,298,000 | 18.4 |

***Source: Field findings***

Apart from Kyenjojo district, the release of funds to commercial services ranged between 7.5% to 37.5 which was below the expected performance of 50% as of Q2.

- **Low budget allocation under the DICOSS project**: A number of commercial officers interviewed asserted that the US$10,000 is likely to be inadequate to kick start the planned activities in the different sub sectors of: tourism, cooperatives, industry, investments and trade. It was proposed that for meaningful revitalization of commercial services in local governments, a minimum annual budget of US$ 30,000 (Ug shs 80 million) is required.

- **Poor community mindset:** Mobilization of communities in recipient districts was reportedly challenging as the beneficiaries (trainees) consistently demand for allowances which the project did not budget for.

- **Inadequate political support:** As a community based project, the politicians are key in mobilization of the community members. Like community members, politicians were said to be demanding for their 'due allowances' in order to conduct and or support the project activities.

- **Overlapping mandate without proper coordination:** MTIC and the Ministry of Agriculture (MAAIF) have related objectives some of which can best be implemented by the commercial office, but since the existing production grant is from MAAIF, the production department is usually reluctant to extend funding to commercial activities which affects the implementation of such activities.

- **Inadequate staff:** It was noted that some districts cover big areas such as Iganga and Mubende with over 14 sub-counties. The volume of work including supervision of Savings and Credit Cooperatives (SACCOS) is difficult to execute as the Local Government staff establishment in most districts provide for a maximum of two officers in commercial services. In Soroti district the establishment was reviewed to two officers from eight after the curving out of Serere district.

- **Security risk for the equipment**: 100% of the visited local governments had not yet engraved the equipment which may result into loss of equipment which cannot easily be identified. Moreover, renovation of offices in some districts like Kaliro left the office space unsafe while others like Iganga have the commercial offices located far off the main district campus .

**Conclusion**

The project has registered some success in meeting its objectives, for example, several trainings had been conducted and some key equipment delivered. However, implementation is behind schedule and cases of poorly done renovation works were identified in Kaliro district. The funds for implementing planned activities by the selected districts have delayed for two quarters which requires review and rescheduling of the project implementation plan. It was further observed that majority of the commercial officers and local governments did not have any clear strategies for sustaining the achievements of the project beyond its implementation cycle. The project is majorly affected by delays in release of funds and procurement snags especially for items that have not yet been delivered. The government financial contribution to the project was dismal during the quarter.

**Recommendations**

- The DICOSS secretariat should cause a value for money assessment of the project investment for renovations of the district commercial offices in Kaliro. The poorly executed work should be redone to ensure value for money.
- DICOSS secretariat should timely release the annual allocations to the local government in order to achieve the planned outputs on target.
- The DICOSS secretariat should deliver the outstanding equipment to the local governments for timely implementation of planned activities.
- The commercial services office should be upgraded to a full-fledged department in Local governments with specific funding (grant) from the central government. This will solve issues of marginalization of the commercial services subsector and inadequate budget allocation under the production department in the local government.
- The Ministry of public Service should review the staff establishment of commercial services sector with a view of increasing the staff to undertake the required assignment.
- More sensitization of the community members using productive trainings should be enhanced. This can improve in mindset change as the beneficiaries will realize that such trainings are intended to enhance their income and livelihood.
- The DICOSS project should be reviewed to include some politicians especially in training and community mobilization activities to enhance management buy in and community acceptance.
- MAAIF and MTIC should work together in the support to related interventions under the production department especially under agricultural marketing and production.
- DICOSS secretariat should improve the package to include digital and video Camera or better still, the secretariat should allow the commercial officer to budget for such provisions in their work plans facilitated by the districts.

## 10.4 Uganda Industrial Research Institute (UIRI)

The vote's mission statement is 'to catalyze the social economic transformation of Uganda and the region, through enhanced technology use, carry out applied research and develop or source appropriate technology in order to create a strong, effective and competitive industrial sector for the rapid industrialization of Uganda[62].

UIRI's core objectives are to: Undertake applied research for the development of optimal production processes for Uganda's nascent industry; develop and acquire appropriate technology, in order to create a strong, effective and competitive industrial sector; act as a bridge between academia, government and private sector with respect to commercialization of innovation and research results; spearhead value addition activities in conjunction with national development priorities; lead the national effort in technology transfer and technology diffusion, to assure the deployment of appropriate technologies; and to encourage and promote the use of good manufacturing practices[63].

62 UIRI: MTIC (2013) Ministerial Policy Statement;
63 UIRI: MTIC (2011)Ministerial Policy Statement

To respond to the national agenda for value addition and skills development aimed at increasing product and service competitiveness, UIRI has established a number of model value addition centers in line with the GOU's strategy of encouraging mass industrialization at every resource abundant area. With an aim of: - a) Demonstration of the benefits of value addition and hence widen awareness and interest in the public. b) Reduction in post-harvest loss of agricultural produce. c) Act as hubs for knowledge and skills transfer. d) In partnership with selected and capable private partners through business incubation develop and commercialize a range of value added products and e) Create employment hence discourage rural-urban migration.

The established facilities include but are not limited to:

1. Kabale Potatoe Processing Facility
2. Lira Peanut and Research Center
3. NabusankeFruit Juice Processing Facility
4. AruaMango Juice Processing Facility
5. UIRI pilot plants
6. Luweero Essential Oil Pilot Project
7. Kabale Mushroom Training and Research Center
8. Busia Meat Packers
9. Mbarara Grape Wine Processing Facility

These were in line with the planned outputs for Q1 FY2013/2014, which included but not limited to:

i) To establish essential oil pilot projects:
ii) To support start up value addition projects and extension of technical services to industrial enterprises. Commercialization of the UIRI bakery unit CEDARS (U) Ltd

Note that some of the afore-mentioned established facilities are already in operation and have previously been reported about in previous the BMAU monitoring reports.

In Q1 FY2013/2014, two projects of Mbarara Wine Processing Facility and Luweero Essential Oil Pilot Project were selected for monitoring in Q1FY2013/2014.

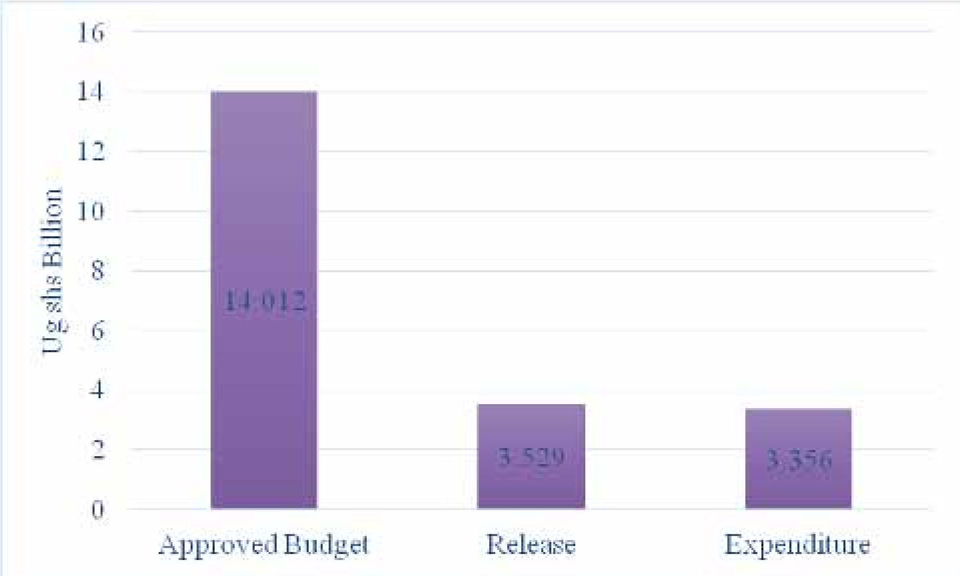
**Findings**

This section presents financial progress, physical progress and linkages between financial and physical performance of the project.

**Financial performance**

From Figure 10.6, the approved budget for the vote for FY2013/2014 is Ug shs 14.012 billion of which Ug shs 3.529 (25%) was released. Expenditure performance was excellent as Ug shs3.356 billion (95%) was absorbed. All the expended funds were in line with the core objectives

**Figure 10.6: Financial Data to Q1 FY2013/2014: Vote: 110; UIRI**




***Source: UIRI Q1 performance report***

**Physical performance**

a) **Mbarara Winery project.**

**Background**

The incubatee (Mr. Edward Kamanyiro) of Katojo village, Nyakayojo parish, Rwampara sub-county, Mbarara district is the leading farmer of grapes in Uganda. He started growing grapes in 1978 and later started producing wine at an experimental scale. The incubatee selected grape growing because of the high value attributed to the crop compared to the traditional crops. In 1998, he expanded his business to over 600 other farmers, encouraging them to spare at least half an acre to grow grapes. The encouragement and mobilization of area farmers led to the formation of a formidable grape vine growing group; the Uganda Grapes Growers Development Association (UGGDA) that provides technical support on grape growing to other districts in Uganda.

Despite the lack of a tradition of grape growing in Uganda, the association's vision is to develop a grape wine industry in the country. This vision is supported by the president of Uganda who provided a scholarship to a member of the association to study grape growing and wine production in Germany. The president has continued to follow up on the progress of the association. German winemakers and the Kenya wine agency limited (KWAL) have also supported the association activities.

The association's innovation is found in the rationale for adopting grape growing as a practical way to alleviate poverty in the rural areas of Uganda. The project uses indigenous knowledge and local materials for planting and processing of grapes into wine.

**Expected outputs**

The UIRI as a lead government arm in science innovations, research and value addition planned to setup the processing facility and training and purchase machinery at a total cost of Ug shs900 million with funding from Statehouse.

**Findings**

This section presents financial progress, physical progress and linkages between financial and physical performance of the project.

**Financial Performance**

The project's funding is channeled through State House. This is in a bid to ensure that resources are timely received as previous efforts to have the project's funds channeled through other government programmes like NAADS proved futile. *Detailed project financial performance was not readily available for analysis.*

**Physical performance**

**Outside the containerized wine processing plant, fermentation tanks with bottles, and a wine press delivered by UIRI in Mbarara**

It was noted that as part of the strategy to revolutionize grape growing and processing into wine, one of the association members and a committed farmer Mr. Edward Kamanyiro was trained in wine making in South Africa in March, 2013.

To enhance value addition and mentoring, the Uganda Industrial Research Institute (UIRI) undertook to support the incubatee after several failed attempt through the National Agriculture Advisory Services (NAADS) and Mbarara District Local Government. The funding to support the incubatee was expected as far back as 2011 but this was not realized.

In terms of expected outputs, the UIRI delivered the equipment in July, 2013 to the incubatee. Some of the equipment delivered included: Packaging equipment, generator, 10 fermentation tanks, motorized pumps, packaging bottles, winepress, and three fruit receipt bins, fruit crates, chemicals for sterilization. The delivered equipment was however not in use as the processing facility does not have some vital components to facilitate value addition.

The outstanding components include:

- Three phase low voltage power line and associated transformer
- Extension of piped water
- Construction of stores
- Fencing of the processing facility.
- Changing rooms in the facility
- Completion of the sanitation facilities (toilets).

**Incomplete fence in front of the proposed storage and office block and harvested grapes in Mbarara**

The estimated costs of pending works as submitted by UIRI to Statehouse for funding is Ug shs 281, 000,000. According to the incubatee, with a total of Ug shs 100, 000,000, key activities on the critical path can be accomplished for the operations to start. The scope of works include; electrical wiring and connections; water connection and plumbing; store, construction of the collection shade; construction of changing rooms; office space and show room.

**The key challenges include:**

- Lack of other key necessities to enable commencement of value addition through wine processing.
- Competition from other wine grapes buyers thus increasing the price of grapes. The current average price at farm gate price is Ug shs 4000.

**Conclusion:**

The zeal and innovation of the incubatee is one of the success stories as part of the plans to enhance farmers' income through value addition. The project is key in meeting the sector objectives of value addition but has been faced with financial constraints. The expected funding usually takes a long time to be realized this has continued to hamper progress in project development. Currently there is no value for money for the received equipment as it is not in use.

**Recommendations**

- Statehouse should timely and adequately provide funding to complete the outstanding works to ensure value for money for the delivered equipment.

**b) The essential oil pilot anchor enterprise**

An essential oil is a concentrated liquid containing volatile aroma compounds from plants. Essential oils are also known as "oil of" the plant from which they were extracted. An oil is "essential" in the sense that it carries a distinctive scent, or essence, of the plant. Essential oils are generally extracted by distillation, often by using steam. They are used in perfumes, cosmetics, soaps and other products, for flavoring food and drink, 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 incubatees in Wabutungulu, Zirobwe sub county, Bamunanika County in Luweero district to establish 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 incubatees as plans to scale up the nursery operations to grow more plants is finalised.

The pilot project was established on 20 plots of which 5 are mother gardens and 15 plots are control plots in April, 2013. 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 have been 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.

**Prospects:** Demand for essential oils is increasing especially in European and American perfume processing markets. There will therefore be a medium term plan to produce crude essential oils for export. In terms of potential, the following results showed prospects. Based on the yields, the following assumptions were made for lemon balm plants and rose geranium at each an effective density of 80,000 plants/ha. The summaries of test results for the two varieties are here under.

**Extracted lemon balm and rose geranium oils**

**Using Lemon balm oil:** The oil yield was 2.24Kg per hectare (ha) per harvest: The sale price is US$1200 per Kg for acceptable quality organically certified oil. This translates into a sale value of US$2688/ha/harvest.

**Rose geranium:** The oil yield was 11.20 Kg per ha per harvest: The sale price was US$220/Kg for acceptable quality organically certified oil. This translates into a sale value of US$2464 per ha per harvest.

**Challenges**

- **Hyssop plant was affected by termites:** This is exacerbated by the fact that the plants must be left as organic as possible through avoiding use of pesticides. There must therefore be as many ways as possible to ensure that weeds and pests are controlled organically.

**Conclusion**

Uganda Industrial research institute has registered commendable progress in research and development by guiding and supporting incubatees in the processes of value addition. The development of essential oils project will revolutionize the industry in Uganda as there is increasing markets abroad. The institute is faced with challenges of inadequate funding. This grossly affects project implementation since research and development requires a lot of investment.

**Recommendation**

- MFPED should increase funding to the Uganda Industrial Research Institute. This will enable execution of the vote's mandate especially the pilot project in essential oils.

- UIRI should engage the National Agricultural Research Organization (NARO) to undertake studies on organic control of termites and weeds.

# CHAPTER 11: MICROFINANCE

## 11.1 Introduction

**Background**

The Microfinance Support Centre (MSC) is a Government owned company established in 2001 to manage all Government of Uganda micro-credit programmes. It is responsible for facilitating access to affordable, sustainable and convenient financial and business development services to active and productive Ugandans. In the last ten years, the MSC has managed the Poverty Alleviation Project, the North West Agricultural Development Project (NSADP) and the Rural Microfinance Support Project (RMSP). Currently, the MSC is implementing the flagship project - The Rural Income and Employment Enhancement Project (RIEEP), jointly funded by the African Development Bank (AfDB) and the Islamic Development Bank (IsDB); in the amount of USD 27m over five years. The RIEEP contributed towards poverty eradication in rural Uganda, by facilitating access to and utilization of affordable financial and business development services to about Ug shs 1.4m rural poor.

**Objectives**

- To act as a linchpin of Government for delivery of Rural Financial Services.
- To provide Business Development Services to primary co-operative societies e.g Savings & Credit, Production and Marketing Cooperative Societies, Micro-finance Institutions, Credit, Marketing and Production Unions and SMEs.

**Scope and Methodology**

The period under review was quarter one for the financial year 2013/2014 and the following methodology was used:

- Visited the MSC head offices and held discussions with the officials of MSC headquarters who briefed the team on the activities carried out in quarter one of the financial year 2013/2014. The quarterly reports were obtained that formed a basis of the monitorable outputs. Verified the quarterly progress report and the portfolio reports.
- Visited MSC zonal offices of Arua, Hoima, Kabale and Kabarole held discussions with the zonal managers of the regional offices

## 11.2 Activities of Microfinance Support Centre

In order to take services nearer to the communities, the company offers its services through twelve zonal offices across the country. This was done by clustering the country into twelve zonal offices each serving an average of ten districts. The MSC offers a number of products administered through the zonal offices to the clients and these include;

- **The Agricultural Loan*:*** Funding is extended to support productivity enhancement, asset acquisition, bulk purchasing and construction of farm housing.
- **The Environmental Loan:** Funding is extended to support environmental and clean energy products i.e. Production of solar, biogas and energy savings stoves, agro-forestry, Water harvest, sanitation and environmental conservation.

- **The Special Interest Group Loan:** Funding is extended to Women, Youth, and Persons with Disabilities, Elderly Persons and Weak SACCOs. A Business Enhancement loan is extended to weak SACCOs to prepare them for other MSC funding programmes.

- **The Commercial Loan:** Funding is extended to institutions for onward lending to their members engaged in trade and service activities.

- **Small and Medium Enterprise (SME) Loan:** This product targets businesses with minimum annual sales turnover of 50 million shillings for agricultural related SMEs and 70 million shillings non agricultural related SMEs. It considers activities in agriculture value addition, distributors and transporters of agricultural produce, small scale manufacturing and mining, commercial tree planters and traders.

## 11.3 Findings

### 11.3.1 MSC Headquarters

**Assessment of MSC Source of funding**

The quarter one sources of funding for MSC Ltd were expected from the GoU, the African Development Bank (AfDB), the Islamic Development Bank (IsDB) and Interest Income (Table 11.1).

**Table 11.1 Sources of funding for MSC for the period July-September 2013**

| | Planned FY 2013/2014 | Quarter 1 FY 2013/2014 | | |
|---|---|---|---|---|
| | | Planned Ug shs M | Actual Ug shs M | Release Performance %age |
| **RECEIPT OF CREDIT FUNDS** | | | | |
| Funds b/f after credit operations | 3,500 | 3,500 | 2,089 | 59% |
| Reflows for credit | 24,000 | 6,000 | 5,045 | 84% |
| GoU credit support funds | - | - | | - |
| RIEEP credit funds | 13,250 | 3,313 | 13,250 | - |
| IsDB Funds (Carried forward) | - | - | | - |
| **Total Funds Available for Credit** | **40,750** | **12,813** | **20,384** | **159%** |
| **OPERATION AND CAPITAL EXPENDITURE FUNDS** | | | | |
| GoU operations support funds | 4,553 | 1,138 | 1,138 | 100% |
| RIEEP operations funds | 2,237 | 559 | 1,060 | 189% |
| IsDB | 303 | | 303 | - |
| Reflows/Interest | 5,225 | 1,306 | 985 | 75% |
| Interest From Short-Term Investments | 244 | 61 | 182 | 298% |
| Collection for written off loans | 50 | 12.5 | 5.2 | 41% |
| Sale of motor Vehicles | 50 | 12.5 | - | - |
| Borrowing from credit | 200 | | - | - |
| **Total Funds Available for Operations** | **12,862** | **3,089** | **3,673.2** | **118%** |

***Source: MSC Headquarters***

**Credit fund Receipts**

The above table 11.1 shows, MSC did not plan for any GOU Credit Fund and none was realized. Ug shs 13,250 million was available from AfDB as its disbursement to clients was planned to commence in the first quarter of FY 2013/2014. During the quarter Ug shs 5,045 million was repaid from loans and was available for lending. Therefore, a total of Ug shs 20,384 million (159%) was available as credit funds during the July-September 2014 period.

**Operational fund receipts**

The Company's recurrent expenditure caters for support to both MSC's clients and the Company's operations. Quarter one GOU Support for operations was planned at Ug shs 1,138 Million and Ug shs 1,138 was realized representing a 100% release performance. The rest of the operational funds were realized from REEIP operations funds, IsDB, interest on loans, recoveries from written off loans and interest from short term investment as shown in Table 11.1 above.

**Credit disbursements**

During the quarter, the Company disbursed 39 loans out of the 75 loans i.e 52% of the target. The Company disbursed Ug shs 2,668,583,377 which is only 41% of the planned loan disbursement (Table 11.2).

**Table 11.2 Credit disbursements for the period July-September 2013**

| Nature of Loan Product | Loan type | Planned loan disbursement | | Actual loan disbursement | |
|---|---|---|---|---|---|
| | | No. | Amount (Ug shs) | No. | Amount (Ug shs) |
| Wholesale Loans | Agricultural loan product | 20 | 1,500,000,000 | 12 (60% of the target) | 450,000,000 (30% of the target) |
| | Environment loan product | 05 | 200,000,000 | 0 | 0 |
| | Special Interest Groups Loan product | 20 | 800,000,000 | 0 | 0 |
| | Commercial loan product | 10 | 1,500,000,000 | 9 (90% of the target) | 937,755,085 (63% of the target) |
| Retail Loans | SME Loan product | 20 | 2.500,000,000 | 15 (75% of the target) | 1,255,828,292 (50% of the target) |
| | Total | 75 | 6,500,000,000 | 39 (52% of the target) | 2,668,583,377 (41% of the target) |

***Source: MSC Headquarters***

There were three main reasons for the low disbursement rate in quarter one namely:

- Poor Governance and management practices especially in SACCOs which have led to a slowdown in loan disbursement. In the quarter therefore, all efforts were focused on delinquency control and management with emphasis being put on loan follow up, recovery and initiating legal action against the defaulters,

- As a delinquency control measure, there was a policy shift by the Company with a need to provide security for all loans above Ug shs 100 M, regulating the number of loans a client could have at any one particular time to 3 and the client to have paid at least 30% of the current loan before a follow on loan could be accessed. The new policy measures led to some clients failing to meet the eligibility criteria for loans, and

- Delays in perfecting the securities because of the closure of the Land Office since December 2012 until end of April 2013. Even now, the pace of processing documents in lands office is low.

***Portfolio quality***

The cumulative repayment rate as at end of September 2013 was 90%. There has been an increase in the repayment rate from 89% as at the end of last quarter. The value of the total outstanding loans as at 30th September 2013 was Ug shs 45,535,192,975.

The quality of the portfolio by ageing status is shown in Table 11.3.

**Table 11.3: Quality of the Loan Portfolio as at 30th September 2013**

| Ageing status of the portfolio at risk | Value of O/S loan balance (Ug shs) | |
|---|---|---|
| | Value | % of total |
| Current loans | 28,090,392,882 | 62% |
| 1-30 days | 1,385,088,341 | 3% |
| 31-60 days | 1,475,127,015 | 3.2% |
| 61-90 days | 188,928,055 | 0.5% |
| 91 – 270 days | 3,396,152,176 | 7.3% |
| 271 – 365 days | 4,560,432,713 | 10% |
| Over 365 days | 6,439,071,791 | 14% |
| TOTAL | 45,535,192,975 | 100% |

***Source: MSC Headquarters***

The value of outstanding loan balance (for all the funds) with arrears greater than one day (P.A.R >1 day) was Ug shs 17,444,800,093. The value of outstanding loan balance (principal only) with arrears greater than 90 days (i.e. P.A.R > 90 days) was UGX 14,395,656,680 giving a P.A.R > 90 days of 31.3% of the outstanding portfolio of Ug shs 45,435,192,975 which was higher than the target of 5%.

The reasons for the poor performance are diverse, but the progress reports obtained have highlighted some below;

- Poor climatic weather experienced during this year affected many farmers as their crops were scorched by heat resulting in failure to service the loans because of the low crop yields.

- The company is still experiencing limited staff at the zonal offices and can only manage to visit a client once a quarter.

- Continued misappropriation of SACCO funds by executive committees and management staff has ultimately made the SACCOs fail to payback the MSC loan.

MSC Ltd has proposed the following measures to overcome the above short comings;

- The company has started filling the vacant positions in the respective zonal offices to ensure that there is adequate staff to handle the tasks in the zones including vigorous client follow up.

- In the mean time, legal action will be preferred to defaulters who have been in default beyond a period of 90 days.

- The company is committed to continue providing technical assistance to clients in order to enhance their capacity. Ug shs 205 million was budgeted in quarter one for technical assistance but there was no expenditure during the quarter because the consultant had not been procured.

**Business Development Services**

The zones will continue to offer Technical Assistance (TA) to their respective clients in zones and this will be mainly combined with the routine activities of client appraisal, loan monitoring and recovery. TA offered covered areas of loan tracking, governance, product development, record keeping and savings mobilization. During the quarter, 162 institutions were offered BDS from 11 Zones. Two trainings were held in Mbale zone in credit managemnet and governance. It targeted Board members, Managers and Credit Officers.

**Staffing**

In the period July to September 2013, three staff employment contracts were renewed. Two staff's contracts were not renewed and one continuous professional development courses for Accountants was enrolled.

Twelve (12) new staff has been recruited –Assistant Manager Procurement, Procurement Officer and 10 credit officers on short term of six months. Two staff resigned (Chief Finance Officer and Chief Internal Auditor) left the Company. Statutory obligations like staff salaries and gratuity were processed and paid to staff on time for all the three months. The department also reviewed the HR Manual May 2012 after extensive consultations and the HR changes were submitted to the Board. The staff medical insurance was launched and operationalized in August 2013.

**Governance**

There was evidence of good corporate governance as provided by the Board in accordance with the Board Charter (Revised November 2011). A summary of the Board activities (July to September 2013) are summarised below;

**Finance, Credit & Business Development Services (BDS) Committee:** The Committee considered and recommended for Appointment of the Board of Directors, the 18th Progress Report/12th RIEEP Project Quarterly Report (April – June 2013), Management Accounts (April – June/4th Quarter) Budget Estimates and Annual WorkPlan for the Financial Year 2013/2014, papers on Pending Litigation Against The Microfinance Support Centre Ltd, Management's Request to Open New Bank Accounts for the Company, a paper on Disposal of Assets, the Financial Procedures Manual, a paper on the Asset Finance Loan and the program on Board field visits to the Zonal Offices.

**Human Resources & Compensation Committee**: The Committee considered the Executive Directors Report on Staff Matters, Performance Appraisal Report for the Chief Credit Officer, Proposals arising from the Report on Board training and made recommendations to the Board of Directors for adoption.

**Audit & Governance Committee**: The Committee considered and approved the Internal Audit Reports for period April – June 2013, the Quarterly Internal Audit Work Plan for the Financial Year 2013/2014, the Revised Internal Audit Charter 2013.

### 11.3.2 MSC ARUA ZONAL OFFICE

Arua MSC zonal office serves eight districts of Adjumani, Arua, Koboko, Maracha, Moyo, Nebbi, Yumbe and Zombo.

Table 11.4 below summarizes the Q1 (July-September 2013) performance against target of the portfolio for Arua MSC zonal office.

**Table 11.4 Summary of Quarter One FY 2013/2014 Annual performance against target**

| No. | Indicator | Benchmark | Target Q1 FY 2013/2014 | Actual Q1 FY 2013/2014 |
|---|---|---|---|---|
| 1. | Number of loan applications received | According to the quarterly work plans. | 10 | 7 |
| 2. | Number of loans disbursed | According to the quarterly work plans | 10 | 6 |
| 3. | Value of loans disbursed during the period in (Ug shs Millions) | According to the quarterly work plans | 480 | 235 |
| 4. | Value of outstanding loan portfolio (Ug shs Millions) | Increasing | 3,240 | 3,210 |
| 5. | PAR > 90 days (percentage of loan portfolio) | Not > 5% of total o/s loan | 9.3% | 37.4% |
| 6. | Cumulative repayment (%) | At least 95% | 90% | 75% |

***Source: MSC Arua***

The number of the loan applications received was fairly good; seven were received compared to the targeted ten and six were disbursed.

The value of the loan disbursed during the period was only 49% of the target and this was attributed to some client's failure to submit their applications in the last quarter as earlier planned.

The cumulative repayment rate was 75% as at 30th September 2013 against a target of 90%. The manager attributes the low repayment rate to liquidity problems most of the institutions were experiencing.

The Portfolio at risk greater than 90 days as at 30th September 2013 was 37.4% of the outstanding portfolio against a quarterly target of 9.3%. The manager anticipates the PAR to improve next quarter because most of the agricultural SACCOs will be able to pay their arrears when the harvest season sets in.

**Challenges**

During interaction with the Zonal Manager, the following were the key emerging issues affecting the zonal office during the period.

- Stakeholder weaknesses, UCSCU, RFP & UCA have not done enough to build the capacity of SACCOs and no clear linkages between these entities. This is evidenced by the so many weak SACCOs.
- Lack of interest in the microfinance programme by politicians in some districts. The manager sighted an example of Adjumani district where MSC is performing well and this is attributed to the politicians who are always concerned about the success of the programme.
- Conflict of interest by the District Commercial Officers; The DCOs are mandated to audits the SACCOs, borrow from these SACCOs and at the same time are defaulters.

### 11.3.3 MSC HOIMA ZONAL OFFICE

Hoima MSC zonal office serves seven districts of Buliisa, Hoima, Kibaale, Kiboga, Kiryandongo, Kyankwanzi and Masindi.

Table 11.5 below shows a highlight of the Q1 FY 2013/2014 Hoima MSC zonal office performance of the portfolio.

**Table 11.5 Summary of Quarter One FY 2013/2014 Annual performance against target**

| No. | Indicator | Benchmark | Target Q1 FY 2013/2014 | Actual Q1 FY 2013/2014 |
|---|---|---|---|---|
| 1. | Number of loan applications received | According to the quarterly work plans. | 8 | 2 |
| 2. | Number of loans disbursed | According to the quarterly work plans | 8 | 1 |
| 3. | Value of loans disbursed during the period in (Ug shs Millions) | According to the quarterly work plans | 450 | 50 |
| 4. | Value of outstanding loan portfolio (Ug shs Millions) | Increasing | 3,300 | 2,300 |
| 5. | PAR > 90 days (percentage of loan portfolio) | Not > 5% of total o/s loan | 5% | 47% |
| 6. | Cumulative repayment (%) | At least 95% | 90% | 67% |

***Source: MSC Hoima***

The number of loan applications received during the quarter were only 2 (25% of the target) and only one loan was disbursed as shown in Table 11.5. The manager explained they visited the intending applicants before submission of the applications and established that most of them could not meet the minimum requirements.

The value of the loan disbursed was Ug shs 50M which is only 11% of the targeted value in Q1 and no single loan was disbursed in the previous quarter.

The value of the outstanding loan portfolio as at 30th September 2013 was Ug shs 2.3 Billion below the target for the quarter of Ug shs 3.3 Billion. The outstanding loan portfolio has also deteriorated compared to the value close of Q4 FY 2012/2013 (Ug shs 2.7 Billion) and this is attributed to the very low disbursements.

The PAR greater than 90 days as at 30th September 2013 was 47% of the outstanding loan portfolio. The manager attributes the abnormally high PAR to the increasing default of SACCOs.

The zonal cumulative repayment rate as at the end of the quarter was also very low at 67% against a target of 90%.

**Challenges**

- Most of the default cases have been sent to the Headquarters but no legal action has been taken to date. Some other clients are encouraged to default when the previous defaulters are not apprehended.

- Ninety percent of the zonal clients are SACCOs and most of them are financially weak.

**11.3.4 MSC KABALE ZONAL OFFICE**

Kabale MSC zonal office serves four districts of Kabale, Kanungu, Kisoro and Rukungiri.

Table 11.6 below shows a highlight of MSC Kabale zonal office quarter one performance by target.

**Table 11.6 Summary of Quarter One FY 2013/2014 Annual performance against target**

| No. | Indicator | Benchmark | Target Q1 FY 2013/2014 | Actual Q1 FY 2013/2014 |
|---|---|---|---|---|
| 1. | Number of loan applications received | According to the quarterly work plans. | 8 | 7 |
| 2. | Number of loans disbursed | According to the quarterly work plans | 1 | 8 |
| 3. | Value of loans disbursed during the period in (Ug shs Millions) | According to the quarterly work plans | 60 | 625 |
| 4. | Value of outstanding loan portfolio (Ug shs Millions) | Increasing | 3,800 | 3,250 |
| 5. | PAR > 90 days (percentage of loan portfolio) | Not > 5% of total o/s loan | 8% | 16% |
| 6. | Cumulative repayment (%) | At least 95% | 96% | 95% |

***Source: MSC Kabale***

Table 11.6 shows that although a good number of loan applications were received during the quarter, only one loan was disbursed.

The value of the loan disbursed was Ug shs 60M, only 10% of the target for the quarter. The manager attributes the very low disbursement to the new requirements which most of the applicants did not fulfill.

The value of the outstanding loan portfolio as at 30th September 2013 was Ug shs 3.25 Billion which is below the quarterly target and the loan portfolio has deteriorated since the end of the last quarter (Ug shs 3.866 Billion).

The PAR > 90 days and the cumulative repayment rate are good, because the zonal office major focus in this quarter was to follow up defaulters in a bid to improve the repayment rate.

**Challenges**

During interaction with the zonal manager, the following were the key emerging issues affecting implementation of activities at Kabale zonal office.

- Fraud, many SACCO managers are running away with SACCO funds and when forensic audits are done it takes long for the police to take action. Examples of such SACCOs are: Kihihi development SACCO, Bukinda SACCO, Kinkizi Community development SACCO, Kayonza Microfinance, Nyarubuye SACCO.

- Government politicians especially sub county chiefs and LCIII chairpersons are borrowing from the SACCOs and are defaulting. For example the LCIII chairperson of Kanyantorogo Sub County in Kanungu is a defaulter in Kanyantorogo SACCO.

- Governance issues, some SACCO board members want to remain on SACCO boards for more than four years which is against the SACCO bylaws.

### 11.3.5 MSC KABAROLE ZONAL OFFICE

Kabarole MSC Zonal office serves seven districts of Bundibugyo, Kyegegwa, Kabarole, Kamwenge, Kasese, Kyenjojo and Mubende. Table 11.6 below shows a highlight of the zonal performance by target and also comparing it with the benchmark.

**Table 11.6 Summary of Quarter One FY 2013/2014 Annual performance against target**

| No. | Indicator | Benchmark | Target Q1 FY 2013/2014 | Actual Q1 FY 2013/2014 |
|---|---|---|---|---|
| 1. | Number of loan applications received | According to the quarterly work plans. | 3 | 8 |
| 2. | Number of loans disbursed | According to the quarterly work plans | 3 | 2 |
| 3. | Value of loans disbursed during the period in (Ug shs Millions) | According to the quarterly work plans | 2,000 | 300 |
| 4. | Value of outstanding loan portfolio (Ug shs Millions) | Increasing | 12,000 | 8,754 |
| 5. | PAR > 90 days (percentage of loan portfolio) | Not > 5% of total o/s loan | 5% | 17% |
| 6. | Cumulative repayment (%) | At least 95% | 95% | 88% |

***Source: MSC Kabarole***

Table 11.6 shows that eight loan applications were received more than what was targeted and the manager attributes this to continuous awareness of the services. Only two loans were disbursed with a value of Ug shs 300M that is 15% of the targeted value.

The value of the outstanding loan portfolio Ug shs 8.7 billion is below the target (Ug shs 12 billion) and is below the value as at 30th June 2013 (Ug shs 9.4 billion). The low loan portfolio is attributed to low disbursements and a pre payment of Ug shs 1.3 billion from Nyakatonzi growers.

The cumulative repayment rate of 88% although below the target of 95% is good compared to other MSC zonal offices.

**Challenges encountered by the zonal office**

- Untimely receipt of operational fund – This delays the implementation of activities and impacts on the zonal performance.
- The zonal office has only one vehicle and which is not in a good mechanical condition; this makes it difficult for them to traverse the many districts the office serves.
- The district still uses a manual system to manage its loans and operations. The staff finds very difficult to produce reports in time using the manual system.
- Village groups: The government is encouraging MSC to disburse money to these groups but the zonal office finds a challenge to lend money to village groups because their legality is not clear.
- High default rate: Most people default intentionally because they have the attitude that the government funds are for free.

**Recommendations**

- MSC HQs should always release the operational funds to the zonal offices early enough to ensure activities are implemented in time.
- Kabarole zonal office vehicle needs a second vehicle to enable the officers conduct adequate monitoring.
- The communities need further sensitization about the activities of MSC and their obligations to repay the loans.

# CHAPTER 12: ROADS

## 12.1 Introduction

**Background**

Roads is one of the three sub-sectors[64] under the Ministry of Works and Transport (MoWT) whose mandate is to plan, develop, and maintain an economic, efficient, and effective transport infrastructure and transport services by road, rail, water and air; manage public works including government structures; and promote standards in the construction industry. The road network is the mostly used form of transport carrying about 95% of the country's goods and 99% of traffic.

Key institutions involved in the implementation of planned activities within the Roads sub-sector include: the Ministry of Works and Transport (MoWT); the Uganda National Roads Authority (UNRA); the Uganda Road Fund (URF); district local governments, lower local governments (sub-counties) and urban councils. Other institutions outside the works and transport sector that have projects with roads subcomponents include the Office of the Prime Minister (OPM) and the Ministry of Local Government (MoLG).

**Scope**

The report covers input – output monitoring of selected road development projects and road maintenance programmes for the FY 2013/2014. It highlights the progress made on key planned activities as well as the financial performance of the projects/programmes, and outlines implementation challenges identified, any arising policy issues, and recommendations. The report specifically covers projects/programmes monitored for Q1 performance during FY 2013/2014 as outlined in Table 12.1. They were selected on the basis of regional sampling, level of capital investment, planned quarterly outputs, and value of releases during the Q1-FY 2013/2014.

**Table 12.1: Project/ProgrammesMonitored for the Q1, FY 2013/2014 Performance**

| Implementing Institution | Project/Programme Monitored in Second Quarter FY 2013/2014 |
|---|---|
| Ministry of Works and Transport | East African Trade and Transport Facilitation Project (EATTFP) |
| | Rehabilitation of Upcountry Aerodromes |
| Uganda National Roads Authority | National Roads Construction Programme |
| | Design and Build of Mbarara-Kikagati-Murongo Bridge road (74.07Kms) |
| | Reconstruction of Jinja-Kamuli road (52 Kms) |
| | Upgrading from Gravel to Paved (Bitumen) Standard of Hoima-Kaiso-Tonya road (92Kms) |
| | Upgrading from Gravel to Paved (Bitumen) Standard of Ishaka-Kagamba road (35.4Kms) |
| | National Roads Maintenance Programme |
| | Masindi UNRA Station |
| | Soroti UNRA Station |
| Uganda Road Fund | District , Urban and Community Access Road Maintenance Programme |
| | Districts Roads Maintenance Programme |
| | Bushenyi District |
| | Masindi District |
| | B) Urban Roads Maintenance Programme |
| | Entebbe Municipality |
| | Soroti Municipality |

***Source: Author's Compilation***

64 The three sub-sectors under the Ministry of Works and Transport are: 1. Transport Services; 2. Roads; and 3. Construction Standards and Quality Assurance

**Methodology**

The methodologies adopted during the monitoring included: literature review mainly of annual and quarterly work plans and other government documents, progress and performance reports for the FY 2012/2013 and FY 2013/2014, and IFMS data showing releases, payments and commitments; interviews with the respective responsible officers or representatives; and observations on site.

## 12.2 Ministry of Works

The Works and Transport sector mission is to promote adequate, safe and well maintained works and transport infrastructure and services for socio-economic development of Uganda. For the first quarter of FY2013/2014, two projects/programmes were monitored for this vote, namely: East African Trade and Transport Facilitation Project (EATTFP) and Rehabilitation of Upcountry Aerodromes.

The financial performance of this vote as at the end of September 2013 is as presented in Table 12.2 below. It summarises the cumulative releases and expenditure by the end Q1 FY2013/2014.

**Table 12.2: Financial Performance of MoWT (Vote 016) as at End of September 2013**

| | | Approved Budget (Ushs. billion) | Release (Ushs. billion) | Spent (Ushs billion) | % Budget released | % Budget Spent | % Release Spent |
|---|---|---|---|---|---|---|---|
| Recurrent | Wage | 7.727 | 1.609 | 0.365 | 20.8 | 4.7 | 22.7 |
| | Non-wage | 23.043 | 5.001 | 0.711 | 21.7 | 3.1 | 14.2 |
| Development | GoU | 67.489 | 15.538 | 5.436 | 23.0 | 8.1 | 35.0 |
| | Donor | 26.912 | 0.000 | 0.000 | 0.0 | 0.0 | N/A |
| **Total GoU** | | **98.260** | **22.149** | **6.512** | **22.5** | **6.6** | **29.4** |
| **Total GoU + Ext Fin. (MTEF)** | | **125.172** | ***22.149*** | **6.512** | **17.7** | **5.2** | **29.4** |
| **Taxes** | | **19.067** | **0.000** | **0.000** | **0.0** | **0.0** | **N/A** |
| **Total Budget** | | **144.239** | **22.149** | **6.512** | **15.4** | **4.5** | **29.4** |

***Source: MoWT, Vote 016 Q1 Performance Report for FY 2013/2014***

The approved MoWT budget for the FY2013/2014 is Ug shs 144.239bn as indicated in Table 12.2 above. Only Ug shs 22.149bn (17.7% of approved budget and 22.5% of GoU budget) was released to the MoWT from GoU in the first quarter. This was 22.5% of the GoU approved budget component. The Donor component of the budget was not realised. At the end of quarter one, only 6.512bn (29.4% of release) was spent indicating a poor performance of the vote.

The poor performance was attributed a number of factors which included: a number of staff on interdiction who were being paid half of their monthly salary pay; non payment of salary for contract staff in a number of departments; non authorization of released funds for routine core activities and other field activities (surveys and data collection) to be carried out by the ministry staff such as support supervision, monitoring and allowances; and the failure to access the released funds for a number of project activities as stipulated in the approved work plans.

**Financial Performance**

The financial performance of the projects that were monitored under the MOWT is presented in Table 12.3.

**Table 12.3: Financial Performance of the Projects Monitored for the FY 2013/2014**

| Project | Source of funding | Annual Budget Estimates *(Ushs Billions)* | Releases *(Ushs Billions)* | Expenditure *(Ushs Billions)* | % of Budget Released (%) | % of Releases Spent (%) |
|---|---|---|---|---|---|---|
| East African Trade and Transport Facilitation | GoU | 2.41 | 0.57 | 0.08 | 23.9 | 13.7 |
| | Donor | 24.85 | 0.00 | 0.00 | 0.0 | N/A |
| | Total | 27.26 | 0.57 | 0.08 | 2.1 | 14.0 |
| Rehabilitation of Upcountry Aerodromes | GoU | 4.70 | 1.10 | 0.00 | 23.4 | 0.0 |

***Source: MoWT, Vote 016 Q1 Performance Report for FY 2013/2014***

### 12.2.1 East African Trade and Transport Facilitation Project (EATTFP)

**Project Background**

The 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 SDR 18.2 million (US$26.4 million) to GoU. Following request by the GoU, the project was restructured in June 2011 and the closing date of the credit extended by three years to September 30, 2014.

The original project development objectives (PDO) of the EATTFP were:

(i) Improve trade environment through the effective implementation of the EAC Customs Union (CU) Protocol;

(ii) Enhance transport and logistics services efficiency along key corridors by reducing non tariff barriers and uncertainty of transit time; and

(iii) Improve railway services in Kenya and Uganda.

Following the restructuring, the PDO were revised to:

(i) Enhance efficiency of customs agencies' clearance processes, for the 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.

With restructuring, the original Results Framework (RF) was also modified to focus on what the project output could achieve, namely to;

(i) Reduce the number of indicators retaining those that truly measure the performance of the project and

(ii) Harmonize the PDO indicators and bringing 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 the Ministry of Works and Transport (MoWT) and the Uganda Revenue Authority (URA) through Project Implementation Teams (PITs) established by the respective agencies.

For its Q1-FY2013/2014 performance, the project activities were monitored on the 18th and 19th of November, 2013 and the following are the findings;

**Findings**

**i) Financial Performance**

In FY2013/2014, the project has 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%) earmarked for the following activities: monitoring and capacity building; acquisition of land by GoU Mutukula, Katuna and Mirama Hills for OSBP; 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.

**ii) Physical Performance**

At the end of the Q1-FY2012/2013, the project had received a total of Ug shs 0.57 billion (2.1% of total budget and 23.9% of GoU budget) from GOU only and absorbed 13.7% of the receipt by the end of the first quarter. The achievements of this project by the end of the Q1included: commencement to settle pending cases of land acquisition for Mutukula (3) and Katuna (2) worth Ug shs 1.8 billion; completion of 30% civil works against 67% of time consumed; mobilization of equipment and resources at Mutukula OSBP; handing over of Busia and Malaba OSBP sites to the contractor; commencement of civil works for Mirama hills OSBP; finalising of the combined evaluation for the construction of OSBP facilities at Elegu border post ; installation and commission of four fixed weigh-in-motion weighbridges at Malaba, Busia, Mutukula and Elego; finalising of compensation for the weighbridges at Malaba, Busia, Mutukula; and completion of the surveying and and valuation of additional land for OSBP at Mirama Hills.

For the performance of Q1-FY 2013/2014, two OSBPs facilities under construction were monitored at Mirama Hills and Mutukula below are the findings:

**A. Construction of One Stop Border Post Facilities at Mirama Hills**

**Background**

The Ministry of Works and Transport 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. One of the Border Posts is located at Mirama Hills/ Kagitumba border between Republic of Uganda and Republic of Rwanda. The construction that commenced on 4th July 2013 is expected to last 12 months. The project is financed by both Trademark East Africa (TMEA) and GoU.

The project is juxtaposed 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 contractor. Both facilities will be connected by two (2) new bridges. The existing Bridge will remain a pedestrian bridge.

**Project Objectives**

The main objective of this project is to construct the following facilities in works that include: the immigrations and customs structure, warehouse, clearing agent block, police post, washrooms, fence and external works including road works. These and the other assorted facilities should come with all installations to enable the user to plug and play. The project is aimed at reducing the time spent at the border.

**Scope of Works**

The works comprise of a number of activities that include: 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. The project was monitored on 19th November 2013 and summarised in Table 12.4 below are the project details.

**Table 12.4: 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 through Development Agencies |
| 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 | USD 7,817,703.42 |
| Construction Completion Date | 3rd July 2013 |
| Contract Period | 12 Months |
| Contract Time Elapsed | 119 days (33% as of October 2013) |
| Advance Payment | US $ 1,172,655.1 (15% of contract price) |
| Works Payment Certified | US $ 1,879,727,.38 (24% of contract price) |
| Payments to the Contractor | US $ 1,172,655.1 (15% of contract price) |
| Physical Progress | 10% achieved against a planned of 12% as of October 2013 |
| Actual Financial Progress- Cumulative | 8.9% achieved against a planned of 9.61% as of October 2013 |

***Source: Supervision Consultant***

**Contract Progress**

The works commenced in 4th July 2013 and by the end of October 2013, four months into the contract time, the progress of works achieved was 10% against a programmed 12% represents a 2% lag. The site was about 60% mobilised and more efforts were being made to make the site operational. The excavated volume increased due to the road and floor levels. The provisions for demolitions were also exceeded and the traffic diversions that were not provided for were taken into consideration. This causes an increase in the scope of works.

None of the activities mentioned in the scope of works had been completed. Ongoing activities at the time of monitoring in November 2013 included construction of the sub-structures of the customs and immigration hall (50%), verification warehouse (17%), clearing agents offices (59%) and the police post (15%).

In order to recover the lost time and scope, the contractor has increased the manpower on site and started most of the works that are ranked critical. 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.

**(Left): Road works ongoing on the Rwandan side but have yet commenced on the Uganda side; (Centre); Return, filling and ramming of soil into the excavations of the Customs and and Immigration Block substructure; (Right) Compaction of murram to make part of the floor of the Proposed Clearing Agents Building.**

### Challenges

- The contractor for the two bridges that will be connecting Rwanda and Uganda has not yet been procured. This is affecting the progress of some of the works like the roads.
- A delay of payment of the certificates is causing the MoWT to breach the contract. Certificates should be paid within 30 days after certification by the supervision consultant. Personal Protective equipments were not available in adequate numbers. This affected excavation for the warehouse as the local available labour could not be allowed on site without safety gear.
- Personnel turnover: the site fell short of one site engineer whose replaced took time.
- Rain water in the trenches
- Soft material in sections of the foundation which made the supervising engineer instruct the contract to excavate lower.

### Recommendations

- MoWT should finalise the procurement of the bridges contractor so that works on all projects can be synchronized to avoid delays and repetitions.
- Both TMEA and MoWT need to improve on the processing speed of the contractor's IPCs to avoid claims.
- Safety ware to be delivered on site.
- Additional site engineers to be posted.
- An outfall trench excavated to discharge the water to the river.

**Conclusion**

The project generally has progressed well, but there was need for the contractor to upscale his work and increase on speed of works so that the lost time can be redeemed. Efforts should be made to have the contractor engage the required number of staff so as to have the project delivered on time.

**B. Construction of One Stop Border Post Facilities at Mutukula Border**

This project, similar to the one at Mirama hills was monitored on 18th November 2013. Procurement issues delayed the commencement of this project for two years. The contract agreement was signed on 8th July 2013 at a contract amount of Ug shs 18,793,900,206.4 with a one year contract period starting on 6th September 2013. The MoWT handed over the project site on 23rd August 2013.

At the time of monitoring, the project time progress was at 20%. The contractor was still mobilising at the time of monitoring and ongoing activities at the time of monitoring included excavations for the different project components and making of blocks to be used for construction. The civil works contract is being funded by TMEA while the design and supervision contract is funded by the World Bank. There is however one pending case for land compensation which is bound to affect the project. Efforts to get full details about this project from the supervising consultant did not yield any results.



***(Left); Excavation works at the site; (Centre): Making of blocks to be used for the construction works; (Right); A similar project to be synchronised Uganda's on the Tanzanian side that are almost complete***

### 12.2.2 Rehabilitation of Upcountry Aerodromes

This programme/project is implemented by the Civil Aviation Authority (CAA) is aimed at maintaining selected aerodromes in Uganda. The project is funded by the GoU through the MoWT and internally generated revenue from the CAA activities. In the FY2013/2014, the annual approved budget for the project is Ug shs 4.7 billion and was earmarked for the maintenance and operations of runaways, apron and taxiways at Arua, Pakuba, Masindi, Kidepo, Moroto, Lira, Tororo, Jinja, Mbarara, Kisoro, Kasese, Soroti and Gulu aerodromes.

The GoU released Ug shs 1.1 billion (23% of approved budget) to MoWT in the first quarter of the FY2013/2014 for the planned activities under this program. This release from GoU was passed on to CAA in the second quarter. Maintenance activities at the various aerodromes during Q1 were therefore finance using the internally generated revenue from CAA which was not disclosed.

Mbarara, Jinja and Soroti aerodromes were monitored on the 19th, 25th and 27th November 2013 respectively. Maintenance activities using contracts were observed to be ongoing at the time of monitoring. These were new contracts that commenced in September 2013 and will be running for two years after expiry of the old contracts. Maintenance works undertaken by these contracts in the first quarter included: bush clearing, mechanized grass cutting, grass trimming of lawns, flower garden maintenance, clearing of drainages and runway off shoots, runway weeding by spraying and disposal of debris and terminal buildings maintenance and cleaning.

Challenges noted in the implementation of this proramme included: rapid growth of grass during the dry season yet it is paid for once in a month thus ending up using of manual methods; the outer fence of Mbarara airfield which is made of wooden poles is being eaten by termites.

However, it was noted that procurement of a contract to replace these poles was in the final stages; Jinja airfield shares a boundary with the Kimaka barracks. Soldiers from the barracks come in with cows to graze in the safety zones along the runway causing a safety threat; and the programme also experiences late release of funds from GoU which results in payment of claims when it is finally realized.

Timely and adequate release of funds to carry out the maintenance activities will overcome most of the above challenges as the measures to correct them like erecting of new fences with metallic supports call for an increase in the budget.

Civil Aviation Authority failed to provide details requested for by the monitoring team on this program in order to facilitate a conclusive report.



**(Left): Drying weeds/grass that had been sprayed on the runway of Jinja airfied; (Centre): Slashing of the grass manually at the Mbarara Airfied; (Right): A well maintained lawn at the Soroti Airfield/Flying School.**

## 12.3 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).

In FY 2012/2013, the National Roads Construction/Rehabilitation programme was allocated a total annual budget of Ug shs 1,203.193 billion earmarked for the tarmacking of 135 km (equivalent) of gravel national roads, reconstruction/rehabilitation of 160 km of old paved national roads maintenance of 20,0900km of national roads.

The financial performance of this programme can be seen in Table 12.5 below.

**Table 12.5: Financial Performance of the National Roads Maintenance and Construction Programmed in FY 2012/2013 (Ug shs Billion)**

| Source of Funding | Approved Budget | Release by End June 2013 | Spent by End of June 2013 | % Budget Released | % Budget Spent | % Release spent |
|---|---|---|---|---|---|---|
| GoU | 685.271 | 839.160 | 837.548 | 122.5% | 122.5% | 99.8% |
| Donor | 517.921 | 505.652 | 505.651 | 97.6% | 97.6% | 100.0% |
| **Total (GoU and Donor)** | **1203.193** | **1,344.812** | **1,343.199** | **111.8%** | **111.6%** | **99.9%** |

***Source: UNRA Progress Report for Q4-FY2012/2013***

UNRA had a budget performance of 111% at the end of the FY2012/2013. The overperformance was attributed to the supplementary budget of Ug shs 154 billion that was received in June to cover for commitments due to over performance by the contractors. Despite this supplementary, the debt for development projects exceeded Ug shs 200 billion at the end of the financial year.

At the end of FY 2012/2013, a total of 205 kms (equivalent) of unpaved national roads were upgraded from gravel to tarmac against the annual target of 135 kms representing a performance of 152% and 251 kms of existing old paved roads were rehabilitated/reconstructed out of the annual target of 160 kms[65] representing a performance of 157%. This performance was attributed to the fact that some of the contracts were running from the previous FY and some of the contractors performing better than anticipated. As a result, the debt for unpaid certificates for work done was over Ug shs 200 billion by the end of the FY.

In FY 2013/2014, the National Roads Maintenance and Construction Programmed programme was allocated a total annual budget of Ug. shs 1,933.667 billion out of which Ug shs 701.931 billion (36.1% of annual budget) was released by the end of November 2013. By the end of the Q1-FY 2012/2013, at total of Ug shs 505.391 (72% of release) had been expended.

A summary of the financial performance at the end of Q1-FY2013/2014 is shown in Table 12.6. Planned activities under the programme included 200 kms (equivalent) of gravel national roads to be upgraded to bitumen standard; 180 kms (equivalent) of old paved national roads to be reconstructed/rehabilitated and maintenance of 20,900 kms of national roads.

**Table 12.6: Financial Performance of the National Roads Maintenance and Construction Programme in FY 2013/2014 (Ug shs Billion)**

| | Approved Annual Budget | Release by End of November 2013 | Spent by End of September 2013 | % Budget Released | % Budget Spent | % Release spent |
|---|---|---|---|---|---|---|
| GoU | 1,279.727 | 701.930 | 505.391 | 54.8% | 39.5% | 72% |
| Donor | 653.940 | - | - | - | - | - |
| **Total (GoU and Donor)** | **1,933.667** | **701.930** | **505.391** | **36.3%** | **26.1%** | **72.0%** |

***Source: UNRA Q1-FY2013/2014 Progress Report***

For the first quarter performance of the FY2013/2014, the physical progress of the projects monitored under this program is illustrated in Table 12.7.

**Table 12.7: Summary of projects' physical progress for the Q1-FY2013/2014**

| | Project | Quarter 1 | | Cumulative | |
|---|---|---|---|---|---|
| | | **Target** | **Achieved** | **Target** | **Achieved** |
| 1 | Jinja-Kamuli (52kms) | - | 7% | | 62% |
| 2 | Mbarara – Kikagati road (73kms) | 7.5% | 12.7% | 57.2% | 48.2% |
| 3 | Hoima – Kaiso –Tonya road (92kms) | 7.5% | 20.1% | 71.6% | 59.4% |
| 4 | Ishaka- Kagamba road (35.4kms) | - | 8% | - | 30% |

***Source: UNRA Q1-FY2013/2014 Progress Report and Project's October Monthly Progress Repots***

65 UNRA Quarter 4, OBT Report FY 2013-2014

### 12.3.1 Design and Build of Mbarara-Kikagati-Murongo Bridge (73.1Kms)

**Background**

The GoU has earmarked funds to finance its National Roads Development and Maintenance Plan (NRDMP) and intends to apply part of these funds to upgrade the Mbarara-Kikagati-Murongo Bridge road from an unsealed earth/gravel road to Class II bituminous paved road. The unsealed Isingiro-Mabona loop road will also be upgraded to a sealed Class III road under the same contract.

The project was awarded to China Communications Construction Company (CCCC) Ltd as a Design & Build Contract with a construction period of 36 months. COWI A/S and COWI Uganda Ltd was engaged by CCCC as a design consultant. Aarvee Associates Architects Engineers & Consultants Pvt. Ltd in association with Multiplan Consulting Engineers was appointed to provide consultancy services for design review, and management of the works contract and supervision of construction works.

Mbarara-Kikagati-Murongo bridge road (67Km) including Isingiro-Mabona loop (7Km) is a gravel road situated in the South Western part of Uganda. It runs through Mbarara and Isingiro districts to the Tanzania border at Murongo Bridge across the Kagera River. The road begins at the Mbarara Municipal council sign post at the interface where the road construction changes from paved to gravel. The road effectively connects Uganda to Tanzania and Rwanda. The project consists of 4 links as shown in the Table 12.8 below.

**Table 12.8: Sections of the project**

| Link | Section | From (Kms) | To (Kms) | Length (Kms) |
|---|---|---|---|---|
| 1 | Mbarara - Isingiro | 0 | 27.0 | 27.0 |
| 2 | Isingiro - Kikagati Jct. | 27.0 | 64.2 | 37.2 |
| 3 | Kikagati Jct.- Murongo Bridge | 64.2 | 67.0 | 2.8 |
| 4 | Isingiro - Mabona Loop | 0 | 7.0 | 7.0 |
| **Total length of the Project** | | | | **74.0** |

**Scope of Works**

Mbarara-Kikagati-Murongo bridge road is being upgraded from gravel/earth to paved road standard with asphalt concrete surface carriageway of 6.0m width throughout and asphalt concrete surfaced shoulder of 2.5m in town sections and double bituminous surface dressed shoulders of 2m in rural sections. The first 2Kms of Isingiro-Mabona loop will be paved with asphalt concrete of carriageway width of 5.6m and the remaining 5 Kms will receive double seal surface dressing. The shoulders (1.5m) of Isingiro-Mabona loop will be double bituminous surface dressed except the first 350m which will receive asphalt concrete.

The upgrading works on this road involve the following key activities: clearing and grubbing; cut or borrow to fill; cut to spoil; roadbed preparation; earthen sub-grade of G15 and G30 classes; construction of crushed aggregate road base; placement of an asphalt concrete or double seal wearing course; construction of new culverts including headwalls and wing walls across the project road and on access roads; rehabilitation of borrow pits; construction of bus bays, kerbing, raised footway and masonry drains; road furniture, road marking, guard rails, landscaping and grassing.

The civil works contract data is given in Table 12.9 below;

**Table 12.9: Mbarara-Kikagati-Murongo Bridge Road Summary**

| Funding | Government of Uganda |
|---|---|
| Contract No. | GOU/HW/C005 |
| Implementing Agency | Uganda National Roads Authority (UNRA) |
| Supervision Consultant | Aarvee Associates Architects Engineers & Consultants Pvt. in association with Multiplan consulting Engineers. |
| Contractor | China Communications Construction Company (CCCC) Ltd. |
| Design Consultant | COWI A/S and COWI Uganda Ltd |
| Possession of Site | 1 July 2011 |
| Project Road Length | 73.96Kms (66.87 +7.09) |
| Supervision Commencement Date | 6th August 2011 |
| Construction Commencement Date | 1st July 2011 |
| Construction Completion Date | 30th June 2014 |
| Original Contract Price | Ug shs 134,679,347,505 |
| Supervision Contract Price | US $ 1,559,700 |
| Contract Period | 36 months |
| Contract Time Elapsed | 854 days (78%) [as of 31st October 2013] |
| Advance payment | Ug shs 26,935,869,501 |
| Works Payments Certified | Ug shs 87,991,348,309 (21 IPCs excluding Advance Payment) |
| Payments to the contractor | Ug shs 77,778,933,984.9718 (15 IPCs excluding advance payment) |
| Consultant Invoices Submitted | US $ 738,457 (15 Invoices) – 47.3% of Supervision Contract Price |
| Payments to the Consultant | US $ 409,193 (55.4% of Invoices) |
| Physical Progress | Achieved was 51.9% against planned of 65.3% [as of 31st October 2013] |
| Financial Progress | Achieved was 67.3% against planned of 75.7% [as of 31st October 2013] |
| Contract Exchange rate | 1 USD = Ug shs 2019.98 & 1 Euro = Ug shs 2746.36 |

***Source: Supervising Consultants' Resident Engineer.***

**Annual Progress**

**In FY2011/12**, the project had an annual approved budget of Ug shs 30 billion from GoU, of which, Ug shs 2 billion (6.67%) was earmarked for monitoring, supervision, appraisal and procurement of 20 hectares of land and Ug shs 28 billion (93.33%) allocated for an annual target of 15% completion of road construction works to bitumen standard. A total of Ug shs 21.736 billion (72.46% of annual budget) from GoU was expended on this project in FY2011/12, of which Ug shs 666.67 million (3.1%) was spent on the land acquisition component and Ug shs 21.070 billion (96.9%) spent on the road construction component. Payments of compensation commenced and by the end of the FY, 10 out of the 20 hectares had been acquired. The contractor accomplished the design of the project and commenced works achieving the annual target of 15% by the end of June 2012.

**In FY2012/2013**, the project annual approved budget was estimated at Ug shs 44 billion from GoU; of which Ug shs 4 billion (9.1%) was allocated for the procurement of 80 hectares of land and properties therein and Ug shs 40 billion (90.9%) for an estimated annual targeted output of 30% completion of road construction works. Consequently, Ug shs 67.19 billion (152.7% of annual budget) was released by GoU and expended on this project in FY2012/2013. The release was allocated as follows: Ug shs 4 billion (6%) was used to acquire 131.89 hectares of land and properties therein out of the annual target of 80 hectares representing a performance of 165% which was attributed to no incidences of major disputes of values; and Ug shs 63.187 billion (94%) was used to achieved 34.1% of the road works out of the annual target of 30%. This brought the cumulative progress since the start of the project to 35.5%.

**In FY2013/2014**, the project has an annual approved budget of Ug shs 67 billion from GoU; of which Ug shs 6 billion (9.5%) was allocated for the procurement of 280 hectares of land and properties therein and Ug shs 57 billion (90.5%) for an estimated annual targeted output of 30% completion of road construction works. By the end of Q1-FY2013/2014, a total of Ug shs 44.67 (66.7% of annual budget) had been released to the project from GoU of which Ug shs 42.26 (94.6% of release) had been expended. At the end of the Q1-FY2013/2014, procurement of land and properties therein was at 80 hectares out of the annual planned output of 280 hectares with an expenditure of Ug shs 6.263 billion (14.8% of release); and 12.7% of road works had been achieved out of the annual planned output of 30% at a total expenditure of Ug shs 36 billion (85.2% of release). The cumulative progress of works since the start of the project was estimated at 48.2% out of the programmed 57.2%.

A summary on the above annual financial performance is showed in Table 12.10.

**Table 12.10: Financial Performance Summary for the Mbarara-Kikagati-Murongo Bridge Road Project (74 Kms)**

| FY | Source of funding | Approved Estimates (*Ug shs Billions*) | Releases (*Ug shs Billions*) | Expenditure (*Ug shs Billions*) | % Budget Released | % Releases Spent | Contracts Contract Sum (*Ug shs Billions*) | % Payment to the Contractor | Consultant's Contract Sum (*US $ Millions*) | % Payment to the Consultant |
|---|---|---|---|---|---|---|---|---|---|---|
| 2011/2012 | GoU | 30 | 21.736 | 21.736 | 72.4% | 100% | 134.679 | n/a* | 1.559 | n/a* |
| 2012/2013 | GoU | 44 | 67.19 | 67.19 | 152.7% | 100% | 134.679 | n/a* | 1.559 | n/a* |
| 2013/2014 | GoU | 67 | 44.67 | 42.26 | 66.7% | 94.6% | 134.679 | n/a* | 1.559 | n/a* |

***n/a*: Information not available*** ***Source: MoWT MPS, 2011/12; UNRA Quarter 4 Progress Report, April-June 2013; and UNRA Quarter 1, Progress Report July-September 2013***

Detailed below are the findings at the time of monitoring done on 18th November 2013;

**Findings**

**i) Financial Performance**

- The contractor submitted the application for advance payment on May 18, 2011. The foreign component of the advance payment was paid on 17h August 2011, with a delay of 91 days while the local component was paid a day later attracting a delay of 92 days. The total amount for 20% of advance payment was Ug shs 26,935,869,501.

- The contractor had so far submitted 21 Interim Payment Certificates (IPCs) between November 2011 and October 2013 amounting to Ug shs 87.991 billion. However, he had only received payments for IPCs No.1 to No.15 amounting to Ug shs 77.778 billion (88.4% of IPCs submitted) by the end of October 2013. The local component of IPCs 16 to 20 was cleared on the 6th of November 2013. There were delays experienced in contractor's payments, which negatively affected his cash flow. Payments on some certificates were delaying for over 100 days. For example, payments for IPC 9 were effected after a delay of 177 days, 179 days and 218 days on the USD, Euro and local component respectively. This causes a risk for the contractor to claim interest from delayed payments due to the failure of UNRA to effect payments within the stipulated time.

- The contractor was to start claiming Price Adjustment pursuant to the contract at the end of the twenty fourth month (July 2013). The supervising engineer forwarded his recommendations in relation to the subject to UNRA which is yet to take a decision.

- The consultant had submitted 15 invoices between October 2012 and November 2013 with a certified amount of US $ 738,457. As at the time of monitoring, only 8 invoices had been paid with a total amount of US $ 409,193 (55.4% of certified). Delayed payments were also experienced by consultants. For example, Invoice 9 which was submitted in May 2013 was not yet honoured at the time of monitoring, November 2013.

- The budget performance in the first quarter of FY 2013/2014 was at 44.67% of the total annual budget for the project. Ug shs 44.67 billion was released by GoU and Ug shs 42.26 billion (94.6% of release) was expended by UNRA with just 25% progress in time of this financial year this is good performance and is in line of what is expected of this project.

- The project's financial progress was estimated at 67.3% against a planned progress of 75.7% as at the end of October 2013.

**ii) Physical Performance**

- The contractor erected the main office along the project road (Km 2+600 LHS) in Kaberebere town. He set up three site camps along the project road, namely Camp 1 (Km 14+200 LHS), Camp 2 (Km 19+200 RHS) and Camp 3 (Km 59+300 LHS) to accomplish construction work. The contractor has therefore opened up three working fronts, i.e., one from Km 0+000 working towards km 19+000, the second from Km 19+000 progressing towards Km 50+000 including Isingiro - Mabona loop and the third from Km 50+000 to Km 67+000. With three working fronts, the contractor adequately mobilized plant and equipment to accomplish the ongoing works of the contract.

- The project consultant's offices were commissioned at the start of August 2012; they are located at the main site camp in Kaberebere town. The contractor also provided permanent accommodation for all the Engineer's site personnel.

- The contractor established the Engineer's laboratory in July 2012. This laboratory is used to carry out all basic tests on materials. In addition, all equipment for the works in this laboratory has been calibrated by officials from the Uganda National Bureau of Standards (UNBS). The contractor has also provided a fleet of five vehicles to the Engineer to accomplish his supervision tasks

- The contractor, together with the consultant's survey team have continued to carry out the following recurring activities; checking levels of finished sub-grade sections; setting out road structures and checking culverts inverts and temporary bench marks (TBMs) verification.



**(Left): Ongoing base course works at Km 39+700; (Centre): Curing of a primed surface with sand at Km 46+980; (Right): Double surface dressing on the road shoulders and priming in the carriage way at km 49+931.**

- As at the end of October 2013, major earthworks activities of subbase, base, priming, asphalt concrete works and culvert construction were progressing on the three working fronts. The overall progress of the key activities on this project is indicated in Table 12.11 below.

**Table 12.11: Percentage progress of key activities against the planned output**

| Sl. No | Activity | Planned | Achieved | %Progress |
|---|---|---|---|---|
| 1 | Clearing & Grubbing | Full | Finished | 100% |
| 2 | Earth Cut | Full | Finished | 100% |
| 3 | Earth Fill G 7 | Full | Finished | 100% |
| 4 | Subgrade G 15 | Full | Finished | 100% |
| 5 | Subbase G 30 | 51km | 50km | 68% |
| 6 | Stone Base | 40km | 25km | 34% |
| 7 | Surface Dressing | 39km | 18km | 24% |
| 8 | Asphalt Concrete | 33km | 13km | 19% |
| 9 | Main Culverts | 186 Nos. | 183 Nos. | 99% |
| 10 | Access Culverts | 148 Nos. | 118Nos. | 80% |

***Source: Supervising Consultant***

- Land acquisition activities on this project and the transfer of utilities from the project road were completed and have not affected the progress of works.

- The contractor submitted a revised works programme to the supervising engineer's representative in May 2013 and this was approved. By the end of October 2013, 854 days had elapsed since the commencement date of the project. This represents 77.9% of the total project time. Out of a planned cumulative physical progress of 65.3% by end of this month, the contractor had achieved approximately 51.9%. This lag is progress is partly blamed on the delayed payment of the contractor's certificates.

**(Left): 50mm of Asphalt Concrete on carriageway and surface dressed shoulders at Km 58+200; (Centre): Completed section without road markings at the end of project road at Murongo Bridge on the border of Uganda and Tanzania; (Right): A section of the 7 Km loop finished with G15 material.**

### iii) Challenges and Setbacks Experienced by the Project

- Payments to the project were coming in late, a situation that was likely to cause claims for interest on delayed payments. Twenty one IPCs had been submitted by the November 2013 and only fifteen had been cleared. A case in point is IPC 9 that was submitted in November 2012 and payment was made in June 2013 and August 2013 with a delay of 177 days and 218 days for the foreign and local component respectively. The supervision consultant had not received any payments for 7 invoices submitted between May and November 2013.

- Heavy rains continued to slow down the construction works. Earthworks like excavations and filling have however continued with difficulties due to wet weather.

**iv) Conclusion and Recommendations**

- The GoU is encouraged to effect payment on time to avoid claims and delays that are likely to be raised by the contractor. This will also make sure that the project is completed within the stipulated time.

- The contractor should expedite works during the dry season so as to catch up for the time lost during the wet seasons.

### 12.3.2 Upgrading of Hoima-Kaiso-Tonya Road (92 Kms)

**Project Background**

The Government of Uganda (GoU) while implementing its national economic recovery and poverty eradication programs identified mineral and oil exploration as some of the main strategic economic investment ventures. Accordingly, in an effort to attain these overall objectives, GoU undertook studies to explore the potential sources for both mineral and oil fields in different parts of the country and the results have been encouraging. Consequently, major oil deposits have been identified in various parts of Western Uganda particularly Bundibugyo and Hoima districts. Oil exploration concession agreements have now been granted and exploration activities are currently ongoing along the Lake Albert region. In Hoima, particularly along the Hoima-Kaiso-Tonya axis, preparation for oil production refining, power generation and transmission infrastructure are at an advanced stage.

In order to provide an enabling investment environment, GoU on its part has made an undertaking to rehabilitate/improve the road infrastructure within the oil fields areas. The Government has as a consequence funded the design and construction for the upgrading of the Hoima-Kaiso-Tonya road to bitumen standard. The Contract Agreement for the design review and construction supervision was signed on 1st December, 2011, with commencement date effective on the same date. SGI-Studio Galli Ingegneria S.p.a in association with Xtreme International Ltd, Sari Consulting Ltd and Consulint S.r.l. are undertaking the assignment. The contractor for the works is Kolin InsaatTurismSanayiVeTicaret A.S, Turkey.

The Hoima-Kaiso-Tonya road, approximately 92km long, is a gravel-surfaced road located in Hoima District in the western part of Uganda. The road starts in the out skirts of Hoima town traversing mainly rolling to hilly terrain, past the escarpment along the western rift valley to Kaiso. The road serves as a major access to Lake Albert located along the border between Democratic Republic of Congo (DRC) and Uganda and traverses an area rich in production of cash and food crops, as well as having a high potential for animal husbandry. It is intended that the road shall be upgraded to Class II bituminous standard, having a carriageway width of 7.0m and 2.0m wide bituminous surfaced shoulders. The alignment of the upgraded road will generally follow the existing route with some sections realigned as necessary to achieve the required minimum design standards.

**Scope of Works**

The upgrading of the project road will involve approximately 5,634,000m$^3$ of earthworks, 187,800m$^3$ sub-base, 228,200m$^3$ of crushed stone base course, 33,800m$^3$ of 50mm asphalt concrete surfacing and 434,900m$^2$ of bituminous surface dressing, as well as various sizes of pipe culverts, box culverts and two bridges at Km 34+370 and at Km 53+200.

A summary of the project details is presented in Table 12.12.

**Table 12.12: Hoima-Kaiso-Tonya Road Summary**

| Funding | Government of Uganda |
|---|---|
| Contract No. | UNRA/WORKS/2009-10/00001/18/03 |
| Implementing Agency | Uganda National Roads Authority (UNRA) |
| Supervision Engineer | SGI - Studio Galli Ingegneria in Association with Xtreme International, SARI Consulting Ltd and Consulint SRL |
| Contractor | Kolin InsaatTurizmSanayiVeTicaret A.S |
| Supervision Commencement Date | 1st December 2011 |
| Construction Commencement Date | 14th December 2011 |
| Possession of Site | Km 64+000 – Km 82+000 was handed over on 10th of February 2012 |
| | Km 33+000 – Km 53+000 was handed over on 21st May 2012 |
| | Km 5+000 – Km 33+000 was handed over on 12th September 2012 |
| Original Contract Price | Ug shs 314,662,891,151 (Payable in Ug shs 99,902,356,215; US $ 82,552,026 and 10% contingency of Ug shs 28,605,717,377) |
| Revised Contract Price | Ug shs 360,000,000,000,000 |
| Supervision Contract Price | Euro 777,790; US $ 416,163; Ug shs 3,048,538,450 |
| Project Road Length | 92 Kms |
| Contract Period | 36 months (including 3 months of mobilization) |
| Contract Time Elapsed | 22.5 months [as at 31st October 2013] |
| Advance Payment | Ug shs 47,199,434,315.00 |
| Works Payments Certified | Ug shs 161,378,838,547.72 (excluding advance payment) |
| Payments to the contractor | Ug shs 208,578,272,862.70 (including 15% advance payment) |
| Consultant Invoices Submitted | Ug shs 1,587,029,042.00; US $ 236,219 and Euro 394,130.00 |
| Payments to the Consultant | Ug shs 1,425,102,711; US $ 205,616, Euro 345,853 |
| Physical Progress | Achieved was 61.43% against planned of 76.8% [as of 31st October 2013] (According to tender amount) |
| Financial Progress | Achieved was 46.4% against planned of 77% [as of 31st October 2013] (According to tender amount) |
| Exchange rate used in the contract | US $ 1 = Ug shs 2,255.00 |

***Source: Supervising Consultants' Resident Engineer***

**Annual Progress**

**In FY2011/12**, the project had an annual approved budget of Ug shs 40 billion from GoU, of which, Ug shs 2 billion (5%) was earmarked for monitoring, supervision, appraisal and procurement of 18 hectares of land and Ug shs 38 billion (95%) allocated for an annual target of 15% completion of road construction and rehabilitation works to bitumen standard. A total of Ug shs 39.993 billion (99.98%) from GoU was expended on this project in FY2011/12, of which Ug shs 1.999 billion (5%) was spent of the land acquisition component and Ug shs 37.994 billion (95%) was spent on the road construction and rehabilitation component. Payments of compensation commenced and by the end of the FY, 15 out of the 18 hectares had been acquired. The contractor also completed mobilization in terms of equipment and personnel and started on the construction works.

**In FY2012/2013,** the project annual approved budget was at Ug shs 45 billion from GoU; of which Ug shs 2 billion (4.4%) was allocated for the procurement of 40 hectares of land and properties therein and Ug shs 43 billion (95.6%) for an estimated annual targeted output of 20% completion of road construction works. By the end of the FY2012/2013, a total of Ug shs 62.5 billion (138.9% of approved budget) was released from GoU and expended on this project; of which Ug shs 2.7 billion (4.32%) was spent on the acquisition of 141.2 hectares of land and properties therein out of the annual target of 40 hectares and Ug shs 59.8 billion (95.68%) was spent on completion of 39.3% of road works out of the annual target of 20%. The annual achievements on this project were above the targeted because they were no major disputes. The cumulative progress since the start of the project was estimated at 30%.

**In FY2013/2014**, the project annual approved budget is at Ug shs 67 billion from GoU; of which Ug shs 2 billion (3%) is earmarked for the procurement of 50 hectares of land and properties therein; and Ug shs 65 billion (97%) allocated for completion of 30% of the road works.

By the end of Q1-FY2013/2014, a total of Ug shs 44.67 (66.7% of annual budget) had been released to the project from GoU of which Ug shs 43.95 (98.4% of release) had been expended. At the end of the Q1-FY2013/2014, procurement of land and properties therein was at 15 hectares out of the annual planned output of 50 hectares with an expenditure of Ug shs 0.965 billion (2.2% of release); and 20.1% of road works had been achieved out of the annual planned output of 30% at a total expenditure of Ug shs 42.9 billion (97.8% of release). The cumulative progress of works since the start of the project was estimated at 59.4% out of the programmed 71.6%.

The above information is summarized and presented in Table 12.13. This project was monitored on the 15th of November 2013 and below are the findings;

**Findings**

**i) Financial Performance**

- There was a revised contract variation that was submitted to UNRA in September 2013 and has not yet been approved. The variation came as a result of increasing the thickness of the asphalt from 50mm to 150/120mm because the first design did not take into consideration the oil traffic which will be high and heavy. The contract price has been revised to Ug shs 360 billion from Ug shs 314.66 billion causing a 14% increment in the tender price.

**Table 12.13: Financial Performance for the Hoima-Kaiso-Tonya Road Project (85Kms)**

| FY | Source of funds | Approved Estimates (*Ug shs Billions)* | Releases *(Ug shs Billions)* | Expenditure *(Ug shs Billions)* | % Budget Released | % Releases Spent | Contracts Contract Sum *(Ug shs Billions)* | % Payment to the Contractor | Consult-ant's Contract Sum (Thousands) | % Payment to the Consultant |
|---|---|---|---|---|---|---|---|---|---|---|
| 2011/2012 | GoU | 40 | 40 | 37.994 | 100 | 99.98 | 314.662 | n/a* | Euro 777; US $ 416; Ug shs 3,048,538 | n/a* |
| 2012/2013 | GoU | 45 | 62.5 | 62.5 | 138.9 | 100 | | n/a* | | n/a* |
| 2013/2014 | GoU | 67 | 44.67 | 43.95 | 66.7 | 94.6 | | n/a* | | n/a* |

***n/a*: Information not available*** ***Source: MoWT MPS, 2011/12 and 2013/2014; UNRA Quarter 4 (FY 2012/2013) Progress Report and UNRA Quarter 1 (FY 2013/2014) Progress Report***

- The contractor applied for 15% of the contract price as advance payment and received three installments between December 2011 and March 2012 totaling to Ug shs 47.19 billion. Fourteen Interim Payment Certificates, (IPCs) of the contractor amounting to Ug shs 161 billion (44.8% of revised contract sum) had been submitted by the supervising engineer to UNRA. Payments to the contractor amounted to Ug shs 208 billion (57.9% of revised contract sum) as at the end of October 2013. Only two IPCs (12 and 13) totaling to Ug shs 21.9 billion had not been paid.

- The consultant had submitted 23 invoices totaling up to Ug shs 1.592 billion, US $ 236,219 and Euro 394,130. However, only invoices 1-20 with a total of Ug shs 1.425 billion, US $ 205,616 and Euro 345,853 had been paid. Invoices 21 and 23 were pending while invoice 23 was under processing.

- It was noted that payments on this project for both the contractor and supervising engineer have been generally effected on time since the commencement of the project. However, they were delays experienced at the beginning of the FY2013/2014 which were attributed to the upgrading of the IFMS system in the MoFPED.

- The project's financial progress at the end of October 2013 was estimated at 46.4% against a planned progress of 77%.

**ii) Physical Performance**

- Works commenced in December 14, 2011. The proposed plant and machinery, in the bid documents of the contractor, started arriving in the month of May 2012 and physical works started on 18th of May 2012 at Km 50 with clearing, grubbing and removal of top soil and proceeded to the start of the project. At the end of October 2013, earthwork on a 48 km stretch was completed and was on progress in a 31 km stretch. Clearing, grubbing and removal of top soil were completed for extra one km stretch.

- A pavement layer construction of sub base and half layer of base had been started on the 1st of December 2012 and were completed in a 47 km stretch at the end of October 2013. The second layer of base and first layer of concrete asphalt paving had started on the 10th of June 2013 and 44.5 kms were completed at the end of this month. The construction of Wambabya Bridge at Km 34+364 and Kabrangida Bridge at Km 53+170 was substantially completed. The overall physical progress at the end of October 2013 was 61.43% against planned progress of 76.8% in 62.5% of the time. The progress of key activities is showed in Table 12.14.

**(Left): Maintenance of existing road where works have not yet started between Km 0+000 and 5+300; (Centre): Ongoing asphalt works at Km 6+480. Clearing, grubbing and removing of top soil at Km 17; (Right): Drainage works ongoing at Km 10+000, an area that had previously not been handed over due to compensation issues.**

- The contractor submitted an amended work program to UNRA on the 24th of February 2012, which was forwarded to the supervising engineer on the 13th of March 2012. The work program had been updated several times to reflect the actual progress on the site. The work program is under revision for changes in sequence of activities.

- The camp site for the contractor was constructed at Km 50. Most of the contractor's personnel have been accommodated in the camp. At the end of October 2013, the contractor had mobilized 194 foreign staff and 505 local staff of which 56 are female.

- The contractor substantially completed and provided the permanent accommodation for the resident engineer and his staff at the end of November 2012. The office for the Engineer was ready and operational in the month of July 2012. All the eleven vehicles have been delivered to the Engineer.

- The quarry and hard stone crushing plant site was selected by the contractor on a small hill near the camp site. The contractor's crushing plant was assembled and has been operational from 21st of June 2012. A second crusher was installed to crush stone for the asphalt. The concrete batching plant, the mechanical plant and the hot mix plant were all operational.

**Table 12.14: Percentage progress of key activities**

| Activity | % completed per activity |
|---|---|
| Minor drainage work (Pipe, box culverts and road side drains) | 45 |
| Site clearing and top soil removal | 85 |
| Common excavation to spoil | 100 |
| Fill using suitable material | 66 |
| Sub-base layer construction | 41.7 |
| Base course construction | 45 |
| Asphalt layer construction | 28 |
| Concrete paving blocks | 0 |
| Ancillary Road works | 0.62 |
| Major drainage work (Bridge structures) | 100 |

- The contractor's laboratory building was completed and most of the laboratory equipment was installed in place. Calibration of the equipment was done by the MoWT Central Materials Laboratory technicians at the beginning of May 2012 and recalibrated by the Ugandan Bureau of Standards in September 2013. To ensure that the quality of work is attained, routine quality tests are carried out jointly with the contractor in the contractor's laboratory and the supervision engineer is also carries out independent tests in his laboratory.

- Three notices for claim were submitted in the month September 2013 but all the issues were addressed and resolved in October 2013. These included: Improper access to and incomplete possession of site between Km 30+400 and 31+300 Buseruka Area; Improper access to and incomplete possession of site between Km 56+300 and 58+800; and Delayed drawings or instructions.

**(Left): Completed Wababya Bridge with walkways at Km 34+000; (Centre): New alignment of the road at Km 59+480 with a 28m fill; (Right): Rock excavation along the escarpment.**

- The contractor has contractual obligations to observe all environmental and associated legislation and regulations of Uganda. The contractor has the duty to abate environmental degradation and further enhance environmental quality of the project impact area. Nevertheless the contractor is reluctant to implement the suggestions given by the consultant's environmentalist.

- The following environmental and social activities were conducted by the contractor in the month of October 2013: Four (4) thirty minute radio talk shows were held on local radio (Radio Hoima 88.6 FM) in Runyakitara language. The listeners were sensitized on general health, HIV/AIDS, malaria, STDs and safety and environmental precautions, contractor's progress, program of work and challenges encountered during project implementation. Listeners were given a chance to raise their related concerns during the shows which were responded to accordingly; Gender based considerations were taken by limiting work hours to day time for females. The contractor provided meals to all workers and accommodation to 379 of the workforce; For privacy, twenty two female workers were provided with gender segregated accommodation that is self-contained; a fully facilitated first aid clinic was availed to the workforce; Volley ball, basket ball and football games were maintained and facilitated within the camp; and safe drinking and cleaning water was availed to all workers.

- A UNRA nominated service provider, COHEPCO has continued carrying out the HIV/AIDS awareness and mitigation program. During the month of October, the service provider designed, pretested and printed out 15 metallic posters with key HIV/AIDS and STDs prevention messages. A total of 32 clients voluntarily visited the project staff clinic during their convenient time for HCT services where they were counseled and tested for HIV. In October 2013, a total of 190 patients were handled at the clinic and 22 were referred to different hospitals.

- The nominated service provider also conducted the following activities in the month of October 2013:community awareness activities involving social and gender management; four (30minutes) radio talk shows were held in the local language on a local radio station covering environmental, social/gender, occupational health and safety, road traffic safety and the blasting activities that were to be conducted; distribution of condoms; distribution of personal protective wear (PPE) and monitoring their usage. Staffs not obeying the safety rules were disciplined and two staff given warning letters; safety induction and training was conducted for new workers; traffic control, speed limit control and warning signs were installed; safe drinking water was provided at the camp; maintenance of the bio-degradable pit and the sewage treatment plant; spraying and fumigation in the contractor's and Engineer's camp; and general safety checks on all vehicles and machines.

- The physical progress for the month of October 2013 was 1.9% against the planned progress of 6.16%. The overall physical progress at the end of October 2013 was 61.43% against 76.8% planned progress in 62.5% of the project time.

**iii) Challenges and Setbacks Experienced by the Project**

- Non-availability of some parts of the project site for construction works due to land compensation issues has been a major challenge on this project with some land owners denying the contractor access to site which has forced him to leave some areas untouched resulting in delays and interruption of his program. For example, between Km 0-5, compensation has been done but the people have not yet moved out of the compensated land and properties therein.

- There is a variation that might cause an increment of about 15% in the original contract price but it increases the life span of the project from 3 years to 5 years. This has been submitted to UNRA and is pending approval. The variation was brought about the increase in the asphalt thickness that was recommended by the supervising engineer to change from 50mm to 150/120mm due to the high volumes of heavy oil traffic that is anticipated to use the road and was not considered in the original design.

- There is a significant amount of rock excavation in the escarpment section of the new road alignment, which is delaying the progress of works.

- There has not been an improvement in the management and organization of the works in the recent months. The environmental management plan was not implemented properly and the contractor is reluctant in implementing the suggestions given by the consultant's environmentalist.

iv) **Conclusion and Recommendations**

- To avoid issues arising from compensation, the road was realigned in some sections so that works can proceed without interruption. All compensation issues have also been addressed between Km 5 up to the end of the project. UNRA should ensure the speedy evacuation of properties that have been compensated.

- Valuation and actual compensation for land should be made in time so that land acquisition does not delay the implementation of the project activities as is being experienced.

- UNRA should adopt the idea of putting up road reserve mark posts immediately after compensation has been done. Further still, temporary structures should not be allowed within the road reserve as well. UNRA should process land titles for the areas along the project road that have been acquired to avoid cases where residents refuse to leave properties that have been compensated.

- The contractor needs to improve on his planning. He has maintained a big working platform is which affects the quality of works and also brings about repetition especially in the rainy season.

- The contractor is committed to accelerate and increase productivity of works in the dry season.

**12.3.3 Upgrading from Gravel to Paved (Bituminous) Standard of Ishaka – Kagamba Road (35.4km)**

**Project Background**

The Ishaka-Kagamba road, approximately 35.4Kms long, is an existing gravel road, constructed in 1960's to a class C Gravel Standard with a carriageway width of 4m and shoulder width of 1.2m on both sides. The road traverses the districts of Ntungamo and Bushenyi, located in South-Western Uganda. The project road starts at Kagamba, 15Kms from Ntungamo town along the Ntungamo-Rukungiri road and traverses Kitagata, Kinoni, Ibare, Kitabi, and Kashenyi trading centers ending in Ishaka town, along the Mbarara-Kasese highway.

The need to upgrade Ishaka-Kagamba road was realized way back in 1990's, when its potential was realized. Accordingly, the GoU ear-marked funds for the National Roads Development and Maintenance Programme (NRDMP) for upgrading the road from gravel to paved (bituminous) standard.

The salient feature of the project is to provide double carriageway asphalt concrete road and to improve road safety. Environmental aspects are to be addressed during the construction phase of work, to include reinstatement of borrow pits to natural habitat, minimizing of pollution from plant and equipment and landscaping.

The scope of works consist of upgrading the existing gravel road to a Class II standard paved road, with an asphalt concrete carriageway of 7.0m width throughout and 1.5m wide double surface dressed shoulders on each side. The works include; side ditches, reconstruction of shoulders with crushed stone material, construction of culverts and ancillary road works. The entire road section will comprise of; sub grade (Class 4, CBR >9), mechanically stabilised gravel subbase-175mm, graded crushed stone base-200mm and asphalt concrete-50mm. The project also includes; the construction of one (1) twin cell box culvert, two (2) single cell box culverts and concrete pipe culverts (600mm diameter -800mm, 900mm diameter-900mm,1200mm diameter-200mm).

UNRA on behalf of GoU awarded the contract of upgrading this road to General Nile Company for Roads and Bridges/Dott Services Ltd, JV of Uganda. LEA International Ltd, Canada in joint venture with LEA Associates South Asia Pvt. Ltd, India, in association with KOM Consultant, Uganda was awarded the contract to provide consultancy services for the construction supervision of the works.

The project expected to cost Ug shs 97.476 billion is entirely funded by the GoU and is implemented by UNRA. Construction works officially commenced on 6th February, 2012 and are expected to be complete by the 4th February, 2014.

The Table 12.15 below shows a summary of the contract data and progress of the construction works on the road as at the time of our monitoring.

**Table 12.15: Ishaka – Kagamba Project Summary as at October 2013**

| Contract Title | Civil Works for Upgrading of Ishaka – Kagamba Road (35.4Kms) from Gravel to Paved (Bituminous) Standard |
|---|---|
| Funding Agency | The Government of the Republic of Uganda |
| Implementing Agency | Uganda National Roads Authority (UNRA) |
| Supervision Consultant | LEA International Ltd. Canada in joint venture with LEA Associates South Asia Pvt. Ltd, India, in association with KOM Consultant , Uganda |
| Contractor | General Nile Company For Roads And Bridges/Dott Services Ltd, JV |
| Length of Road | 35.4Kms |
| Possession of Site | Km 25+000 to Km 35+400 - April 16, 2012<br>Km 00+000 to Km 25+000 - May 31, 2012 |
| Works Contract Price (Original) | Ug shs 97,476,095,241 |
| Revised Works Contract Price | Ug shs 112,718,570,492 (115.6% of original) |
| Value of variations (estimated and submitted to UNRA | Ug shs 15,242,452,275 (15.6% of original contract price) |
| Supervision/Consultant's Contract Price | US $ 2,132,250 plus Ug shs 24,000,000 |
| Supervision Commencement Date | 28 December 2011 |
| Construction Commencement Date | 06 February 2012 |
| Construction Completion Date | 04 February 2014 |
| Contract Period | 24 Months/730 days |
| Contract Time Elapsed | 604 days (32.5%) as of 31st October 2013 |
| Advance Payment | Ug shs 14,621,414,286 |
| Work Payment Certified | Ug shs 15,733,370,33761 - excluding advance payment |
| Payments to Contractor | Ug shs 13,489,675,461 - excluding advance payment |
| Consultant's Invoices Submitted | US $ 1,730,121 |
| Payments to the Consultant | US $ 1,457,074 |
| Physical Progress | Achieved was 27% against planned of 85.81% [as of 31st October 2013] |
| Financial Progress | Achieved was 27% against planned of 85.81% [as of 31st October 2013] |
| Contract Exchange rate | 1 US $ = Ug shs 2,287.1 and 1 EURO = Ug shs 3,182.04 |

***Source: Supervising Consultants' Resident Engineer.***

In FY2011/12, the project had an annual approved budget of Ug shs 10 billion from GoU of which Ug shs 500 million (5%) was earmarked for the acquisition of 8 hectares of land for the project area and Ug shs 9.5 billion (95%) for completion of an estimated 5% of the road construction works. Subsequently, the compensation payment for land and property commenced and by June 2012, 10 hectares of land had been acquired. The contractor also completed mobilization.

In FY2012/2013, the project annual approved budget was at Ug shs 22 billion of which Ug. Shs 2 billion (9.1%) was allocated for the acquisition of 15 hectares of land properties and Ug shs 20 billion (90.9%) earmarked for a targeted output of 15% of completed works. By the end of the FY2012/2013, a total of Ug shs 25.5 billion (115.9% of approved budget) was released from GoU and expended on this project; of which Ug shs 2.875 billion (11.3%) was spent on the acquisition of 39.48 hectares of land and properties therein out of the annual target of 15 hectares and Ug shs 22.625 billion (88.7%) was spent on the completion of 19% of the road works out of the annual target of 15%. The cumulative progress of road works since the start of the project was estimated at 20.09% by the end of the FY.

In FY2013/2014, the project annual approved budget is at Ug shs 32 billion from GoU; of which Ug shs 2 billion (6.25%) is earmarked for the procurement of 50 hectares of land and properties therein; and Ug shs 30 billion (93.75%) allocated for completion of 30% of the road works.

By the end of Q1-FY2013/2014, a total of Ug shs 26.67 (83.3% of annual budget) had been released to the project from GoU of which Ug shs 7.31 (27.4% of release) had been expended. At the end of the Q1-FY2013/2014, procurement of land and properties therein was at 10 hectares out of the annual planned output of 50 hectares; and 8% of road works had been achieved out of the annual planned output of 30% at a total expenditure of Ug shs 7.3 (100% of release). The 8% road works progress was above the quarterly target of 7.5% but the overall project behind remained schedule a situation that was arising due to the under performance of the contractor.

A summary of the above details is showed in Table 12.16 below.

**Table 12.16: Financial Performance of the Project for the Upgrading of Ishaka – Kagamba (35.4Kms)**

| | **Source of funding** | **Approved Estimates (*Ug shs Billions)*** | **Releases *(Ug shs Billions)*** | **Expenditure *(Ug shs Billions)*** | **% Budget Released** | **% Releases Spent** | **Contracts Contract Sum *(Ug shs Billions)*** | **% Payment to the Contractor** | **Consultant's Contract Sum *(Millions)*** | **% Payment to the Consultant** |
|---|---|---|---|---|---|---|---|---|---|---|
| FY 2011/12 | GoU | 10.00 | 10.00 | 10.00 | 100 | 100% | 97.476 | n/a* | US $ 2.312 and Ug shs 24 | n/a* |
| FY 2012/2013 | GoU | 22.00 | 25.50 | 25.50 | 115.9% | 100% | 97.476 | 22.18 | US $ 2.312 and Ug shs 24 | n/a* |
| FY 2013/2014 | GoU | 32.00 | 26.67 | 7.31 | 83.3% | 27.4% | 97.476 | n/a* | | n/a* |

***n/a*: Information not available***  ***Source: MoWT MPS, 2011/12 and 2013/2014; UNRA Quarter 4 (FY 2012/2013) Progress Report and UNRA Quarter 1 (FY 2013/2014) Progress Report***

At the time of monitoring done on 19th November, 2013, the following were the findings as detailed below;

**Financial Performance**

- There has been a variation of Ug shs 15.242 billion that has been submitted to UNRA but is pending approval. This is likely to increase the project by 15.63% to Ug shs 112.718 billion from Ug shs 97.476 billion. This variation was based on the design review changes required as per the site conditions and the huge cost of shifting of utilities.

- The contractor had so far submitted six Interim Payment Certificates (IPCs) between June 2012 and August 2013 amounting to Ug shs 15.733 billion, all of which had been honoured. However, there were delays experienced in some of the contractor's payments, which negatively affected his cash flow.

- The consultant had submitted 19 invoices between February 2012 and October 2013 with a certified amount of US $ 1,730,121 (80.7% of supervision price). As at the time of monitoring, only 15 invoices had been paid with a total amount of US $ 1,457,074 (84.2% of certified). Delayed payments have continued to be experienced by consultants. For example, four invoices had not been honoured at the time of monitoring with the earliest invoice submitted in August 2013.

- The budget performance in the first quarter of FY 2013/2014 was at 83.3% of the total annual budget for the project. Ug shs 26.67 billion was released by GoU and Ug shs 7.31 billion (27.4% of release) was expended by UNRA with just 25% progress in time of this financial year this is good performance and is in line of what is expected of this project.

- By the end of October 2013, the project's financial progress was estimated at 27% against a planned progress of 85.81%.

**Physical Performance**

- Civil works commenced on 6th February, 2012 and carried out traverse surveys, established controls and temporary bench marks, marked chainages and centre line, and identified materials sources.

- As part of pre-construction activities, the contractor has substantially established his camp and laboratory for earthwork testing at Km 19+550 at Rukondo village, Kasaana sub-county, Sheema district contractor; substantially completed the supervision engineer's office and laboratory; and provided engineer's vehicles and accommodation. The contractor has partially mobilized his plants and equipment. The shortfall in equipment has been identified and intimated to him to mobilize in order to make a smooth progress. The same applies to his key personnel.



**(Left); G15 material subgrade works at Km 8+928; (Centre): 900mm diameter culvert construction at Km 15+000; (Right); Bridge foundation works at Km 17+470.**

- The contactor gained access to and possession of the entire road project from Km 0+000 to Km 35+400 in two sections, that is: Km 25+000 to Km 35+400 in April 2012 and Km 0+000 to Km 25+00 in May 2012. However there are some sections with pending compensation issues where acquisition of land is in progress. This has been brought about mainly by the right of way in deep hill cuts which extends beyond 15m in order to obtain the required slope for soil stability. These are; Km 13 to 14, Km 21+400 to Km 24+200, Km 0+000 to Km 1+500, Km 4+000 to 5+000.

- The contractor identified a quarry at Kyamptesi village for rock material and ten borrow areas for improved subgrade materials/mechanical modification of sub base material. The contractor has also identified two sand quarries, one at Nyezhanja (49 Kms from Kagamba) and another at Itendero (47 Kms from project road at Km17+900 LHS). Samples taken jointly from the material sources were sent to Central Material Laboratory, Kampala for testing and found satisfactory and consequently the sources have also been approved by the supervising engineer. The contractor obtained approval from NEMA for the rock quarry at Kyamptesi and is yet to get clearance for the other sources which necessitate the submission of a reinstatement plan.

- Ongoing activities at the time of monitoring included; maintenance of existing road in sections where works are not ongoing, earth work in excavation, embankment fill, tree cutting, top soil removal, clearing and grubbing, road bed preparation, common excavation to spoil, sub grade G15 fill, rock filling in swamps, trials for sub base, pipe and box culvert construction. These were ongoing in various sections along the project road.

- Actual progress of works as at October 2013 reported by the contractor was; 10.58 hectares of clearing and grubbing against 47 hectares; 69.154m3 of filling with subgrade material against 391.127m3; 50.145m3 of common excavation to spoil against 524.954m3.

- The only activities completed were: the setting out of works from Km 0+000 to Km 35+100 by the contractor; and approval of the contractor's plan, profile and cross- sections drawings from Km 25+000 to Km 35+100 and from 1+300 to Km 25+000 (but in different sections).



**(Left); Stock piled CRR material at contractor's camp at Km 19+500; (Centre): A trial section near the contractor's camp; (Right); Swamp treatment works at Km 25+500.**

- The consultant started activities of Phase 1 (Design Review) and Phase 2 (Construction Supervision) concurrently. The design review team was mobilized with effect from February 2012. The team started carrying out the following: material survey, checking survey data, review of traffic analysis, checking of structural design, road safety audit, environmental issues, resettlement and socio-economic issues and relocation of services The Inception report was submitted in March 2012. The Final Design Review Report after incorporating all the final comments was submitted to UNRA for approval in July 2012. This has recently been approved.

- The cumulative physical progress of works achieved as at end of October 2013 was estimated at 26.89% against a planned output 85.81%. The slippage of about 58.92% in the progress of works has been mainly blamed on the huge disruption of works by the continuous rains for several months.

- Other reasons stated by the contractor for this lag are; increase in quantities due to road bed/change in pavement design thickness, late instructions for culvert drawings, land building/compensation, variations, geotechnical investigation, and deep hill cut materials.

- A revised work program submitted by the contractor included the Extension of Time (EOT) was rejected since EOT was not approved. The contractor failed to complete Section-1 (30% of project length) by April 2013 and no program was submitted till the 20th February, 2013. The incomplete program without separate S-Curve was submitted on 21st February, 2013 with an extended period was rejected since EOT was not approved. The contractor has to complete Section-2 (70% of the project length) by 5th of February 2014. The contractor has been notified for the slow progress of work.

**(Left); Laboratory Testing equipment at the Supervision Engineer's Camp at Km 18+500; (Centre): Setting up of the asphalt plant at the Contractor's camp at Km 19+500; (Right); Section of the road at Km 25 undergoing cut and fill as part of road bed preparation works.**

**Challenges experienced by the project**

- The contractor and consultant's payment on the project are not coming in on time. Much as both parties have not stopped works, increase in project cost arising from claims on interest from delayed payments will have an impact on the final project cost.

- Well as the contractor was given access to the project site, compensation issues in some sections along the project road have not been ironed out. This has been brought about mainly by the right of way in deep hill cuts which extends beyond 15m in order to obtain the required slope for soil stability. These are; Km 13 to 14, Km 21+400 to Km 24. This is another issue likely to cause delays.

- The weather has been abnormal much as the rains had been anticipated. The rains have persisted to date since 2012 heavily impacting on the progress of earthworks. This has contributed to the 58.92% slippage in the works progress which is likely to cause an extension in the contract time.

**Recommendations**

- Government is urged to honour the approved certificates of both the contractor and supervising engineer in the stipulated contract time to avoid increase in project cost arising from interest on delayed payments. The necessary authorities should expedite the payment process so that GoU does not incur such costs.

- The evaluation, verification and payment process will have to be implemented as soon as possible so that obstructed project areas are handed over to the contractor to prevent further delays and increase in project time.

- The contractor has also been notified to complete the works within the contract period by proper planning and deploying the available resources of men, material and equipment in most effective manner.

### 12.3.4 Periodic Maintenance of Jinja-Kamuli road (58Kms)

**Project Background**

The Jinja-Kamuli project is approximately 58Kms long and passes through a rolling to hilly terrain in the districts of Jinja and Kamuli. The road starts at Mpumudde roundabout, approximately 3.2Kms from Jinja town along the Jinja-Iganga highway and spans northward through Buwenge township terminating at the roundabout in Kamuli town. This road also connects the Busoga region to the northern corridor route which links Kampala city to the Eastern, Northern and North Eastern parts of the country to Kenya. The Jinja-Kamuli road is a Class II paved road with a 6.0m wide carriageway and 1.0m wide carriage shoulders. Its pavement structure consists of a double bituminous surface treatment (DSBT) on lime stabilised gravel base.

Since the construction of the road, there has been limited intervention which was insufficient to prevent the deterioration of both the structural and functional condition of the significant sections of the road.

The project expected to cost Ug shs 47.486 billion is funded by the GoU and is implemented by UNRA. Procurement of a contractor for the works was done between May 2010 and November 2010, with construction works officially commencing on 1st August 2011 and are expected to complete by 31st January 2013.

**Scope of Works**

The works involve rehabilitating and widening of the existing road to paved Class 1B standard with 7m carriageway and shoulder of 1.0m in rural sections and 2.5m in trading centres. The pavement reconstruction works consist of milling the old base course and improving it with cement to form the new base, construction of a new crushed stone base to a thickness of 150mm and asphalt concrete wearing course of thickness 50mm. The works will also include improvement of drainage structures as well as installing the relevant safety features such as road signs, guard rails, mileage and edge make posts, road rumps, rumble strips and road marking.

The Table 12.17 shows a summary of the contract data and progress of the construction works on the road as the end of October 2013.

**Table 12.17: Jinja – Kamuli Project Summary**

| Contract Number | UNRA/WORKS/2009-10/00001/02/05 |
|---|---|
| Source of Funding | GOU, Government of Uganda |
| Implementing Agency | UNRA, Uganda National Roads Authority |
| Supervision Consultant | PEC, Professional Engineering Consultants Ltd |
| Contractor | DOTT, Dott Services Ltd |
| Length of Road | 58 Kms |
| Supervision Commencement Date | 17 January 2011 |
| Construction Commencement Date | 1 August 2011 |
| Construction End Date (Original) | 31 January 2013 |
| Construction End Date (Revised) | 31 December 2013 |
| Possession of Site | 15 March 2011 |
| Original Contract Price | Ug shs 47,486,000,340 |
| Revised Contract Price | Ug shs 79,846,300,359 (168.15% of Original Contract Price) |
| Supervision Contract Price (original) | Ug shs 1,219,500,000 |
| Supervision Contract Price (revised) | Ug shs 1,856,583,370 (152.24% of Original Contract Price) |
| Original Construction Period | 18 months |
| Revised Construction Period | 29 months or 884days |
| Contract Time Elapsed | 27 months or 823 days (93.1% of revised contract period) |
| Advance Payment | Ug shs 9,497,200,068 (*20% of original Contract Price*) |
| Works Payments Certified | Ug shs 49,123,949,498 (inclusive of materials on site) |
| Payments to the Contractor | Ug shs 41,622,641,734.15 (84.7% of Certified) |
| Consultant Invoices Submitted | Ug shs 1,764,764,233 (*Fee Note No.1 to 27*) |
| Payments to the Consultant | Ug shs 1,219,500,000 (69.1% of Invoices) |
| Physical Progress | Achieved was 67.60% against planned of 92.95% [as of 31st October 2013] – (Revised Program) |
| Financial Progress | Achieved was 75.91% against planned of 88.15% [as of 31st October 2013] (Revised Program) |

***Source: Supervising Consultants' Resident Engineer***

The project had last been monitored in the first quarter of FY 2012/2013, at which time the progress of works was estimated at 19.4% (below the anticipated progress of 81.25%) against a financial progress of 8.91% and a contract time progress of 58.33%. Payments to the contractor amounted to Ug shs 11.846 billion (24.95% of works contract price). This was 71.4% of the work payments certified which had amounted to Ug shs 16.59 billion as at end of July 2012. Cumulative payments to the consultant then were at 44.81% of the original supervision contract price.

At the time of monitoring done on 25 November 2013, the following were the findings as detailed below;

**Financial Performance**

- This project is entirely funded by the GOU and the first implementing agency was URF up to the end of FY2011/2012. As seen in Table 3.7.10 below, in FY 20I0/11 the approved annual budget estimate for the project was Ug shs 18.184 billion, of which 100% was released. Ug shs 9.639 billion (53% of the release) that was expended in FY 2010/11 was used to cover the contractor's advance payment (20% of the works contract sum) and 11.6% of the supervision contract (URF).

- In FY 20I1/12, the approved annual budget estimate for the project was Ug shs 15.195billion, of which 100% was released. Ug shs 2.463 billion (16.2% of the release) that was expended in FY 2010/11 covered 4.3% of the works contractor price and 33.2%of the supervision contract price. This brought about the total payment of the works contract price at Ug shs11.491 billion (24.3% of contractor's contract) and the supervision contract price at Ug shs 546.33 million (44.8% of supervision contract) (URF).

- Starting with FY2012/2013, UNRA took over as the implementing agency. Details the annual performance for the FY2012/2013 and FY2013/2014 could not be obtained.

- At the time of the monitoring field visit on 25th November 2013, the contractor's certificates (works certified) were amounting to Ug shs 49.123 billion (61.5% of the revised works contract price) by the end of October 2013. However, payments to the contractor were at Ug shs 41.62 billion (84.7% of certified works). The supervising consultant had submitted 27 invoices amounting to Ug shs 1.764 billion (95% of the revised supervision contract value). Cumulative payments to the consultant were at Ug shs 1.219 billion (69.1% of invoices). The overall financial progress of the project at the end of October 2013 was estimated at 60.61% as opposed to the planned value of 75.91% (Supervising Consultant).

***Price Adjustment***

- The contractor in February 2011, requested the employer to consider making amendments to the contract to allow for price adjustment on items whose basic cost inputs are likely to vary during the contract period. Subsequently, in July 2011, UNRA asked the consultant to study and evaluate the contractor's request for inclusion and application of Price Adjustment Factor.

- In November 2011, the consultant wrote to the client stating his opinion on the matter of price adjustment. In July 2013, UNRA informed the consultant that UNRA Contracts Committee had approved the request for inclusion of the Clause on VOP in the contract. The committee however, requested for the contractor's consent on the issues of the risk factor of 4.75%, handling of advance payment as well as bitumen while computing the VoP. The consultant informed the contractor of the above issues who promptly responded that he would accept the UNRA's figure of 4.75%, but did not accept the proposal regarding advance payment and bitumen for asphalt concrete. By the end of October 2013, no further communication had been received from the UNRA regarding the above matter.

***Estimated Final Breakdown of Contract Price***

Subsequent to the detailed engineering design review of which a draft design report was prepared and submitted to the client in early October 2011, it was established that the available budget allocated for the implementation of the periodic maintenance works of the project road was insufficient. This is primarily attributed to the discovery that some important bill items were missing in the original BoQs. Such items are road bed preparation, common excavation, rock excavation, common fill, rock fill and mostly bitumen. Furthermore, the quantities of some of the included bill items were found inadequate and had to be increased. All these adjustments were included in the revised BoQs which were submitted with the final Design Review Report.

**Physical Performance**

- The contractor has established a site camp at Buwenge which is fully functional. This accommodates the contractor's offices, stores and accommodation for his key staff. The contractor also set up a crusher plant and quarry offices, in Namwenda. The materials laboratory for the consultant has also been set up in Buwenge while the office is in Jinja town.

- The road design currently being implemented is that contained in the Draft Design Report as UNRA considers the recommendations forwarded by the Design Review Consultant. The construction works comprise of; the rehabilitation of the existing road base initially through cement stabilization, construction of a new road base layer consisting of crushed stone material, asphalt concrete wearing course, reinstating and improvement of the road's drainage system as well as restoration of road markings and other furniture.

- The major activities observed to be ongoing at the time of monitoring included; drainage works, installation of service ducts, earthworks, mechanical modification of road sub-base, construction of base, application of prime coat and laying asphalt concrete. Concurrently with these activities, crushed rock material was being produced at the contractor's quarry sites in Namwenda, Semuto and Tororo Cement Factory quarry while gravel material was being stockpiled at the approved borrow pits along the project road. These works were complemented by the monitoring and control activities of the inspection, surveying and materials laboratory teams which ensured compliance with the set standards.

- Overall, the contractor had completed mobilizing of equipment and personnel, survey works, identifying of borrow pits and establishing of both the contractor's and consultants sites. The progress of the major activities was as shown in the Table 12.18 below.

**Table 12.18: Percentage progress of key activities**

| Activity | % completed per activity |
|---|---|
| Clearing and Grubbing | 98 |
| Cross Culvert Works | 98 |
| Sub grade G30 works | 70.56 |
| Sub-base works | 65.52 |
| Base works | 61.81 |
| Asphalt concrete works | 60.26 |

***Source: Project Supervising Engineer***

- Whereas the initially deployed equipment may have been adequate for the original scope of works, the contractor had tried to mobilize equipment to expedite the implementation of works. The additional equipment was constituted into an extra front for earthworks with an aim of improving progress of the works.

- The contractor has indicated his intention to claim in accordance with the provisions of Clause 44 of the Conditions of Contract mostly in connection with the site possession and commencement date.



**(Left); Embankment filling near Namulesa TC at Km 4+500. (Centre): A section of the road at Km 15+000 where works have not yet started. (Right); A completed section at a swamp crossing at Km 37+800.**

- Variation Orders

- UNRA, in the month of August 2012, formally communicated that the administrative approval of the Variation Order No. 1 had been granted in which a pavement structure of 150mm modified(with CRR) sub-base, 150mm crushed stone base(CRR) and 50mm asphalt concrete wearing course on both the carriageway and shoulders had been preferred. Subsequently, these details were sent to the contractor and based upon which the contractor prepared and submitted to the consultant a tentative revised program in August 2012 as it was needed in obtaining approval of the variation order from UNRA's Contracts Committee. In September 2012, the variation order was submitted to the UNRA contracts committee for consideration. In December 2012, Contracts committee wrote to the user department seeking clarification on a number of issues. The Consultant responded to the issues raised by Contracts Committee in December 2012 and the user department resubmitted the variation order to Contracts committee for consideration. By the end of the month, the Consultant had not received any formal communication about the variation order status.

- The contractor was implementing the activities as set out in his management plan. Sensitisation (workshops that include the workers and local populace) were held every month during which people are informed about HIV/AIDS and work related health issues of the workers. In addition Information Education and Communication materials and condoms were distributed during the workshops. However the following issues need to be attended to: increase the number of signs at work stations since he is not putting adequate warning signage at his work stations; excavations and benched road sections need to be covered up more expeditiously; deployment of adequate numbers of flag persons and close supervision of their activities; ensure that all workers put on their safety wear; and employ more women within the contractor's staff.

- The Jinja- Kamuli road project achieved a physical progress of 67.6% at the end of October 2013 against a planned progress of 92.95% based on the revised work program with a contract time progress of 93.1%. This clearly shows that the contractor has continued to fall behind his revised programme with a lag of 25.5%. He has been strongly advised to improve his rate of execution of project activities of earthworks, subbase construction, base construction and asphalt concrete wearing course construction so as to minimise the delay.

**Challenges**

- An analysis of the progress on pavement works indicates that the contractor is behind schedule by 20.60 Kms on asphalt concrete wearing course, 19.31 Kms on the base course and 19.22 Kms on subbase. This implies that if the contractor is to complete the works by 31st December 2013 as per his revised programme of works, he needs to execute the pavement works at weekly rates of 3,528m, 5,145m and 7,709m for asphalt concrete wearing course, base course and subbase course respectively. It should be noted that there are activities such as road bed preparation, improved sub-grade and milling of existing pavement which were supposed to have been completed by now, but are still going on.

- Rainfall has continued to affect the contractor's progress especially since the rainfall pattern in the area has been changing. Long rainy seasons have been realized and abnormal rains were received in months that are known to be dry affecting the progress of earthworks.

- There was a delay in relocation of utilities along the project road because the allocation in the initial BoQ was very small. However, water pipe relocation is at 90% with the only remaining section being in Kamuli town and all the power lines have been done.

- No contractual claims have been raised by the contractor since the commencement of works in accordance with the provisions of Clause 44 of the Conditions of Contract. However he has indicated his intention to claim in regard to site possession and commencement date.

- Other major challenges experience by the project include: delay in approval of Variation No.1 due to increase scope of works and the delay in the finalization of the inclusion of the clause on VoP into the contract.

**Recommendations**

- The contractor should expedite the execution of project activities so as to catch up with the delays so far experienced to mitigate damages to all stakeholders to the project. The contracting entity should also consider increasing the minimum requirement for equipment for this nature of works so that contractors with the right capacity are procured.

- Regarding rainfall, the contractor should open up sections that can be effectively worked upon so that he does not leave long sections exposed to damage by the rain.

- The utilities found in the roadway should be relocated as soon as possible to avoid further delays. The contractor should in the meantime execute works in sections that are not affected.

- Issues regarding the works variation should be urgently concluded with a view of either continuing with the contract or re-tendering so that no further loss is incurred by government resulting from delays.

## 12.4 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, 2 Authorities (KCCA and UNRA) and 22 Municipalities. The DAs and sub-agencies collectively look after a total of 78,000Kms of public roads made up of 21,000Kms of national roads under UNRA management; 1,100Km of KCCA roads; 22,500Kms of district roads; 4,000Kms of urban roads managed by town councils; 3400Kms of urban roads managed by Municipal councils; and 30,000Kms 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.

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 2013/2014. In the first quarter of FY 2013/2014, a total of Ug shs 81.914bn was released to URF from the treasury, representing 23.2% of the annual budget. The Fund disbursed a total of Ug shs 80.25bn (98% of release) to the URF Designated Agencies (DAs) to finance their respective Q1 maintenance programmes. A total of Ug shs 1.66bn (2%) was utilized for operational costs of the Secretariat to the Fund.[66]

Table 12.19 shows the performance of the receipts from MFPED for the first quarter of FY 2013/2014.

**Table 12.19: Financial Performance of URF in FY2013/2014 in billions of shillings**

| *Description* | *Annual Budget* | *Q1 Release* | *Spent* | *% Budget Received* | *% Budget Spent* | *% Release Spent* |
|---|---|---|---|---|---|---|
| UNRA | 254.44 | 59.08 | 50.74 | 23.2% | 19.9% | 85.9% |
| DUCAR | 91.19 | 21.17 | 18.75 | 23.2% | 20.6% | 88.5% |
| URF Secretariat | 7.22 | 1.66 | 0.90 | 23.0% | 12.5% | 12.5% |
| **Total** | **280.284** | **81.91** | **70.39** | **23.2%** | **19.9%** | **85.9%** |

***Source: URF Q1 FY2013/2014 Performance Report***

The National Roads Maintenance programme underperformed as a result of combination of reasons that included: the decision to release funds for periodic maintenance only against payment certificates; delays in streamlining the process/procedures of releases against certificates; and delays in submission of an acceptable annual work plan from UNRA.

The timeliness of disbursements to DUCAR agencies over performed as a result of proactive

approach to obtaining prerequisite information from the agencies. However, the percentage of funds released on time underperformed as a result of delays by some agencies in submitting prerequisite information like bank accounts and work plans. The of percentage of approved budget released underperformed because 23.2% of the expected 25% funding was released in the quarter; and some agencies did not receive funds as they had not submitted bank account details and work plans.

### 12.4.1 National Roads Maintenance Programme

**Project Background**

The programme involves several activities for maintenance of 19,600Kms on the national roads network, ferry services or inland water transport services and axle load control across the network. It is a recurrent programme which 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.

66 Vote118, URF Q1 FY2013/2014 Performance Report

In FY 2013/2014, the programme has been allocated a total annual budget of Ug shs 255.44billion under the Uganda Road Fund (URF). Planned activities under the programme included: routine manual maintenance of 19,500Kms; routine mechanized maintenance of 6,000Kms; periodic maintenance of 1,070Kms; and term maintenance of 5000Kms. This also included routine maintenance of 300 bridges/maintenance structures, periodic maintenance of 10 bridges/maintenance structures, operation and maintenance of 11 weigh bridges and 8 ferries and landing sites.

For the performance of Q1-FY 2013/2014, the programme was monitored at two UNRA stations namely; Masindi and Soroti stations, with a combined network of 1,663.1Kms which represents 8.5% of the entire network were monitored. For the first quarter of the FY 2013/2014, the programme received a total of Ug shs 59.08 billion (23.2% of annual budget).

**Financial Performance**

The financial performance of the programme for the stations monitored is summarised in the Table 12.20 below. For the first quarter of FY2013/2014, the National Roads Maintenance program received Ug shs 59.08 billion (23.2% of the annual approved budget). At the end of the quarter, only Ug shs 50.74 billion (85.9% of release) had been expended. This program underperformed as a result of a combination of a number of reasons that included: decision to release funds for periodic maintenance only against payment certificates; delays in streamlining the process/procedures of releases against certificates; and delays in submission of an acceptable annual work plan from UNRA.

**Table 12.20: Financial Performance of the National Roads Maintenance Programme for FY 2013/2014 for the stations monitored**

| | | | **Implementation by Force account** | | | **Implementation by Contract** | | |
|---|---|---|---|---|---|---|---|---|
| **Station** | **Annual Budget** *(Ug shs, Millions)* | **Receipts** *(Ug shs, Millions)* | **Expenditure** *as at end of* **September 2013** *(Ug shs, Millions)* | **% of Budget Received** | **% of Receipts Spent** | **Contract Name** | **Financial Progress** *(Ushs Million)* | **Remarks** |
| Masindi | 1,205 | 616.997 | 503.255 | 51.2% | 81.56% | Term Maintenance Contract: Lot 3 of Masindi-Kigumba (39Kms), Masindi-Hoima (54Kms) and Masindi-Biiso (51Kms) | 14.5% | The contract is still in the first cycle and is on schedule with a physical progress of 7.8% |
| Soroti | 1,987 | 656.448 | 656.448 | 33.3% | 100% | Term Maintenance for Lot 8 of Arapai-Katakwi road (44Kms) and Katakwi-Iriiri road (40Kms) | 22.2% | The contract is still in the second cycle. The contractor has not yet done culvert installation and spot regravelling |
| Approved Budget Estimates Ug shs 254.44 billion<br>Cumulative Release as at end of September 2013, Ug shs 59.08 billion (23.2% of annual budget)<br>Expenditure as at end of September 2013, Ug shs 50.74 (19.9% of budget and 85.9% of release) | | | | | | | | |

***Source: UNRA Station Engineers; IFMS Data.***

**Physical Performance**

The physical performance on the National Road Maintenance Programme in the first quarter of FY2013/2014 against set targets is shown in Table 12.21.

**Table 12.21: Physical Performance of the National Roads Maintenance Programme for FY 2013/2014**

| Road maintenance Operations | Annual Planned Outputs | Cumulative Outputs |
|---|---|---|
| Routine Manual Maintenance | 19,500 Kms | 17,670 Kms |
| Routine Mechanised Maintenance | 6,000 Kms | 23,037 Kms |
| Term Maintenance | 5,000 Kms | 593 Kms |
| Routine Maintenance of bridges/drainage structures | 300 No.s | 20 Nos |
| Axle Load operations | 8 No. Fixed, 2No. Mobile, 1No. Patrol | 10 stations |
| Ferries Operations | 8No.s | Ferry services along 9 routes |

***Source: UNRA Progress Report for Q1-FY2013/2014 – December 2013.***

The findings at the two stations monitored for this program in the first quarter of FY2013/2014 are presented below.

**A) Masindi Station**

Masindi UNRA station maintains a total road network of 652.1Kms of the national road network of which, of which 134.9Kms (20.7%) are paved and 517.2Kms (79.3%) are gravel roads as illustrated in Table 12.22. 470.1Kms (72.1%) are from the old network and 182Kms (27.9%) of roads are the additional network that was upgraded to national roads in FY 2009/10. The station road network covers three districts namely; Buliisa, Kiryandongo and Masindi. Maintenance activities during the FY2013/2014 were planned to be intervened using contracts on 467.2Kms (71.6% of the station network) and by force on account on 96.9Kms (14.9%). Two of the roads with a total milage of 88Kms were undergoing rehabilitation.

**Table 12.22: Masindi UNRA Sation Road Network in Kms**

| Network | Paved | Unpaved | Total |
|---|---|---|---|
| **Old** | 134.9 | 335.2 | 470.1 |
| **New** | 0 | 182 | 182 |
| **Total** | **134.9** | **517.2** | **652.1** |

***Source: Masindi Station Engineer***

**a) Maintenance using contracts**

Out of the 467.2Kms (71.6% of station network) to be implemented using contracts in the FY2013/2014, contract works on 10 roads with a total mileage of 369.2Kms (84.3%) were to be implemented using term maintenance contracts to start at different times of the FY between July 2013 and January 2014. During the first quarter of FY2013/2014, the station supervised works undertaken in one term maintenance contract for three roads with a total length of 144Kms and LBC contracts on station network. The findings for the mechanised term maintenance contract whose roads were monitored on 13th and 14th November 2013 are presented here below.

**Term Maintenance Contract: Lot 3 of Masindi-Kigumba (39Kms), Masindi-Hoima (54Kms) and Masindi-Biiso (51Kms)**

Masindi-Kigumba (39Kms) and Masindi-Hoima (54Kms) is the great west road connecting to Northern Uganda and Masindi-Biiso to Buliisa and Hoima districts are gravel roads in Western Uganda. These roads traverse through several swamps with rolling terrain nature.

The maintenance works on these roads are being executed under term maintenance contracts in four cycles of six months each. This contract aimed at reinstating 144Kms of road to a good motorable status and improving the drainage systems was awarded to Otada Construction Company Ltd. The scope of works involved: heavy and medium grading of 144Kms to an average width of 7m every 6 months (cycle); spot regravelling of selected sections; installation of culverts (600mm and 900mm); river training and excavation of off-shoots and general drainage improvement. A summary of the project details is presented in Table 12.23 below.

**Table 12.23: Project Summary for Term Maintenance Contract: Lot 3 of Masindi-Kigumba (39Kms), Masindi-Hoima (54Kms) and Masindi-Biiso (51Kms)**

| Contract Title | Term Maintenance Contract: Lot 3 of Masindi-Kigumba (39Kms), Masindi-Hoima (54Kms) and Masindi-Biiso (51Kms) |
|---|---|
| Contract Number | UNRA/WORKS/2012-13/00002/03 |
| Source of Funding | Government of Uganda through Uganda Road Fund |
| Implementing Agency | Uganda National Roads Authority (UNRA) |
| Supervising Engineer | Station Engineer - Masindi |
| Contractor | M/s Otada Construction Company Ltd |
| Length of Road | 144 Kms |
| Construction Commencement Date | 9th July 2013 |
| Construction Completion Date | 8th July 2016 |
| Contract Price | Ug shs 6,598,849,000 for 4 cycles |
| Contract Period | 36 Months |
| Contract Time Elapsed | 7.2% as of September 2013 |
| Works Payments Certified including 15% Advance mobilization | Ug shs 954,495,258 (14.5% of contract price) |
| Payments to the Contractor | Ug shs 954,495,258 (14.5% of contract price) |
| Actual Physical Progress -Cumulative | 7.8% |
| Actual Financial Progress- Cumulative | 14.5% |

***Source: Masindi Station Engineer***

At the end of the first quarter of FY2013/2014, the physical progress of works achieved was 7.8% against a contract time progress of 7.2%. On Masindi-Kigumba road (39 Kms), works commenced in July 2013 and completed activities involved; heavy grading of the entire length of road with an average width of 7m and regravelling sections where new culverts had been installed. The head structures of these new culvert lines were yet to be done.

On Masindi-Hoima (54 Kms), only heavy grading of the entire road length had been done between August and September 2013 while similar works were ongoing on Masindi-Biiso road (51 Kms) at the time of monitoring. where, installation of culvert lines and regravelling. It was noted that Masindi-Hoima and Masindi-Kigumba roads were motorable though some sections had developed defects like potholes as a result of the heavy rains.



***(Left): Damaged section due to poor drainage of Masindi-Kigumba road at Km 20+000; (centre); A graded section with high silt load on the right on Masindi-Hoima road; (right) A freshly graded section on Masindi-Biiso road at Km 26+500.***

Challenges experienced on this project included: inadequate equipment mobilisation of the contractor and heavy rains which washed away some sections that where works had been completed rendering traffic movement impossible. Notable is Km 16+700 along Masindi-Kigumba road. The latter resulted from the fact that major drainage works had not commenced.

The contractor was advised to: set up/deploy two sets of equipment to expedite grading and gravelling operations on different project road to address bottle necks; begin the installation of culverts and other drainage works; and make connectivity of side drain with existing culverts.

**b) Maintenance using Force account**

Maintenance activities on roads at different times of the FY 2013/2014 using force account intervention were planned to be carried out on 132.9 Kms (20.4% of the station network) at Ug shs 1.205 billion The scope of works under force account involved: grading, spot gravelling, patching (using gravel/ asphalt/surface dressing), bridge maintenance and limited drainage improvement. For the first quarter on FY2013/2014, the force account activities had a budget of Ug shs 562.9 million (46.7% of the station budget). This included Ug shs 142.1 (25% Q1 budget) for labour based works. The roads maintained by force account interventions were monitored on the 13th and 14th November 2013 and below are the findings.

For Q1 FY2013/2014, the station received a total of Ug shs 616.997 million (1.1% of Q1 budget and 51.2% of annual budget) on the 5th and 12th September 2013 for the force account activities. At the end Q1, Ug shs 503.255 million (81.56% of Q1 receipts) had been absorbed.

The monitoring team visited Ikooba-Ntoma (20 Kms) and Kisanja-Junction Park (72 Kms) roads that are unpaved and part of the additional and old networks respectively. Maintenance activities on these roads were carried out by routine mechanised maintenance and were still ongoing at the time of monitoring.

The scope of works on both roads involved grading of the entire length of road, installation of culverts, spot regravelling and minor drainage improvements. The Q1 works had spilled into Q2 for both roads because the Q1 funds for the maintenance activities were received in the last month of Q1. The sections of both roads that had been worked on were motorable with good riding surfaces. LBC works of grass cutting at the road side were ongoing with a few sections appearing unattended to due to the prolonged rainy season that facilitated the fast growth of the grass.

**Left: Swamp filling with murram at Km 12+000 on Ikooba-Ntoma road (2Kms); Centre: A graded section with grass cut sides at Km 27+800on Kisanja-Park Junction road in the Mruchsion Falls National Park; Right: End of grading works on Kisanja-Park Junction road at Km 77+700.**

### B) Soroti UNRA Station

Soroti UNRA station maintains a total road network of 1,011Kms of the national road network of which 124 Kms (12.3%) are paved and 887Kms (87.7%) are gravel roads as illustrated in the Table 12.24. 448Kms (44.3%) of road are from the old network while 563Kms (55.7%) of roads are part of the additional network that was upgraded to national roads in FY 2009/10. The distribution of the road network under the station stretches to nine administrative districts namely; Amuria, Bukedea, Dokolo, Kaberamaido, Katakwi, Kumi, Ngora, Serere and Soroti. Maintenance activities during the FY2013/2014 were planned to be intervened using: contracts on 678 Kms (67.1% of the station network); force account on 209 Kms (20.7%); and both force account and contracts on 76 Kms (7.5%).

**Table 12.24: Soroti UNRA Station Road Network in Kms**

| Network | Paved | Unpaved | Total |
|---|---|---|---|
| Old | 124 | 324 | 448 |
| New | 0 | 563 | 563 |
| Total | 124 | 887 | 1011 |

***Source: Soroti Station Engineer***

#### a) Maintenance using contracts

Maintenance using contracts only was planned on 678 Kms (67.1% of station network) and both contracts and force account on 76 Kms in the FY2013/2014. During the first quarter of FY2013/2014, the station supervised works undertaken in one mechanized contract (term maintenance) for two roads with a total length of 84 Kms and LBC contracts. They are no mechanised routine contracts that are being implemented in this FY.

**Term Contract Maintenance of Arapai-Katakwi road (44Kms) and Katakwi-Iriiri road (40Kms)**

The Term Maintenance Contract of Arapai-Katakwi road (44Kms) and Katakwi-Iriiri road 40(Kms) was awarded to Ms MML Road Construction Ltd. The contract commenced on 15$^{th}$ January 2013 is to run for 2 years till 14$^{th}$ January 2015. The contract commenced on July 15th 2013 and end in January 2014. The maintenance works on these roads are being executed in four cycles of six months each. At the time of monitoring, the contract was in cycle 2.

The scope of works involve: spot heavy grading, shaping of road surface by medium grading, spot re-gravelling and drainage improvements. The project information of the term contract which was monitored on 26$^{th}$ November, 2013 is summarised in the Table 12.25 below.

**Table 12.25: Project Summary for Term Maintenance Contract of Arapai-Katakwi road (44Kms) and Katakwi-Iriiri road (40Kms)**

| **Contract Title** | **Term Maintenance for Lot 8 of Arapai-Katakwi road (44Kms) and Katakwi-Iriiri road (40Kms)** |
|---|---|
| Contract Number | UNRA/WORKS/2011-2012/00002/08 |
| Source of Funding | Government of Uganda through Uganda Road Fund |
| Implementing Agency | Uganda National Roads Authority (UNRA) |
| Supervising Engineer | Station Engineer - Soroti |
| Contractor | M/s MML Road Construction Company Ltd |
| Length of Road | 84 Kms |
| Construction Commencement Date | 15th January 2013 |
| Construction Completion Date | 14th January 2015 |
| Contract Price | Ug shs 1,909,229,680 for 4 cycles |
| Contract Period | 24 Months |
| Contract Time Elapsed | 33% as of September 2013 |
| Advance Payment | Ug shs 95,461,484 (5% of contract price) |
| Works Payments Certified | Ug shs 673,363,000 (35.2% of contract price) |
| Payments to the Contractor | Ug shs 606,283,331 (31.8% of contract price) |
| Actual Physical Progress -Cumulative | 35% as of September 2013 |
| Actual Financial Progress- Cumulative | 32% as of September 2013 |

***Source: Soroti Station Engineer***

The roads were motorable with a fairly good riding surface and the works in this contract were executed in accordance to the contract documents. However, the graded sections were characterized with a lot of sand and silt; hence there is need of graveling the entire road. The continuous rains scoured and damaged the graded sections and the side drains in some sections required stone pitching due to the sandy soils.

**(Left): Corrugations on Arapai-Katakwi road at Km 23+600; (Centre); A well graded section on Katakwi-Iriri road at Km 11+700; (Right) A regravelled section on Katakwi-Iriri road at Km 30+400 done by UNRA using force on account because the contractor was not on site in early November 2013.**

During the implementation of cycle 1 activities, the contractors faced challenges that included: activity scope adjustment to attend to critical activities; floods caused by heavy rain; inadequate contractor resource capacity especially personnel and equipment; extreme weather conditions that do not favour construction works; and the contractor's attitude to business management.

Due to the above, the contractor was not on sight at the time of monitoring and had not commenced cycle 2 activities because he had exhausted the cycle 2 funds while carrying out the cycle one maintenance activities. However, he had been instructed to commence the culvert installation and spot regravelling activities. At the end of the first quarter of FY2013/2014, the physical progress of works achieved was 35% against a financial progress of 32% at a contract time progress of 33%.

**Maintenance using force account**

Maintenance activities on roads at different times of the FY 2013/2014 using force account intervention were planned to be carried out on 285 Kms (28.1% of the station network) at Ug shs 1.987 billion. Out of the 285 Kms, 76 kms were planned to be maintained using both contract and force account interventions. The scope of works under force account involves: grading, spot gravelling, patching (using gravel/ asphalt/ surface dressing) and limited drainage improvement. The roads maintained by force account interventions were monitored on 27th November 2013 and below are the findings.

For the first quarter of FY 2013/2014, the station received a total of Ug shs 656.448 million (33% of annual budget and 100% of Q1 budget) on the 28th September 2013 and at the time of monitoring, 100% of the receipts had been expended.

The team visited Arapai-Lira Junction (9Kms) and Soroti-Brooks Corner (10 Kms) as some of the roads whose maintenance works were implemented using Q1 FY2013/2014 force account funds. These are class B unpaved or gravel roads linking Soroti-Arapai road to Soroti-Dokoro road and Brooks Corner trading center to Soroti town respectively. Arapai-Lira Junction road had been well graded, some sections regravelled and drainage structures desilted in October 2013. The road was motorable with a good riding surface and no notable defects. Maintenance works on Soroti-Brooks Corner road of grading and spot regravelling commenced in early November 2013 and were still ongoing at the time of monitoring. Before this intervention, these roads had been characterised with ruts, corrugations, potholes and fully silted drainage structures. It was observed that more or bigger drainage structures and off carriage drains should be installed to accommodate increased surface runoff.

**(Left): Well graded section at Km 2+000 with LBC works ongoing; (Centre); A graded section the Km 0+000 from Soroti town; (Right) Murram heaps for spot regravelling activites at Km 4+500.**

**Implementation challenges at the stations included:**

- Inadequate and untimely release of funds to carry out force account activates. Funds for Q1 FY2013/2014 activities got to the stations in the last month of implementing period. At the time of monitoring, that is November 2013, implementation of Q1 works was still ongoing and funds for Q2 activities had not gotten to the stations. This results in spilling over of works into the other quarters.

- Heavy rains have affected roads condition and most swamps flooded, causing emergency works on most roads especially in the Teso region that has a flat terrain. This results in surface water getting on the roads along low lying areas which makes them susceptible to flooding even with little rains.

- There has been delayed maintenance as the procurement of contractors (Term and Regravelling) has taken so long and yet no funds were released or strategies put in place for stop-gap measures.

- Inadequate equipment resource at the stations. For example, Soroti station lacks of a water bowser. This affects the quality of grading and gravelling activities especially during the dry season.

- The poor state of vehicles and equipment that intermittently broke down during work execution affected the planned programme on force account activities. For example Masindi station has only two sound inspection vehicles. This affects supervision which is an intensive and key activity.

- The 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 upcountry. Time is lost when procuring these spares from Kampala.

- Lists of prequalified service providers are not available thus affecting effective procurement process.

- The mechanical workshops are dilapidated, poorly equipped and need refurbishment. At the Soroti station, the workshop has a leaking roof, damp floor and doors with no shutters in some of the offices and stores.

- The mechanized contractor's management capacity (contract and business management) is generally very poor thus affecting planned contract work programmes.

- There standardized computerized reporting formats for Force Account and Contract works are not effectively applied due to system failure. However the manual reporting wastes time of the road supervisors. The staff is not yet fully conversant and trained in its application.

- Inadequate and untimely fuel resources. During the emergency works, there is need to increase the fuel allocation and release it in a timely manner to the stations. Otherwise the other activities are hugely affected since the priority is usually allocated to emergency works.

- Understaffing: the stations lack key staff like mechanics, drivers and operators. The road inspectors and road overseers are very few compared to the increased road network. Executive assistants are overwhelmed with the delegated function of Head of Procurement Unit. Similarly, the delegated functions for the Contracts Committee have left less time for attendance to the core activities on the road network.

- Inadequate LBC rates have forced the contractors to abandon works and look for more paying jobs. The untimely release of funds also demoralises the contractors which retards their performance. A proposal has been made to give all off carriageway improvement works to term maintenance contractors.

**Conclusion**

- There is need to release funds for force account operations on a timely basis since most releases are received at the stations at the mid or a month to end of the quarter.

- Maintenance of more roads should be put on term maintenance contracts so that stations handle less work by Force account.

- Roads from the additional network should be given priority in terms of maintenance contracts through full regravelling or term maintenance since the treatment of some of these additional roads received during the urgent repairs were very minimal to upgrade them to national standards deserved.

- UNRA should continue to release adequate monthly mechanical funds for and minor repairs of serviceable vehicles and equipment for force account operations for some equipment like graders, track excavators and tippers. These can still be put back to a serviceable condition and will be able to pay back the investment. There is need for consideration of a special equipment fund for the heavy plants like graders, tractors and tippers.

- There is need to hasten and maintain central procurement of the essential construction materials like; gabions, culverts, bitumen, MC 30 etc; standardized vehicle and equipment spares and consumables e.g. grader blades, bucket and scarifier teeth, tyres, filters, etc. This will check the purchase of poor quality spares and consumables and minimizes delays.

- There is need to hasten the prequalification of service providers for works, services and supplies to be carried out under the delegated Procurement and Disposal Unit at the stations

- Gravel acquisition in Teso region is difficult due to the land policy; the owners dictate exorbitant costs for gravel per cubic meter. Rates per cubic meter should be harmonized.

- UNRA should look at a possibility of purchasing some key force account operations equipment like ped rollers, water bowsers, wheel loaders, pavement cutters, etc., to replace the over aged current equipment. This will enhance the performance of force account operations. Most local contractors do not have the essential road equipment.

- There is need to further train staff on computerized reporting format for both Force Account and Contracts works.

**12.4.2 District Urban and Community Access Roads Maintenance Programme**

**Programme Background**

In FY 2013/2014, the programme has been allocated a total annual budget of Ug shs 91.19 billion (25.8% of URF budget) under the Uganda Road Fund. The program received Ug shs 21.17 billion (23.2% of DUCAR budget) in the first quarter of FY2013/2014 and by the end of this period, Ug shs 18.75 billion (88.5% of release) had been spent.

It was noted that the timeliness of disbursements to DUCAR agencies over performed as a result of the proactive approach to obtaining prerequisite information from the agencies. The percentage of funds released on time underperformed as a result of delays by some agencies in submitting prerequisite information like bank accounts and work plans. The percentage of approved budget released underperformed because 23.2% of the expected 25% funding was released in the quarter; and some agencies did not receive funds as they had not submitted bank account details and work plans.

For the performance of Q1-FY 2013/2014, the programme was monitored at two districts namely Bushenyi and Masindi; and two municipalities namely Entebbe and Soroti. The Q1 findings for the programme are presented below.

**12.4.2.1 District Roads Maintenance Programme**

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 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.

Planned activities under the programme in the FY2013/2014 included: routine manual maintenance of 25,528Kms of district roads; routine mechanized maintenance of 2,610Kms of district roads; periodic maintenance of 400Kms of district roads; routine maintenance of 8 bridges and periodic maintenance of 2 bridges on district roads; and construction of 117 culverts lines.

The district roads alone had an annual budget of Ug shs 37.74 billion (41.4% of DUCAR budget). Ug shs 8.328 billion (22.07% of the district roads budget) was released for this program. For the Q1 performance of FY 2013/2014, the district roads maintenance programme was monitored in two districts, namely Bushenyi and Masindi, with a total network of 724 Kms (3.22% of district roads). The findings from the monitoring of these agencies are presented in the next section.

**Findings**

**(a) Financial Performance**

At the end of the Q1 FY 2013/2014, the financial performance of the districts monitored for the roads maintenance programmes is as shown in Table 12.26. Performance in terms of absorption of the received funds was very low, and that is below 15%. The poor performance was blamed on the late release of funds which reached the districts in September 2013. This was further blamed on the IFMS system upgrade at MoFPED which delayed processing of the transfer of funds. The funds that had been spent were used to for paying arrears for works from the previous FY.

**Table 12.26: Financial Performance of Selected Districts Roads Maintenance Programme for Q1 FY 2013/2014**

| District | Funding Source | IPF (Ug. Shs. Millions) | Releases (Ug. Shs. Millions) | Expenditure (Ug. Shs. Millions | % of IPF Received | % of Receipts Spent |
|---|---|---|---|---|---|---|
| Bushenyi | URF | 282.7 | 53.7 | 5.1 | 19.0% | 9.5% |
| | LGMSD | 35.2 | - | - | - | - |
| | **Total** | **317.90** | **53.70** | **5.10** | **16.89%** | **9.50%** |
| Masindi | URF | 406.03 | 50.68 | 6.458 | 12.5% | 12.7% |
| | PRDP | 377.12 | 95.75 | - | - | - |
| | **Total** | **783.15** | **146.43** | **6.46** | **18.7%** | **4.4%** |

***Source: Respective District Engineers***

**(b) Physical Performance**

Maintenance activities for Q1-FY2012/2013 in Bushenyi and Masindi districts had not yet commenced at the time of monitoring on November 2013. They were delays in procurement that had been caused by the late release of funds to the districts. This late release was caused by the IFMS upgraded at the MoFPED. The challenges affecting the implementation of maintenance activities at these districts were however captured and are hereby presented below:

**Challenges hindering implementation of activities**

- Budget cuts affecting implementation of planned activities leading to rolling over of activities to other FYs.

- URF releases are consistently late by two months and this makes implementation of works difficult for example first quarter funds for FY 2013/2014 were received at the end of August 2013.

- Old equipment still in fair condition but with very high repair costs.

- The district networks are big compared to the road units that were provided (i.e. Grader, Tipper and pickup truck) to carry out light grading yet the district networks had deteriorated. The equipment was meant for light grading but is used for heavy grading; hence constantly breaking down. What is called maintenance is actually rehabilitation as roads have deteriorated to foot paths.

- IFMS upgrade which delayed the process of funds from the central government to the districts in Q1.
- Staffing for the engineering departments is low given the size of the districts' road network. This makes it hard to ensure efficiency and sufficiency of road supervision.
- Adjusting from contracting to force on account intervention for roads maintenance activities. For example, the staff recruited in the road gangs often pull out claiming that the Ug shs 100,000 paid every month is very low.

**Recommendations to the above challenges**

- Planned budgets should be adhered to and if it cannot be avoided, districts should be informed early enough so that adjustments can be made.
- Funding should be increased for the district road maintenance projects while rehabilitation of districts roads should also be considered for funding.
- Special funds for mechanical imprest should secured for repair of the old equipment.
- More training should be done for IFMS users at the districts especially now that it has been upgraded.

**12.4.2.1 Municipality Roads Maintenance Programmes**

**Background**

Municipality roads make up 4,500Kms which represents 5.63% of the entire road network in Uganda. They are maintained by the respective local governments using central government funds from the consolidated fund through MTEF arrangement for road maintenance and to a limited extent using locally generated revenue. More than 80% of the municipality road network is however beyond maintenance level and necessitates rehabilitation which is carried out through a roads maintenance programme implemented by URF. The municipalities, to a limited extent, also utilise the non conditional grants from the central government under the LGMSD Programme and locally generated revenue. MoWT provides the collective technical support and supervision to the local governments under the DUCAR department.

In FY 2013/2014, planned activities on municipality roads include: routine manual maintenance of 1,075Kms; routine mechanised maintenance of 186Kms; periodic maintenance of 20Kms; routine maintenance of 6 bridges; and construction of 45 culvert lines.

The municipality roads maintenance programme was allocated an annual budget of Ug shs 13.907 billion under the DUCAR Agency (3.94% of the URF budget). The release for the municipality roads maintenance for the first quarter of the FY2013/2014 amounted to Ug shs 3.476 billion (24% of budget), for 22 municipalities.

For the Q1 performance of FY 2013/2014, the programme was monitored in two (2) municipalities namely: Entebbe and Soroti. The findings are hereby presented below:

**Findings**

**i) Financial Performance**

At the time of monitoring, done in November/December 2013, financial performance of the monitored municipality roads maintenance programmes is as shown in Table 12.27. Performance in terms of absorption of the received funds was not available as the municipalities were still implementing the first quarter activities.

**Table 12.27: Financial Performance of Selected Municipality Roads Maintenance Programmes for Q1 FY 2012/2013**

| District | Funding Source | IPF *(Ug shs Millions)* | Releases *(Ug shs Millions)* | Expenditure *(Ug shs Millions* | % of IPF Received | % of Receipts Spent |
|---|---|---|---|---|---|---|
| Entebbe | URF | 1,123.3 | 234.9 | n/a* | 20.9% | n/a* |
| Soroti | URF | 740.5 | 185.1 | n/a* | 25.0% | n/a* |
| | PRDP | 78.4 | 58.1 | n/a* | 74.1% | n/a* |
| | **Total** | **818.9** | **243.2** | **n/a*** | **29.7%** | **n/a*** |

***Source: Respective District Engineers*** ***n/a*: information not availed***

### ii) Physical Performance

#### a) Entebbe Municipality

Maintenance activities for the FY 2013/2014 under URF in the municipality were planned on a total length of 39 Kms. The maintenance activities involve: routine manual maintenance of which 27Kms (paved); routine mechanised maintenanceof 11 Kms; and periodic maintenance of 1Km. The municipality has an IPF of Ug shs 1.123 billion to be funded under by the URF only.

For the first quarter of FY 2013/2014, the municipality received a total of Ug shs 234.9 billion (20.9% of IPF) for routine manual maintenance of 27 Kms and routine mechanised maintenance of 3.25 Kms (0.25 Kms paved and 3 Kms unpaved). The monitoring team on 5th December 2013 visited some of the roads where rehabilitation (sealing) works were ongoing using Q1 funds with force account intervention. The following activities are reported to have been ongoing at that time: Alice Reef road – compaction of base course works; Alice Reef close (0.24 Kms) - preparation for the first seal works; and Bugonga road (0.3 Kms) – stabilisation of base course with lime.

The major challenge experienced by the municipality is the late release of funds that affects the planning and programming of the maintenance activities. This mainly affects the sealing works whereby if the prepared road surface is left exposed for some time, works will have to be repeated.

**(Left): Compaction of base course works on Alice Reef road; (Centre); Compacted base course on Alice Reef close; (Right: Preparation of lime stabilized material for base course works on Bugonga road.**

#### b) Soroti Municipality

The municipality has a total road network of 65.7Kms of which 10Kms (15.2%) are paved, 35.7Kms (54.3%) are gravel and 20Kms (30.4%) are earth as shown in Table 12.28. The paved road net work maintained by the municipality is dilapidated.

Maintenance activities for the FY 2013/2014 were planned to be funded using URF and PRDP funds. Planned activities under URF are: routine manual maintenance of 3.2 Kms of paved roads and 30.5 Kms of unpaved roads; routine mechanised maintenance of 12.8Kms; periodic maintenance of 11.5 Kms; and drainage improvements. Under the PRDP funding, Soroti municipality planned to open up community access roads totalling to 9.02 Kms.

The Municipality has an IPF of Ug shs 818.9 billion for the roads maintenance activities for the FY 2013/2014 that is comprised of Ug shs 740.5 million (90.4%) under URF and Ug shs 78.4 million (9.6%) under PRDP.

**Table 12.28: Soroti Municipality Road Network**

| Description | Paved | Unpaved | Earth | Total |
|---|---|---|---|---|
| **Length (Kms)** | 10 | 35.7 | 20 | **65.7** |
| **%age** | 15.2 | 54.3 | 30.4 | **100** |

***Source: Municipal Engineer***

For the first quarter of the FY 2012/2013, the municipality received a total of Ug shs 243.2 million (29.7% of total IPF) comprising of Ug shs 185.13 million (25% of URF IPF and 76.1% of total receipts) under URF and Ug shs 58.13 million (74.1% of PRDP IPF and 23.9% of total receipts) under PRDP. Implementation of Q1 road activities that mainly involved pothole patching, road edge repairs and opening up of community access roads started in the second quarter and was going at the time of monitoring. This was attributed to delays in the releases that affected the procurement process. Therefore, information on the absorption of funds was not available at the time of monitoring in late November 2013. In the first quarter, the municipality had trained road user committees and sensitized the communities on the planned road activities.

At the time of the monitoring field visit on 27th November 2013, Q1 works were still ongoing. The monitoring team visited the following projects that were being intervened using force account as per the new guideline issued by MoWT:

(i) Under PRDP

Kelin road (0.7Kms) which is a community access road was being opened up. 0.3Kms of this road had been graded on 25th November 2013 but works had come to stand still because the community protested the expansion of the road that was encroaching on part or their land.

(ii) Under URF

Soloti Avenue (1.1Kms) and Papatal road where pot hole patching had been done; Market Street (0.58 Kms) where road edge repairs were ongoing The damaged edges had been stabilised and were awaiting priming; and Jumabhai road (1Km) where pot hole patching had been done and edge repairs were ongoing.



**(Left): Bush clearing works for opening up of Kelin road; (Centre); Stabilised road edge awaiting priming along Market Street; (Right): Edge repairs on Jumabhai road.**

**Challenges**

- Interference by the inclement weather – for example the storm waters washed away works (murrum that was dumped, spread and compacted) on Omaria road, Pamba and Bisina road.

- Interference by some section of the communities who do not appreciate the developments.

- Budget cuts meant for implementation-especially in PRDP funds for opening of roads. For example, Q4 funds were not sent. This affects the implementation of works.

- Some roads have obstacles like water lines, electric poles which affect works.

- Rampant break down of equipment which affects the work efficiency and causes delays.

- Most of these roads need proper drainage especially the Omaria road, Bisina road and Moroto road where flooding is realized.

- Understaffing of the works department.

- Inadequacy of equipment needed for road works. Local government did not send a full set of the equipment suitable for the municipality road works.

**Recommendations**

- Government should try and adhere to the approved budgets so that implementation of works goes on as planned.

- Continue to sensitize the communities on the intended developments in the works sector.

- Provided a supplementary budget to cater for the emergencies within road works.

- The municipal authorities should consult with National Water and UMEME on how they should relocate the utilities affecting road works.

- Recruitment within the department to meet the high labor force needed.

- There is need for regular servicing of equipments.

**Overall Challenges by URF while implementing the DUCAR maintenance program**

(i) The government has changed the policy of implementing works; that is, from contracts to force accounts and direct labour yet adequate equipment has not been provided given to the councils. Government has only supplied graders yet the municipalities have tarmac roads and these are not the only equipment that is required to implement such programmes.

(ii) 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 and it is hard to achieve any effectiveness with regard to implementing the work plan and often projects spill over into other financial years.

(iii) The engineering departments are under staffed. Engineers do not have support staff and yet there is a ban on recruitment. These positions at the municipal councils and districts do exist but are vacant.

(iv) URF has a formula/parameters it uses when taking into account the releases they avail to municipalities which take into account the night population. So many people visit these centres during the day and yet the night population is very low but the latter is what is considered by URF. This makes the funds released inadequate and most of the municipalities can carry out works on 1Km of road every FY.

(v) The weather pattern is changing all over the country. Of late it is not defined and yet the wet season comes with torrential rains. Thus with the lots of surface runoff and construction of hard surfaces in urban centres, the drainage systems capacity have been are surpassed, there is need to develop drainage master plans and designs for these urban centres otherwise the maintenance interventions will come to waste in a very short time.

(vi) 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 for new construction nor complete rehabilitation of roads nor opening up of roads.

(vii) The engineers departments are under staffed. The offices lack surveyors and superintendent of works. The engineers carry out all the work with the road inspector which is quite stretching.

# CHAPTER 13: WATER AND SANITATION

## 13.1 Introduction

Access to safe drinking water is essential for health, human dignity and economic productivity. This is manifested in Uganda's National Development Plan (NDP) as well as the sector's strategic objectives. The sector goals and objectives have been anchored on the 2013/2014 budget theme "Renewed Economic Growth and Development". They show Government's commitment to provide safe water and sanitation in both rural and urban area which is currently at 64% and 70% for rural and urban population, respectively.

**Policy Objectives**

i) "To manage and develop the water resources of Uganda in an integrated and sustainable manner, so as to secure and provide water of adequate quantity and quality for all social and economic needs of the present and future generations with the full participation of all stakeholders",

ii) "To provide "sustainable provision of safe water within easy reach and hygienic sanitation facilities, 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".

iii) "Promote development of water supply for agricultural production in order to modernize agriculture and mitigate effects of climatic variations on rain fed agriculture".

iv) The objective of the natural resources sub-sector is "to increase productivity of the natural resource base and harnessing natural resources in a sustainable manner".

In the Financial Year (FY) 2013/2014, the sector plans to serve extra 850,000 rural and 750,000 urban dwellers with safe water and sanitation. Water for Production cumulative water storage will increase, environmental degradation be addressed through restoration of ecosystems and demarcation of critical wetland/forest boundaries including tree planting, mitigation and adaptation measures to address climate change effects and promotion of socio-economic transformation and sustainability.

The sector will work within the budget provision for the FY 2013/2014 which stands at Ug shs 384.95 bn. Of this allocation, water and sanitation including the conditional grant allocation to the districts is Ug shs 351.53 bn, while Environment takes Ug shs 33.53 bn.

**Scope of Monitoring**

Physical and financial monitoring focused on Quarter One (Q1) development activities for FY2013/2014 under taken by the Ministry of Water and Environment (MWE) Vote Functions: Urban Water and Sanitation (UWS) and Rural Water and Supply Sanitation (RWSS). The outputs monitored in Q1 contribute to safe water coverage and improved sanitation in rural and urban areas.

The geographical range of projects and districts monitored covered Central, Eastern, and Western parts of Uganda. Under the Rural Water Supply and Sanitation (RWSS) Vote Function, the District Water Supply Development Conditional Grant and District Hygiene and Sanitation Grant were monitored in eight districts (Mubende, Kyenjojo, Ntoroko, Kibuku, Kamuli, Mbale, Ntungamo, and Kabale). Extension of Tororo-Manafwa Water Supply System and construction of phase 1 of Kahama Gravity Flow Scheme were monitored too.

Under the Urban Water Supply and Sanitation vote function, Water and Sanitation Development Facilities; Central, East and South West were monitored to assess the level of performance by the end of Q1 FY 2013/2014.

**Methodology**

The sampled outputs were randomly selected from the information provided in the Ministerial Policy Statement FY 2013/2014 and the progress reports of the Ministry of Water and Environment and Districts for Q1 FY 2013/2014.

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 value for money.

Financial data was sourced from the Integrated Financial Management System (IFMS), progress reports (Performance Form A and B) and bank statements from implementing agencies. Prior to the field visit, literature was reviewed on the reported progress on projects and outputs with reference to previous monitoring reports. Data was collected by interviewing key informants, holding dicussions and observation of changes in key performance indicators. Photographs of progress status were taken and form part of this report.

**Assessment Guide**

During monitoring physical progress and assessment for value for money analysis was done using an Assessment guide reflected in Table 13.1.

**Table 13.1: Assessment guide used for measuring achieved targets**

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

***Source: Authors***

## 13.2 Vote function 0901: Rural Water Supply and Sanitation (RWSS)

**Background**

The Vote Function objectives are: planning, budgeting and resource allocation to District Local Governments for Implementation of cost-effective, sustainable water and sanitation facilities to rural communities in an equitable manner; developing standards, guidance and monitoring all stakeholders involved in RWSS service delivery; equipping district staff, through backstopping with the necessary skills, tools and knowledge for provision of water and sanitation facilities, support communities in O&M and monitoring water users; promoting through Research and Development appropriate technologies and approaches for rural water supply and sanitation with focus on water stressed areas.

The center too does construction of large Piped Water Supply Systems (Rural) and point water sources for emergencies, construction of Sanitation Facilities (Rural) and provision of sanitation and hygiene education. The rest of the money is sent to District Local Governments as District Water and Sanitation Conditional Grant.

**Output 090180: Construction of Piped Water Supply Systems (Rural)**

The funding of construction of piped water systems (rural) is through two Development projects that is 0158 (School and community-IDPs) and 0163(Support to Rural Water Supply).The output objective is to increase access to safe water in rural areas through provision of large scale piped/ Gravity Flow Schemes (GFSs) that are cross border in nature covering two or more districts including capacity building efforts in districts and sub district level staff, administrators, leaders, Community Based Organizations and Civil Society (P1P 2012/2013-14/15). The monitored projects Kahama GFS is under Project 158 and Extension of Toror Manafwa under Project 0163.

**(i) Project 158: School and Community-IDPs**

**Planned activities for Q1 FY 2013/2014**

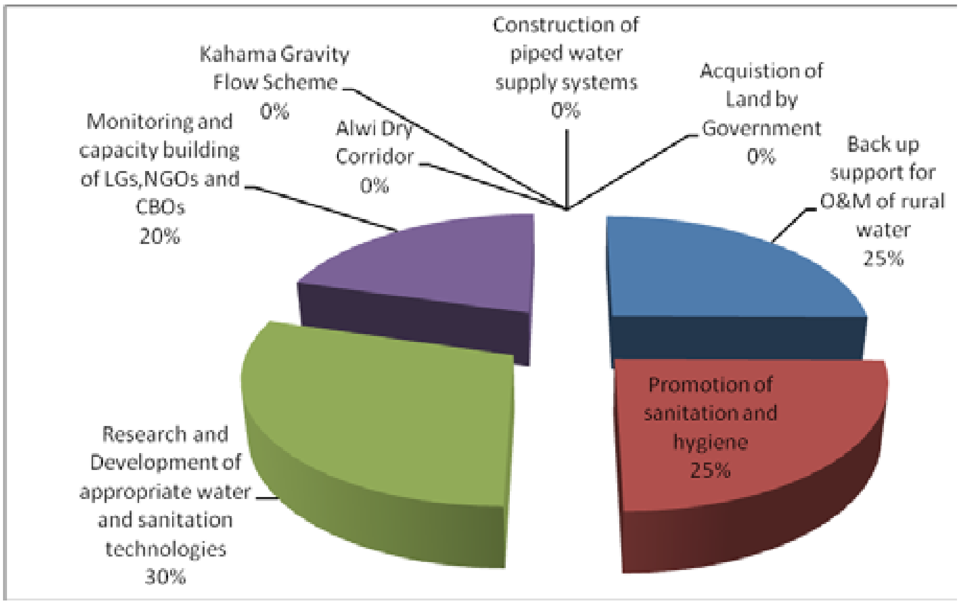
The sector planned to complete detailed engineering designs for large Gravity Flow Systems (GFSs) and piped water supply in water stressed areas of Ngoma- Wachato (Nakaseke), commence on the process of the detailed engineering designs for two large GFSs in northern Uganda, 20% completion of the extension of Jezza Muduuma piped systems, completion of construction of phase 1 Kahama GFS in Ntungamo District, 25% completion construction of Wadelai and Sigila piped water systems in Alwi dry corridor, start construction of Nyarwodho GFS in Alwi Dry water corridor (5%), set up management structures for Alwi dry corridor piped water systems and support appropriate technology center technically and administratively.

**Financial Performance**

According to the IFMS, the approved budget for FY 2013/2014 is Ug shs 11, 083,000,000 of which Ug shs 2,896,551,500 was released during Q1 FY 2013/2014 (26.1%). By the end of the Q1 FY 2013/2014, Ug shs 75,389,076 was utilized representing an absorption capacity of 2.6% which was poor performance.

In terms of expenditures, 25% of the funds released was spent on back up support for Operation and Maintenance (O&M), 25% on promotion of sanitation and hygiene education and 30% on research and development of appropriate water and sanitation technologies. Below is Figure 13.1 showing expenditure prioritization under project 158; School and Community IDPs.

**Figure 13.1: Expenditure Prioritization under Project 158 for Q1 FY 2013/2014**




*Source: IFMS and MWE Q1 Report*

From Figure 13.1 above, the project had no expenditures for capital projects such as Alwi Dry Corridor and Kahama Gravity Flow Scheme. Field findings, however, indicate that 70% of the physical works had been completed by the end of Q1 FY 2013/2014 but no financial payments were yet made to the contractor.

**Construction of Kahama Gravity Flow Scheme (GFS)**

**Background**

Kahama piped water system will provide water to Nyakihoko S/County, Kinoni parish. The project period is a 6 months project between GAT Contractor and the Ministry of Water and Environment (MWE). The original contract price is Ug shs 560,370,371. The scheme is projected for the next 15 years. Table 13.2 shows Kahama Project Profile.

**Field Findings**

**Table13.2: Kahama GFS Project Profile**

| Source of Funding | GoU |
|---|---|
| Contract No. | MWE/WRKS/12-13/01611 |
| Supervised by | MWE |
| Contractor | GAT Consults Limited |
| Supervision Commencement Date | 10/09/2013 |
| Construction Commencement Date | 18/09/2013 |
| Original Contract Price | Ug shs 560,370,371 |
| Contract Period | 6 months |
| Contract Time Elapsed | 3 months |
| Works Payments Certified | Ug shs 397,700,000 |
| Payments to the contractor | N/A |
| Planned Progress | General Preliminaries, Spring intake, construction of sedimentation tank |
| Physical Progress | 70% and contactor not on site waiting for land conflict resolutions |
| Financial Progress | 0% |

***Source: MWE Report***

**Scope of works**

- General Preliminaries/Mobilisation
- Spring intake
- Construction of sedimentation tank
- Exaction and having of pipeline
- Construction of tap stands – 17 taps
- Supply and installation of 40m3 steel tank
- Community development activities
- Commissioning and handover

**Analysis**

***Financial performance against physical performance***

Work progress was at 70% during monitoring in November 2013 and included a laid 6.69 Kms pipeline and construction of 17 tap stands. The certified works for payments at the time of monitoring were worth Ug shs 397, 700,000 (including the initial advance to the contractor not yet effected). This was a 0% progress on payment compared to work progress of 70% which was poor financial performance vis a vis lots of works performance. The photograph on the left shows a tap stand on Kahama GFS.

***Completed works against targets***

By end of quarter one, all pipeline works were complete and tap stands constructed as planned but the construction of the spring intake and sedimentation tank had been delayed. This was due to the site compensation problems. The contractor was threating to seek damages due to delays.

**Tap stand of Kahama GFS**

***Comparison with other projects***

Kahama is a small project comparable to the other small projects like Kabumba implemented by the center (MWE). These are some of the small projects the center in currently implementing. The projects have challenges of delayed software activities which set up the management structures for sustainability of the project. At the time of monitoring, software activities had not started.

**Challenges**

i) Protection of the spring (source) and construction of the sedimentation tank has delayed due to land conflicts. Land owners inflated compensation costs to Ug sh50m and Ug sh30m for the source and sedimentation tank respectively citing commercial farming on the land. Amicable settlement failed and MWE decided to engage a government valuer to establish the value.

ii) The site for the source (spring) is very steep which makes delivery of materials a bit difficult.

iii) The stringent financial measures put up by the Ministry of Finance Planning and Economic Development (MFPED) have made requisition and release of individual operational funds difficult affecting software implementation. It is difficult for Individuals to request for activity allowances.

iv) The delay in payment was said to be due to IFMs access challenges by the ministry (MWE).

**Conclusion and recommendations**

The project implementation is within the contract period as it has so far used three months out of projected six though some works had delayed (protection of the intake and sedimentation tank). Payments to the contractor were behind schedule as no reimbursements had been made to the contractor and he was beginning to put pressure on the client to consider penalties.

i) It is recommended that the Ministry expedites the land settlement and payment processes to avoid loss of time and unnecessary extra costs.

ii) Software activities should always be done in the initial stages of project implementation to ensure the sense of ownership and project sustainability.

iii) Streamline the software implementation in center based projects for sustainability purposes.

iv) The MFPED should speed up training of staff and rectification of technical problems related to IFMS.

**ii) Project 0163: Support to Rural Water Supply Project**

The sector planned to extend of Tororo- Manafwa water supply to 100%, complete Bududa-Nabweya and Lirima in Manafwa district, Luanda/Rakai (20%). Commence construction of Bukwo (20%), Ongino/ Kumi (25%) and continue construction of Kanyampanga (30%). Commence the process of designing for large GFS in Mt. Elgon region, South and Mid-west, West Nile, Central and Northern Uganda.

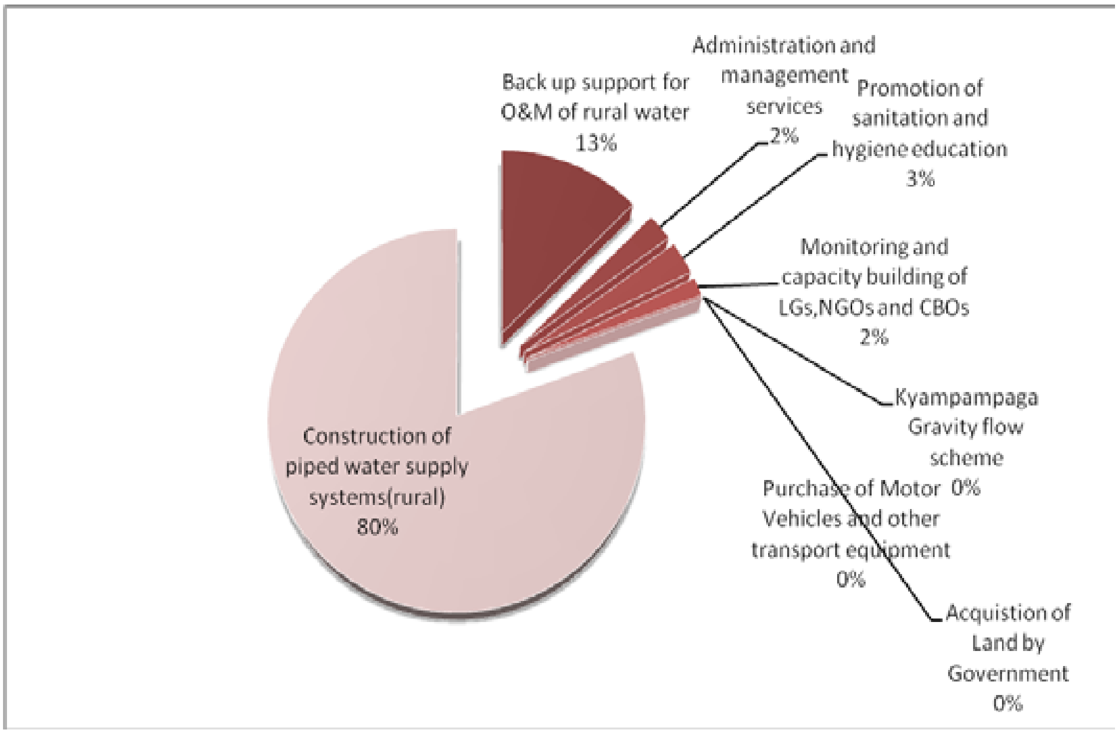
**Field Findings**

**Financial Performance**

According to the IFMS, the approved budget for FY 2013/2014 is Ug shs 15,237,000,000 of which Ug shs 3,933,465,132 was released during Q1 FY 2013/2014 (25.8%) and Ug shs 1,250,690,250 utilized by the end of the Q1 FY 2013/2014 representing an absorption rate of 31.7%. This was poor financial performance.

In terms of expenditures, 13% of the funds releases was spent on back up support for Operation and Maintenance, 2% on administration and management services, 3% on promotion of sanitation and hygiene education, 2% on monitoring and capacity building of Local Governments, NGOs and CBOs and 80% on construction of piped water supply systems (Figure 13.2).

**Figure 13.2: Expenditure Prioritization under Project 163 for Q1 FY 2013/2014**




***Source: IFMS and MWE Q1 Report***

From Figure 13.2 above, the project had no expenditures for Kyampanga Gravity Flow Scheme much as Ug shs 1,250,000,000 was released for the project during Q1 FY 2013/2014.

Field findings indicate project's allocative efficiency was good as 80% of the funds released was utilised on construction of piped water systems. No payments were towards the extension of Tororo Manafwa and Kanyampanga in the quarter though Ug shs 1,250,000,000 had been released for Kahama project.

**Extension of Tororo –Manafwa Gravity Flow Scheme (GFS)**

**Introduction**

The extension works is the second phase of the Tororo-Manafa Gravity Flow System (GFS). The source is river Lwakhaka in Mt Elgon. The first phase covered about 120km of pipeline and the works were technically commissioned on February 7$^{th}$, 2013. The scheme serves the communities of Bumwoni, Bubutu, Namboko Sub countiesin Manafwa district and Kwapa sub county in Tororo district.

Construction works of Phase two started on 25$^{th}$ March 2013, to serve the communities of Butiru, Bukiabi and Bunabwana Sub countiesin Manafwa district and Mella sub county in Tororo district that were not initially covered during the phase one of the project. In the extension 65.1 Kms of distribution lines instead of the planned 58.5Kms have been laid *(Table 13.3 shows project profile).*

**Table 13.3: Extension of Tororo-Manafwa GFS Project Profile**

| Source of Funding | GoU |
|---|---|
| Contract No. | MWE/WRKS/11-12/01430 |
| Supervised by | MWE |
| Contractor | M/s Vambeco Enterprises Limited |
| Supervision Commencement Date | 25/03/2013 |
| Construction Commencement Date | 25/03/2013 |
| Original Contract Price | Ug shs. 1,121,128,578 |
| Contract Period | 6 months |
| Contract Time Elapsed | 6 months |
| Works Payments Certified | Ug shs. 742, 765,363 |
| Payments to the contractor | Ug shs. 742, 765,363 |
| Planned Progress | Water Supply pipe laying, civil works for water supply reservoirs. |
| Physical Progress | 95% |
| Financial Progress | 66% |

***Source: Field findings***

**Field Findings**

**Financial performance**

The contract for construction of extra works on Tororo -Manafwa large GFS was awarded to M/s Vambeco Enterprises Limited and supervised by the Ministry of Water and Environment. The initial contract sum is Ug shs. 1,121,128,578 for a period of six months (25.03.2013 to 24.09.2013). Field findings indicate that a total of Ug shs. 742, 765,363 had been paid to the contractor (66%) by the time of monitoring in December 2013*(see Table 13.4).*

**Table 13.4: Summary of Payments Made to Vambeco Enterprises Ltd**

| Certificate | Value of Certificate | Retention | Advance payment recovery | Amount paid to contractor | Time of payment |
|---|---|---|---|---|---|
| Advance payment certificate | 280,282,144 | - | | 280,282,144 | April 2013 |
| Certificate 1 | 330,679,800 | 33,067,980 | 66,135,960 | 231,475,860 | June 2013 |
| Certificate 2 | 380,832,845 | 38,083,285 | 111,742,201 | 231,007,359 | October 2013 |
| **Total** | | | | **742,765,363** | |
| **Balance** | | | | **378,363,215** | |

***Source: Field Findings***

### Physical performance

**A reservoir tank with completion works ongoing and water flowing on a public tap stand as witnessed above**

**Pipe laying**: Butilu town board in Manafwa district entered into a memorandum of understanding (MoU) with the Ministry of Water and Environment for the extension of the distribution line that had stopped I Km to Bituli trading center. The distribution lines laid were 65.1Kms out of the planned 58.5Kms. Pipe laying works progress was 111%.

**Connections:** A total of 920 connections were made, 387 in Tororo and 533 in Manafwa. It was reported that 150 taps of the 533 in Manafwa District were financed by Manafwa Local Government *(photo 2 above).*

**Reservoir tanks;** completion works were ongoing for the installation of a reservoir tank on a 10m high tower. Works were at 90% complete *(photo 1 above).*

**Water Offices**: Two water offices were constructed during the phase 1 of the contract (one in Bubuto Manafwa district and second in Kwapa, Tororo district). It was however noted due to land disagreements, finishing works for the water office in Bubuto had just been completed. An Inaugural meeting of Manafwa-Tororo Water and Sewerage Board was conducted.

### Implementation Challenges

i) Distance from Distribution lines left out potential customers. While the general practice is that connections are made up to 50m for the distribution pipeline, the conditions on ground indicated that for those that were connected; the average distance of service pipeline to the consumers is 80m. The challenge was that many applicants for connections were as far as between 200m to 500m from the distribution pipeline and in most cases, such consumers were denied a connection due to the distance from the distribution lines.

ii) Findings indicate that there was a challenge of meeting the demand as the project was overwhelmed with the number of applications.

iii) In concentrated settlements and where consumers are settled on both sides of the road, the designs did not provide for parallel primary or secondary distribution lines on either side of the road. The challenge was that it was expensive and in some cases the contractor was stopped from making numerous connections across the road as there was need to seek authority from UNRA.

iv) It was reported that the water quality at the source was very poor and this was made worse by cutting the forest along the river, agriculture and human settlement related activities. This will have an impact on the level of chemical treatment that is required and future operations and management of the scheme.

**Analysis**

***Link between financial and physical performance***

By the time of monitoring in December 2013 about 66% (Ug shs 742, 765,363) of the contract sum (1,121,128,578) had been paid to the contractor while the works progress was at 95%. The works were behind schedule by three months while works payment was not good compared to works progress.

***Achievement of set targets***

The major performance targets for the project were 95% complete which is good performance. The distribution lines laid were 65.1Kms against the planned target of 58.5Kms; 387 connections were made in Tororo and 533 in Manafwa district. The pending works included finishing works on the reservoir tank and office block.

**Conclusion**

The project implementation was slightly behind schedule by three months at the time of monitoring in December. Although the main performance targets had been achieved, financial progress was at 66% and works progress was at 95% yet the contract period had elapsed. Over the implementation period, issues of distance from distribution line, demand exceeding supply, making connections in concentrated settlements and poor quality of water at the source were experienced.

The schemes (first and second) are widely spread over two districts and with poor road network towards the source and treatment plant. The Private Operator has already been procured who will manage both schemes together.

**Recommendations**

i) There is need for clear identification and mapping of the intended consumers during project designs. Baseline studies and projection of consumer demands need to be strengthened during inception and detailed design made for future projects.

ii) Once the intended supply areas are clearly defined in a water supply project and consumer needs addressed, no major conflicts will arise during the time of construction and project delays will be avoided.

iii) There is need to desist further degradation of the environment thus water quality protection.

iv) Given the width of the project area, it will require high competence to achieve the Operation and Maintenance objectives.

### 13.2.2 District Water and Sanitation Development Conditional Grant (DWSDCG)

**Introduction**

The District Water and Sanitation Development Conditional Grant (DWSDCG) is disbursed directly to Local Governments (LGs) from the Ministry of Finance, Planning and Development (MFPED). LGs are mandated to implement and provide effective coordination of water sector activities in their respective areas of jurisdiction. The districts utilize and account for quarterly releases of funds in form of providing quarterly reports.

Based on this the districts utilize and account for these resources through provision of quarterly reports to MFPED and copy to MWE. The Q1 monitoring (FY 2013/2014) focused on, eight districts to assess the financial and physical performance of the District Water and Sanitation Development Conditional Grant

**Field Findings of District Water and Sanitation Development Grant**

This section presents financial progress, physical progress and linkages between financial and physical performance of the DWSDG for the eight districts monitored.

**(1) Kabale District**

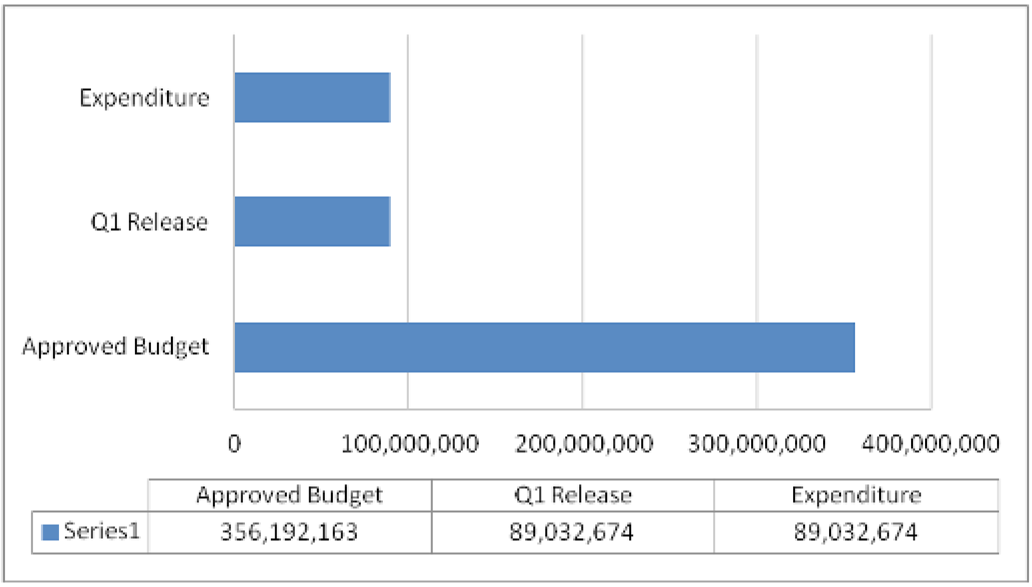
The district's safe water coverage was at 84% as of September 2013, functionality at 87%, latrine coverage at 94% and hand washing facility presence at 27.4%. These coverages are above the national levels which is quite good.

**Financial Performance**

Kabale DWSCG approved annual budget for FY 2013/2014 is Ug shs 356,192,163 of which Ug shs 89,032,674 was released for Q1 FY 2013/2014 (25%) and Ug shs 89, 032,674 had been utilized by the end of Q1 (100%). The district financial performance was excellent.

Figure 13.3 illustrates the financial performance for the District Water and Sanitation Conditional Grant for Q1 FY 2013/2014 for Kabale district and Table 13.5 illustrates the expenditure category for the district.

**Figure 13.3: Q1 FY 2013/2014  Financial Performance of DWSCG Kabale District**




*Source: Field findings, Kabale Q1FY2013/2014 progress report*

**Table 13.5: Annual Allocations and Expenditure per Category for Kabale DWSCG**

| Category | % per Guide Lines | % Allocation (2013/2014) | Actual (%) Expenditure (Q1FY 2013/2014) | Remarks |
|---|---|---|---|---|
| Office operation<br>-office running costs<br>Supervision & monitoring | 6 | 6.7 | 2.2 | All 1st quarter activities done |
| Software<br>-Coordination<br>-software | 8 | 8 | 3.9 | All 1st Quarter software activities completed |
| Sanitation (hardware) | 3 | 2.5 | | Procurement process still on going |
| Water supply<br>-water supply<br>-WQT | Not less than 70 | 70 | 13.6 | Paid for carried forward works from 2012-13 due no 4th quarter release |
| Rehabilitation | 13 | 12.5 | 5.4 | Paid for carried forward works from 2012-13 due no 4th quarter release |

***Source: Field Findings***

## Physical Performance

The activities implemented under the DWSDCG for Kabale district in Q1 FY 2013/2014 were mainly software activities and general office operations. Software activities included advocacy and coordination meetings, procurement of service providers, sensitization meetings on critical requirements, establishment of Water User Committees (WUCs) and training of pump mechanics. Below is Table 13.6 showing the detailed implementation status for the DWSDCG by end of Q1 FY 2013/2014.

**Table 13.6: Kabale DWSDCG Implementation Status by end of Q1 FY 2013/2014**

| Output Categories | Activities | Annual target | Performance in Q1 FY 2013/2014 | | Expenditure | Comments on Progress |
|---|---|---|---|---|---|---|
| | | | Planned target | Achieved | | |
| Stake holder Coordination | District Water Supply and Sanitation Coordination meetings | 4 | 1 | 1 | 321,000 | Coordination meeting conducted |
| | District Water Office Monthly staff meeting | 12 | 3 | 3 | | Monthly staff meetings conducted |
| General operational costs of DWO | O&M for vehicles | 12 | 3 | 3 | 289,000 | Repair and service of DWO Vehicle carried out. |
| | Fuel and Lubricants | 12 | 3 | | | Not carried out |
| | National Consultation | 12 | 3 | 3 | 2,586,000 | National consultations meetings for DWO staff conducted. |

| Output Categories | Activities | Annual target | Performance in Q1 FY 2013/2014 | | Expenditure | Comments on Progress |
|---|---|---|---|---|---|---|
| | | | Planned target | Achieved | | |
| Software | Planning and advocacy meetings at district and sub county | 1 | 1 | 1 | 2,658,000 | Meeting held in which, the water and sanitation situation was discussed and priorities agreed upon. In addition, requests for the community water supply applications were initiated. |
| | Planning and advocacy meetings at sub-county level (Part of software steps) | 19 | 10 | 10 | 4,260,000 | Advocacy meetings were carried out in Kaharo, Kamuganguzi, Ikumba, Hamurwa, Bubare, Kitumba, Maziba, Buhara, Kyanamira and Muko |
| | Sensitize communities to fulfill critical requirements | 5 | 5 | 5 | 2,020,000 | Five sensitization meetings were carried out in Kitumba, Kyanamira, Hamurwa, Maziba, and Bubare Sub Counties. |
| | Establishing Water User Committees | 5 | 5 | 5 | 425,000 | Community was assisted to select WUC members and trainings on roles and responsibilities in Kitumba, Kyanamira, Maziba, Hamurwa and Bubare subcounties. |
| | Post construction support to WUCs | 4 | 1 | 1 | 372,000 | Continuous follow up to WUC on roles, responsibilities, gender participatory monitoring, hygiene and sanitation carried out in Kyanamira |
| | Training WUC, communities and primary schools (where applicable) on O&M, Gender, Participatory Planning and Participatory Monitoring (Part of software steps) | 5 | 5 | 5 | 425,000 | Trainings were provided to WUCs, community on gender task analysis, gender resources, community mapping and participatory monitoring in Kitumba, Bubare, Kyanamira, Hamurwa, and Maziba subcounties. |
| | Training private sector (hand pump mechanics, caretakers and scheme attendants) in preventative maintenance (Part of Software Steps) | 1 | 1 | 1 | 1,608,000 | KADWASA (Kabale District Water & Sanitation Association) Members i.e. Hand pump mechanics, scheme attendants (for piped systems), water source caretakers were trained with basic skills in preventive maintenance & record keeping including greasing, tightening bolts (hand pumps), clearing the drainage channel , protecting the catchment area (spring &gravity schemes) and detecting leakages of pipes (gravity schemes). |
| | Radio for promoting water, sanitation and good hygiene practices | 2 | 1 | 1 | 2,016,200 | Radio mobilization announcements were made. |

| Output Categories | Activities | Annual target | Performance in Q1 FY 2013/2014 | | Expenditure | Comments on Progress |
|---|---|---|---|---|---|---|
| | | | Planned target | Achieved | | |
| Sanitation Hardware | Construction of public latrines in Omukagana RGC | 1 | | | | Prequalification process was ongoing. |
| Water Supply facilities | Construction of Piped Water Supply System (Extension of Kyempogo Gravity Flow Scheme) | 1 | 0.5 | | | Bidding for extension of Kyempogo GFS was yet to start. |
| | Construction of piped water supply system(Kacuro Gravity flow scheme) | 1 | 0.5 | | | Works were ongoing by Vidas Engineering services limited |
| | Promoting domestic rainwater harvesting | 37 | | | | Prequalification of suppliers completed. Bidding was in progress. |
| | Completion of 34 Household tanks of 2012/2013 in Karweru, Birambo, Mugabe, Kyanamira, Kitojo, Bwayu, Nangara, | 34 | 34 | 34 | 47,875,740 | 34 tanks were that were constructed in FY 2012/2013 were completed and paid for in Karweru, Birambo in Maziba S/C, Nyamiyaga- Kyanamira S/C, Bwayu, Nagara in Nyamweru S/C ,Kitojo in Bubare S/C |
| | Retention on Kacuro Gravity flow scheme | 1 | | | | To be paid for using Q2 FY 2013/2014 release.(Amount Ug shs 27,144,957 |
| Rehabilita-tion of water facilities | Borehole rehabilitation | 3 | 3 | 3 | 9,504,000 | Paid for 3 Boreholes rehabilitated in Rwemugugwe, Kakamba and Nyabunyungu |
| | Rehabilitation of Kigumira tank | 1 | 1 | 1 | 9,834,891 | Payments were made for Kigumira rain water tank rehabilitated in Ikumba S/C. |
| Water Quality Surveillance | Water Quality testing (Old sources) | 5 | 2 | 2 | 200,000 | Water Quality testing of old water sources carried out in Kacuro and Kitibya Sub Counties |
| | Water Quality testing(new sources) | 5 | 2 | 2 | 200,000 | Carried out in Kyempogo and Kagogo |
| Supervision and monitoring | Construction supervision visits | 22 | 10 | 10 | 1,780,000 | Supervision for tanks in Karweru, Birambo in Maziba S/C, Nyamiyaga- Kyanamira S/C, Bwayu, Nagara in Nyamweru S/C,Kitojo in Bubare S/C completed. |
| | Inspection of water points after construction | 22 | 10 | 10 | 1,380,000 | Technical inspections of existing water points in Kacuro, Kitibya, Kabaraga, Igomanda, Kashenyi, Kitojo were carried out. |
| | Regular data collection and analysis | 1 | 1 | 1 | 2,023,169 | Data collected for Sector performance report |

***Source: Field findings, District Progress Report Q1 FY 2013/2014***

### Implementation Challenges

i) It was reported that the grant is inadequate given the size and terrain of the district. Some areas of the district require solar/grid powered water systems/technology which cannot be implemented with the current funding.

ii) Many schemes design life has expired and there is need for overhaul but the 13% of the DWSDCG allocated for rehabilitation, is hardly sufficient to carry out rehabilitation of the piped systems. Thus overhaul of the piped systems would require a major intervention that is currently beyond the capacity of the district yet this is the dominant technology in the district.

iii) Field findings indicate that the district faced problems accessing land for protection of the water sources. It was reported that good will from the community to provide land for identified sites with potential for a given technology is not there. Communities demand big compensations which makes it difficult to protect new water sources or go to courts for existing ones.

**Analysis**

***Link between financial and physical performance***

During Q1 FY 2013/2014, 25 % (Ug shs 89, 032, 674) of the approved budget was received and expended on software activities and outstanding obligations of FY 2012/2013. Financial performance was excellent however 53% (Ug shs 47,875,740) of the funds received was used to pay for activities that were not paid for during Q4 FY 2012/2013.

***Achievement of set targets***

Over 85% of the software targets set in Q1 FY 2013/2014 were met and this was attributed to the fact that some funds were utilized on activities of FY 2012/2013. Slow progress was noted where procurement processes were still ongoing by the end of the quarter.

**Conclusion**

The district performance was very good in Q1 FY 2013/2014 in regards to financial and physical performance however due to the budget cut experienced in FY 2012/2013, 53% of the funds received in Q1 FY 2013/2014 were used to pay for Q4 FY 2012/2013 activities.

The district managed to implement most of the planned software activities such as sensitization meetings, establishment of Water User Committees, and training of pump mechanics but there were postponed activities of last FY which did not receive adequate funds for payment. The district too expressed problems of acquiring land for catchment protection.

**Recommendations**

i) Government through the Ministry of Finance should revise the general sector allocation. This will increase the District Water and Sanitation Conditional Grant budget to take on some required expensive technology options in the districts that cannot be catered for by the current budgets.

ii) Continuous sensitization of communities and involvement of various stakeholders in the negotiations of land for construction purposes be carried out. However, Government should forecast procurement of big chunks of land needed for bigger systems that may be difficult to offer freely by the community.

**(2) Kamuli District**

The district's safe water coverage was at 57.3% which is quite below the national coverage of 64% as of September 2013 and functionality at 84.1%.

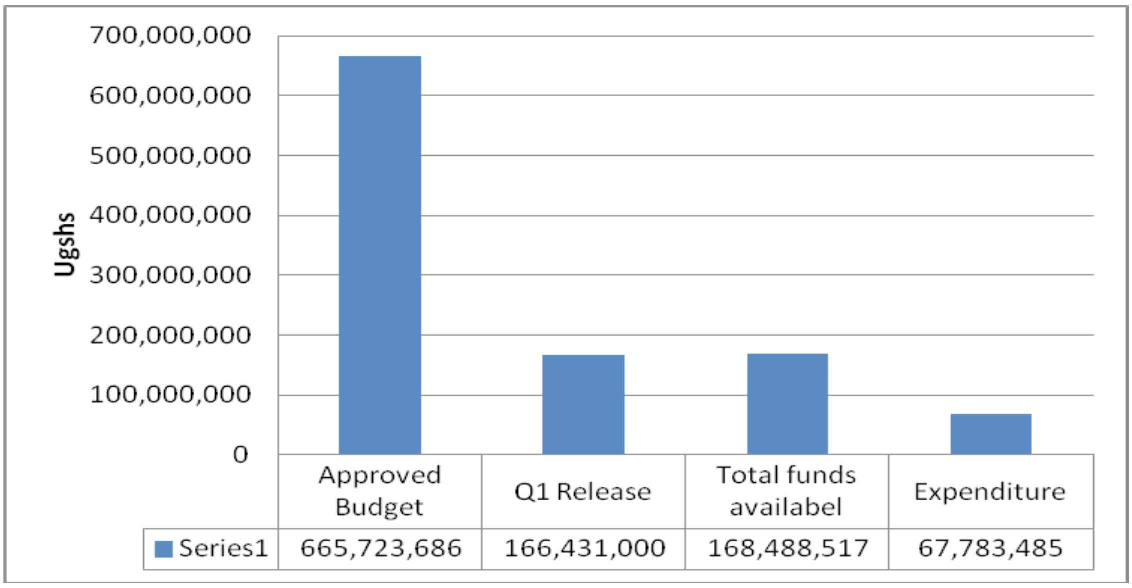
**Financial Performance**

The DWSDCG approved budget in FY 2013/2014 for Kamuli district is Ug shs 665,723,686 of which Ug shs 166,431,000 was released during Q1 FY 2013/2014 representing 25% of the approved budget.

Findings indicate that there was a balance of Ug shs 1,631,589 carried forward from FY 2012/2013 which accrued an interest of Ug shs 425,928, making the total funds available in the quarter to Ug shs 168,488,517. Funds absorbed in the quarter were Ug shs 67, 783,485 giving an absorption capacity of 10%. Inclusive of the balance carried forward from FY 2012/2013. This was poor performance.

Below is Figure 13.4 showing the financial performance of the DWSCG Kamuli district.

**Figure 13.4: Q1 FY 2013/2014 Financial Performance of the DWSCG Kamuli District**




***Source: Field findings, IFMS, Q1FY 2013/2014 District Progress report***

**Physical Performance**

During Q1 FY 2013, the district implemented software activities and these included community mobilization, planning and advocacy meetings, establishing Water User Committees, Training Water User Committees, post construction support, extension staff quarterly review meeting and drama shows. Below is Table 13.7 showing the detailed implementation status of DWSCG by the end of Q1 FY 2013/2014.

**Table 13.7: DWSCG Implementation Status as at the end of Q1 FY 2013/2014 for Kamuli**

| Output Categories | Activities | Annual target | Performance in Q1 FY 2013/2014 | | Expenditure | Comments on Progress |
|---|---|---|---|---|---|---|
| | | | Planned target | Achieved | | |
| Stake holder Coordination | District Water Supply and Sanitation Coordination meetings | 4 | 1 | | | |
| General operational costs of DWO | O&M for vehicles | 12 | 3 | 3 | 2,810,661 | Operation and maintenance carried out as planned. |
| | Fuel and Lubricants | 12 | 3 | 3 | 2,010,000 | Fuel and lubricants purchased. |
| | National Consultations | 12 | 3 | 3 | 980,000 | Activity Implemented as planned |
| | Administrative costs | 12 | 3 | 3 | 995,389 | Implemented as planned |

| Output Categories | Activities | Annual target | Performance in Q1 FY 2013/2014 | | Expenditure | Comments on Progress |
|---|---|---|---|---|---|---|
| | | | Planned target | Achieved | | |
| Software | Planning and advocacy meetings at district and sub county | 12 | 12 | 12 | 3,013,800 | Advocacy meetings carried out at Sub countiesand District. |
| | Sensitize communities to fulfill critical requirements | 20 | 10 | 10 | 1,705,000 | Community mobilized |
| | Establishing Water User Committees | 20 | 10 | 10 | 1,039,000 | Water User Committees established |
| | Post construction support to WUCs | 120 | | | | Not planned for in Q1 |
| | Drama shows promoting water, sanitation and good hygiene practices | 8 | 2 | 2 | 488,000 | Drama shows conducted |
| | Radio for promoting water, sanitation and good hygiene practices | 4 | 1 | 1 | 550,000 | Activity implement as planned. |
| | Extension staff quarterly review meeting | 4 | 1 | 1 | 764,000 | Meeting conducted in the quarter |
| Sanitation Hardware | Construction of public latrines in RGCs | 2 | | | | Activity rolled over from FY 2012/2013,. Completion of the facilities is planned for FY 2013/2014 but not particularly Q1. |
| | Retention for 2012/2013 | 1 | | | | Not planned for in Q1 |
| Water Supply facilities | Shallow well construction-motorised | 6 | 6 | 6 | 47,466,085 | These were drilled during FY 2012/2013 but not installed and paid for. Payment for the six boreholes was effected in Q1 FY2013/2014.<br>By the end of Q1FY 2013/2014, all the six boreholes had been drilled, tested, and cast. Pump installation was planned for Q2. |
| | Deep Boreholes drilling(Hand pump) | 20 | 5 | 0 | | Tendering for service providers was ongoing |
| | Retention for FY2012/2013 | 1 | 0.25 | 0.25 | 2,377,550 | Retention paid on 2011/12 shallow well contract |
| | Payment for FY 2012/2013 Lot 1 borehole drilling | | | | 13,000,000 | Partially paid Ug shs13,000,000/= out of 139.841.000 |

| Output Categories | Activities | Annual target | Performance in Q1 FY 2013/2014 | | Expenditure | Comments on Progress |
|---|---|---|---|---|---|---|
| | | | Planned target | Achieved | | |
| Rehabilitation of water facilities | Borehole rehabilitation | 31 | | | | Procurement of spare parts was on going. Rehabilitation is to be carried out by the sub county hand pump mechanics. |
| | Water Quality testing (Old sources) | 100 | 40 | 40 | 1,616,000 | Water quality testing done for 40 old sources |
| Supervision and monitoring | Construction supervision visits | 100 | 25 | | | Activity not implemented because constructions had not yet commenced |
| | Regular data collection and analysis | 8 | 2 | 2 | 1.968,000 | Data collection on functionality of water sources was carried out in two counties |

***Source: field findings, District Progress Report Q1 FY 2013/2014***

**Implementation Challenges**

i) Incompetence of Procurement Officers and the method of handling procurements. It was reported that some of the procurement officers have no experience on what kind of procurement method or evaluation criteria is suitable for the user departments. The procurements too are carried out without consulting with the user departments.

ii) The capacity of local contractors was reported to be low which resulted into slow progress of civil works especially for VIP latrines.

iii) Poverty and ignorance amongst the rural population which makes it difficult for them to contribute adequately towards the cost of maintenance of water facilities.

iv) Low political mobilization for operation and maintenance of boreholes. It was reported that politicians discourage the communities from contributing towards operation and maintenance.

v) Misunderstandings between some Hand Pump Mechanics (HPM) and Water User Communities, especially in Kisozi and Mbulamuti sub counties which have resulted into low levels of water source functionality.

vi) Poor quality materials available on the market. It was reported that the riser pipes get corroded after two years and this reduces the normal operating life of the boreholes leading to high maintenance costs and frequent need for rehabilitation.

**Analysis**

***Link between financial Performance and physical performance***

During Q1 FY 2013/2014, total funds released were Ug shs 168,488,517 of which 40.2% (Ug shs 67,783,485) had been utilized by the end of the quarter. 22.7% of the funds utilized in the quarter were expended on works carried out in FY 2012/2013. Absorption capacity was below average as only 10% of the funds released were utilized much as funds were received in time.

***Achievement of set targets***

All the software activity targets set for Q1 FY 2013/2014 were achieved. These included sensitization meetings, establishment of WUCs, community mobilization, quarterly extension meetings, and payment of retention on activities of FY2012/2013. Water quality testing was carried out too.

**Conclusion**

The district made good progress in terms of implementing software activities in Q1 FY 2013/2014 under the grant. However; it was noted that the procurement system in the district has to a large extent affected the implementation of DWSCG activities and the capacity of the contractors was still low.

**Recommendations**

i) User departments should be involved in the procurement process to be able to agree on the suitable procurement method for them.

ii) Government through MWE should adopt positive policies towards building the capacity of local contractors. In addition construction guarantee funds can give incentives to local contractors.

iii) The Government through Ministry of Finance should revise the District Water and Sanitation Conditional Grant because the current allocation is not adequate given the growing population in the District.

iv) The District should continuously sensitize the communities to create awareness on operation and maintenance of water sources.

v) The district should sensitize politicians and other stakeholders through advocacies to ensure improved operation and maintenance. The same politicians can be encouraged and used to advocate for improved Community Based Management System. (CBMS)

vi) The Government of Uganda through the Uganda National Bureau of Standards should ensure improved production of quality products especially steel products through quality testing and checks.

**3) Kibuku District**

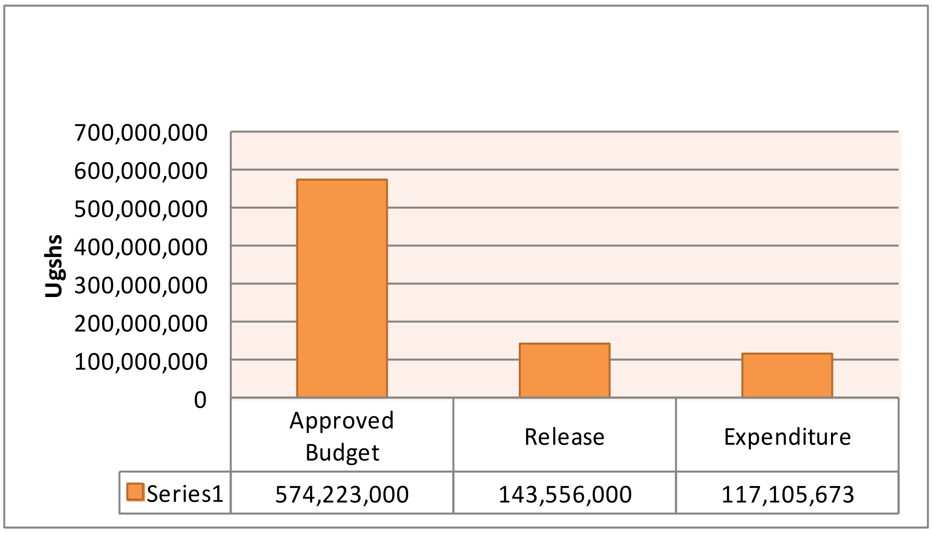
The district's safe water coverage was at 56 % as of September 2013, latrine coverage at 82.4% and hand washing facilities at 66.6%.The water coverage is still low despite the Peace Recovery and Development Plan (PRDP) and Northern Uganda Social Action Fund (NUSAF) interventions.

**Financial Performance**

Kibuku district's approved budget for the DWSDCG for FY 2013/2014 is Ug shs 574, 223,000 of which Ug shs 143,556,000 was released in Q1 FY 2013/2014 (25%). Findings indicate that Ug shs 117, 105,673 had been absorbed by the end of Q1 (88%). This was very good absorption capacity.

Refer to the graphical presentation of DWSCG financial performance for Kibuku district (Figure 13.5).

**Figure 13.5: Q1 FY 2013/2014 Financial Performance of the DWSDCG for Kibuku District**




***Source: Field findings, IFMS,***

## Physical Performance

Kibuku district implemented software activities during Q1 FY 2013/2014 and these included the District Water and Sanitation Coordination Committee meeting (DWSCC), a radio talk show, office operations and commissioning of new boreholes drilled during FY 2012/2013. Table 13.8 shows the detailed implementation status for the DWSCG by end of Q1 FY 2013/2014.

**Table 13.8: DWSDCG Implementation Status as at the end of Q1 FY 2013/2014 for Kibuku**

| Output Categories | Activities | Annual target | Performance in Q1 FY 2013/2014 | | Expenditure | Comments on Progress |
|---|---|---|---|---|---|---|
| | | | Planned target | Achieved | | |
| Stake holder Coordination | District Water Supply and Sanitation Coordination meetings | 4 | 1 | 1 | 1,821,000 | Meeting was held and a field visit conducted |
| | Social mobilisers meetings | 4 | | | | Not planned for in Q1 |
| Office Equipment for DWO | Procurement of computers and printers | 1 | 1 | | | Not bought |
| | Procurement of furniture | 1 | 1 | | | Not bought |
| | Procurement of USB back up | 1 | 1 | | | Not bought |
| | Procurement of GPS | 1 | 1 | | | Supplier delayed to supply , GPS not procured |
| General operational costs of DWO | O&M for vehicles | 4 | 1 | | | Not done |
| | Fuel and Lubricants | 4 | 1 | | | Not bought |
| | Water quality testing kits | 1 | 1 | | | Supplier delayed to supply |
| | Stationery and office running bills, cartridge | 4 | 1 | 1 | 585,000 | Procured 10 box files at 7,000 each, a cartridge at Ug shs 350,000/= and office cleaning at Ug shs165,000/= |

| Output Categories | Activities | Annual target | Performance in Q1 FY 2013/2014 | | Expenditure | Comments on Progress |
|---|---|---|---|---|---|---|
| | | | Planned target | Achieved | | |
| | National Consultation | 8 | 2 | 2 | 1,280,000 | Attended meeting for the District Water officers; in Soroti |
| Software | Planning and advocacy meetings at district and sub county | 1 | | | | Not planned for Q1 |
| | Sensitize communities to fulfill critical requirements | 19 | 19 | | | Not planned for Q1 |
| | Establishing Water User Committees | 19 | | | | Not planned for Q1 |
| | Training WUC, communities and primary schools(where applicable) on hygiene and sanitation | 19 | | | | Not planned for Q1 |
| | Post construction support to WUCs | 40 | | | | Not planned for Q1 |
| | Baseline survey for sanitation(part of software steps) | 19 | 19 | | | Not planned for Q1 |
| | Radio for promoting water, sanitation and good hygiene practices | 2 | 1 | 1 | 1,618,200 | Activity implement as planned. |
| | Commissioning of new facilities | 1 | 1 | 1 | 2,072,000 | Meeting conducted in the quarter |
| | Planning and advocacy at sub county | 9 | | | | Not planned for Q1 |
| Sanitation Hardware | Retention on pit latrine | 1 | 1 | | | Activity rolled over from FY 2012/2013. Retention to be paid in FY 2013/2014 but not particularly Q1. |
| Water Supply facilities | Deep Boreholes drilling(Hand pump) | 14 | 5 | 0 | | Tendering for service providers was ongoing |
| | Medium Spring Protection | 5 | | | | |
| | Rolled over activities for FY 2012/2013(Retention for Absolom; 19,550,000, Galaxy lot-C 15,903,000, Galaxy Lot D 15,903,000,China Geo Lot A- 35,982,000 China Geo Lot B-89,955,000. Retention for Spring 1,968,457 | | | | 109,520,770 | Paid retention for the protected springs and drilled boreholes |
| Rehabilitation of water facilities | Borehole rehabilitation | 15 | | | | Activity not planned for in the Quarter |
| | Assessment of boreholes to be rehabilitated | 18 | | | | Activity not planned for in Quarter |
| | Retention on boreholes rehabilitated | 1 | | | | Activity not planned for in Quarter |
| Water Quality Surveillance | Water Quality testing (Old sources) | 36 | | | | Activity not planned for in Quarter |

| Output Categories | Activities | Annual target | Performance in Q1 FY 2013/2014 | | Expenditure | Comments on Progress |
|---|---|---|---|---|---|---|
| | | | Planned target | Achieved | | |
| Supervision and monitoring | Construction supervision visits | 52 | 25 | | | Activity not implemented because constructions had not yet commenced |
| | Inspection of water points after construction | 6 | 1 | 1 | 103,000 | Had a verification visit of springs protected in FY 2012/2013 |
| | Regular data collection and analysis | 16 | | | | Activity not planned for in the quarter |
| | Bank charges | 4 | 1 | 1 | 105,703 | Bank charges paid |

***Source: field findings, District Progress Report Q1 FY 2013/2014***

**Implementation Challenges**

i) Low commitment of extension staff used in the water sector. It was reported that since most extension staff are seconded from other departments, they tend to ignore set targets and collect inaccurate data.

ii) Non reporting and duplication of activities by Non-Governmental Organizations (NGOs).It was reported that Northern Uganda Social Action Fund project (NUSAF) does not share information on activities implemented in the district with the District Water Office. In some instances NUSAF wants to drill boreholes in the same villages where the water office has drilled. This comprises the equity principle. Water Aid supports post construction activities which are planned by the district too.

**Analysis**

***Link between financial performance and physical performance***

In Q1 FY 2013/2014, out of Ug shs 143, 556,000 released for Kibuku DWSDCG, Ug shs, 117,105,673 was on software activities and payments of works carried out in FY 2012/2013 representing a very good absorption capacity of 88%. However, much as the absorption was very good 93.5% of the funds paid works carried forward from FY 2012/2013.

***Achievement of set targets***

Most targets set for Q1 FY 2013/2014 were achieved up to about 72%. However, some activities were not implemented as planned such as procurement of office equipment for the District Water Officer was on going. Constructions had not commenced therefore supervision and monitoring visits could not be conducted.

**Conclusion**

The district performance was good in regard to physical and financial performance of the planned activities. Software activities such as sensitization meetings, establishment of Water User Committees, community mobilization, quarterly extension meetings, and payment of retention on activities of FY 2012/2013 were carried out. However, the district left out planning for important activities in the quarter which included the social mobiliser's meeting and advocacy meetings because of inadequate resources.

It was noted that the Water Office still had challenges of inadequate staff as had previously been discovered in the FY 2011/12, low commitment of extension workers, lack of an office vehicle and duplication of activities by civil society organizations.

**Recommendations**

i) Districts should motivate extension workers through trainings and apply sanctions on non-performers.

ii) The District Administration through the District Commercial Office should ensure that NGOs provide updated information on activities implemented in the District.

**(4) Kyenjojo District**

The district had safe water coverage of 78.1%, a functionality rate of the water sources at 82% and sanitation coverage is at 78% all above the national figures according to the Sector Performance Report 2013 which was very good.

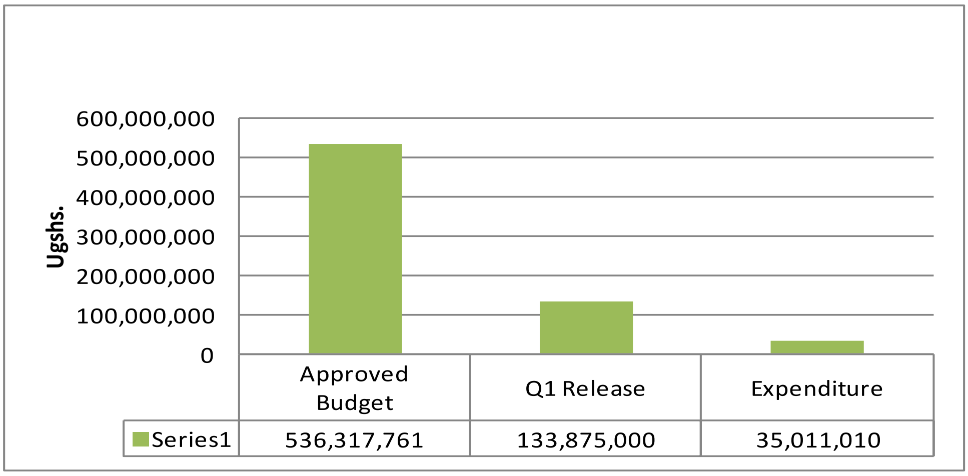
**Financial Performance**

The DWSCG approved budget for Kyenjojo district for FY 2013/2014, is Ug shs 536,317,761 of which Ug shs133, 875,000 was released for Q1 FY 2013/2014 representing 25% of the approved budget released. Field findings indicate that Ug shs 35,011,010 had been utilized by the end of Q1 FY 2013/2014 representing an absorption rate of 26.1%. This was a poor financial performance.

The low absorption rate was as result of a delay in uploading the funds to the IFMS. It took more than a month for the funds to be uploaded on the system therefore the user department was unable to spend as planned.

Below is Figure 13.6 illustrating the financial performance of the grant during Q1 FY 2013/2014.

**Figure 13.6: Q1 FY 2013/2014 Financial Performance of the DWSDCG Kyenjojo District**




***Source: Field findings, IFMS***

**(b) Physical Performance**

During Q1 FY 2013/2014, under the DWSDCG, Kyenjojo District carried out sensitization meetings with the communities on critical requirement, formation of Water User Committees (WUCs) for new water sources, training of Water User Committees and made payments for activities that were implemented in Q4 FY 2012/2013.

Below is Table 13.9 showing the detailed implementation status for the DWSCG by end of Q1 FY 2013/2014.

**Table 13.9: Kyenjojo DWSCG Implementation Status as at the end of Q1FY 2013/2014**

| Output Categories | Activities | Annual Target | Performance in Q1 FY 2013/2014 | | Expenditure | Comments on Progress |
|---|---|---|---|---|---|---|
| | | | Planned target | Achieved | | |
| Stake holder Coordination | District Water Supply and Sanitation Coordination meetings | 4 | 1 | 0 | | Activity was not implemented because funds had not yet been received. |
| | Submissions, consultations and travel subsistence | 12 | 3 | 3 | 6,751,000 | Carried out facilitation for coordination, planning, reporting. |
| Office equipment for DWO | Procurement of motorcycles | 1 | 1 | 0 | | Procurement requisition for the supply of motor cycle was initiated. |
| | Bank charges | 12 | 3 | 0 | | Bank charges were not cleared |
| General operational costs of DWO | O&M for vehicles | 4 | 1 | 0 | | Vehicles services and repairs were not paid |
| | Fuel and Lubricants | 12 | 3 | 0 | | Activity was not implemented |
| | Office Stationary | 4 | 1 | 0 | | Activity was scheduled for Quarter three |
| | Computer maintenance and internet subscription | 4 | 1 | 0 | | Internet subscription was not paid for in the quarter. |
| Software | Planning and advocacy meetings at district and sub county | 2 | 1 | 0 | | Activity was not implemented due to late receipt of funds |
| | Sensitize communities to fulfill critical requirements | 16 | 9 | 9 | 2,469,200 | Activity implemented as planned. |
| | Establishing Water User Committees | 16 | 5 | 5 | 3,084,000 | Formation of WUCs for new water sources was done. |
| | Training WUC, Communities and primary schools (where applicable) on 0&M ,Gender, Participatory Planning Monitoring (Part of software steps) | 16 | 16 | 16 | 6,054,195 | Training was conducted that covered operation and maintenance of water sources, roles of the communities in the maintenance of water sources. |
| | Post construction support to WUCs | 12 | 5 | 5 | | Water User Committees were guided on the management of the water sources |
| | Radio for promoting water, sanitation and good hygiene practices | 4 | 1 | 0 | | Activity was scheduled for Q3 to mark the world water day celebrations. |

| Output Categories | Activities | Annual Target | Performance in Q1 FY 2013/2014 | | Expenditure | Comments on Progress |
|---|---|---|---|---|---|---|
| | | | Planned target | Achieved | | |
| Sanitation Hardware | Construction of public latrines in RGCs (Ecosan) | 1 | | 0 | | No bidder responded , activity was to be re-tendered |
| | Promotion of Eco san Concept | 1 | | 0 | | Activity was to be implemented when construction starts. |
| Water Supply facilities | Shallow well construction-Hand dug | 19 | 2 | 0 | | Bid evaluation was on going by end of quarter one |
| | Deep Boreholes drilling(Hand pump) | 11 | 1 | 0 | | Bid evaluation was ongoing by the end of quarter one. |
| | Retention for FY2012/2013 projects | 1 | 0.5 | 0 | | Retention was not paid during the quarter |
| | Outstanding bills for 2012/2013 | 1 | 0.5 | 0.4 | 20,091,615 | Ug shs 20,091,615 out of Ug shs 52,525,563/= of the outstanding bill carried forward from FY2012/2013 was cleared during Q1. |
| Rehabilitation of water facilities | Borehole rehabilitation | 8 | | | | Activity not planned for in Q1. |
| | Shallow well rehabilitation | 11 | | | | Activity not planned for in Q1. |
| | Assess faulty sources and follow up repairs | 19 | 24 | 17 | | Activity was yet to start |
| Water quality surveillance | Water Quality testing(new sources) | 30 | | | | Scheduled for Quarter three |
| | Water Quality testing (Old sources) | 72 | 20 | | | Activity scheduled for Quarter two |
| Supervision and monitoring | Construction supervision visits | 36 | 6 | | | Activity was yet to start |
| | Inspection of water points after construction | 35 | 5 | 5 | 3,312,000 | Inspection of water sources in the defects liability period carried out. |
| | Regular data collection and analysis | 51 | 4 | | | Activity was scheduled for November 2013 |

***Source:Field findings, District Progress Report Q1 FY 2013/2014***

**Implementation Challenges**

i) Field findings indicate that there was a delay in making payments using the IFMS. Not all payments in a given batch were paid and this affected implementation of activities.

ii) It was reported that the ICT equipment's keep breaking down and no provisions were made for an IT personnel at the District. The engineers end up doing the repairs themselves which disorganizes their work schedules.

iii) The District Water Office has an old vehicle whose operation and maintenance cost is very high. The District found it difficult to maintain the vehicle given the limited operations budget.

**Analysis**

***Link between financial performance and physical performance***

For the DWSCG, Kyenjonjo district received 25% of its approved budget FY2013/2014 (Ug shs 133,875,000 and by the end of the quarter, 26.1% of the released funds were absorbed. Of the money utilized 53% was used to pay for activities not paid for in FY 2012/2013.

Absorption was below average and this was attributed to the late receipt of funds by the user department. Findings indicate that it took a more than a month for funds to be uploaded on the system. The time left in the quarter was not enough to implement all the planned activities.

***Achievement of set targets***

About 30% of the set targets were achieved. Most of the activities could not be implemented as planned for in the quarter due to the ongoing procurement process and late receipt of funds. For instance targets set for sanitation hardware were not met because no bidder responded for the construction of public latrines in Rural Growth Centers and therefore the process was re tendered.

**Conclusion**

The District's performance was below average in regards to physical and financial performance. This was attributed to the late receipt of funds by the Water Office *(funds were received in September 2013)*.

The District Water Office was able to carry out sensitization meetings with the communities on critical requirement, formation of Water User Committees (WUCs) for new water sources, training of Water User Committees and make payments for activities that were implemented in Q4 FY 2012/2013. There were challenges of inadequate office operations, funds and effecting payments using the IFMS delays; plus high operation and maintenance costs of the department vehicle. The staff lacks some skills necessary for Geographic Information System (GIS), some computer packages, and contract management for improved planning, reporting and supervision of works.

**Recommendations**

i) The Ministry of Water and Environment should revise the Office Operations Budget district by district case such that the Water Office can effectively monitor status of implementation of activities. This is most especially for districts which receive less budget allocations compared to others.

ii) There is need for Ministry of Water and Environment to carry out capacity building training for Water Office staff as a way of improving planning and reporting supervision. This is especially in areas of contract management, computer packages such as auto card and Geographic Information System (GIS).

**(5) Mbale District**

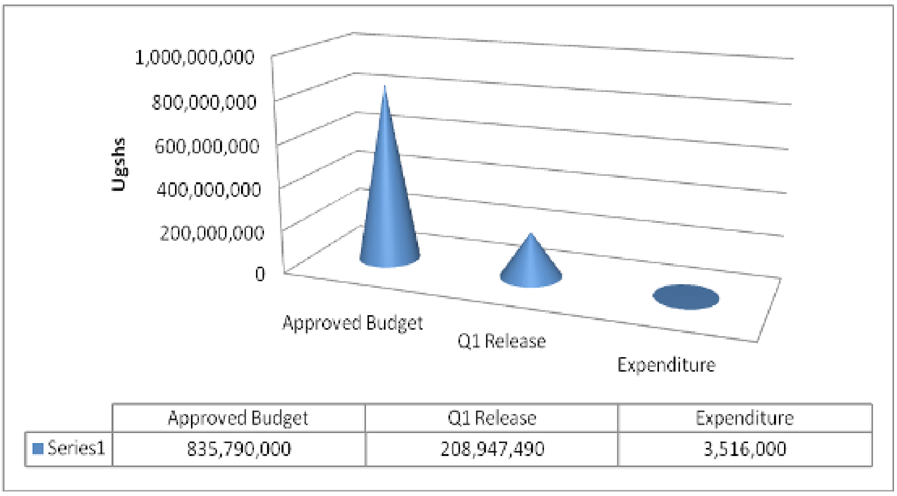
The safe water coverage in the urban areas of Mbale district was at 93% while in the rural areas, coverage was at 62.8% by the end of September 2013 which is good coverage. Household latrine coverage on the other hand was at 59.4% which is quite below the national one that stands at 71%.

**Financial Performance**

The DWSCG approved budget for FY2013/2014 is Ug shs 835,790,000 of which Ug shs208, 947,490 was released for Q1 FY 2013/2014 (25%). Findings indicate that absorption was below average as only Ug shs 3,516,000 was absorbed in the quarter (1.6%).

Below is Figure 13.7 illustrating the financial performance of the grant during Q1 FY 2013/2014.

**Figure 13.7: Financial Performance of DWSDCG Q1FY 2013/2014 for Mbale District**




***Source: Field findings***

**Physical Performance**

During Q1 FY 2013/2014, Mbale District carried out supervision and monitoring visits and planning and advocacy meetings at the sub county. Procurement processes for contracts under the grant were also initiated at the time of monitoring.

Below is Table 13.10 showing the detailed implementation status for the DWSCG by end of Q1 FY 2013/2014.

**Table 13.10: DWSDCG Implementation Status as at the end of Q1 FY 2013/2014 for Mbale District**

| Output Categories | Activities | Approved Annual work plan target | Performance in Q1 FY 2013/2014 Planned target | Achieved | Expenditure | Comments on Progress |
|---|---|---|---|---|---|---|
| Stake holder Coordination | District Water Supply and Sanitation Coordination meetings | 4 | 1 | | | Funds were received after the quarter had ended. The meeting was held in October 2013 |
| | Social mobilisers meetings | 4 | 1 | | | Funds were received after the quarter had ended. The meeting was held in October 2013 |
| General operational costs of DWO | O&M for vehicles | 4 | 1 | | | Vehicle was in good running condition |
| | Fuel and Lubricants | 1,932 | 483 | | | There was a delay in the procurement process. The LPO was issued after the quarter had ended. |
| | Water quality testing kits | | | | | Activity not planned for. |
| | Stationery and office running bills, cartridge | 4 | 1 | 0 | | There was a delay in the procurement process. The LPO was issued after the quarter had ended. |
| | National Consultation | 8 | 2 | 1 | | Facilitation was received after the end of the quarter. |

| Output Categories | Activities | Approved Annual work plan target | Performance in Q1 FY 2013/2014 | | Expenditure | Comments on Progress |
|---|---|---|---|---|---|---|
| | | | Planned target | Achieved | | |
| Software | Planning and advocacy meetings at district and sub county | 1 | 1 | | | Meeting was held after the end of the quarter |
| | Sensitize communities to fulfill critical requirements | 42 | 42 | | | It was reported that this activity would be carried out after the advocacy meetings. |
| | Establishing Water User Committees | 42 | | | | It was reported that this activity would be carried out after the advocacy meetings. |
| | Post construction support to WUCs | 42 | | | | Activity was planned for Q4 |
| | Planning and advocacy at sub county | 1 | 1 | 1 | 2,922,000 | Meeting was held in October |
| | Revitalisation of WUCs | 14 | | | | Activity planned for Q3 |
| Sanitation Hardware | Construction of public latrines in RGCs | 2 | | | | Planned for Q3 |
| Water Supply facilities | Deep Boreholes drilling(Hand pump) | 11 | | | | Planned for Q3 |
| | Medium Spring Protection | 14 | | | | Planned for Q3 |
| | Construction of a piped water supply system | 1 | | | | Planned for Q3 |
| Rehabilitation of water facilities | Borehole rehabilitation | 14 | | | | Planned for Q3 |
| | Assessment of boreholes to be rehabilitated | 30 | | | | Planned for Q4 |
| | Gravity flow scheme rehabilitation | 6 | | | | Planned for Q3 |
| Water Quality Surveillance | Water Quality testing (Old sources) | 40 | | | | There was a Delayed procurement process |
| | Water Quality testing(new sources) | 35 | | | | Delayed procurement process |
| Supervision and monitoring | Construction supervision visits | 95 | 5 | | | Construction activities had not yet commenced. Activity was planned for Q4. |
| | Inspection of water points after construction | 80 | 20 | 20 | 594,000 | Activity implemented |
| | Regular data collection and analysis | 4 | 1 | | | Activity was ongoing |

***Source: Field findings, District Progress Report Q1 FY 2013/2014***

**Implementation Challenge**

It was reported that funds for Q1 were received during the month of August 2013 and the IFMS broke down during the same month. The user department was unable to access funds till towards the end of the quarter.

**Analysis**

***Link between financial performance and physical performance***

Financial performance was below average during Q1 FY 2013/2014. The expenditure at monitoring was 1.6% (Ug shs 208, 947,490 of the released budget which was made in September. This was utilised on planning and advocacy meetings and inspection of water points. The low absorption was attributed to IFMS technical break down and late release of funds.

***Achievement of set targets***

The Q1 performance targets set for Q1 were 90% not met due to IFMS technical break down and delayed procurement processes. Activities like sensitization of communities to fulfill critical requirements, establishment of Water User Committees and water quality testing of both old and new sources were not implemented.

**Conclusion**

The District's performance was below average in regards to both financial and physical performance and 90% of the set targets were not met. The district had a challenge of accessing funds because the IFMS broke down.

**Recommendation**

Ministry of Finance, Planning and Economic Development should in future timely respond and provide the necessary technical support to IFMS break down in the Districts.

**(6) Mubende District**

The safe water coverage was at 41.3% at the time monitoring. This was very low compared to the national coverage which is 64%. The functionality of existing sources was at 80% and sanitation coverage stood at 81% by the end of September 2013.

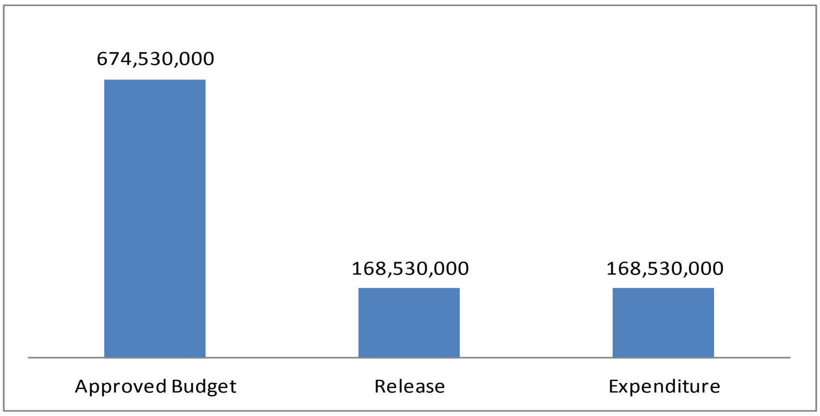
**Financial Performance**

The DWSCG approved budget FY 2013/2014 for Mubende district is Ug shs. 674,530,000 of which Ug shs.168, 530,000 was released (25% of the budget released) and expended in the quarter representing 100% absorption capacity. This was an excellent financial performance.

Findings indicate that, 82% of the funds utilized in the quarter were used to pay debts that were carried forward from the previous financial years.

Below is Figure 13.8 showing the financial performance of the grant during Q1FY 2013/2014.

**Figure 13.8: Financial Performance of DWSDCG for Q1 FY 2013/2014 Mubende District**




***Source: Field findings, IFMS***

## Physical Performance

During Q1 FY 2013, the district implemented software activities and these included, District Water Supply and Sanitation Coordination meeting, planning and advocacy meetings, establishing Water User Committees, training Water User Committees, post construction support, extension staff quarterly review meeting and drama shows and part payment was made for activities carried out in FY 2012/2013.

Below is Table 13.11, showing the detailed implementation status for the DWSCG by end of Q1 FY 2013/2014.

**Table 13.11: Mubende DWSDCG Implementation Status as at the end of Q1 FY 2013/2014**

| Output Categories | Activities | Approved Annual work plan target | Performance in Q1 FY 2013/2014 | | Expenditure (Ug shs) | Comments on Progress |
|---|---|---|---|---|---|---|
| | | | Planned target | Achieved | | |
| Stake holder Coordination | District Water Supply and Sanitation Coordination meetings | 4 | 1 | 1 | 1,550,000 | One meeting for the District Water and Sanitation Coordination meeting held. Meetings are held on a quarterly basis. |
| | Intra sub county meeting | 4 | 4 | 4 | 6,520,000 | Meetings were held at county level. In the counties of Buwekula, Kasambya, Kassanda South and Kassanda North. |
| Office equipment for DWO | Procurement of computer and printers | | | | | Procurement was in progress |
| General operational costs of DWO | O&M for vehicles | 1 | 60% | 60% | 9,500,000 | The Office vehicle was involved in a major accident and there was need for major repairs. |
| | Fuel and Lubricants | 12 | 3 | 3 | 4,730,000 | Fuel used for routine field work and administrative activities. |
| | Office Administration | 12 | 3 | 2 | 1,800,500 | Office bills and imprest paid. |

| Output Categories | Activities | Approved Annual work plan target | Performance in Q1 FY 2013/2014 | | Expenditure (Ug shs) | Comments on Progress |
|---|---|---|---|---|---|---|
| | | | Planned target | Achieved | | |
| Software | Planning and advocacy meetings at district and sub county | 1 | 1 | 1 | 3,500,000 | Meeting held for all district level leaders. |
| | Sensitize communities to fulfill critical requirements | 20 | | | | Not yet done |
| | Establishing Water User Committees | 20 | | | | Formed and trained 20 Water User Committees. |
| | Post construction support to WUCs | 15 | | | | Committees were formed for facilities constructed last FY. |
| Water Supply facilities | Shallow well construction-Hand dug | 14 | | | | Procurement process ongoing |
| | Deep boreholes drilling | 3 | | | | Procurement process was ongoing |
| | Construction of piped water supply system (borehole pumped) | 1 | | | | Procurement process ongoing |
| | Construction of Valley Tanks | 3 | | | | Procurement process was ongoing |
| | Outstanding debts carried forward from FY2012/2013 | 1 | 0.5 | 0.5 | 138,500,000 | Part Payment was made for activities carried out in FY 2012/2013 during Q1and these included: 4 valley tanks, of which Ug shs. 30,000,000 was paid out of 50,000,000. Bukuya piped water system, Ug shs, 35,000,000 was paid out of Ug shs.55.000.000.<br><br>Ug shs.46, 000,000 paid out of Ug shs.102, 000,000 for rehabilitation of 30 boreholes.<br><br>Ug shs 16,000,000 for rehabilitation of Kassanda piped water system.<br><br>Ug shs 11,500,000 oustanding debt from FY2011/12. |
| Supervision and monitoring | Construction supervision visits | 9 | 3 | 2 | 2,400,000 | Supervision allowance for field officers and internal auditors. |

***Source: Field findings, District Progress Report Q1 FY 2013/2014***

### Implementation Challenges

i) It was reported that most communities were not willing to contribute towards Operation and Maintenance of water sources. As a result many water sources were left unrepaired.

ii) It was reported that there was no clear approach to waste management in all the trading centers which had resulted into low sanitation levels in the trading centers.

**Analysis**

***Link between financial performance and physical performance***

A total of Ug shs 168,530,000 that was released in Q1 FY 2013/2014 had been expended (100% absorption) by the end of the quarter which was excellent expenditure. The district used 82% of the funds utilized in the quarter to pay debts that were carried forward from the previous financial years. The remaining 18% was used to hold four county advocacy meetings, one district advocacy meeting, form and train 20 Water User Committees and hold one District Water and Sanitation Coordination Committee meeting.

***Achievement of set targets***

The main performance targets set in the quarter were met although the delay in release of funds stalled progress of implementation. Four county advocacy meetings, one district advocacy meeting, formation and training of 20 Water User Committees and one District Water and Sanitation coordination committee meeting were held.

**Conclusion**

The district's absorption capacity for the DWSDCG was very good given that 100% funds received were spent and activities were implemented as planned. However, more than 50% of the funds received were used to make part payments on activities carried out in Q4 FY 2012/2013. The district had challenges of late release of funds, lacked a vehicle for the office, vandalism of water facilities and poor quality pump parts on the market.

**Recommendations**

i) Vigorous community sensitization is required to secure concrete community ownership and commitment to operation and maintenance (O&M) of installed facilities and guard against vandalism of existing facilities.

ii) The Uganda National Bureau of Standards should test and put up control measures for the quality of materials on the market. This will in turn reduce operation and maintenance costs.

**(7) Ntoroko District**

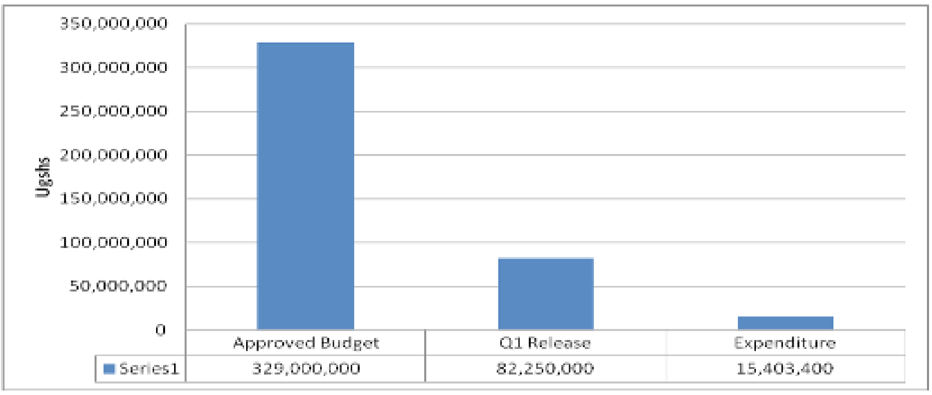
As of September 2013, Ntoroko District's safe water coverage was 56%, functionality 77%, latrine coverage 46.6% and hand washing was at 22.5%. The levels are quite below national levels.

**Financial Performance**

The DWSCG approved budget FY 2013/2014 for Ntoroko District is Ug shs.329, 000,000 of which Ug shs.82, 250,000 was released (25%) during Q1 FY 2013/2014 and Ug shs. 15,403,400 expended. This is 18% of released funds absorbed which is below average.

The low absorption of funds was attributed to the fact that most funds were budgeted on capital projects and the procurement process was ongoing. Below is Figure 13.9 showing the financial performance of the grant during Q1 FY 2013/2014.

**Figure: 13.9: Financial Performance of DWSDCG for Q1 FY 2013/2014 Ntoroko District**




*Source:field findings*

**Physical Performance**

During Q1 FY 2013, activities implemented were mainly software and these included District a Water Supply and Sanitation Coordination meeting, establishing Water User Committees, Training Water User Committees, post construction support and part payment was made for activities carried out in FY 2012/2013.

Below is Table 13.12, showing the detailed implementation status for the DWSCG by end of Q1 FY 2013/2014

**Table 13.12: Ntoroko DWSDCG Implementation Status as at the end of Q1FY 2013/2014**

| Output Categories | Activities | Approved target | Performance in Q1 FY 2013/2014 | | Expenditure | Comments on Progress |
|---|---|---|---|---|---|---|
| | | | Planned target | Achieved | | |
| Stake holder Coordination | District Water Supply and Sanitation Coordination meetings | 4 | 1 | 1 | 1,551,000 | Coordination meeting held at Karugutu Town Council hall |
| | National Consultations | 4 | 1 | 1 | 1,771,000 | Attended the Annual DWO meeting in Soroti. Submitted progress reports to Ministry of Water and Environment. |
| | Extension staff meeting | 4 | 1 | 0 | | Not done |
| Office equipment for DWO | Procurement of computer and printers | 1 | | | | Procurement process was ongoing |
| | Procurement of an IPAD | 1 | 1 | 0 | | Activity was changed to procurement of a Laptop. Procurement process was ongoing. |
| | Subscription for internet connection | 4 | 1 | 1 | | Internet subscription made for Q1 |

| Output Categories | Activities | Approved target | Performance in Q1 FY 2013/2014 | | Expenditure | Comments on Progress |
|---|---|---|---|---|---|---|
| | | | Planned target | Achieved | | |
| General operational costs of DWO | O&M for vehicles | 4 | 1 | 0.39 | 500,000 | Motorcycle repair and maintenance carried out. |
| | Fuel and Lubricants | 4 | 1 | 1.19 | 1,942,400 | Fuel purchased for consultation visits, data collection and annual DWO meeting in Soroti |
| | Stationary and office running | 4 | 1 | 1 | 617,000 | Stationery purchased for office running. |
| Software | Planning and advocacy meetings at district and sub county | 1 | | | | Not planned for the quarter |
| | Sensitize communities to fulfill critical requirements | 1 | 1 | 1 | 3,752,000 | Communities were sensitized |
| | Establishing Water User Committees | 1 | | | | Not planned for in the quarter |
| | Post construction support to WUCs | 2 | 1 | | | Not implemented |
| Water Supply facilities | Medium Spring protection | 2 | | | | Not planned for in the quarter |
| | Shallow well construction | 4 | | | | Not planned for in the quarter |
| | Deep boreholes drilling | 6 | | | | Not planned for in the quarter |
| | Construction of piped water supply system (gravity flow scheme) | 1 | | | | Not planned for in the quarter |
| Rehabilitation of water facilities | Rehabilitation of Karugutu GFS | | | | | Not planned for in the quarter |
| | Shallow well rehabilitation | 16 | 0.5 | 0.02 | 657,000 | Assessment prior to rehabilitation was done |
| Supervision and monitoring | Construction supervision visits | 30 | 7 | 7 | 812,000 | Supervision was carried out for ongoing boreholes |
| | Inspection of water points after construction | 30 | 7 | 10.3 | 1,196,000 | Inspection for completed projects carried out |
| | Regular data collection and analysis | 2 | 1 | 1 | 2,340,000 | Data collected |

***Source: field findings, District Progress Report Q1 FY 2013/2014***

### Implementation Challenges

i) It was reported that the most of the water sources had high levels of iron which affects the boreholes drilling in the area.

ii) It was reported that due to the heavy rains, most areas of the district experienced floods and the contractors could not easily access the sites to begin works.

**Analysis**

***Link between financial Performance and physical performance***

Funds amounting to Ug shs.82, 250,000 were released of which 18% were absorbed indicating a low absorption capacity. The greater percentage of the budget was allocated to hardware activities and yet procurement for service providers was ongoing. Thus only two out of the seven key output areas (stakeholder coordination and general operational costs of the DWO) were carried out. The District spent most of the money paying for the last FY activities and this affected the plans and implementations of the Q1.

***Achievement of set targets***

The key targets set for the quarter were partially achieved during the quarter and this was attributed to the ongoing procurement process and the rains that had caused floods in the District.

**Conclusion**

The District's performance was below average in regards to physical and financial performance. Only 18% of the funds released was utilized. Although most software activities were implemented as planned, a greater percentage of the funds were allocated to hardware activities and procurement for service providers was ongoing for these activities. The DWO had implementation challenges of heavy rains and excessive minerals in water which affect implementation of activities.

**Recommendation**

It is recommended that the district priorities water quality testing and should explore other technologies such as gravity flow schemes in order to avoid the excessive iron in the water.

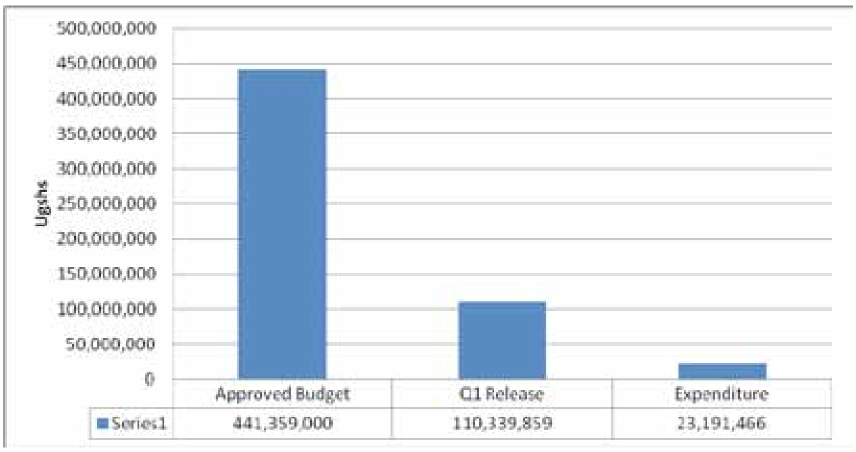
**(8) Ntungamo District**

**Financial Performance**

The approved budget for Ntungamo district for FY 2013/2014, is Ug shs 441, 359,000 of which Ug shs 110,339,859 was released for Q1 FY 2013/2014 (25%) and Ug shs 23,191,466 (21%) was utilized during the quarter. The 21% absorption capacity is below average.

Below is Figure 13.10 showing the financial performance of the grant during Q1 FY 2013/2014.

**Figure 13.10: Ntungamo District DWSDCG Financial Performance for Q1FY2013/2014**




***Source: Field Findings***

**Physical Performance**

During Q1 FY 2013/2014, under the DWSDCG, Ntungamo district carried out national consultative meetings, post construction support to Water User Committees, baseline survey for sanitation, and consultancy services for Kirungu, Rwoho Gravity Flow Scheme, construction supervision visits and inspection of water points after construction. Table 13.13 shows the physical performance of Ntungamo district.

**Table 13.13: DWSCG Implementation Status as at the end of Q1 FY 2013/2014 for Ntungamo District**

| Output Categories | Activities | Approved Annual work plan target | Performance in Q1 FY 2013/2014 | | Expenditure | Comments on Progress |
|---|---|---|---|---|---|---|
| | | | Planned target | Achieved | | |
| Stake holder Coordination | District Water Supply and Sanitation Coordination meetings | 4 | 1 | 1 | | Activity was implemented although expenditure was not given. |
| General operational costs of DWO | O&M for vehicles | 12 | 1 | | | Activity not planned for Q1 |
| | Fuel and Lubricants | 4 | | | | Activity not planned for Q1 |
| | National Consultative Meetings | 6 | 1 | 1 | 1,900,500 | Travelled to DWD and Soroti for the DWO's meeting. |
| | Bank charges | 4 | | | 216,986 | Activity not planned for Q1 |
| Software | Planning and advocacy meetings at the District | 3 | | | | Activity not planned for Q1 |
| | Sensitize communities to fulfill critical requirements | 25 | | | | Activity not planned for Q1 |
| | Training WUC, communities and primary schools(where applicable) on O&M, Gender, Participatory Planning and Participatory Monitoring | 25 | | | | Activity not planned for Q1 |
| | Extension Staff quarterly review meeting | 4 | | | | Activity not planned for Q1 |
| | Post construction support to WUCs | 20 | | | 1,609,995 | Water User Committees supported |
| | Baseline survey for sanitation | 25 | | | 3,304,985 | Baseline survey that targeted sources constructed during FY 2013/2014 was carried out |
| Sanitation Hardware | Construction of public latrines in RGCs | 1 | | | | Activity not planned for Q1 |

| Output Categories | Activities | Approved Annual work plan target | Performance in Q1 FY 2013/2014 | | Expenditure | Comments on Progress |
|---|---|---|---|---|---|---|
| | | | Planned target | Achieved | | |
| Water Supply facilities | Shallow well construction- Hand dug | 25 | | | | Twenty five U3 modified hand pump sets for the shallow wells to be constructed were delivered and stored. It was reported that procurement of contractors to carry out the civil works was ongoing. |
| | Design of piped water system(GFS, Borehole, Surface) | 2 | | | 12,981,000 | Consultancy services for Kirungu Rwoho Gravity Flow scheme on going while procurement for consultancy services of Nyarutuntu Gravity Flow Scheme was under way. |
| | Construction of piped water supply system(borehole pumped) | 1 | | | | Under procurement |
| | Promoting domestic rain water harvesting | 30 | | | | Communities to benefit from the exercise were contacted and were mobilizing their contribution at the time of the monitoring visit. |
| Rehabilitation of water facilities | Rehabilitation GFS | 1 | | | | Civil works for the source overhaul of Kirungu, Kihanga Gravity Flow schemes were ongoing and Kyangara had been completed. |
| Water Quality Surveillance | Water Quality testing (new sources) | 25 | | | | Planned for Q2 |
| | Water Quality testing(old sources) | 60 | | | | Planned for Q2 |
| Supervision and monitoring | Construction supervision visits | 12 | | | 1,472,000 | Routine supervision visits for quality control checks carried out. |
| | Inspection of water points after construction | 12 | | | 1,706,000 | Routine supervision visits for certification and quality control checks carried. |
| | Regular data collection and analysis | 12 | | | | Activity not planned for Q1 |

***Source: Field Findings, District Progress Report Q1FY2013/2014***

**Analysis**

***Link between financial performance and physical performance***

The DWO implemented software activities during Q1 FY 2013/2014 and 21% of the funds released were absorbed for these activities. Funds absorption was below average.

***Achievement of set targets***

The key targets set for software activities in the quarter were achieved and procurement process had started for hardware activities. The activities implemented include; District Water Supply and Sanitation Coordination meetings, Inspection of water points after construction, Post construction support to WUCs, and Baseline survey for sanitation.

**Conclusion**

The district made good progress in implementation of software activities. Post construction support to Water User Committees, baseline survey for sanitation, consultancy services for Kirungu, Rwoho gravity flow scheme, construction supervision visits and inspection water points after construction were carried out by the water office.

However the District Water Office is understaffed and lacks a motor vehicle; therefore the low level of implementation.

**Recommendations**

i) The District should budget for more staff within the work plan to ensure that all the vacant gaps are filled exploring the window of contract staff being paid under the grant.

ii) Ministry of Water and Environment should allow the District Water Officer to procure a vehicle. This will ease supervision and monitoring of works.

**Key Issues/Challenges of District Water and Sanitation Conditional Grant (DWSDCG)**

i) There were reported cases of DWOs with no vehicles at all, or have to share with other departments for the case of Kibuku and Ntungamo. Others districts like Kamuli have vehicles or motorcycles in very poor mechanical conditions which require high maintenance costs**.**

ii) The Ministry of Water and Environment, guidelines provide for 6% of the grant to cater for office operations which some of the District Water Officers find inadequate to effectively carry out supervisions and office running.

iii) Delay in the releases of funds up to two months affected the start of project. The funds for the first quarter were received in the August 2013 and the amount received could not adequately cover the debt carried forward and activities planned for the quarter. Implementation of planned activities was limited.

iv) The IFMS broke down in the districts of Mbale and Kyenjonjo**.** The user departments were unable to fully utilize the funds before the end of the quarter.

v) Understaffing continues to affect implementation in the districts. In Ntungamo the district Water Officer had just resigned at the time of monitoring. The water office in Kibuku district is a one manned office, yet extension workers in districts are not directly under the district Water Office which makes them not pay allegiance to the water office.

vi) Vandalism of hand pumps was on the increase in most parts of the districts. For example in Mubende district, suspected scrap dealers, hand pump mechanics and other community leaders vandalized facilities especially at the night.

vii) It was reported that there is poor quality of materials especially riser pipes and rods on the markets. These reduced the normal operating life of the boreholes leading to high maintenance costs and frequent need for rehabilitation.

**Analysis of the District Water and Sanitation Development Conditional Grant (DWSDCG)**

***Link between financial and physical performance***

All the districts monitored received an automatic release of 25% of the approved budget which was excellent release performance. A total of Ug shs1,102,962,023 was received in the eight districts of Kabale, Kamuli, Kibuku, Kyenjojo, Mbale, Mubende, Ntoroko and Ntungamo and Ug shs 519,573,708 was utilized representing an overall absorption capacity of 47.1%. This was below average.

About 60% of the funds received were utilized to effect payments for activities of FY 2012/2013 and 40% on planned activities for Q1 FY 2013/2014. This is because it is how districts planned to first pay off debts of the last FY before embarking on other activities. This affected the budgets and plans for Q1 and the whole FY 2013/2014.

***Achievement of set targets***

Seven out of the eight Districts monitored achieved about 70% of the set targets for software activities. Mbale and Kyenjojo Districts had the least targets achieved because there was a technical breakdown of the IFMS and funds were received towards the end of the quarter.

Procurement of service providers for hardware activities was at different stages so the districts which had planned activities that require procurements halted them till the next quarter.

**Conclusions**

Government through the Mininstry of Finance Planning and Economic Development sends 25% of the District Water and Sanitation Conditional Grant approved budgets to all District Local Governments automatically in the first Quarter. All the districts monitored received this money which was excellent release performance. Utilization capacity by Districts ranged between 1.6% the lowest (Mbale) and 100% highest (Mubende and Kabale Districts).

Plans for Q1 were affected by debts caused by non-release of funds to LGs in the fourth quarter of FY 2012/2013. A few activities were planned for compared to what is usually done. About 60% of the money released in Q1 was used to clear debts. Most software activities planned were implemented while hardware activities were affected by procurement as has been the tradition.

Districts were at different stages of procurement. Only Kyenjojo District had signed agreements for construction of works and it is hoped works will end on schedule. Mubende, Ntungamo and Mbale had just started procurement and this is likely to pose delays in the implementation process.

The districts faced challenges of delayed receipt of funds, inadequate transport facilities, inadequate office operations, the technical breakdown of the IFMS and rampant poor quality of materials on the market.

**Recommendations**

i) Ministry of Finance should ensure that all funds for capital projects are released by at least third quarter as committed by MFPED during the Budget Conference Workshops (Ref Circular). This will enable the Local Governments to effectively implement as planned in the financial year

ii) The Ministry of Water and Environment should advise Districts with vehicle problems to make general assessments of the operation and maintenance. Then MWE can use reports as a case by case basis to advice District vehicle procurement procedures. Critical cases should be allowed to procure vehicles to ease supervision and monitoring works.

iii) The Ministry of Water and Environment should revise the Office Operations Budget specifically for Districts with small budget allocations so that the operations of the District Water Office may move smoothly.

iv) There is need to fast track technical support for the IFMS system in the District Local Governments (DLGs) given the fact that the system is still new in some districts and is affected by network interruptions.

v) The Uganda National Bureau of Standards should do constant quality checks and tests of materials on the market. Defaulters of the set standards should be blacklisted such that the set standards are kept on the markets.

**13.2.3 District Hygiene and Sanitation Conditional Grant (DSHCG)**

**Introduction**

The District Hygiene and Sanitation Conditional Grant (DHSCG) was created in FY 2011/12 to directly fund sanitation and hygiene activities. It was after an assessment revealed a consistent lack of adequate attention to the hygiene and sanitation activities when funding is lumped together with water activities thus affecting the general sector performance. This was done with a hope that all the three ministries (Ministry of Water and Environment, Ministry of Education and Sports, and the Ministry of Health) responsible for hygiene and sanitation activities would pull funds together for this cause. Currently the Ministry of Water and Environment funds this at a tune of 2billion Uganda Shillings. The Global Fund Sanitation Grant through Ministry of Health first offered to sixteen districts but starting with the FY 2013/2014 more sixteen districts have been added to make it thirty two districts while MWE takes on the rest of the districts.

The overall objective of the DHSCG is to scale up sanitation and hygiene at household level through community sensitization and campaigns. In FY 2013/2014 districts planned for either Home Improvement Campaigns or Community Led Total Sanitation (CLTS) as recommended in the planning guidelines offered by the DHSDG. These are to be implemented in one or two sub counties.

The local Governments that were monitored in Q1 for the Sanitation Grant included Kabale, Kamuli, Kyenjojo, Mbale, Ntoroko, Ntungamo and Mubende.

**Field Findings**

**Financial Performance**

The Districts[67]' approved budgets ranged between Ug shs 20m and Ug shs.23m for the FY 2013/2014. All the districts monitored received an automatic release of 25% of the approved budget which was an excellent release performance.

67 Mubende,Mbale,Kyenjojo,Ntungamo,Kabale,Ntoroko and Kamuli

A total of Ug shs 38, 500,000 was received in the seven districts of Kabale, Kamuli, Kyenjojo, Mbale, Mubende, Ntoroko and Ntungamo and Ug shs 24,457,000 utilized representing an overall absorption capacity of 63% which was good performance**.** Below is Table 13.14 showing approved budgets, releases and expenditures.

**Table 13.14: Specific DSHCG Approved Budgets, Releases and Expenditures (FY 2013/2014)**

| District | Approved Budget (Ug shs) | Releases (Q1 FY 2013/2014) | Expenditure (Q1 FY 2013/2014,) | % Absorption |
|---|---|---|---|---|
| Mubende | 22,000,000 | 5,500,000 | 5,374,000 | 98% |
| Mbale | 22,000,000 | 5,500,000 | 0 | 0 |
| Kyenjojo | 22,000,000 | 5,250,000 | 4,243,000 | 81% |
| Ntungamo | 22,000,000 | 5,500,000 | 0 | 0 |
| Kabale | 21,000,000 | 5,500,000 | 5,250,000 | 95% |
| Ntoroko | 23,000,000 | 5,750,000 | 5,750,000 | 100 |
| Kamuli | 22,000,000 | 5,500,000 | 3,840,000 | 70% |
| Total | 154,000,000 | 38,500,000 | 24,457,000 | |

***Source: IFMS and Districts Performance Reports Q1FY2013/2014***

**Physical Performance**

During Q1FY2013/2014, home improvement campaigns were carried out in four districts of Mubende, Kyenjojo, Kabale and Ntoroko while community led total sanitation was implemented in Kamuli. Mbale and Ntungamo districts did not carry out any sanitation activities during Q1.

In Mbale, it was reported that delayed acquisition of funds and faulty IFMS stalled implementation of planned activities. Ntungamo did not carry out sanitation activities in the quarter because the district did not have an Assistant District Water Officer in charge of sanitation.

Below is Table 13.15 showing physical performance of the DHSCG for Q1FY2013/2014 in selected districts.

**Table: 13.15: Physical Performance of the District Hygiene and Sanitation Conditional Grant for Q1 FY 2013/2014 in Selected Districts**

| District | Planned Activities for FY 2012/2013 | | Planned | Performance in the Quarter | | Expenditure in Quarter | Remarks on completion status and budget utilization |
|---|---|---|---|---|---|---|---|
| | Category | Model activities | | Planned | Achieved | | |
| Mubende | Home Improvement Campaigns | Creating rapport with village leaders(LCs and VHTs) on parameters and setting date for the launch | 40 | 10 | 5 | 1,850.000 | Implementation of activity was ongoing in Butoloogo sub county |
| | | Launching of the campaign at village level | 2 | 2 | 2 | 2,124,000 | Activity implemented in the parishes of Kasolo, Kamponye and Kijaaji |
| | | Implementation-community baselines (Transects, Mapping. PHAST tools) | 15 | 15 | 10 | 1,400,000 | Activity was ongoing |
| Mbale | Home Improvement Campaigns | *Funds were received late at the end of the quarter and there was IFMS technical break down thus the district planned to implement in Q2.* | | | | | |
| Kyenjojo | | Creating rapport with village leaders (LCs & VHTs) on parameters and setting date for the launch | 1 | 1 | 1 | 1,552,000 | Rapport creation was conducted in the 3 parishes of Rugorra, Kanyinya and Nyakatoma of Butunduzi S/C and 2 parishes of Nyanikisi and Njeru in Katooke S/C |
| | | Launching of the campaign at village level | 1 | 1 | 1 | 999,000 | Launching was done at sub county level with all the LC1 chairpersons from villages in parishes of Rugorra, Kanyinya and Nyakatoma in Butunduzi S/C and Nyanikisi and Njeru parishes in Katooke S/C. |
| | | Implementation - community baselines (Transects, Mapping, PHAST tools), CAP | 1 | 1 | 1 | 1,692,000 | The baseline survey covered 3 parishes of Rugorra, Kanyinya and Nyakatoma of Butunduzi S/C and 2 parishes of Nyanikisi and Njeru in Katooke S/C. |
| Ntungamo | | *The activities were planned for Q2 because the District did not have an Assistant District Water Officer in charge of sanitation. The activities were assigned to the Ag.District Health Inspector.* | | | | | |

| District | Planned Activities for FY 2012/2013 | | Planned | Performance in the Quarter | | Expenditure in Quarter | Remarks on completion status and budget utilization |
|---|---|---|---|---|---|---|---|
| | Category | Model activities | | Planned | Achieved | | |
| Kabale | Home Improvement Campaigns | Creating rapport with village leaders (LCs & VHTs) on parameters and setting date for the launch | 2 | 2 | 2 | 1,802,000 | Meetings were held in two sub countiesof Maziba and Rubaya |
| | | Launching of the campaign at village level | 2 | 2 | 2 | 314,000 | Launching was done in two sub countiesof Maziba and Rubaya |
| | | Implementation - community baselines (Transects, Mapping, PHAST tools), CAP | 4 | 2 | 2 | 956,000 | Data was being collected by VHTS in their respective villages in the two sub counties |
| | | Assessment by sub county team | 4 | 2 | 2 | 220,000 | This was carried out with the Sub county chief and councilors. |
| Kamuli | | Creating rapport with village leaders (LCs &VHTs) | 20 | 20 | 20 | 1,960,000 | Conducted in 20 villages; 13 villages in Mbulamuti parish-Mbulamuti S/c and 7 villages in Kasozi parish Namasagali. |
| | | Triggering of identified villages/ communities/ Manyatas | 20 | 20 | 20 | 1,880,000 | CLTs triggering was conducted in 20 villages as highlighted above. |
| Ntoroko | Home Improvement Campaigns | Creating rapport with village leaders (LCs & VHTs) on parameters and setting date for the launch.<br><br>Launching of the campaign at village level.<br><br>Implementation - community baselines (Transects, Mapping, PHAST tools), CAP | | | | 5,750,000 | Creating rapport with village leaders done.<br><br>CLTS triggering carried out in 4 parishes of Mukimba, Harukoba, Majumba and Makondo Parish. |
| Kibuku | *The District received the Global Sanitation Fund under the health department* | | | | | | |

***Source: Field Findings, Q1FY2013/2014 Progress Reports***

**Implementation Challenge**

It was reported that communities did not show commitment to initiatives set by the district towards sanitation. For instance Kyenjojo district reported some people abandoning the initiatives when not followed up constantly.

**Analysis**

***Link between financial and physical performance***

The districts monitored received an average of 25% of the approved budget from Ministry of Finance, Planning and Economic Development as their first quarter automatic release. This was an excellent release performance.

Ntoroko District had the highest fund utilization of 100% (excellent performance) while the lowest was registered in Mbale and Ntungamo (0%) which was very poor. Funds were utilized on home improvement campaigns in four districts of Mubende, Kyenjojo, Kabale and Ntoroko and community total led sanitation in Kamuli District as planned.

***Achievement of set targets***

Achievement of planned activities ranged between 0% and 100%. The four districts of Kyenjojo, Kabale, Ntoroko and Kamuli had 100% achievement on the set targets while Mubende achieved 66% (*implementation of community baselines was still ongoing in Mubende district).*

Ntungamo and Mbale districts had no achievement against set targets. Ntungamo district did not have an Assistant District Water Officer in charge of sanitation to carry out implementation. Mbale District funds were received two months late and given the IFMS technical breakdown, activities were deferred to Q2.

**Conclusion**

Districts registered good performance in regard to physical and financial performance in implementation of the Hygiene and Sanitation grant except for Ntungamo and Mbale districts.

All the districts monitored received an automatic release of 25% automatic release of the approved budget which was an excellent release however; funds were not received in time in Mbale district. Findings indicated that funds for Mbale district were received at the end of the quarter and given the IFMS technical break down the user department was unable to utilize them.

Achievement of set targets ranged between 0% and 100%. Four districts of Kyenjojo, Kabale, Ntoroko and Kamuli had 100% average achievement on the set targets while Mubende achieved 66% of the set targets. Ntungamo and Mbale had 0% achievement on set targets.

The Districts had a challenge of communities not being committed to good sanitation interventions. Some communities abandoned the initiatives when not followed up closely.

**Recommendation**

Continued sensitization of communities by the Water officials to create a sense of ownership among the communities and help the communities appreciate the initiatives so as to improve sanitation levels in the communities.

## 13.3 Water and Sanitation Development Facility- Central

**Introduction**

The Water and Sanitation Development Facility- Central (WSDF-C) provides safe water and promotes sanitation to small towns and Rural Growth Centers (RGCs) in central and mid-western regions of Uganda. The Facility covers 25 districts of Wakiso, Kiboga, Hoima, Masaka, Lwengo, Kalungu, Buikwe, Mukono, Butambala, Gomba, Nakaseke, Luwero, Mityana, Mubende, Masandi, Kiryandongo, Buvuma, Kalangala, Kyakwanzi, Bukomansimbi, Kayunga, Kibaale, Buliisa, Nakasongola and Kiboga. The funding comes from Government of Uganda and development partners such as the African Development Bank.

**Objectives**

The overall objective of the WSDF- Central is to support the development of water supply and sanitation infrastructure in Small Towns (STs) and Rural Growth Centres (RGCs) through a decentralized and demand driven financing mechanism in the central and mid-western regions of Uganda.

The specific objectives of the WSDF-Central:

i) To improve the socio-economic situation for people living in Small Towns and Rural Growth Centres in the districts of central Uganda 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 empower communities in the targeted STs / RGCs through the nature of the operations of the WSDF (decentralized, participatory, bottom-up approach.)

iv) To ensure cross-cutting issues of Gender, Environment, Good governance and HIV/AIDS are adequately addressed in project implementation.

**Planned Activities for Q1 FY 2013/2014**

WSDF-Central planned to construct 15 Ecosan demonstration toilets in Kagadi, Kakumiro, Kiboga, Kiganda, Zigoti, Nkoni, Kyamulibwa, Gombe,Kanoni, Najjembe,Kinogozi, Kabembe,Nakirebe and Bugoyingo, seven public sanitation facilities, construct three town water supply systems of Ntwetwe (Kyankwazi), Zirobwe (Luwero) and Bweyale (Kiryandongo) up to 30% completion. Train water operators in central region in water services management through two promotional campaigns for effective operation and maintenance in central region.

**Findings**

This section presents financial progress, physical progress and linkages between financial and physical performance of the project.

**Financial Performance**

The facility's total approved budget for FY 2013/2014 is Ug shs 20,138,000,000 of which Ug shs 17,322,000,000 is Donor contribution and Ug shs 2,816,000,000 from Government of Uganda (GoU). However, during Q1 FY 2013/2014, a total of Ug shs 858,730,000 was released and Ug shs 5,481,366,404 had been utilized by the end of the quarter. This presented an excellent performance of 95% for GoU. Table 13.16 and Figure 13.11 show the financial performance for Q1 FY 2013.

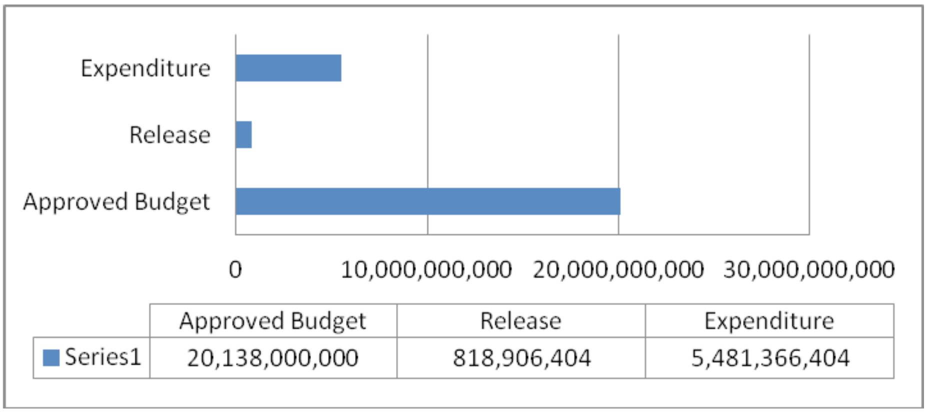
**Table 13.16: Financial Performance of WSDF-C**

| | Approved Annual Budget FY 2013/2014 | Q1 FY 2013/2014(Ug shs in millions) | | |
|---|---|---|---|---|
| | | **Planned** | **Received** | **Expenditure** |
| **Donor** | 17,322.00 | 4,005.50 | | 4,662.46 |
| **GoU** | 2,816.00 | 1,020.75 | 858.73 | 818.91 |
| **Total** | **20,138.00** | **5,026.25** | **858.73** | **5,481.37** |

***Source: WSDF-East Q1 FY 2013/2014 Progress Report.***

From Table 13.16 above, there was an over expenditure of Ug shs 4, 66.46 compared to the release in the quarter because of the unspent balances (*on donor component*) from FY 2012/2013. Findings indicated that donor disbursement delayed waiting for MoU signing with the Government. This affected the projects' implementation thus the unspent balances were carried over to the Q1 of FY 2013/2014. Figure 13.11 shows the financial performance of WSDF Central.

**Figure 13.11: WSDF-C Q1 FY 2013/2014 Financial Performance**




***Source: Field findings, Q1 Progress Report WSDF-C FY 2013/2014***

## Physical Performance

During Q1 FY 2013/2014, Bweyale Town Water Supply in Kiryandongo District and Zirobwe town water supply system were monitored to assess the level of implementation.

### (a) Construction of Bweyale Town Water Supply System

**Project Background**

Bweyale Town Water Supply System construction began 2002 to serve the Internally Displaced People from northern Uganda during the Kony insurgency. The source is at Nyakadote along camp road. This is a 6.2m$^3$/hr production borehole. The transmission and distribution mains cover 2.5 and 4.0km of pipeline along the Kampala–Gulu highway. The scheme was re-designed to serve Bweyale Town council and institutions therein. The project is funded by Ministry of Water and Environment with financial support from the African Development Bank (AfDB).

### Scope of Works

The scope of works comprised of construction of a pump house; an ecosan toilet and watch man's house; supply and installation of pipeline works; construction and erection of two cold steel water reservoir of 200m$^3$ and 50m$^3$ capacity, installation of four submersible pumps, extension of 3 phase power line, installation of a stand by generator, installation of 16kms distribution line, construction of two pump houses (one with a generator), two guard houses, one chemical dozing center and one office Block with sanitary facility.

Table 13.17 summarizes the Bweyale project profile.

**13.17: Bweyale Town Water Supply and Sanitation System Project Summary**

| **Project Name / Location** | **Construction of Bweyale Town Water Supply and Sanitation System – Bweyale Town** |
|---|---|
| Source Type; No of sources; Yields | Borehole; 3No. sources; 21m$^3$/hr ( 5m$^3$/hr, 11m$^3$/hr, 5m$^3$/hr) |
| Source of Funding | AfDB |
| Length of Distribution Network | 16 Kms |
| Contract No. | MWE/WRKS/11-12/0434/3 |
| Capacity | 21m$^3$/hr |
| Implementing Agency | MWE/WSDF-Central |
| Supervision Engineer | Alliance Consultants in Association with Infra Consults ltd. |
| Contractor | Summit Projekt Ltd. |
| Supervision Commencement Date | 2nd May 2013 |
| Construction Commencement Date | 14th May 2013 |
| Possession of Site/Site Handover | 2nd May 2013 |
| Original Contract Price | Ug shs 4,227,257,788 |
| Supervision Contract Price | Ug shs 345,180,000 |
| Contract Period | 10 months |
| Contract Time Elapsed | 8 Months |
| Works Payments Certified | Ug shs 3,330,416,429 |
| Payments to the contractor | Ug shs 3,251,080,248 |
| Consultant Invoices Submitted | Ug shs 181,564,680 |
| Payments to the Consultant-Alliance | Ug shs 181,564,680 |
| Physical Progress | 90% |
| Financial Progress | 77% (Includes advance payment to contractor) |

***Source: Field Findings***

### Financial Performance

The contract price for construction of Bweyale Town Water Supply and Sanitation is Ug shs. 4,227,257,788. Findings indicate that the value of works certified and paid was Ug shs. 3,251,080,248 representing 76.9% financial performance.

Table 13.18 shows the financial status of the construction contract.

**Table: 13.18: Financial Status of the Construction Contract**

| Contract Sum (Ug shs) | Payments Certified (Ug shs) | | Amount Certified | Date | Status of Payment |
|---|---|---|---|---|---|
| | Certificate Type | Amount | Submitted | Payment made | Paid |
| 4,227,257,788 | Advance | 845,451,558 | | | |
| | IPC No.1 | 1,218,263,682 | 21st June 2013 | 27th June 2013 | Paid |
| | IPC No.2 | 1,187,295,014 | 23rd Sept 2013 | 2nd October 2013 | Paid |
| Amount Paid to Date | | 3,251,010,254 | | | |
| Balance | | 976,247,534 | | | |

***Source: WSDF- C Bweyale Q1 FY 2013/2014 Progress Report***

**Physical Performance**

Findings indicate that physical works progress by the end of Q1 FY 2013/2014 was 90% and contract time used was 70%. It was hopeful that the contract is likely to end within the stipulated contract period. Below is Table 13.19 showing the detailed status of works by end of Q1FY 2013/2014.

**Table: 13.19: Status of works**

| Works Description | Construction Status |
|---|---|
| Office Block | Roofed, plastered/rendered, floor screeded, door frames and windows fixed, painting and fitting of toilet fixtures and plumbing were yet to be done.<br>Pending works included: gate fixing and landscaping. |
| Pump and Guard Houses(2) | Roofed, plastered/rendered, floor screeded, door and windows fixed, and chain link fence fixed.<br>Pending works included; painting, gate fixing and landscaping. |
| 200m$^3$ tank and support structure | Finishing works for tank installation were ongoing, chemical house roofed, plastered/ rendered, floor screeded, doors were fixed and chain link fence fixed.<br>Pending works were; painting, gate fixing, landscaping, control valves/fittings and chamber and chemical doser installation |
| 50m3 pressed steel plate water tank installation on an existing tower | Installation awaits charging of the new system to avoid service disruption. |
| Chemical House | Finishing works were ongoing |
| 50m$^3$ Reservoir | Order was confirmed and manufacturing was in progress |
| Two submersible pumps | Installed and test pumped with the standby generator |
| Electro-Mechanical Works<br>30/35KVA Generator | Installed |
| Power extension to pumping stations | Electric poles were erected and conductors installed. Transformer installation and power connection were yet to be done. |
| Transmission main from $PW_1$ and $PW_2$ to reservoir at Bagidadi | 460 of 500m- OD75 HDPE laid.<br>3,215m of 3,260 –OD 110 uPVC laid |
| Distribution mains | 5,198 of 7,500M-od 160 uPVC laid<br>300 of 600m-DN 150Gl laid<br>1,938 of 933m OD110 uPVC laid<br>2,300 of 1,860m OD90 HDPE laid<br>3,900 of 5,600m OD63 HDPE laid<br>9 valve chambers constructed |
| Pressure testing, leak detection and repairs of existing pipeline | Near completion |
| Materials on site | Pressed steel tank materials, electric conductors, 400 and 600m of OD 63 and 40HDPE PN10 and assorted pipe fittings. |

***Source: Field findings, Q1 FY 2013/2014 Bweyale Progress Report***

**Water treatment house (left) and a water borne toilet for a public place (market place)**

**Implementation challenges**

i) There was delay in acquisition of land for the second borehole which was said to be handled by the Local leaders at the time of monitoring.

ii) Some people who had paid for service connections are not reflected on the approved list and this made them worried because they could not ascertain their fate.

iii) The electrical mechanical equipment supply installation and testing has delayed a bit considering the contractual period and general works seemed to have halted at the time of monitoring yet time was running up.

**Analysis**

***Link between financial and physical performance***

The contractor had been paid 76.9% of the contract sum by the end of Q1 against work progress of 90%. Finishing works were ongoing. Findings indicate that it took less than a month for the contractor to receive payments from the time of submitting the certificates. Thus both physical and financial performances were very good.

***Achievement of set targets***

The major performance targets for the project were 90% complete. The office block and guard houses were roofed and plastered, two submersible pumps installed and test pumped, electro- mechanical works completed and electric poles erected and conductors. Finishing works were ongoing for the 200m$^3$ tank, chemical houses and 50m$^3$ pressed steel plate tank.

Pending works included; fixing the gates and land scaping for the office block, pump and guard houses, installation of the tank and transformer, pressure testing and connection of power.

**Conclusion**

Project implementation progressed smoothly and was on schedule. Physical works progress was at 90%, financial progress was at 77% and the contractor had used 80% of contract period. The

office block and guard houses were roofed and plastered, two submersible pumps installed and test pumped, electro- mechanical works completed and electric poles erected and conductors. Finishing works were ongoing for the 200m$^3$ tank, chemical houses and 50m$^3$ pressed steel plate tank. It is hoped that the project will be completed within the required time.

The works progress was affected by the electrical machinery which the contract had delayed to put on site and do the testing. Some applicants' names did not appear on the final list and there were delays in acquisition of land for borehole site three.

**Recommendations**

i) The beneficiaries should take up the land issue as their obligation as stipulated in the O&M Framework. Once they provide land as required of them; they will gain a sense of ownership.

ii) There is need to improve on communication most especially for the beneficiaries to get feed feedback in regard to the status of payment vis a vis connections. If the numbers are above what was anticipated, they will be taken on by once the private operator starts work.

iii) The contractor should speed up procurement and delivery of the electro equipment to stay the anticipated project delays.

**(b) Construction of Zirobwe Town Water Supply System**

**Project Background**

The investment plan and strategy of WSDF-C aims at provision of safe and adequate water and sanitation facilities for all. It has been developed under a community based, demand driven and negotiated approach. After a competitive tendering process, a contract was signed between the Government of Uganda and M/s M&E Associates to provide consultancy services for the construction supervision of Zirobwe Town water supply. The works contract was awarded to Sumadhura Technologies Limited.

**Scope of Works**

The scope of works comprised of construction of 3 boreholes, pump houses, guard and pump attendant's houses, construction of a generator house, laying transmission mains(13.32Km), erection of elevated storage reservoir, construction of a chlorine dosing house and laying distribution mains(22.62Km), intensification of the mains (2.0Km), making 300 service connections, construction of six public stand posts and construction of a water office inclusive of sanitary facilities, supply and installation of associated electro-mechanical equipment.

Below Table 13.20 gives the project profile summary.

**13.20: Zirobwe Town Water Supply System Project Summary**

| Project Name | Construction of Lot 2: Zirobwe Town Water Supply System |
|---|---|
| Contract No. | MWE/WRKS/11-12/01434/2 |
| Client | Ministry of Water and Environment WSDF-C |
| Location | Zirobwe Town, Luwero District |
| Consultant | M&E Associates Limited |
| Contractor | Sumadhura Technologies Limited |
| Financing Agency | African Development Bank |
| Contract sum | Ug shs 2,784,165,489 exclusive of taxes |
| Commencement Date | 2nd May 2013 |
| Completion Date | 2nd January 2014 |
| Defects Liability Period | 365 days |
| Performance Security (10%) | Ug shs 278,416,545 |
| Advance payment (20%) | Ug shs 556,833.098 |
| Retention proportion (10%) | 10% retained of each certified amount |
| Liquidated Damages | 0.05% every day and maximum of 10% contract sum |

***Source: Field findings***

**Financial Performance**

The contract price for construction of Zirobwe Town Water Supply System is Ug shs 2,784,165,489 of which Ug shs 2,267,825,513 had been certified and paid (81.4%) at the time of monitoring in December 2013.

Table 13.20 shows the financial status of the construction contract and table 13.21 shows the consultant's financial performance.

**Table: 13.20: Contractor's Financial Status**

| Contract Sum (Ug shs.) | Payments Certified | | Date of submission | Date of Payment | Percentage of Contact price paid |
|---|---|---|---|---|---|
| 2,784,165,489 | Advance | 556,833,098 | | 28th March 2013 | 20% |
| | Certificate No.1 | 1,154,159,317 | 9th September 2013 | 19th September 2013 | 41% |
| Amount Paid to Date | | 2,267,825,513 | | | 81.4% |
| Balance | | 516,339,976 | | | 18.5% |

***Source: WSDF-C Zirobwe Q1 FY 2013/2014 Progress Report***

**Table 13.21: Consultant's Financial Status**

| Contract sum (Ug shs) | Invoice no. | Amount (Ug shs) | Date of submission | Percentage of contract price paid | Date of Payment |
|---|---|---|---|---|---|
| 294,000,000 | Invoice No.1 | 73,500,000 (including taxes) | 8th April 2013 | 25% | 29th April 2013 |
| | Invoice No.2 | 44,100,000 | 9th August 2013 | 15% | 21st August 2013 |
| | Total Paid | 117,600,000 | | 40% | |
| Amount Paid to Date | | | | 117,600,000 | |
| Balance 176,400,000 | | | | | |

***Source: WSDF-C Zirobwe Q1 FY 2013/2014 Progress Report***

**Physical Performance**

**Borehole and pump houses;** site clearance for all three borehole sites was completed, pump houses at borehole 1 and borehole 2 sites roofed; doors windows fixed and finishing works were ongoing. Construction of pump house and generator house at borehole 3 site were at roofing stage. Works progress was 80% and remaining works included installation of valve chambers.

**Distribution and service lines;** trench excavation, pipe laying and back filling was ongoing to completion. Works progress was at 90% and remaining works included installation of valve chambers.

**Ancillaries**; mark posts, air release valves, washout, and junction installed. Remaining works included construction of inspection chambers. Works were at 50%.

**Chemical House** was roofed and finishing works were in progress. It was reported that pipes and dosing equipment had not been procured. Progress was at 90%.

**Storage reservoir (200m$^3$ capacity);** site geotechnical investigations completed, tower foundations excavated and base concrete columns cast. Tower and reservoir erection were completed. Water tightness test was to be undertaken later (80% completed).

**Mechanical and electrical works**; a motorcycle was procured and delivered on site. UMEME power line extension approval for two of the pump houses was received and power extensions were to be undertaken. Pending activities included procurement of electro-mechanical materials/equipment. This represented a 50% completion status.

**Office block and sanitary facilities**; finishing works were in progress, doors and windows were fixed. Works progress was at 95%. Pending works included landscaping, fencing, sanitary fittings and painting.

**Guard and pump attendants' houses;** guard and attendant's houses at borehole1 and borehole 2 sites were roofed, finishing works were in progress. Guard house at borehole 3 site was at roofing stage. It was reported that the size of the buildings at borehole sites 2 and 3 were reduced to accommodate only a guard's quarters.

**Analysis**

***Link between financial and physical performance***

The contractor had been paid 81.4 % of the contract sum by the end of Q1 against work progress of 85% and time spent was 87.5%. The project was in its completion stages and financial performance was very good. This is illustrated in the average time taken to clear the certificates raised. Findings indicate that it took less than three weeks for the contractor to receive payments from the time of submitting the certificates.

***Achievement of set targets***

The performance targets for the project were 85% complete. Three boreholes were drilled, pump houses and generator house roofed and plastered, transmission and distribution mains laid, chemical house roofed, 342 connections approved for payments and approval for extension of power lines to two pump houses received. Pending works included finishing works for the office block and sanitary facilities, pressure testing, installation of transformers, pumps and electrical wiring.

**Conclusion**

The overall percentage of works done was 85% against time spent of 87.5%. According to the contractor's programme; pending works included fixing fittings and borehole pumps and pump stations, commencement of construction of public stand posts, completion of distribution and intensification mains, commencement of electricity power lines extension and commencement of service connections.

The contractor has delayed to procurement and supply of electro-mechanical items to the site and yet this has a specific time frame to test the operation. This may result in some delays in the project period ahead. Findings indicate that the challenge is envisaged in delay of works by contractor.

**General Implementation Challenges of WSDF-Central**

i) Slow mobilization of drillers has slowed down the process for water resources identification hence delay in designs.

ii) Delayed land acquisition; land owners in some cases are not willing to offer it for water supply projects and the ensuing discussions by local government representatives take a long time. This is made worse by absentee land owners, family wrangles and disagreements.

iii) Low yielding boreholes especially in the cattle corridor towns lead to more expensive technology options. This has further led to delayed completion of engineering designs for the towns.

iv) Limited office space for WSDF-Central staff to operate from for the daily office work

**Analysis of WSDF Central**

***Link between financial and physical performance***

WSDF-Central received 29 % (Ug shs 818,906,404) from the GoU out of the overall approved budget of Ug shs 2,816,000,000 for the FY2013/2014 (both GoU and Donor components). Expenditure by the end of the Q1 was Ug shs 5,481,370,000. This includes the Ug shs 4,662,460,000 carried forward from the previous year.

The over expenditure compared to the release in the quarter is attributed to the unspent balances (*on donor component*) from FY 2012/2013. Findings indicate that there was delayed disbursement of funds from the donor due to MoU signing conditions during FY2012/2013. This affected the facility's projects implementation thus the unspent balances.

The facility's financial performance was very good for projects monitored. This is illustrated in the average time of clearing the certificates raised. Findings indicate that it took less than a month for the contractor to receive payments from the time of submitting the certificates.

***Achievement of set targets***

During Q1 FY 2013/2014, WSDF-C performed over and above the set targets. Generally implementation progressed smoothly and projects were on schedule apart from Zirobwe whose work had slowed down. Planned construction progress for Bweyale was 70% and achieved was 90%; planned progress for Zirobwe water scheme was 60% and achieved was 70%; Ntwetwe water scheme planned 65% and achieved 80% completion status. For example; Bweyale office block and guard houses were roofed and plastered, two submersible pumps installed and test pumped, electro- mechanical works completed and electric poles erected and conductors.

Other key achievements for the Facility included completion of detailed designs for five towns[68], completion of gazetting process for all implementation towns to water authorities, construction of 30No. demonstration ecosan toilets at household level, 10No. public toilets (institutional and market places) and water born toilets.

Finishing works were ongoing for the 200m$^3$ tank, a chemical house and 50m$^3$ pressed steel plate tank in Ntwetwe. Pending works in Zirobwe included fixing fittings, pump for boreholes and pump stations, construction of public stand posts, complete distribution and intensification mains, electricity power lines extension and service connections.

**Conclusions**

WSDF-Central exhibited good performance with regard to physical and financial performance during Q1 FY 2013/2014. Financial performance was excellent with 93.7% performance for the money released in the quarter (Ug shs 5,481,370,000) plus the Ug shs 4,662,460,000 from last FY (donor component). This was an excellent performance with all the main performance set targets within the quarter achieved.

The facility had challenges of slow contractors who delayed to implement works especially procurement of materials, undue delays in securing identified pieces of land by the community and low yielding boreholes in especially the cattle corridor towns leading toexpensive technology options.

68 *Nkoni, Kyamulibwa, Kiganda, Kakumiro and Kagadi*

**Recommendations**

i) WSDF-C should hold a meeting with drillers and if no positive response is noted, sanctions be issued.

ii) A vigorous approach should be taken by communities and their leadership to ensure fulfillment of their land obligations.

iii) WSDF-C should venture into alternative water supply options including surface water treatment.

## 13.4 Water and Sanitation Development Facility -East

**Introduction**

The Water and Sanitation Development Facility – East (WSDF-E) was established in July 2009 as a service delivery and funding mechanism focused on provision of water supply and sanitation to small towns and rural growth centres in the North East and Eastern region. It covers 39 (thirty nine) districts of Amuria, Kotido, Kaabong, Abim, Moroto, Katakwi, Soroti, Kaberamaido, Kumi, Bukedea, Bukwo, Kapchorwa Nakapiripirit, Sironko, Manafwa, Bududa, Mbale, Tororo, Busia, Butaleja, Pallisa, Budaka, Namutumba, Bugiri, Kaliro, Iganga, Mayuge, Kamuli, Jinja, Buyende, Namayingo, Amudat, Serere, Kiyunga, Bulambuli, Napak, Ngora, Kibuku and Kween.

**Planned Activities for Q1 FY 2013/2014**

The facility planned to carry out; construction of two schools toilet facilities in Kaabong and Abim to 50%, construction of five demonstration toilet facilities at household level in Nakapiripirit, public toilet facilities in Bukedea to 100% completion, install electromechanical equipment for pumping stations in Katakwi and Kapchorwa**,** install water disinfection equipment in Katakwi and Kapchorwa, commence feasibility study, detailed design and documentation of water supplies for Mororto, Kotido, Kacheri, Lokona and Bugadde up to 30%.

Complete construction of piped water supply systems in the town of Namalu**,** construction works of piped water systems in Ochero, Saum, Matany, Kachumbala, Mbulamuti and Namutumba up to 10% completion, construct five production boreholes in selected urban centers, complete Kaabong and Abim water supply systems, grid power extensions to production boreholes in two towns of Namalu and Bukedea and commence Design of offices and supervision of WSDF-E regional office block in Mbale.

**Field Findings**

This section presents financial progress, physical progress and linkages between financial and physical performance of the project.

**Financial Performance of WSDF-East**

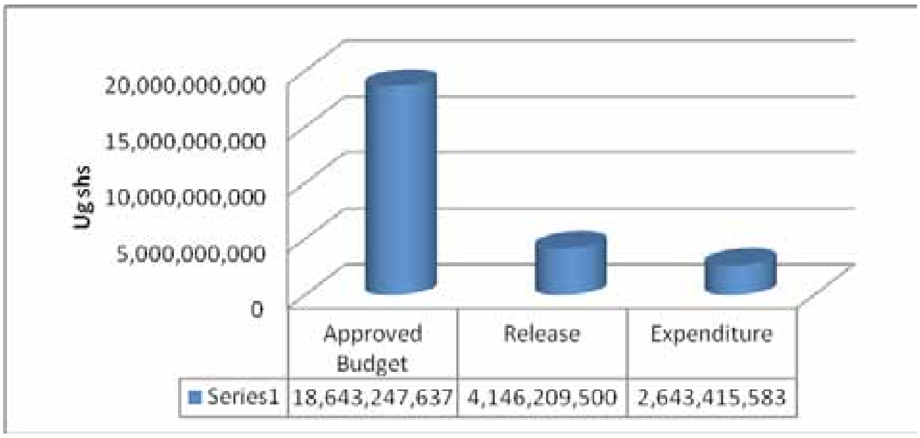
The total approved budget for WSDF-East for FY 2013/2014 is Ug shs 18,643,247,637 of which Ug shs 16,983,247,637 is Donor contribution and Ug shs. 18,643,247,637 is Government of Uganda contribution. During Q1 FY 2013/2014, Ug shs 4,146,209,500 was released and Ug shs 2,643,415,583 was utilized representing 63% absorption capacity. Financial performance of the facility was good. Table 13.22 and Figure 13.12 show the financial performance of WSDF-E.

**Table 13.22: Q1 FY 2013/2014 Financial Performance of WSDF-E**

| | Annual Budget FY 2013/2014 | Q1 FY 2013/2014(Ug shs) | | |
|---|---|---|---|---|
| | | Approved | Received | Expenditure |
| **Donor** | 16,983,247,637 | 3,627,000,000 | 3,627,000,000 | 2,138,086,434 |
| **GoU** | 1,660,000,000 | 392,376,000 | 519,209,500 | 505,329,149 |
| **Total** | **18,643,247,637** | **4,019,376,000** | **4,146,209,500** | **2,643,415,583** |

***Source: WSDF-East Q1 FY 2013/2014 Progress Report.***

**Figure 13.12: Graphical Presentation of WSDF-East Financial Performance Q1 FY 2013/2014**




***Source: WSDF-East Q1 FY 2013/2014 Progress Report***

**Physical Performance**

**Construction of toilet facilities in schools**; field findings indicate that technical drawings and bills of quantities were approved by the contracts committee for the construction of two toilet facilities in schools in Kaabong and Abim towns.

**Construction of household ecosan toilets**; procurement of contractors for 42 household ecosan toilets for seven towns of Buwuni, Bulengeni, Kapelebyong, Mbulamti, Nakapiriti, Namagera and Bukwo was ongoing.

**Power extension to production boreholes**; grid power was extended to the production boreholes installed in two towns of Namalu and Bukedea.

**Construction of a public toilet** in Bukedea Town council; construction of a public toilet continued to 94% progress during the quarter. Hygiene and sanitation promotion activities were conducted in Katakwi.

**Training;** WSDF-East undertook trainings on O&M, appointed water supply areas for schemes and their respective water authorities in the districts of Kaabong, Nakapirirpit, Katakwi, Serere, Napak and Abim.

**Private Operators**; procurement of private operators for Moroto, Kaabong, Katakwi, Kapchorwa and Kareanga was completed. Training of users on ecosan technology in the towns of Suam, Karenga and Ochero was conducted.

The feasibility studies for 5 towns of Moroto, Kotido, Kacheri-Lokona, Nakapelimoru and Bugadde commenced. The inception report was presented to WSDF-E and approved. The procurement of private operators was concluded and contracts awarded.

**Installation of water pumping equipment**; installation of water pumping equipment was realized in Bukedea and Abim however slow progress of construction works was noted in Katakwi and Kapchorwa. Procurement of disinfection equipment was still ongoing at the end of the Quarter.

**Construction works of piped water systems**; procurement of works contract commenced for construction works of piped water systems in Ochero, Suam, Matany, Kachumbala, Mbulamuti and Namutumba. An advertisement for Ochero and Kachumbala was run and bids received.

**Borehole constructions;** twelve production boreholes were constructed in Kapelebyong, Kadungulu, Buwuni, Bugadde, Naluwoli and Buyende it was however reported that the contractors were slow.

**Mbale regional office block**; the consultancy contract for the construction works of Mbale regional office was signed and design for office block commenced. However, Uganda Land Commission declared the proposed site for construction of the office block a non-core Government property and gave the land to a private developer. The Inspector General of Government of Government was investigating the matter at the time of the monitoring.

**Implementation Challenges**

i) It was noted that the Ministry of Water and Environment did not have operation and maintenance manuals and this affects the sustainability of the projects after hand over. Even the contractors did not have manuals.

ii) It was reported that contractors especially in Namalu registered slow progress in installing of electromechanical equipment. Unsatisfactory performance of contractor delayed completion of works in Namalu.

iii) There are delays in approval of design documents for feasibility studies of piped water supply systems which hindered achievement of all the set targets.

iv) It was reported that, Uganda Land Commission declared the proposed site for construction of the office block a non-core Government property and gave the land to a private developer. This will have a hindrance on the planned start date of construction.

**Analysis**

***Link between financial and physical performance***

WSDF-East received 22.2% of the approved budget for the FY2013/2014 and absorption capacity of 63% indicating a good financial performance. Funds were utilized mainly on construction of 12 production wells, continued construction of a public toilet by 94%, procurement of Private Operators and promotion of hygiene and sanitation activities, construction of piped water systems and energy installation for pumped water supply schemes

***Achievement of set targets***

Targets set for the Q1 were not all met and this was attributed to the long procurement process, slow progress of works by contractors especially in Katakwi, Namalu and Kapchorwa for the installation of electromechanical equipment and delays in approval of design documents for feasibility studies of piped water supply systems which hindered achievement of all the set targets. However, construction of twelve production wells, construction of a public toilet to 94%, and continued construction of piped systems was realized.

**Conclusion**

WSDF-East's financial performance was good with 63% of the released funds being absorbed however not all the set targets for the quarter were achieved. The facility had challenges of slow contractors who delayed to implement works, land issues on which the office block is to be constructed, long procurement processes and lack of operation and maintenance manuals for constructed piped water systems.

**Recommendations**

(i) The contractors who delay implementation should be reprimanded and if no improvement is realized the contract terms should be revised.

(iii) Ministry of Water and Environment follow up closely with IGG the investigations into the land that was given away by the Land Commission to ensure non loss of the same when it is early enough.

(iv) MWE should speed up the procurement process such that time is not lost to carry out the planned activities.

(iv) Ministry of Water and Environment to should develop operation and maintenance manuals for constructed piped water supply systems and ensure adherence to the same. This will improve on operation and maintenance of the piped systems thus their sustainability.

## 13.5 Water and Sanitation Development Facility –South West

**Introduction**

Since July 2006 to December 2013, the WSDF-SW has been implementing South Western Towns Water and Sanitation Project Phase III under the code 0160. Now the facility (WSDF-SW) is implementing; 'Support to the Water Supply and Sanitation Development in Small Towns and Rural Growth Centers under the EE MDG Initiative'. The duration of the project comprises an implementation period of 47 months followed by a closure period of up to 18 months (Start Date:12/19/2012 End date:12/30/2018).

The project is located in the South Western Part of the Uganda and is covering 24 districts of Kanungu, Kisoro, Kabale, Ntungamo, Rukungiri, Mitooma, Sheema, Bushenyi, Buhweju, Rubirizi, Mbarara, Isingiro, Kirurhura, Lyantonde, Rakai, Sembabule, Kamwenge, Kasese, Kabarole, Kyenjojo, Kyegegwa, Bundibujo, Ibanda and Ntororko. The new project is targeting a population of 350,000 people living in Rural Growth Centres and Small Towns.

**Expected Outputs**

Improved piped water supply and sanitation in 75 small towns and rural growth centers in the seventeen districts of Kisoro, Kabale, Kanungu, Rukungiri, Ntungamo, Mbarara, Bushenyi, Ibanda, Isingiro, Kiruhura, Kyenjojo, Kasese, Kabarole, Kamwenge, Rakai, Sembabule and Lyantonde.

**Planned Activities for Q1 FY 2013/2014**

WSDF-South West during Q1FY2013/2014 planned to install the national grid for Kahunge, solar systems for Rutokye, procure two stand-by generators, start construction of demonstration and public toilets. Complete designs for one Rural Growth Center(RGC) in Nyakashaka facility, monitor, supervise and provide backup support to water authorities, water boards and scheme operators in the completed schemes of Kazo, Kiruhura, Lyantonde, Kakuto, Kakyanga, through workshops and on job training to ensure that they run as designed.

The facility planned to procure private operators for completed schemes of Kyempene, Kinoni, Rutokye, Kahunge, and do test running of completed water supply and sanitation systems in Kazo, Kiruhura, and Lyatonde.

**Field Findings**

This section presents financial progress, physical progress and linkages between financial and physical performance of the project.

**Financial Performance**

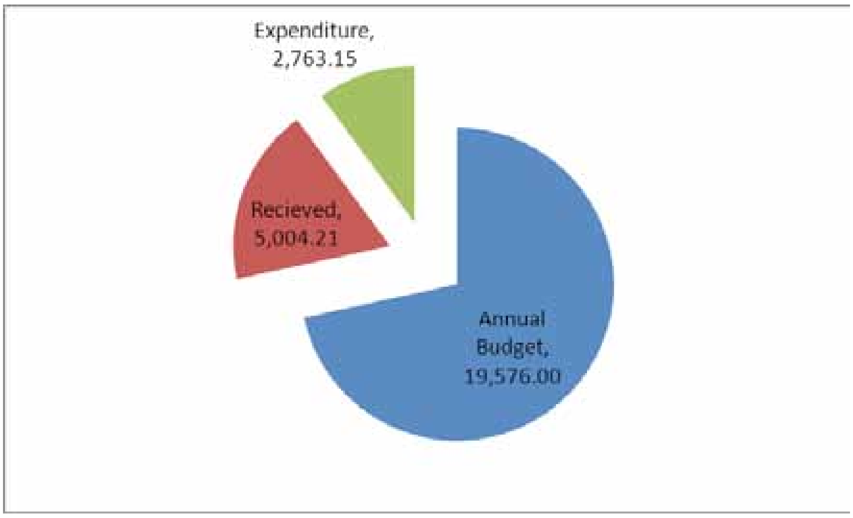
The facility's total approved budget for FY 2013/2014 is Ug shs19, 576,000,000 of which Ug shs 18,000,000,000 is the donor contribution and Ug shs 1, 576,000,000 is contribution from Government of Uganda. During Q1 FY 2013/2014, Ug shs 5,004.210, 000 was released and Ug shs 2,763,150,000 utilized during the quarter representing 55.2% release utilization. Below is Table 13.23 and Figure13.13 show the financial performance for Q1 FY 2013/2014.

**Table 13.23: WSDF-SW Financial Performance for Q1 FY 2013/2014**

| | Annual Budget FY 2013/2014 | Q1 FY 2013/2014 (Ug shs in millions) | |
|---|---|---|---|
| | | Received | Expenditure |
| **Donor** | 18,000.0 | 4,515.75 | 2,457.19 |
| **GoU** | 1,576.0 | 488.46 | 305.96 |
| **Total** | 19,576.0 | 5,004.21 | 2,763.15 |
| **Percentage** | 100 | 25.6 | 55.2 |

***Source: WSDF-SW Q1 FY 2013/2014***

**Figure 13.13: WSDF-SW Financial Performance for Q1 FY 2013/2014**




***Source:WSDF-SW Q1 FY 2013/2014***

**Physical Performance**

During Q1 FY 2013/2014, WSDF-SW started construction of piped water supply systems in nine towns of Kyempene, Kikagati, Matete, Kahunge, Kabuga, Rutokye, Kinoni and source protection for Kanungu Town council water supply system. Completed design of water supply and sanitation system of Nyahuka and carried out several follow up meetings with the different communities in order to help the communities fulfill all the community obligations which are a requirement for a complete application for construction.

Below is Table 13.24; the summary of main activities and outputs carried out in Q1 FY 2013/2014 for WSDF-SW.

**Table 13. 24: Summary of main activities and outputs carried out in Q1FY 2013/2014 for WSDF-SW**

| Outputs and Activities | | | Q1 FY 2013/2014 | | |
|---|---|---|---|---|---|
| | | | **Planned** | **Achieved** | **Reasons for deviation** |
| Fully Functional Water Schemes in RGCs/STs | Design of Water supply & sanitation systems | Complete designs | 3<br>(Nyahuka, Butare-Mashonga, Design Review of Office Block) | 1(Nyahuka) | The procurement of consultant to review the architectural designs and the structural analysis had not been concluded. |
| | Construction completed | Receive Applications for construction | 2(Kinuka, Kasagama) | 2(Ntusi, Kasensero) | Kinuka and Kasagama have not concluded the acquisition of land |
| | | Start construction works | 9(Kyempene, Kikagati, Matete, Kahunge, Kabuga, Rutokye, Kinoni-Mbr, Source protection for Kanungu TC WSS, Rugaaga Iron removal plant) | 9(Kyempene, Kikagati, Matete, Kahunge, Kabuga, Rutokye, Kinoni-Mbr, Source protection for Kanungu TC WSS, Rugaaga Iron removal plant) | |
| | | Complete construction works | 3(Kakyanga, Kazo, Lyantonde) | 1(Kakyanga(100%), Kazo(98%), Lyantonde(90%) | The contractor for Lyantonde was slow to commence works.<br>Some Pipes in Kazo were cut by the road constructors and cleaning of the boreholes delayed completion. |
| Sanitation Coverage in RGCs | Improved sanitation services & hygiene | Receive applications for smart incentives | | | |
| | | Masons trained | | | |
| | | Demonstration Toilets Constructed | | | |
| | | Public Toilets Constructed | | | |
| | | Sludge treatment Plants constructed | | - | |
| | | Communities trained | 6 | 6 | |

| | | | | | |
|---|---|---|---|---|---|
| Monitoring supervision, capacity building for urban authorities and private operators | WSSBs/ Operators Trained | | 3 | 4 | The WSSB for Kiruhura had some stubborn members who needed constant monitoring and capacity building.<br><br>Kazo has not yet been handed for Operation and maintenance |
| Effective & Efficient Management System | WSDF management | | | | |

***Source: WSDF-SW Q1 FY 2013/2014 Progress Report, Field Findings***

Field visits were made to Kahunge town water supply and sanitation system and Kabuga rural growth center water supply system to assess level of implementation during the quarter.

**Field Findings**

**(i) Kahunge Town Water Supply and Sanitation System**

The contract for the construction of Kahunge town water supply and sanitation scheme was awarded to Ms.Technical Services limited for a period of six months. The contract was signed on 7th August 2013 and the contractor commenced works on 29th August 2013.

**Scope of Works**

The scope of works included construction of an office block and sanitation facility, construction of a pump house and generator house, construction of a reservoir tank, borehole site works, installation of 8 institutional tap stands and 3 public stand posts, two guard houses, supply and installation of pipeline and supply of tools and equipment.

**Financial Performance**

Findings indicate that Ug shs 412,682,645 of the contract sum (Ug shs 1, 103,513,005) had been paid to the contractor for works done representing 37% of the contract sum.

Below is Table 13.25 showing payments for works done at Kahunge water supply system.

**Table 13.25: Q1 FY 2013/2014 Payments for works of Kahunge Rural Growth Center Water Supply System**

| Bill No. | Description | Contract Sum (Ug shs) | Invoice Amount & Amount Paid (Ug shs) |
|---|---|---|---|
| KAHU 1.0 | GENERAL<br>Preliminaries and Conditions of Contract | 31,070,000 | 23,870,000 |
| WORK ITEMS | | | |
| KAHU 2.0 | Borehole Site Works | 55,557,600 | 54,710,100 |
| KAHU 3.0 | Pump House and Generator House | 39,531,030 | 14,736,460 |
| KAHU 4.0 | Supply and Installation of pipeline | 389,601,060 | 214,009,500 |
| KAHU 5.0 | Reservoir Tank (90m$^3$) | 184,685,050 | 15,162,250 |
| KAHU 6.0 | Tools and Equipment | 6,348,000 | |
| KAHU 7.0 | Electro-mechanical works | 152,226,800 | 49,953,400 |
| KAHU 8.0 | Office Block and Sanitation Facility | 93,265,795 | 26,371,785 |
| KAHU 9.0 | 8 institutional tap stand | 7,252,000 | |
| KAHU 10.0 | 3 public stand posts | 15,918,006 | |
| KAHU 11.0 | 2 guard houses | 27,738,300 | 13,869,150 |
| | Total | 1,003,193,641 | |
| | Add 10% contingencies<br>Grand Total | 100,319,364<br>1,103,513,005 | 412,682,645 |

***Source: Field findings***

**Physical Performance**

**Kahunge Office block under construction**

**Tank basement for erection construction works**

**Tank**

**Supply and Installation of pipeline;** trenching (4.4km), pipe laying (4.4km) and backfilling

(4.4km) of transmission mains completed. Trenching (4.2km), pipe laying (4.2km) and backfilling (4.2km) of distribution lines completed.

**Construction of pump and generator houses;** the pump and generator house at Kahunge primary school was roofed and the generator house was being plastered during monitoring.

**Construction of Guard/Ecosan toilets;** the guard house at Kahunge primary school was roofed and plastered while Lyamugonera source was at roofing level. The ecosan toilet at Kahunge primary school was plastered.

**Tank Installation;** excavation, blinding, reinforcements and casting of the tank pads was completed. It was reported that a $90m^3$ tank will be elevated on a 12 meter tower.

**Office block;** was at roofing level by the end of quarter one *(See photo above).*

**(ii) Kabuga Rural Growth Center Water Supply System**

The contract was awarded to MUPA Technical services at a contract sum of Ug shs 1,374,486,194 for a period of six months. Works commenced on 29th August 2013 and the contractor had used two months of the contract period during monitoring in November 2013.

**Scope of Works**

The scope of works included; construction of $100m^3$($50m^3$ Twin) reinforced concrete reservoir tank, construction of sedimentation tank, construction of office block with sanitation facility, construction of source catchment protection. Construction of 8 public kiosks, supply and installation of transmission main, distribution mains and service lines, construction of pump house, generator and guard houses, construction of private connections and institutions tap stands, Supply and installation of electro-mechanical works and supply of tools and equipments.

**Financial Performance**

The contract sum for the project is Ug shs1, 374,486,194 of which Ug shs. 738,177,628 had been paid by the end of Q1 FY 2013/2014 to the contractor. This is a 53% of the contract sum payment made. Below is Table 13.26 showing payments for Kabuga Town Water Supply and sanitation scheme.

**Table 13.26: Payments for Kabuga Town Water Supply and Sanitation Scheme**

| Certificate No. | Amount certified and paid |
|---|---|
| Certificate 1(Advance Payment) | 412,345,858 |
| Certificate 2 | 325,831,770 |
| Total | 738,177,628 |

***Source: Field Findings***

**Physical Performance**

**Office block and sanitation facility;** substructure, superstructure and roofing of the office block completed. The sanitation facility was at roofing level. Doors and windows were yet to be fixed.

**Supply and installation of transmission main, distribution mains and service lines;** 8.8km of trench for the distribution mains were excavated to the required depth and width. Pipe laying: 2.3kms of 75mm PN10, 6.0kms of 75mm PN6, 200m of 63mm PN6 and 300mm of 63mmPN10 were laid and backfilled.

**Construction of 8 public kiosks**; four kiosk were at wall plate level and two at substructure level.

**Construction of two reservoir tanks of 50m3 each;** site clearance for the reservoir tank was completed; substructure, super structure and plumbing works were yet to be done. Access road to the reservoir tank of about 640m was completed.

**Source Catchment Protection**; general site clearance was completed. Pending works included excavation works, spring protection and fencing off of the source.

**Road crossings;** on distribution mains were done using UPVC 90mm, for 12 meters.

**Pending works** included private connection, construction of sedimentation tank, electro-mechanical works, and construction of household ecosan toilets and installation of eight institutional tap stands.

**Implementation Challenge**

Delay by communities to fulfill their obligations especially acquiring land for development.

**Analysis**

***Link between financial and physical performance***

WSDF-SW received 25.6 % (Ug shs 5,004,210,000) of the GoU approved budget (Ug shs 19,576.000.000) for the FY 2013/2014. Expenditure by the end of the Q1 was Ugs shs 2,763,150,000 representing an absorption capacity of 55.2%.

The facility had good allocation efficiency as 55 % (Ug shs 2,763,150,000) of the funds released were utilized on; start of construction of piped water systems in nine rural growth centers of Kyempene. Kikagati, Matete, Kahunge, Kabuga, Ruokye, Kinoni and source protection for Kanungu Town Council.

***Achievements of set targets***

The main performance targets for WSDF-SW in the quarter were designs of water supply and sanitation systems and start construction works of the systems. Some of the set targets were 100% achieved such as start of construction in nine towns of Kyempene, Kikagati, Matete, Kahunge, Kabuga, Kinoni, Mbarara, Rutokye and source reconstruction Kanungu.

**Conclusion**

WSDF-SW had good allocation efficiency. Most of the funds were utilized on ensuring access to safe piped water supply in rural growth centers through construction of water supply schemes such as Kabuga and Kahunge, and improve sanitation levels in the Rural Growth Centers. The facility had the challenge of delay by communities to fulfill their obligations especially acquiring land for development and slow pace of contractors.

**Recommendations**

i) WSDF-SW should continue with follow up meetings to ensure communities fulfill their obligations as a part of community contribution.

The facility should withhold payments for contractors who do unsatisfactory works until work is satisfactory and stopped from carrying out future works in the region.

# Part 4:

# CONCLUSIONS

# Chapter 14: CONCLUSIONS

The overall conclusions that are derived from the field findings and analysis in the previous chapters, focusing on programme implementation during Q1 FY 2013/2014 and part of quarter 2, are presented below by sector.

## Finance

**Central Government Ministries/Agencies**

Most of the approved development budgets FY 2013/2014 for the selected priority Ministries and Agencies has remained the same compared to previous year with the exception of MOH and UNRA registering growth of 24% and 50% respectively. MAAIF registered a budget reduction of 22%.

The Q1 releases performances were in the range of 20-30% with the exception of MOH which release performance was at 13%.

Most of the monitored Ministries/Agencies absorption rates were excellent with the exception of MAAIF, MOH and MOWE which registered low absorption rates of 50%, 37% and 36% respectively. There were varying reasons for low absorption and the notable ones across the Ministries were delayed procurement, insufficient funds and administrative bureaucracies in accessing funds for implementing activities.

**District Local Governments**

- The development budget for the local government conditional grants has been reducing over the years and yet the demands for the social services are on the rise in the local governments.
- Most of the district's received the Q1 releases late in the second month of the quarter and a few other districts' received funds in the last month of the quarter.
- There is a significant improvement in the timely release of funds from the General Fund Account to Sector Accounts. Most of the districts funds take less than a week to reach the sector accounts from the general fund account.
- Some local governments were able to fully absorb Q1 funds and this was due to the fact that most of them were paying for outstanding obligations for the previous year. Those that had low absorption, it was attributed to late receipt of funds and delayed procurement since the process had just been initiated.
- All the districts did not receive development releases for Q4 FY 2012/2013, as a result all the works for Q4 were rolled over and the funds received in Q1 have been used to pay the prior year commitments. This has distorted the development budget for the current financial year.
- The quarterly release for the NAADS grant is not in line with the planting seasons. This affects the timely purchase of inputs especially crops and as a result low absorption of funds.
- Lack of standardized reports at the local government, this affects all the grants as line ministries expect reports in their own format and MFPED expects the same reports in different formats.
- There is very little monitoring and supervision of development projects at the local government and this is attributed to poor facilitation of the monitoring units.

# Agriculture

The overall performance of the agriculture sector during quarter one and part of quarter 2 of FY 2013/2014 was below average (less than 50%). Two of the projects that were monitored exhibited good performance in terms of achieving the set financial and physical targets namely: i) Support to Implementation of Quality Assurance for Fish Marketing ii) Increasing Mukene for Home Consumption. Two projects partially met their targets namely: i) National Livestock Research Institute ii) Support to Fisheries Mechanization and Weed Control. The planned activities for FY 2013/2014 Q1 and Q2 for the Export Goat Breeding and Production project where not implemented as funds for the two quarters where received late on 10th December 2013.

The two projects that performed well had a reasonably good resource absorption capacity and delivered most of the planned outputs. The resource absorption level for the Increasing Mukene for Home Consumption project was at 97.3% in Q1.These funds were used to construct a Mukene store at Kiyindi Buikwe, 4 Mukene drying racks in Bullisa, 4 Mukene drying racks in Buvuma, mapping of fishing grounds and breeding areas and holding several stakeholder meetings. The absorption rate for the Support to Implementation of Quality Assurance for Fish Marketing was at 73%. The project completed establishment of clean water and sanitation and fish handling facilities at 12 out of 18 planned landing sites and construction of 9 District Fisheries Offices. Operations and maintenance of the new infrastructure remains a key challenge.

The NALIRRI successfully transferred technologies and good practices to farmers in various districts for the Animal Nutrition Programme. Other program areas (Livestock Breeding, Livestock health, Apiculture and Insectary) underperformed and their impact and visibility could not be traced at the farm level. The spread of NALIRRI activities over several NARO institutions reduced the overall impact of the Institute. Most performance outputs of the Support to Fisheries Mechanization and Weed Control during Q1 where not delivered. With the end of phase three of the UEAWCP in FY 2010/2011 and delayed renewal of the MoU for the project between GoU and the Egyptian Government, the Support to Fisheries Mechanization and Weed Control slowed down in controlling weeds on the lakes. The weevil rearing centres that were set up for biological control were operating below capacity. And some of the mechanical control equipment was left unsecured at various landing sites.

The overall challenges affecting sector performance included:

- **Under costing or poor budgeting for capital investments:** The MAAIF was unable to meet some of the set targets for infrastructure development and other capital expenses in multi-year projects because of poor budgeting and under costing of capital investments.

- **Inaccurate capture of MAAIF projects in the Public investment Plan:** There are projects in the agricultural sector that present targets and outputs that are not directly attributable to them; the outputs are directly attributable to MAAIF projects that were not included in the Public Investment Plan, particularly Uganda Egypt Aquatic Weed Control Project (UEAWCP).

- **Low absorption of funds:** Some agricultural sector projects exhibited low absorption of funds during FY 2013/2014 Q1 and Q2. For example, out of the approved total budget of Ug shs 1,220,000,000 for FY 2013/2014, Ssembeguya Estates received Ug shs 604,083,066 but it was not spent by December 2013.

- **Lack of set performance targets:** Most agricultural projects lack set quarterly and annual performance targets; most targets are ambiguous and not easy to measure. The performance forms include performance indicators but no quantification of the targets to be achieved. This makes it difficult to track programme/project performance.

## Education

Based on 34 institutions monitored out of the 42, ADB IV project has contributed to the sector objective of contributing to expanding equitable access at Post Primary Education and Training level. The major outputs of the project will largely be achieved. Construction/rehabilitation in a number of schools was nearing completion and the quality of civil works was appreciated by beneficiaries. Teachers in schools visited have benefited from trainings to improve their school management skills. Under the soft component, schools received goods to improve the learning conditions.

## Energy

Budget shortfalls greatly constrained implementation of projects. This was made worse by project specific challenges. Projects implemented by the Rural Electrification Agency are often faced by way leave issues as REA does not meet its commitment of compensating the Project Affected People in time. Solar installation under the ERT-education component was complete. However, the weak solar installation reduced the intended benefits of the project. Physical performance for the Mbarara-Nkenda/ Tororo-Lira-Opuyo project improved as construction works had commenced for both the Mbarara-Nkenda and Tororo-Lira-Opuyo transmission lines; as compared to the status by the end of FY 2012/2013. By the end of the previous financial year, the project which started in May 2011 was at Resettlement Action Plan (RAP) implementation stage. There are unresolved conflicts regarding land compensation. Nevertheless, good performance was seen across the sector in terms of absorptive capacity, and most of the projects monitored had registered improvement in physical performance.

## Health

In all the hospitals monitored, implementation of the new projects planned for this financial year had not started. Those with roll over projects were progressing well, with the exception of Jinja Regional Referral Hospital where work on the private wing was behind schedule. Good construction works were noted at Gulu Regional Referral Hospital. Across the four hospitals monitored, variations in the development budget, inadequate staff accommodation, staff shortages and inadequate non wage recurrent budget were the key challenges that were affecting the health care delivery in these hospitals.

In local governments, Static and inadequate budget for PHC development, Staff shortages, lack of staff accommodation, and inadequate non wage recurrent budget greatly constrained the performance of local governments. Across the districts monitored, absorption was low as the local governments had implemented few activities. Physical performance was also low because the entities were just in their procurement processes.

## Information and Communication Technology

In line with the sector vision of "a knowledge based Uganda where national development and good governance are sustainably enhanced and accelerated by timely and secure access to information and efficient application of ICT". A number of activities were executed during Q1FY2013/2014.

Overall progress for the monitored projects in the ICT sector was fair as a number of planned activities were at various levels of procurement while others were under implementation. 26% of the budget was released in the period under review. Expenditure performance was below average as 34% of the released funds were absorbed.

Under the sector component of utilization of ICT in all spheres of life to enable the country achieve its development goals; progress was fairly on target with the increased provision of ICT equipment to schools to aid learning. Teachers and in some cases the community are able to use the supplied equipment. Fair progress was registered on delivery of telemedicine equipment to health facilities with none of the receiving entities using the equipment for the intended purpose.

The component of support to health institutions for telemedicine is greatly affected by non-delivery of internet connectivity, and lack of training to the health personnel. The component of Establishment of ICT laboratories is affected by lack of trained government ICT teachers, lack of ICT laboratories and mechanism for maintenance of the received equipment.

Equity component through provision of solar powered equipment to schools without grid power and provision of grid powered computers to areas with grid power is a good practice in the sector. This has enabled both the rural and urban schools to benefit.

The binding constraints to meeting the sector targets were processes of transitioning to the IFMS system during the period under review upon attainment of vote status by NITA-U and delays in creation of suppliers on the IFMS system thus leading to poor funds absorption. There were also other challenges of insufficient funding, resistance to change from manual to e-electronically enabled services and slow recognition and acceptance of NITA-U as an IT Authority mandated to coordinate, monitor IT systems by other government departments.

## Industrialisation

Industrialization sector has the potential to propel economic growth and development. From the selected projects reviewed, the sector is on track to achieve the objectives which include but not limited to: Promotion of development of industries that add value to farm produce; Increase competitiveness of local industries through development and promotion of Small and Medium Enterprises (SMEs); and Strengthening research and technology developments in industrial application.

Release performance was good as 42.8% of the approved budget was released during the period under review. The absorptive capacity on the other hand was excellent as 84% was expended in an efficient manner as expenditures were higher on items with multiplier effect in the sector. Some progress towards value addition has been registered through support to cooperative societies under the One Village one product, increased investment in establishment of facilities like Mbarara winery, Luweero essential oils, and construction of Tooke processing facility. Efforts to attract investors through servicing the parks have also been made to ensure a conducive environment for industrial development.

The sector has however been affected by inadequate funding to meaningfully propel technology transfer, value addition and overall industrialization. UIRI for instance as set out in the National Development Plan requires Ug shs 21 billion per FY for a period of 5 years which has not been realized. Similarly the UIA funding for the development of industrial parks significantly reduced from Ug shs 9.36 billion in FY 2011/12 to Ug shs 2.69 billion in FY2012/2013 and 13/14to Ug shs2.69 billion which is insufficient to service a single park, similar shortages in funding has been experienced in OVOP under MTIC. There were also issues of poor planning where for instance, a contractor was engaged by UIA to service the park before the design reviews from the consultant were completed. A similar case of planning was noted under OVOP where some beneficiaries were selected and provided with equipment before they had a shelter to house it. Such challenges make industrial development difficult.

## Microfinance

During Q1 FY 2013/2014 (July to September 2013), Ug shs 1,517 million (25% of the approved budget) was received from Government towards the operating costs and nothing towards credit. Ug shs 13,250 million was available for credit from AfDB during the quarter for lending to clients. During the quarter Ug shs 9,046 million was repaid from loans also available for lending. Ug shs 312 million was available from IsDB for RIEEP consultancies in Islamic lending. The Company realised 110% of the planned sources of funding.

During July –September 2013 quarter, the Company loan disbursement was below average. The Company disbursed 39 loans (52%) of the planned 75 loans. The amount disbursed was Ug shs 2,668,583,377 i.e 41% of the target of Ug shs 6,500,000,000.

The cumulative repayment rate as at end of September 2013 was 90%. There has been an increase in the repayment rate from 89% as at the end of last quarter. The total outstanding loan as at 30th September 2013 was Ug shs 45,535,192,975. The quality of the portfolio PAR> 90 days was poor at 31.3%.

**Key challenges**

- Poor governance and management practices especially in SACCOs coupled with high default has led to a slowdown in MSC loan disbursement.

- Stakeholder weaknesses; UCSCU, REP and UCA have not done enough to build the capacity of SACCOs and clear linkages between these entities. This is evidenced by the so many weak SACCOs.

- Some zonal offices reported late receipt of funds from MSC HQs and as a result it delays the implementation of activities at the zonal office.

- There are increasing cases of Fraud in many SACCOs as managers are running away with SACCO funds. Even in cases where the culprits are apprehended, police takes too long to charge them.

- Default by politicians: Government politicians especially County chiefs and LC111 chairpersons are borrowing from SACCOs and are defaulting

## Roads

There is a funding gap for the maintenance works brought about by the low contribution of government sources and yet there are a considerable number of roads that needs to be intervened. This has brought about a growing backlog on the national and DUCAR network. Furthermore, UNRA stations have an aged fleet of equipment which is hard to maintain. The nature of equipment calls for high maintenance costs yet there is insufficient funding. Due to this, procrastination of repairs is unavoidable leading to numerous breakdowns which the station personnel cannot handle.

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 release to the designated entities.

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.

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.

Late release of funds and length procurement systems means that planned works are implemented over two quarters, hence not meeting the targets.

Implementation of activities in the MoWT was hindered by: the non authorization of released funds for routine core activities and other field activities (surveys and data collection) to be carried out by the ministry staff such as support supervision, monitoring and allowances and; failure to access the released funds for the some project activities like the Rehabilitation of Upcountry Aerodromes

## Water, Environment and Sanitation

The sector performance in the Q1 FY 2013/2014 varied for various projects and programmes though generally both financial and physical performance for the monitored projects was rated at 40% (rural) and 60% (urban). The release performance for all development programmes stood at 24.2% of the annual budget which was a very good performance of the release (GoU) and 11.7% (with Donor funding). Overall utilization was 39.7% (GoU and Donor) which was poor performance for the sector.

Under Output 090180: Construction of Piped Water Supply Systems (Rural); Project 158: School and Community-IDPs, the financial performance was 2.6% which was very poor. For example there was no money payment for construction of Kahama piped system. This meant 0% for the release in the quarter while works were at 70% and had halted due to land conflicts. Project 0163: Support to Rural Water Supply Project financial performance was at 31.7% which is below average and no money was paid for extension of Tororo Manafwa contractor project during the quarter. Though the project now stands at 95% (physical performance).

The District Water and Sanitation Development Conditional Grant (DWSDCG) performed excellently in terms of releases to the districts monitored in the quarter. This was 25% of the approved budget automatic release. An overall absorption capacity of 47.1% was realized which was below average. About 60% of the funds received were utilized to effect payments for activities of FY 2012/2013 and 40% on planned activities for Q1 FY 2013/2014. The debts for last FY negatively affected the numbers of both planned and implemented activities in the quarter. Only 70% of the set targets for software activities were achieved while hardware activities were undergoing the procurement process. Funds were released rather late in the quarter with some districts receiving money two months late in the quarter. The technical breakdown of the IFMS further delayed works in districts (Kyenjojo, Mubende and Mbale). Other implementation challenges included poor quality of materials on the market and budget shortfalls in the previous quarter (FY 2013/2014).

On average all districts visited received five million of the 20 to 23 million budgeted for in the quarter for the Hygiene and Sanitation grant (DHSDG). Six out of eight districts monitored utilized 63% of the money released which was good performance. Only Mbale and Ntungamo had 0% performance of their budget release in Q1 utilized. Districts planned and started implementation of Community Led Total Sanitation and Home Improvement Campaigns. Staffing affected execution of all the planned activities.

Under urban (Water and Sanitation Development Facilities Central, East and South West) 70% of the funds released was utilized which was a good financial performance. WDSF Central, over short their physical performance targets which was excellent. The works not completed in WSDF were due to ongoing procurements, land conflicts and delay of works by contractors.

# Chapter 15: RECOMMENDATIONS

This chapter highlights the key recommendations emerging from the field findings on the physical and financial performance of selected Government programmes during Q1 FY 2013/2014.

## Finance

**Central Government Ministries/Agencies**

1) There is need to conduct a detailed study on the procurement processes in both Ministries and Local Governments in order to identify all the issues leading to the delayed procurement. This will help to inform government on the necessary action, whether operational or policy.

2) The MFPED should release funds as per the work plans of the implementing entities and in this case the issue of insufficient funds will not arise.

3) The line Ministries to reduce or eliminate administrative bureaucracies so that implementing entities can easily access funds and implement planned activities in time.

**District Local Governments**

1) There is need to have a stable or growth in the budget allocation for the conditional grants to local governments because the service delivery needs is always increasing.

2) MFPED and other line Ministries to always release funds in time to ensure timely absorption of funds.

3) The timing of NAADS releases should be harmonized with the planting seasons so that funds are not received when the planting season is over.

4) The MFPED, MOLG and other Line Ministries should have a tripartite arrangement and harmonize the reports to have standard reports. This will save the LGs from making multiple reports to different entities and in different formats.

5) The grants budget should allocate a reasonable amount to monitoring and supervision to enable coordinator effectively supervises the development activities

## Agriculture

1) The MAAIF should improve planning and costing for infrastructure development, especially in large multi-year projects.

2) The MFPED should ensure that all programmes and projects that benefit from Government funding are included in the Public Investment Plan to eliminate inconsistencies and confusion in accounting for project funds and outputs.

3) The MAAIF needs to improve and fast track transfer of resources to the implementing Departments and projects and encourage early initiation of procurement processes by the implementing agencies.

4) The MAAIF should review its performance indicators and targets to ensure that they are smart and aim at achieving sector objectives.

5) The MAAIF should implement another phase of the Support to Implementation of Quality Assurance for Fish Marketing project to construct the fish handling facilities that were not done in the current phase and extend reach to other districts.

6) The NARO/NALIRRI, in collaboration with the International Atomic Energy Agency should fast track calibration of equipment in the insectary to enhance its functionality.

7) The NARO should review and restructure the set up of NALIRRI programmes to enhance service delivery, especially in the areas of Livestock breeding, Livestock Health, Apiculture and Insectary). Activities, staff and animals that belong to NALIRRI but are based at other NARO institutes should be relocated back to the Tororo Institute for enhanced functionality.

## Education

1) MoES should expedite the process of processing all submitted interim certificates to ensure that contractors do not experience delays in receiving payments for completed works.

2) MoES should ensure that civil works for expansion of Bulamu Seed and Kalisizo Seed schools are contracted out as soon as possible and completed before the expiry of the project.

3) MoES should ensure that causes of slow approvals of genuine variations are addressed. This will go along way in expediting and completing of all civil works before the expiry date of the project.

4) MoES should come up with alternative funding modalities for the terminated contract of the 3 schools (ie. Kamwenge S.S, Katungulu S.S and Bufunjo S.S.). These schools remain remote and needy and are in sub counties without any Government aided secondary schools.

5) MoES should ensure that all schools under ADB IV receive all items for which they were entitled under the soft component. (i.e. Furniture, books, sports equipment, laboratory equipment and sponsorship of the girl children).This will go a long way in ensuring that there is value for money.

6) MoES should Endeavour to fulfill all conditions for sending the remaining part of UA 29,071,931.23 (55%) undisbursed funds as the project is coming to the end. GoU should also fulfill their part of completing the counterpart funding to 100%.

7) MoES should also prevail on contractors to rectify the identified defects in schools before the expiry of the defects liability period (e.g. in the case of Mella S.S.)

## Energy

1) Quarterly releases should be paid in full to energy sector projects to allow improved planning and timely implementation of projects. If there is an issue leading to less release of funds, early notification should be given.

2) REA should fulfill its obligation of compensating project affected people on time. This will speed up the implementation of rural electrification projects by the contractors.

3) The Ministry of Education and Sports which is implementing the ERT sub-component should install efficient solar panels as spelt out in the ERT 11 operations manual.

4) There is a need for MFPED to create a budget line to facilitate the district land boards to review land rates on a regular basis.

5) MFPED should release funds to the Oil Refinery project to speed up the RAP implementation.

## Health

1) The Regional Referral Hospitals would benefit significantly in terms of long term planning of capital development projects from having a more stable budget allocation over the years. In particular it is recommended that the capital development allocation to the hospitals should follow the medium term expenditure frame work (MTEF) as is the case with other votes.

2) The budget for the non wage recurrent expenditure needs to be increased to enable the hospitals to meet the increasing costs of service provisions.

3) The hospitals need to construct more staff accommodation facilities to attract and retain the much needed critical staff.

4) Capital development funds should be paid in full to Regional Referral Hospitals and Local Districts. This would allow proper long term planning of capital development projects as well as timely payment of contractors for completed work. If Central Government experiences a shortage of funds then timely notification of this shortfall should be relayed to districts and hospitals. Likewise RRHs would benefit from having a more stable budget allocation over the years.

5) The static budget allocation needs to be reviewed on the basis of rising resource costs, increasing demands for healthcare provision within the district, and the additional costs associated with roll-over in project implementation. In addition, the distribution of funds between districts needs to be reviewed in order to ensure that allocations meet the differing needs and circumstances of different districts.

## Information and Communication Technology

1) As a primary growth sector, timely implementation of core activities and provision of complete requisite packages is key in facilitating development. There is need to: Fast track implementation of the sector activities especially completion of the National Backbone Infrastructure and last mile connectivity. This could be implemented through early procurement so that contracts are signed off as soon as funds are received from MFPED and development partners so that physical implementation is not delayed. This will enhance funds absorption which is a significant challenge in the sector.

2) The MoES should provide for ICT laboratories in schools. Majority of the visited schools had simply turned class rooms/stores/corridors into ICT laboratories. These usually have different specifications from an ICT laboratory and this affects maintenance of the computers.

3) The Ministry of Education should in addition provide for maintenance support through budgetary provisions under the capitation grant to facilitate the regular maintenance of the equipment. In any case, the Ministry of Education under the MoU with UCC undertook to sustain the project and programme by ensuring that the received equipment is functional upon the expiry of the warranty period.

4) Under the component to the health sector: provision of a comprehensive training to the medical staff is urgently required. It was noted that health personnel in all monitored facilities had not received comprehensive training on use of ICT equipment and telemedicine. The Uganda Communications commission should deliver the full package of necessary materials including Internet connectivity for the anticipated services to take off.

## Industrialisation

1) Government of Uganda should walk the talk of industrialization by providing adequate funds for servicing industrial parks and supporting commercialization of prototypes from scientific research, and value addition of local products under the OVOP project. The meager funds allocated to UIA should be optimally used to service parks in a phased manner for effective results instead of spreading wide with no impact. A similar approach can be used among the other players in the sector in optimally utilizing the meagre allocations.

2) The UIA together with the Soroti industrial parks road consultant should urgently finalise the designs of the roads and give the contractor instructions to avoid delayed project implementation and cost overruns due to unnecessary interest arising from idle time.

3) The Ministry of Trade, Industry and Cooperatives should assess the capacity of each enterprise supported under the OVOP project and ensure that all necessary facilities are in place before procuring and delivering equipment to groups.

## Microfinance

1) There is need to have a stable or growth in the budget allocation for the conditional grants to local governments because the service delivery needs is always increasing.

2) MFPED and other line Ministries to always release funds in time to ensure timely absorption of funds.

3) The timing of NAADS releases should be harmonized with the planting seasons so that funds are not received when the planting season is over.

## Roads

1) Failure to acquire land on time has continued to delay projects and is likely to create claim situations. It is recommended that UNRA should devise a strategy that expedites the valuation, verification and payment process for land acquisition. Land and properties to be acquired should be captured and valued, memorandum of understanding should be signed with them as the valuation process is taking place and contractors are allowed to work in these affected areas as the compensation of process takes place.

2) The equipment supplied to the district only does light grading yet there is a lot of backlog maintenance on the road networks requiring rehabilitation. Only two out of the five regions have received the heavy construction equipment, this is creating a lot of backlog as each region caters for about 30 districts. More regional equipment should be supplied in order to deal with the backlog.

3) Timely release of maintenance funds to designated agencies will ensure that planned works are implemented on time and the issue of unspent balances does not arise.

4) There is need for coordination between the MOWT and the implementing agencies that received funds through it in order to avoid delays in transfers of funds. Officers who hold funds for other agencies without clear reason should be punished because this constrains the end users.

## Water and Sanitation

1) The Ministry of Finance Planning and Economic Development should try to release all the project development budgets by the third quarter as committed in the last Budget Workshops (First Budget Circular 2014/15). The Ministry should practice proper budgetary principles to avoid budget short falls. This will reduce on works backlogs and effect smooth running of projects.

2) There is need for government to start planning buying land for development projects especially big projects. Land is becoming a very sensitive matter countrywide in that even existing projects need to be gazzeted and plans be made to buy land for new projects to avoid future encumbrances.

3) The Ministry of Finance Planning and Economic Development should plan to build capacity of local governments and fast track the breakdowns of the IMFS to avoid delays in money transfers and payment processing. The trained staff will rectify the small local IFMS challenges and speed up payments.

4) The Local Government Ministry should ensure the recruitment of key personnel in the District Local Governments most especially department heads to effectively plan, budget and implement the necessary/development activities. If there is no provision for recruitment given the budget ceilings; then the DWSDCG can be utilized to plan and budget for the needed personnel.

5) The Center (MWE) should fasten the procurement processes to avoid implantation delays with all the negative implications it comes with. Start procurement processes early enough to avoid some inconveniences that arise out of delays.

6) The Uganda Bureau of Standards should take up their responsibility for quality controlling materials on the markets for water projects especially the rods and pipes. The Bureau should have quality testing equipment and monitor products of the market and sanction law breakers.

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